


LEARNING MADE EASY



6th Edition

# QuickBooks® Online

for  
**dummies**®  
A Wiley Brand

A circular inset image showing two women in a kitchen or cafe setting. Both are wearing white aprons over blue shirts. They are looking at a tablet computer held by the woman on the right. The background is a blurred interior of a food service area.

Maintain and organize  
your business finances online

Access and manage  
accounts using any device

Pay bills, create invoices, and  
record customer payments

**David H. Ringstrom, CPA**

*President of Accounting Advisors, Inc.*

**Elaine Marmel**



# QuickBooks® Online

6th Edition

by David H. Ringstrom, CPA  
and Elaine Marmel

for  
**dummies**  
A Wiley Brand

**QuickBooks® Online For Dummies®, 6th Edition**

Published by: **John Wiley & Sons, Inc.**, 111 River Street, Hoboken, NJ 07030-5774, [www.wiley.com](http://www.wiley.com)

Copyright © 2021 by John Wiley & Sons, Inc., Hoboken, New Jersey

Published simultaneously in Canada

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning or otherwise, except as permitted under Sections 107 or 108 of the 1976 United States Copyright Act, without the prior written permission of the Publisher. Requests to the Publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, (201) 748-6011, fax (201) 748-6008, or online at [www.wiley.com/go/permissions](http://www.wiley.com/go/permissions).

**Trademarks:** Wiley, For Dummies, the Dummies Man logo, Dummies.com, Making Everything Easier, and related trade dress are trademarks or registered trademarks of John Wiley & Sons, Inc. and may not be used without written permission. QuickBooks is a registered trademark of Intuit, Inc. All other trademarks are the property of their respective owners. John Wiley & Sons, Inc. is not associated with any product or vendor mentioned in this book.

LIMIT OF LIABILITY/DISCLAIMER OF WARRANTY:  
THE PUBLISHER AND THE AUTHOR MAKE NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE CONTENTS OF THIS WORK AND SPECIFICALLY DISCLAIM ALL WARRANTIES, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE. NO WARRANTY MAY BE CREATED OR EXTENDED BY SALES OR PROMOTIONAL MATERIALS. THE ADVICE AND STRATEGIES CONTAINED HEREIN MAY NOT BE SUITABLE FOR EVERY SITUATION. THIS WORK IS SOLD WITH THE UNDERSTANDING THAT THE

PUBLISHER IS NOT ENGAGED IN RENDERING LEGAL, ACCOUNTING, OR OTHER PROFESSIONAL SERVICES. IF PROFESSIONAL ASSISTANCE IS REQUIRED, THE SERVICES OF A COMPETENT PROFESSIONAL PERSON SHOULD BE SOUGHT. NEITHER THE PUBLISHER NOR THE AUTHOR SHALL BE LIABLE FOR DAMAGES ARISING HEREFROM. THE FACT THAT AN ORGANIZATION OR WEBSITE IS REFERRED TO IN THIS WORK AS A CITATION AND/OR A POTENTIAL SOURCE OF FURTHER INFORMATION DOES NOT MEAN THAT THE AUTHOR OR THE PUBLISHER ENDORSES THE INFORMATION THE ORGANIZATION OR WEBSITE MAY PROVIDE OR RECOMMENDATIONS IT MAY MAKE. FURTHER, READERS SHOULD BE AWARE THAT INTERNET WEBSITES LISTED IN THIS WORK MAY HAVE CHANGED OR DISAPPEARED BETWEEN WHEN THIS WORK WAS WRITTEN AND WHEN IT IS READ.

For general information on our other products and services, please contact our Customer Care Department within the U.S. at 877-762-2974, outside the U.S. at 317-572-3993, or fax 317-572-4002. For technical support, please visit <https://hub.wiley.com/community/support/dummies>.

Wiley publishes in a variety of print and electronic formats and by print-on-demand. Some material included with standard print versions of this book may not be included in e-books or in print-on-demand. If this book refers to media such as a CD or DVD that is not included in the version you purchased, you may download this material at <http://booksupport.wiley.com>. For more information about Wiley products, visit [www.wiley.com](http://www.wiley.com).

Library of Congress Control Number: 2020951419

ISBN 978-1-119-67907-3 (pbk); ISBN 978-1-119-67908-0  
(ebk); ISBN 978-1-119-67903-5 (ebk)

# QuickBooks® Online For Dummies®

To view this book's Cheat Sheet, simply go to [www.dummies.com](http://www.dummies.com) and search for “QuickBooks Online For Dummies Cheat Sheet” in the Search box.

## Table of Contents

[Cover](#)

[Title Page](#)

[Copyright](#)

[Introduction](#)

[About This Book](#)

[Foolish Assumptions](#)

[Icons Used in This Book](#)

[Beyond the Book](#)

[Where to Go from Here](#)

[\*\*Part 1: Getting Started with QBO and QBOA\*\*](#)

[\*\*Chapter 1: Introducing QBO and QBOA\*\*](#)

[QBO for the Client and QBOA for the Accountant](#)

[Understanding the Cloud](#)

[Should You Move to the Cloud?](#)

[System Requirements](#)

## **Chapter 2: Embracing the QBO/QBOA Format**

[It's All about Subscriptions](#)

[What Does It Cost?](#)

[Addressing Payroll Needs](#)

[Switching from QuickBooks Desktop](#)

[Where Add-On Apps Fit In](#)

## **Part 2: Managing the Books for the End User**

### **Chapter 3: Creating a Client Company in QBO**

[Signing Up for QBO](#)

[Setting Up a New Company](#)

[Understanding the Dashboard Page](#)

[Establishing Company Settings](#)

[Working with Multiple Currencies](#)

[Updating the Chart of Accounts](#)

[Taking Advantage of QuickBooks Labs](#)

[Signing In to and Out of QBO](#)

### **Chapter 4: Managing List Information**

[Importing People into a List](#)

[Adding New People to a List](#)

[Searching Lists for People](#)

[Changing Settings for People Lists](#)

[Working with Products and Services Items](#)

[A Look at Other Lists](#)

### **Chapter 5: Dealing with the Outflow of Money**

[Writing a Check](#)

[Creating an Expense](#)

[Entering a Purchase Order](#)

[Entering and Paying Bills](#)

### **Chapter 6: Managing the Inflow of Money**



[Managing Projects](#)  
[Getting Started with Sales Transactions](#)  
[Giving Money Back to a Customer](#)  
[Creating Billable Time Entries](#)  
[Adding a Billable Expense to an Invoice](#)

## **Chapter 7: Working in Registers**

[Understanding Registers](#)  
[Entering and Editing Transactions](#)  
[Other Things You Can Do in a Register](#)

## **Chapter 8: Handling Bank and Credit Card Transactions**

[Controlling the Appearance of Bank Accounts](#)  
[Connecting QBO Accounts to Financial Institutions](#)  
[Converting Receipts to Transactions](#)  
[Managing Downloaded Activity](#)  
[Making a Bank Deposit](#)  
[Reconciling a Bank Account](#)  
[Tagging Transactions](#)

## **Chapter 9: Paying Employees and Contractors**

[Understanding the Employee Payroll Process](#)  
[Getting Started with QBO Payroll \(QBOP\)](#)  
[Preparing Payroll](#)  
[Managing Payroll Taxes](#)  
[Paying Contractors](#)

## **Chapter 10: How's the Business Doing?**

[Quickly Review Income and Expenses](#)  
[Finding the Report You Want](#)  
[Printing a Report](#)

## **Part 3: Managing the Books for the Accountant**

### **Chapter 11: Setting Up Shop in QBOA**

[Signing Up for and into QBOA](#)

[Examining the QBOA Interface](#)

[Setting Up Your Team](#)

[Controlling the Appearance of the Client List](#)

[Understanding and Using the Free QBOA Company](#)

[Working with the Sample Company](#)

[Closing Companies and QBOA](#)

[Working with Wholesale Billing](#)

## **Chapter 12: Adding Companies to the QBOA Client List**

[Adding a Client's Company to the Client List](#)

[Importing QuickBooks Desktop Information into QBO](#)

[Switching between Client QBO Companies](#)

## **Chapter 13: Exploring a Client's Company from QBOA**

[Opening a Client's Company](#)

[Reviewing a Client QBO Company](#)

## **Chapter 14: Working in a Client's Company**

[Making Navigation Easy](#)

[Examining Available Transaction Types](#)

[Searching for Transactions](#)

[Making Client Notes](#)

[Communicating with a Client](#)

## **Chapter 15: Using Accountant Tools**

[Reporting and Paying Sales Taxes](#)

[Managing Your Practice](#)

[Facilitating Accountant Activities](#)

## **Part 4: The Part of Tens**

### **Chapter 16: Ten Things about the Chrome Browser Interface**

[Understanding Users](#)

[Windows and Tabs](#)

[Using the Omnibox to Visit a Web Page](#)

[Using the Omnibox to Search the Web](#)

[What's the Star?](#)

[Full-Screen Mode](#)

[Accessing Your Browsing History](#)

[Examining the Chrome Menu](#)

[About Signing In to \(and Out of\) Chrome](#)

[Using the Chrome Web Store](#)

## **Chapter 17: Ten Ways to Use Chrome Effectively**

[Setting a Home Page](#)

[Automatically Opening Excel Reports Exported from QBO](#)

[Using Keyboard Shortcuts](#)

[Chrome and Security](#)

[Chrome and Privacy](#)

[Using Bookmarks in Chrome](#)

[Duplicating and Pinning Tabs](#)

[Using Chrome on Multiple Monitors](#)

[Working with Chrome Users](#)

[Zooming In and Out](#)

[Downloading Files](#)

## **Appendix A: QBO, QuickBooks Desktop, and Data Conversion**

[What Doesn't Import](#)

[Features Not Fully Available in QBO](#)

[Looking at List Limitations](#)

[Exploring Payroll Conversion](#)

[Examining Inventory and the Items List](#)

[Examining Other Special Cases](#)

## **Index**

## **About the Author**

## **Connect with Dummies**

## **End User License Agreement**

# List of Tables

## Chapter 2

[TABLE 2-1 QBO Subscription Pricing](#)

## Chapter 8

[TABLE 8-1 An Acceptable Three-Column Format](#)

[TABLE 8-2 An Acceptable Four-Column Format](#)

## Appendix A

[TABLE A-1 QuickBooks Desktop Data That Won't Import](#)

# List of Illustrations

## Chapter 1

[FIGURE 1-1: An open company in QBO.](#)

[FIGURE 1-2: The first view an accountant has when he opens QBOA.](#)

[FIGURE 1-3: An open company in QBOA.](#)

[FIGURE 1-4: QBO while working in QBO Desktop.](#)

[FIGURE 1-5: QBOA while working in QBO Desktop.](#)

## Chapter 2

[FIGURE 2-1: If you sign up for QBO on your own, you can turn on Payroll from th...](#)

[FIGURE 2-2: Take a trip to the App Center to search for additional functionalit...](#)

[FIGURE 2-3: When you click an app in the App Center, you see details for the ap...](#)

## Chapter 3

[FIGURE 3-1: Use the slider to toggle between a short-term discount or a free tr...](#)

[FIGURE 3-2: Fill in the information needed to start the free trial.](#)

[FIGURE 3-3: Provide basic company information.](#)

[FIGURE 3-4: Select activities for which you expect to use QBO.](#)

[FIGURE 3-5: Your QBO Dashboard page just after creating your company.](#)

[FIGURE 3-6: The QBO Dashboard page after closing the additional setup box.](#)

[FIGURE 3-7: The Help menu.](#)

[FIGURE 3-8: A sample Help topic.](#)

[FIGURE 3-9: Click the New button to create a new transaction.](#)

[FIGURE 3-10: Click the Search button to search for previously entered transacti...](#)

[FIGURE 3-11: Use the Gear menu to work with settings, lists, tools, and your QB...](#)

[FIGURE 3-12: Review company settings.](#)

[FIGURE 3-13: Review QBO billing and subscription settings.](#)

[FIGURE 3-14: The Sales page of the Account and Settings dialog box.](#)

[FIGURE 3-15: Use this page to edit an existing form style or set up a new form ...](#)

[FIGURE 3-16: The page you use to customize sales forms.](#)

[FIGURE 3-17: Make changes to the email your customers receive with their forms.](#)

[FIGURE 3-18: Use the Import Form Style page to download sample forms and instru...](#)

[FIGURE 3-19: In Word, place information that QBO should replace in brackets.](#)

[FIGURE 3-20: Expense preferences you can control.](#)

[FIGURE 3-21: The Advanced tab of the Account and Settings dialog box.](#)

[FIGURE 3-22: Turning on Multicurrency.](#)

[FIGURE 3-23: The Currencies page.](#)

[FIGURE 3-24: Assigning a foreign currency to a new customer.](#)

[FIGURE 3-25: Creating an invoice for a customer who uses a foreign currency.](#)

[FIGURE 3-26: An invoice for a foreign currency customer shows values in both th...](#)

[FIGURE 3-27: Values on reports appear in your home currency.](#)

[FIGURE 3-28: QBO establishes separate Accounts Receivable accounts for transact...](#)

[FIGURE 3-29: The Chart of Accounts page.](#)

[FIGURE 3-30: The Chart of Accounts page in Batch Edit mode.](#)

[FIGURE 3-31: The dialog box you use to create an account.](#)

[FIGURE 3-32: Use this page to turn on features not yet available by default in ...](#)

## **Chapter 4**

[FIGURE 4-1: QBO is very encouraging when it comes to importing customers.](#)

[FIGURE 4-2: Start from the appropriate page when you want to create a list entr...](#)

[FIGURE 4-3: The Import Vendors page.](#)

[FIGURE 4-4: A file showing the format you need to successfully import list info...](#)

[FIGURE 4-5: Match the fields in your data file to QBO fields.](#)

[FIGURE 4-6: The records QBO will import from your data file.](#)

[FIGURE 4-7: The Vendors page after importing vendors using an Excel file.](#)

[FIGURE 4-8: Start from the appropriate page when you want to create a list entr...](#)

[FIGURE 4-9: Use this dialog box to enter information for a new customer.](#)

[FIGURE 4-10: Click the Edit button or use the Customer Details tab to modify a ...](#)

[FIGURE 4-11: To find a particular person on a list, use the Search box that app...](#)

[FIGURE 4-12: The Transaction List tab shows transactions in QBO associated with...](#)

[FIGURE 4-13: Adding the Attachments column to the table on the Transaction List...](#)

[FIGURE 4-14: Displaying a list's Split View.](#)

[FIGURE 4-15: Exporting a vendor list to Excel.](#)

[FIGURE 4-16: Performing an action for several customers.](#)

[FIGURE 4-17: Controlling the information that appears in the list.](#)

[FIGURE 4-18: Adjusting the width allotted to the vendor's name on the Vendors p...](#)

[FIGURE 4-19: The Products and Services list.](#)

[FIGURE 4-20: The Product Categories page.](#)

[FIGURE 4-21: Select a type of item to create.](#)

[FIGURE 4-22: Use this window to create a non-inventory item.](#)

[FIGURE 4-23: Add purchasing information for the item.](#)

[FIGURE 4-24: Supply quantity on hand and inventory asset account information fo...](#)

[FIGURE 4-25: Use these graphics to filter the Products and Services list to sho...](#)

[FIGURE 4-26: The panel where you establish a bundle.](#)

[FIGURE 4-27: Choosing an item to include in a bundle.](#)

[FIGURE 4-28: Changing the type of multiple items simultaneously.](#)

[FIGURE 4-29: Use this page to create a pricing rule.](#)

[FIGURE 4-30: Starting an inventory item adjustment for a single inventory item.](#)

[FIGURE 4-31: You can use this window when you have just a few adjustments to ma...](#)

[FIGURE 4-32: Searching for a recent inventory adjustment transaction to edit.](#)

[FIGURE 4-33: Getting ready to adjust the starting value of an inventory item.](#)

[FIGURE 4-34: Use this window to adjust an inventory item's starting values.](#)

[FIGURE 4-35: The Lists page contains links to all available lists in QBO.](#)

## **Chapter 5**

[FIGURE 5-1: The Expense Transactions page.](#)

[FIGURE 5-2: Expense transactions also appear in the Vendors column of the Creat...](#)

[FIGURE 5-3: The Header section of the Check window.](#)

[FIGURE 5-4: The Category Details and Item Details sections of the Check window.](#)

[FIGURE 5-5: If you select a payee for whom you previously entered a bill, the o...](#)

[FIGURE 5-6: The Bill Payment window.](#)

[FIGURE 5-7: You can use the Expense transaction window to record making a payme...](#)

[FIGURE 5-8: Turn on the Purchase Orders feature and set up a customized message...](#)

[FIGURE 5-9: The header area of the Purchase Order window.](#)

[FIGURE 5-10: The Check window, with a vendor selected who has open purchase ord...](#)

[FIGURE 5-11: A Check transaction after adding a purchase order to it.](#)

[FIGURE 5-12: A purchase order with multiple lines.](#)

[FIGURE 5-13: A check showing an available purchase order with multiple lines fo...](#)

[FIGURE 5-14: Receiving and paying for part of a purchase order.](#)

[FIGURE 5-15: Reviewing a purchase order after receiving some of the items on it...](#)

[FIGURE 5-16: The Open Purchase Orders Detail report.](#)

[FIGURE 5-17: The Bill transaction window.](#)

[FIGURE 5-18: Setting up a recurring transaction.](#)

[FIGURE 5-19: The Recurring Transactions list.](#)

[FIGURE 5-20: The Recurring Template List report.](#)

[FIGURE 5-21: A Vendor Credit transaction.](#)

[FIGURE 5-22: The Deposit transaction window.](#)

[FIGURE 5-23: Open transactions for the selected vendor appear.](#)

[FIGURE 5-24: Adding the vendor credit and the bank deposit of the vendor's chec...](#)

[FIGURE 5-25: The Pay Bills page lists bills you owe but have not yet paid.](#)

[FIGURE 5-26: QBO uses the bill amount less any vendor credits to calculate a pa...](#)

## **Chapter 6**

[FIGURE 6-1: The new Projects page in QBO.](#)

[FIGURE 6-2: Enable the Include Projects check box.](#)

[FIGURE 6-3: Converting a sub-customer to a project.](#)

[FIGURE 6-4: The Project Reports page for a project.](#)

[FIGURE 6-5: Creating a new transaction for a project.](#)

[FIGURE 6-6: A sample Project Profitability report.](#)

[FIGURE 6-7: The Sales Transactions page.](#)

[FIGURE 6-8: Sales transactions appear in the Customers column of the New menu.](#)



[FIGURE 6-9: The Content page after choosing the Table section to edit.](#)

[FIGURE 6-10: Turning on the setting to enable grouping on the selected sales fo...](#)

[FIGURE 6-11: Click the last line that should be part of the subtotaled group, a...](#)

[FIGURE 6-12: Use the bottom of the Invoice window to handle sales tax, discount...](#)

[FIGURE 6-13: Opening the Receive Payment window from the Sales Transaction list...](#)

[FIGURE 6-14: The Receive Payment window after selecting a customer with open in...](#)

[FIGURE 6-15: Determining the amount of paid and unpaid invoices in your QBO com...](#)

[FIGURE 6-16: Click anywhere in the Status column to see the details for the spe...](#)

[FIGURE 6-17: In addition to fully and partially paid invoices, you also see whi...](#)

[FIGURE 6-18: Creating an estimate.](#)

[FIGURE 6-19: The bottom of the Estimate window.](#)

[FIGURE 6-20: Getting ready to copy an estimate to a purchase order.](#)

[FIGURE 6-21: A purchase order QBO created from an estimate.](#)

[FIGURE 6-22: Copying an estimate to an invoice from the Invoice window.](#)

[FIGURE 6-23: Click the Create Invoice link to use estimate information on an in...](#)

[FIGURE 6-24: Click Copy to duplicate an estimate, even if it's closed.](#)

[FIGURE 6-25: Edit and then save the duplicated estimate.](#)

[FIGURE 6-26: Use this window to establish the amount of a progress invoice.](#)

[FIGURE 6-27: A sales receipt.](#)

[FIGURE 6-28: The Print Preview window for a sales receipt.](#)

[FIGURE 6-29: The PDF version of the sales receipt QBO creates.](#)

[FIGURE 6-30: Entering a credit memo.](#)

[FIGURE 6-31: An invoice to which QBO has applied a credit memo.](#)

[FIGURE 6-32: By default, QBO applies credit memos to an existing outstanding in...](#)

[FIGURE 6-33: Issuing a refund check.](#)

[FIGURE 6-34: Enable Time Tracking options in QBO.](#)

[FIGURE 6-35: The Time Activity window.](#)

[FIGURE 6-36: The Weekly Timesheet.](#)

[FIGURE 6-37: Viewing a customer's page in QBO.](#)

[FIGURE 6-38: Creating an invoice for a customer with billable time entries.](#)

## **Chapter 7**

[FIGURE 7-1: Use the Chart of Accounts page to open a particular account's regis...](#)

[FIGURE 7-2: A typical bank account register.](#)

[FIGURE 7-3: A bank account register in Paper Ledger mode.](#)

[FIGURE 7-4: Resizing a column.](#)

[FIGURE 7-5: A register displaying one line for each transaction.](#)

[FIGURE 7-6: Select the type of transaction you want to enter.](#)

[FIGURE 7-7: Entering a sales receipt in a bank account register.](#)

[FIGURE 7-8: Sorting transactions by date, from latest to earliest, is the defau...](#)

[FIGURE 7-9: Displaying available filters.](#)

[FIGURE 7-10: A list of transactions QBO found based on criteria specified in th...](#)

[FIGURE 7-11: Printing a register.](#)

## **Chapter 8**

[FIGURE 8-1: Drag accounts to place them in the order you want.](#)

[FIGURE 8-2: The dialog box you use to create an account.](#)

[FIGURE 8-3: Identify your financial institution.](#)

[FIGURE 8-4: Select the accounts you want to connect to QBO and their types.](#)

[FIGURE 8-5: After connecting an account, the Banking page displays connected ac...](#)

[FIGURE 8-6: Click the arrow beside the Link Account button and select Upload fr...](#)

[FIGURE 8-7: Use this screen to navigate to the transactions you downloaded from...](#)

[FIGURE 8-8: Select the account where QBO should place the transactions from you...](#)

[FIGURE 8-9: Match QBO fields to the fields in your CSV file.](#)

[FIGURE 8-10: You can use artificial intelligence to upload receipts or bills in...](#)

[FIGURE 8-11: QBO allows you to review uploaded receipts or bills before you com...](#)

[FIGURE 8-12: Use this page to specify how QBO should handle each downloaded tran...](#)

[FIGURE 8-13: The Category or Match column and the Action column help you identi...](#)

[FIGURE 8-14: When you click a transaction that displays the Add link in the Act...](#)

[FIGURE 8-15: The transaction details QBO displays when you click a transaction ...](#)

[FIGURE 8-16: The Bank Rules page.](#)

[FIGURE 8-17: The Rule dialog box, where you set the information you want QBO to...](#)

[FIGURE 8-18: Provide the information QBO should use on transactions that meet t...](#)

[FIGURE 8-19: Use the Categorized tab to find transactions you've accepted into ...](#)

[FIGURE 8-20: Use the Bank Deposit window to select payment transactions to depo...](#)

[FIGURE 8-21: Enter information found on your bank statement.](#)

[FIGURE 8-22: Match transactions found on your bank statement with those shown o...](#)

[FIGURE 8-23: The goal of reconciliation is to make the Difference amount equal ...](#)

[FIGURE 8-24: A typical Reconciliation report.](#)

[FIGURE 8-25: Prior Reconciliation reports you can view.](#)

## **Chapter 9**

[FIGURE 9-1: Choosing an option for payroll.](#)

[FIGURE 9-2: The Payroll Setup wizard helps you add current employees.](#)

[FIGURE 9-3: Fill in the basic information about the employee.](#)

[FIGURE 9-4: A typical pay schedule.](#)

[FIGURE 9-5: Information required to complete a Federal Form W-4.](#)

[FIGURE 9-6: Add or edit employees.](#)

[FIGURE 9-7: The Payroll Settings page.](#)

[FIGURE 9-8: The To Do list on the Payroll Overview page.](#)

[FIGURE 9-9: The Federal Tax Info page.](#)

[FIGURE 9-10: The State Tax Info page.](#)

[FIGURE 9-11: Use this screen to enter payroll information for your employees.](#)

[FIGURE 9-12: Reviewing paychecks before generating them.](#)

[FIGURE 9-13: When you don't directly deposit paychecks, you'll see a page like ...](#)

[FIGURE 9-14: Click the pencil icon in the Pay section to edit pay information.](#)

[FIGURE 9-15: Click the pencil icon in the withholdings question to edit the emp...](#)

[FIGURE 9-16: Click Tax Exemptions to determine whether you can manage an employ...](#)

[FIGURE 9-17: QBOP offers two tabs of human resource-related information.](#)

[FIGURE 9-18: From the Reports page, scroll down to locate Payroll reports.](#)

[FIGURE 9-19: The Payroll Tax Center after you have recorded payroll information...](#)

[FIGURE 9-20: The payroll tax returns QBO files on your behalf appear on the For...](#)

[FIGURE 9-21: Setting up a new contractor.](#)

[FIGURE 9-22: Provide the Contractor Type information QBO needs to eventually pr...](#)

[FIGURE 9-23: Select the boxes on the Form 1099 that apply to the payments you m...](#)

[FIGURE 9-24: The 1099 Transaction Detail report shows information for 1099-elig...](#)

## **Chapter 10**

[FIGURE 10-1: The Reports page.](#)

[FIGURE 10-2: Business Overview reports.](#)

[FIGURE 10-3: The Management Reports page.](#)

[FIGURE 10-4: Print Preview of a management report.](#)

[FIGURE 10-5: Searching for a report.](#)

[FIGURE 10-6: The Transaction report that appears after clicking an income accou...](#)

[FIGURE 10-7: The General section of the panel you use to customize a report in ...](#)

[FIGURE 10-8: Use these settings to control the rows and columns that appear on ...](#)

[FIGURE 10-9: The filtering options you can control on the Profit and Loss repor...](#)

[FIGURE 10-10: The Header/Footer settings you can customize on the Profit and Lo...](#)

[FIGURE 10-11: The report after customizing to include % of Income and % of Expe...](#)

[FIGURE 10-12: Protected View in Microsoft Excel requires you to click Enable Ed...](#)

[FIGURE 10-13: Use this panel to save a customized report.](#)

[FIGURE 10-14: The My Custom Reports page after creating a custom report.](#)

[FIGURE 10-15: Set an email schedule for a report group.](#)

## **Chapter 11**

[FIGURE 11-1: Navigating to the QBOA sign-in page.](#)

[FIGURE 11-2: Provide requested information to create a QBOA account.](#)

[FIGURE 11-3: A typical QBOA Home page after creating a QBOA account.](#)

[FIGURE 11-4: The page you use to sign in to QBOA after you set up a QBOA accoun...](#)

[FIGURE 11-5: The Clients page of the Your Practice view in QBOA.](#)

[FIGURE 11-6: The choices available from the Gear menu.](#)

[FIGURE 11-7: The tools available to accountants while working in a client compa...](#)

[FIGURE 11-8: View, edit, and add members to your QBOA team.](#)

[FIGURE 11-9: Specify the new user's access level to your firm's administration ...](#)

[FIGURE 11-10: You can provide a team member access to your firm's clients on a ...](#)

[FIGURE 11-11: The Home page of an invited team member who has limited privilege...](#)

[FIGURE 11-12: Click a QuickBooks logo or use the Go to QuickBooks list to open ...](#)

[FIGURE 11-13: Control the appearance of the Client List page.](#)

[FIGURE 11-14: Craig's Design and Landscaping Services, the QBO and QBOA sample ...](#)

[FIGURE 11-15: Exit from QBOA by signing out.](#)

[FIGURE 11-16: Use the Actions column to make a client inactive.](#)

## **Chapter 12**

[FIGURE 12-1: The Gear menu in QBO.](#)

[FIGURE 12-2: The Manage Users page has two tabs: Users and Accounting Firms.](#)

[FIGURE 12-3: The client fills in the accountant's email information.](#)

[FIGURE 12-4: A sample email an accountant might receive when invited to access ...](#)

[FIGURE 12-5: A QBOA Client List page after accepting an invitation from a clien...](#)

[FIGURE 12-6: The Client Contact Information page of the Add Client wizard.](#)

[FIGURE 12-7: Select Company Admin.](#)

[FIGURE 12-8: Assigning the role of master administrator to the client.](#)

[FIGURE 12-9: Check the number of targets in your QuickBooks Desktop company.](#)

[FIGURE 12-10: Select all update areas.](#)

[FIGURE 12-11: Select whether you want to overwrite an existing QBO company or c...](#)

[FIGURE 12-12: This message appears after you finish your part of the export/imp...](#)

[FIGURE 12-13: A sample of the email message you receive after exporting a desktd...](#)

## **Chapter 13**

[FIGURE 13-1: You can click the QuickBooks logo to the left of the client's name...](#)

[FIGURE 13-2: In a QBO client company, the top of the Client Overview page shows...](#)

[FIGURE 13-3: The Banking Activity section of the Client Overview page.](#)

[FIGURE 13-4: The Common Issues section of the Client Overview page.](#)

[FIGURE 13-5: The Transactions section of the Client Overview page.](#)

[FIGURE 13-6: The Gear menu.](#)

[FIGURE 13-7: The Account and Settings dialog box for a client QBO company.](#)

[FIGURE 13-8: Usage limits go into effect in April, 2019.](#)

[FIGURE 13-9: Review and, if necessary, make changes to settings on the Advanced...](#)

[FIGURE 13-10: From the Chart of Accounts page, you can add and edit accounts.](#)

[FIGURE 13-11: The Import Accounts page.](#)

[FIGURE 13-12: Map the fields in your file to the fields in QBO.](#)

[FIGURE 13-13: To edit an account, use the down arrow in the Action column.](#)

[FIGURE 13-14: Use this page to set up account numbers for the Chart of Accounts...](#)

[FIGURE 13-15: The Customers page.](#)

[FIGURE 13-16: Use this page to open any list other than the Customers, Vendors,...](#)

[FIGURE 13-17: Use this page to export rules from one client and import them int...](#)

## **Chapter 14**

[FIGURE 14-1: Keyboard shortcuts you can use while working in a client QBO compa...](#)

[FIGURE 14-2: Use the New Window command while working in a QBO company to dupli...](#)

[FIGURE 14-3: Two windows pinned side by side.](#)

[FIGURE 14-4: To work in two companies at the same time, you can use two browser...](#)

[FIGURE 14-5: The transactions you can create while working in a QBO company.](#)

[FIGURE 14-6: Type any phrase you want to use as a search filter or click Advanc...](#)

[FIGURE 14-7: Set criteria for a more specifically defined search.](#)

[FIGURE 14-8: The page where you create a client note.](#)

[FIGURE 14-9: Use this panel to communicate with a QBO client in a general way.](#)

[FIGURE 14-10: A preview of a Client Request message.](#)

[FIGURE 14-11: A Client Request in a client's QBO company.](#)

[FIGURE 14-12: The panel your client uses to respond to a Client Request you gen...](#)

[FIGURE 14-13: The Shared Documents page in a client QBO company after an accoun...](#)

## **Chapter 15**

[FIGURE 15-1: Reviewing a sales tax return.](#)

[FIGURE 15-2: Use this dialog box to record a sales tax payment.](#)

[FIGURE 15-3: The Grid view of the Work page in QBOA.](#)

[FIGURE 15-4: Creating a project using a template.](#)

[FIGURE 15-5: Supply a task name and due date, and assign it to a team member of...](#)

[FIGURE 15-6: Click a task to edit or delete it, or drag it to reorder it.](#)

[FIGURE 15-7: Use the down arrow on a task or project card to display the list o...](#)

[FIGURE 15-8: Delete or duplicate a project or create a template from it.](#)

[FIGURE 15-9: The Work page in List view.](#)

[FIGURE 15-10: Calendar view presents project tasks by due date.](#)

[FIGURE 15-11: Set up email notifications for team members regarding work.](#)

[FIGURE 15-12: The Accountant Tools menu contains commands specifically designed...](#)

[FIGURE 15-13: Accountant-oriented reports available in QBOA.](#)

[FIGURE 15-14: Use the Audit Log to view all kinds of activity in the QBO compan...](#)

[FIGURE 15-15: Setting a closing date.](#)

[FIGURE 15-16: Transaction Review shows you potentially problematic transactions...](#)



[FIGURE 15-17: Account Reconciliation allows you to monitor the status of bank a...](#)

[FIGURE 15-18: Final Review serves as a checklist for reports you wish to review...](#)

[FIGURE 15-19: Use this page to reclassify transactions.](#)

[FIGURE 15-20: Writing off invoices.](#)

[FIGURE 15-21: Confirm that you want to write off the selected invoices.](#)

[FIGURE 15-22: The Documents menu allows you to upload supporting materials.](#)

[FIGURE 15-23: The Review & Adjust tab of the Prep for Taxes page.](#)

[FIGURE 15-24: The Grouping and Statements page of the Prep for Taxes page.](#)

[FIGURE 15-25: The Tax Mapping tab of the Trial Balance page.](#)

## **Chapter 16**

[FIGURE 16-1: Reviewing the Chrome interface.](#)

[FIGURE 16-2: When you open a new Chrome window, two instances of Chrome run sim...](#)

[FIGURE 16-3: The Google Chrome Menu.](#)

[FIGURE 16-4: Access the various settings related to your Google account by way ...](#)

[FIGURE 16-5: Click the icon that represents your Google account and then click ...](#)

[FIGURE 16-6: Use this dialog box to clear your browsing data from the local com...](#)

[FIGURE 16-7: You can view and enable or disable extensions from the Settings pa...](#)

## **Chapter 17**

[FIGURE 17-1: Adding the Home button and setting a Home page.](#)

[FIGURE 17-2: Choose Always Open Files of This Type to have exported reports ope...](#)

[FIGURE 17-3: Manage the location of your downloads, as well as the ability for ...](#)

[FIGURE 17-4: An Incognito window.](#)

[FIGURE 17-5: Use your browsing history to revisit a web page you visited previo...](#)

[FIGURE 17-6: Use this dialog box to delete browsing history.](#)

[FIGURE 17-7: Use this page to identify websites whose pop-ups you want to allow...](#)

[FIGURE 17-8: This dialog box appears when you create a bookmark.](#)

[FIGURE 17-9: Take advantage of the Bookmarks bar.](#)

[FIGURE 17-10: Opt to display the Bookmarks bar on all tabs in Chrome.](#)

[FIGURE 17-11: Use this dialog box to identify what you want to import.](#)

[FIGURE 17-12: The Bookmark Manager.](#)

[FIGURE 17-13: Duplicate a browser tab in Chrome.](#)

[FIGURE 17-14: Use this dialog box to start the process of adding a user.](#)

[FIGURE 17-15: Establish settings for the new user.](#)

[FIGURE 17-16: To initiate switching users, use the Current User button.](#)

[FIGURE 17-17: Use this window to select a Chrome user.](#)

[FIGURE 17-18: You can instruct Chrome to allow you to choose where to save file...](#)

[FIGURE 17-19: Files you've downloaded using Chrome.](#)

# Introduction

---

Most small business owners do something besides accounting; they sell products or services. Many small business owners address accounting only because they *have* to address it — to meet legal requirements, such as reporting earnings and paying employees.

QuickBooks helps take the pain out of the process; in fact, accounting can become downright tolerable. And QuickBooks Online (QBO) makes accounting almost easy. Because QBO is a web-based product with mobile versions, you can securely do what you need to do from anywhere at any time of day. And, because QBO is web-based, you can easily share your data with your accountant — again, anywhere and at any time.

In most cases, QuickBooks Desktop users who want to stick with something they know but now yearn for the flexibility of a web-based product won't be disappointed. QBO's functionality will feel very familiar to them, and they can migrate their QuickBooks Desktop company to QBO.

Accountants can easily support QuickBooks clients via QuickBooks Online Accountant (QBOA), the sister product of QBO that enables seamless collaboration between accountants and their clients.

Use this book to help you learn how to use QBO and QBOA.

## ***About This Book***

Intuit's web-based accounting product is really two products: End users who want to do their accounting on the web or on mobile devices use QBO, whereas

accountants use QBOA, which enables the accountant to log in to a client's books and make changes and queries as needed. Although much of QBO and QBOA look and behave alike, QBOA incorporates tools that an accountant needs while working on a client's books. And accountants need to manage multiple client companies, whereas end user clients typically do not.

QBO and QBOA are not for everyone. Before you commit to Intuit's web-based solution, you need to explore the available editions and examine the requirements for the products.

Because these products are both similar and different, we've divided this book into three parts. In the first part of the book, we examine what QBO and QBOA are — and what they aren't — and we describe what you need to be able to use QBO and QBOA. We explain the various editions available and the product costs at the time we wrote this book, and we describe the available features.

The second part of the book focuses on using QBO and is aimed at the end user; but, the accountant who opens a client's company via QBOA will be able to use the same tools that the end user uses to manage lists, enter transactions, and print reports.

The third part of the book is aimed at the accountant and covers using QBOA.

We don't pretend to cover every detail of every feature in QBO or QBOA. Instead, we've focused on covering the tools we think most users will need as they navigate QBO and QBOA.



**REMEMBER** As we discuss in [Chapter 2](#), there are different versions of QBO; we used QBO Plus as we wrote this

book because that's the version available in the sample company. As you'll see in subsequent chapters, QBO Advanced adds even more features for those that need even more functionality. Users of other versions might find references in this book to features they don't have because they aren't using the Plus or Advanced versions.

Before diving in, we have to get a few technical convention details out of the way:

- » Text that you're meant to type as it appears in the book is **bold**. The exception is when you're working through a list of steps: Because each step is bold, the text to type is not bold.
- » Web addresses and programming code appear in monofont. If you're reading a digital version of this book on a device connected to the Internet, note that you can tap or click a web address to visit that website, like this: [www.dummies.com](http://www.dummies.com).
- » You can use QBO and QBOA from their Android and iOS apps, from the Windows desktop app (which works on Windows desktop computers, tablets, and laptops, but not on Windows phones), or from Chrome, Firefox, Safari, or Internet Explorer. At the time we wrote this book, a variety of issues existed if you tried to use QBO and QBOA with Microsoft Edge. In my experience, QBO and QBOA function best in Chrome. For that reason, we used Chrome throughout this book and we've devoted The Part of Tens chapters in this book to Chrome so that, if you aren't familiar with Chrome, you can get up and running more quickly.
- » When we discuss a command to choose, we'll separate the elements of the sequence with a command arrow that looks like this:  $\Rightarrow$  . For example, when you see

Chrome Menu ⇒ Settings, that means you should click the Chrome Menu button (on the right side of the Chrome screen — see [Chapter 16](#) for a description of Chrome’s screen elements) and, from the drop-down menu that appears, click Settings.

## ***Foolish Assumptions***

We had to assume some things about you to write this book. Here are the assumptions we made:

- » You know that you need to manage the accounts for your business, and you might even have some sort of setup in place to record this information. We *don't* assume that you know how to do all that on a computer.
- » You have some interest in managing the accounts for your business using a web-based product.
- » You are probably but not necessarily a QuickBooks Desktop edition user.
- » You have a personal computer or Mac (that you know how to turn on). Your PC must be running Microsoft Windows 7, Windows 8.1, or Windows 10; we wrote this book using Windows 10. Your Mac must be running OS X 10.11 or later.
- » You might have purchased an edition of QuickBooks Online, but not necessarily.

## ***Icons Used in This Book***



TIP

Think of these icons as the fodder of advice columns. They offer (hopefully) wise advice or a bit more information about a topic under discussion.



REMEMBER

This icon points out juicy tidbits that are likely to be repeatedly useful to you — so please don't forget them.



WARNING

Mr. Spock! Scotty! Red Alert! Well, okay, it's really not life-threatening. In this book, you see this icon when we're trying to help you avoid mistakes that can cost money.



TECHNICAL  
STUFF

When you see this icon, you've come across material that isn't critical to understand but will satisfy the curious. Think "inquiring minds want to know" when you see this icon.

## ***Beyond the Book***

In addition to the content in this book, this product also comes with a free access-anywhere cheat sheet that gives you keyboard shortcuts for QBO and QBOA and some handy tool buttons in QBO. To get this cheat sheet, simply go to [www.dummies.com](http://www.dummies.com) and search for "QuickBooks Online For Dummies Cheat Sheet" in the Search box.

# *Where to Go from Here*

Simply turn the page. Seriously. You can dive in anywhere you want and come back as often as you like. You don't have to read through this book cover to cover because each section stands alone and provides step-by-step instructions for common tasks. You should consider this book a reference that you use when you need it.

That said, if you're just getting started with QBO or QBOA, you might want to turn the page and follow, in order, the chapters in [Part 1](#). Then feel free to explore any topic you want, using the table of contents or the index to help you find a topic.



**Part 1**  
**Getting Started with QBO  
and QBOA**

## **IN THIS PART ...**

Examine what QBO is and what it isn't.

Learn the requirements to use QBO.

Meet the QBO interface.

# Chapter 1

## Introducing QBO and QBOA

---

### IN THIS CHAPTER

- » **Taking a first look at QuickBooks Online and QuickBooks Online Accountant**
- » **Considering the cloud**
- » **Meeting requirements to use QBO and QBOA**

QuickBooks Online (QBO) and QuickBooks Online Accountant (QBOA) are web-based products you can use to manage your business's accounting. This chapter introduces these products and discusses whether you should move into the cloud to manage your accounting. It also examines the system requirements for these products.

## ***QBO for the Client and QBOA for the Accountant***

QuickBooks Online offers you the ability to manage your business's accounting in the cloud. The software is divided into two products: one for end users and the other for accountants. Interfaces for both products are available on multiple platforms.

QuickBooks Online (QBO) is the cloud-based product for end users who need to perform typical accounting tasks. QBO is based on the same principles as the QuickBooks

Desktop product — that is, it uses lists to, for example, manage customers and vendors, and it includes transactions similar to the ones found in the QuickBooks Desktop product. But, QBO is *not* simply a “rewrite” of the QuickBooks Desktop product for the web. It was designed and developed as a new product, optimized for web-based usage.

QuickBooks Online Accountant (QBOA) is the cloud-based portal that accountants use to access client QBO companies, work in them, and communicate with clients. QBOA also includes a QBO company in its Your Books section that accountants can use to track the accounting of their own businesses.

## ***Comparing interfaces***

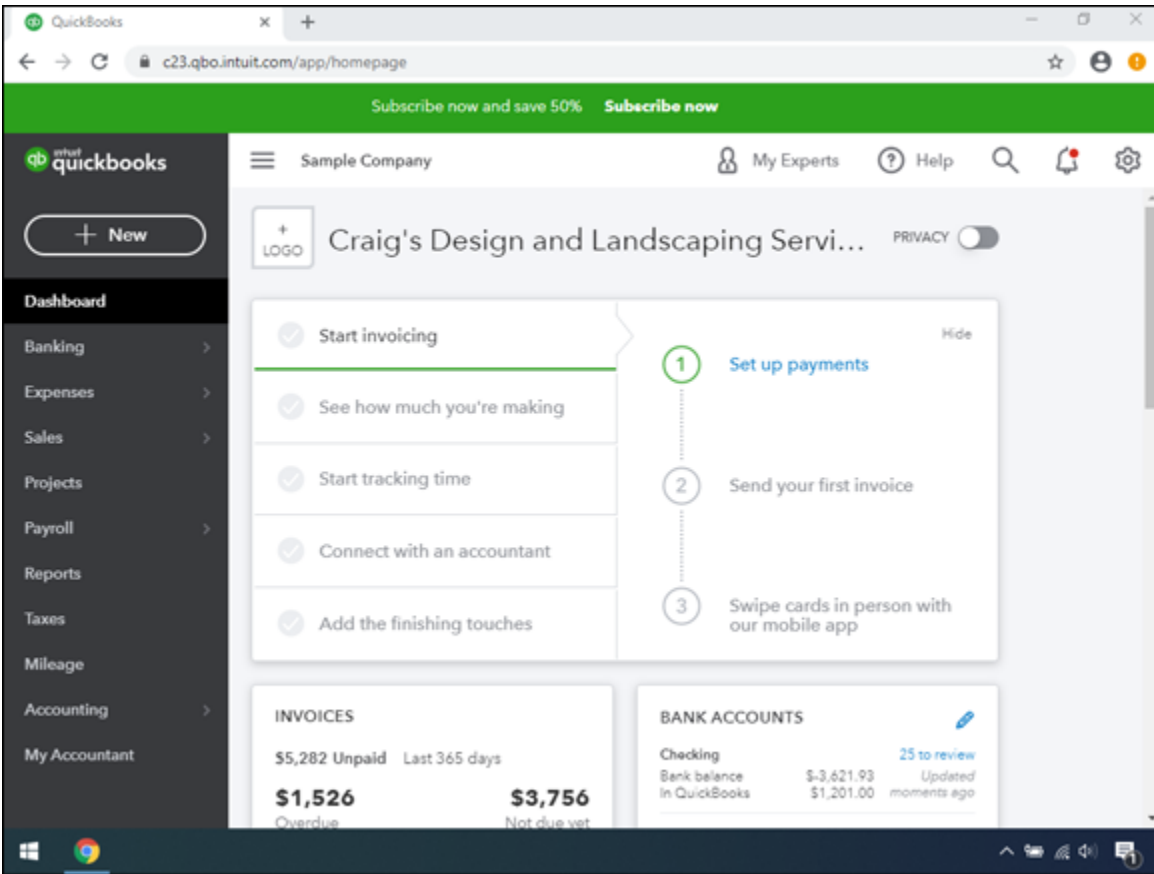
QBO and QBOA were initially written and optimized to be used in the major web browsers — Chrome, Firefox, Safari, Microsoft Edge, and Internet Explorer. Later, Intuit added QBO apps that you can use to work in QBO on iOS and Android mobile devices. Intuit also offers a desktop version of QBO referred to in this book as, cleverly, QBO Desktop; this version is *not* a mobile app (it won't work on phones and isn't available in the Google Play Store or the Apple App Store) but it will work on any Mac or Windows computer, including “portable” computers like laptops and tablets running Windows or MacOS, making it somewhat mobile. It also is *not* the QuickBooks Desktop product, which is not a cloud-based product.

In this section of the book, you explore what QBO and QBOA look like in a browser; the next section explores what the QBO Desktop edition looks like as well as detailing some of the things you can do in the iOS and Android mobile app versions of QBO.

In a browser, an open company in QBO looks similar to the one shown in [Figure 1-1](#). We cover the interface in more detail in [Chapter 3](#), but for the time being, the most important thing to notice is the Navigation bar that runs down the left side of the screen. If you've been a QuickBooks Desktop user and you've used the Left Icon Bar in that product, you might find the Navigation bar a familiar tool. The Left Icon Bar and the Navigation bar work the same way; you click a link in either of them to navigate to a portion of the program.

Clicking the three-stripped button beside the QuickBooks logo above the Navigation bar enables you to collapse the Navigation bar to view just the icons (and clicking it again expands the Navigation bar back to the view in [Figure 1-1](#)). When you collapse the Navigation bar (you see an example of it collapsed in [Chapter 3](#)), you have more screen real estate to view the right side of the QBO interface.

At the top of the screen, you see tools that help QBO users create transactions, search for existing transactions, and view settings for the QBO company.



**FIGURE 1-1:** An open company in QBO.

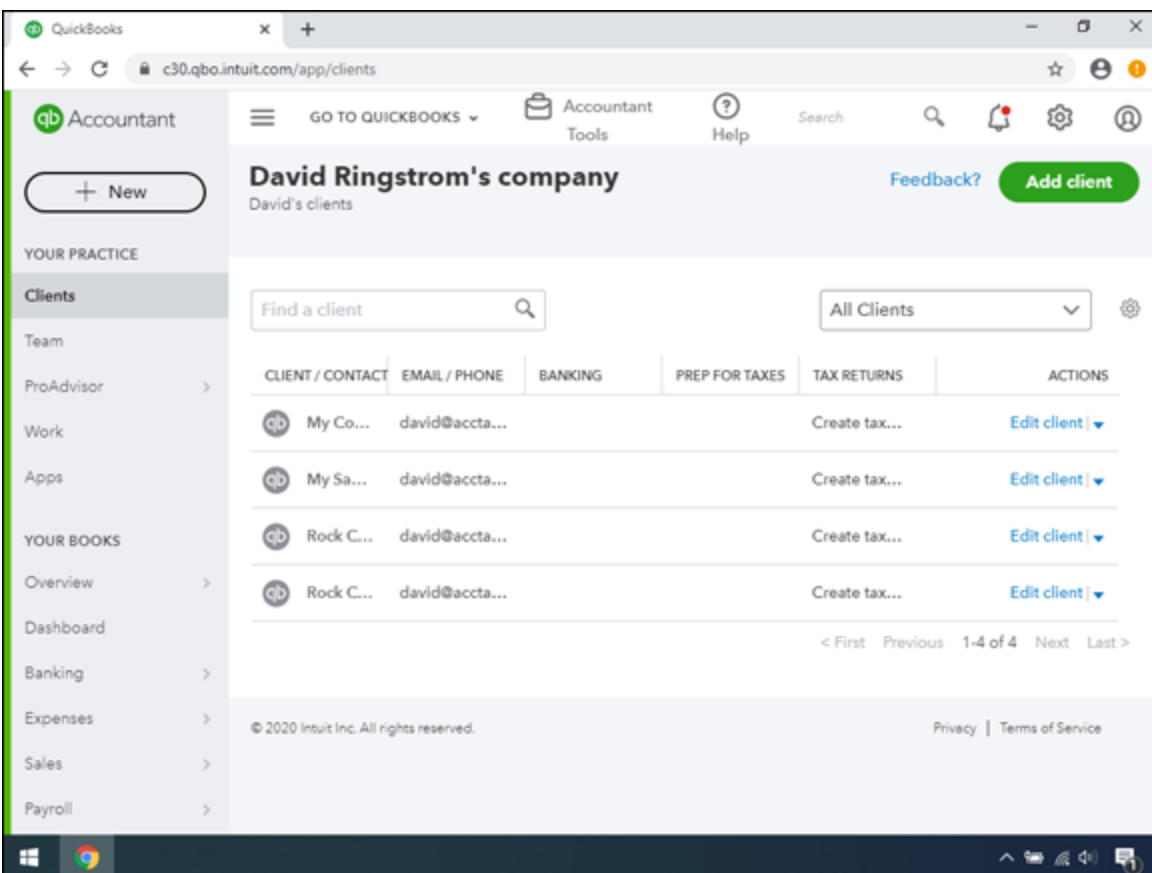
[Figure 1-2](#) shows what an accountant sees immediately upon logging into QBOA. The Navigation bar changes to support an accountant's needs; you can read more about the QBOA interface in [Chapter 11](#).

When an accountant opens a client's company from within QBOA (see [Figure 1-3](#)), the interface resembles what a client sees, with some minor differences. Compare [Figure 1-1](#) with [Figure 1-3](#). First, you know you're using QBOA because the top of the Navigation pane shows QB Accountant. Second, the Accountant Tools menu (the briefcase icon) displays tools not found in QBO that help accountants manage client companies. Even though an open company looks a bit different depending on whether you open it using QBO or QBOA,

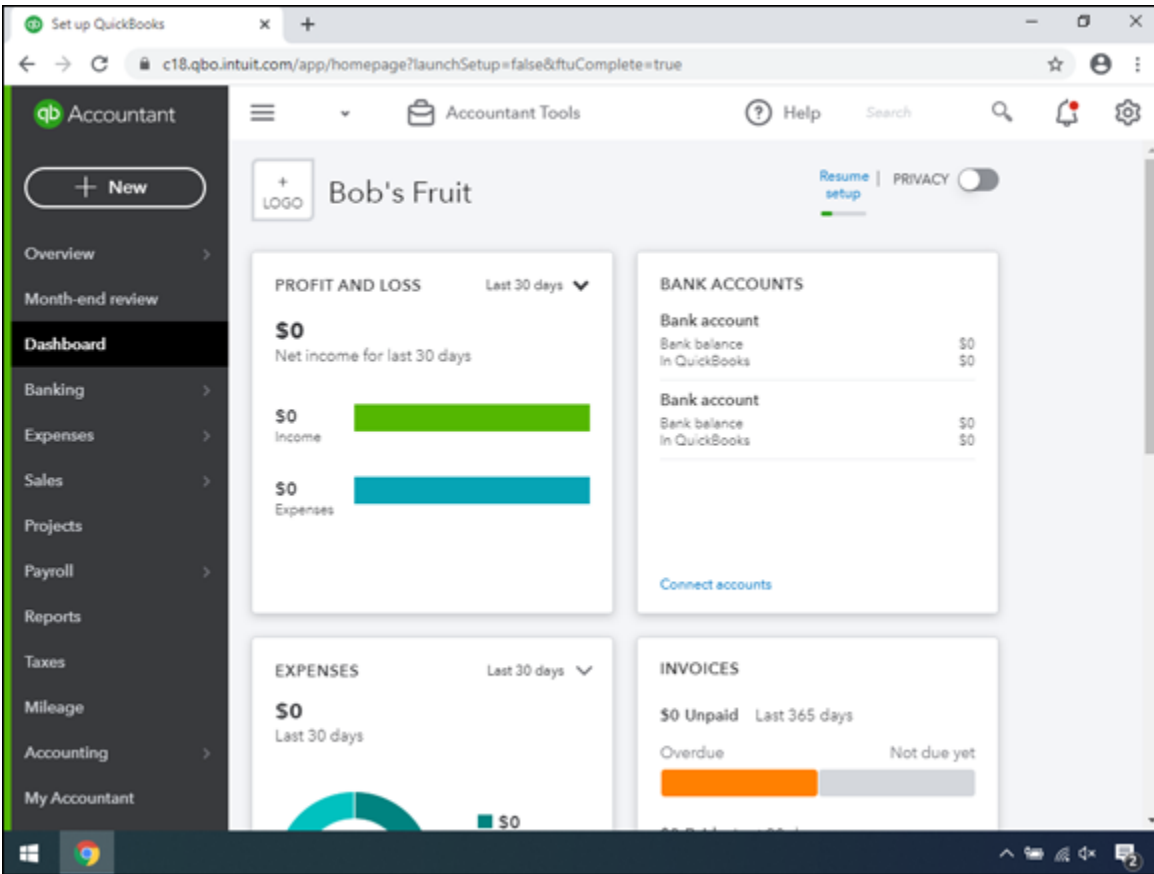
the basic functionality doesn't really change, other than accountants have more options than end users have.



**REMEMBER** Because QBOA contains functionality that QBO doesn't have, we've organized this book so that QBO users can focus on [Part 2](#) when using the product, and QBOA users can use the information in both [Parts 2](#) and [3](#) to work in a company online.



**FIGURE 1-2:** The first view an accountant has when he opens QBOA.



**FIGURE 1-3:** An open company in QBOA.

## ***Taking a look at QBO Desktop and QBO Mobile***

You can work with QBO and QBOA without using a browser; you can use QBO Desktop or you can use the iOS or Android apps.

### ***Introducing QBO Desktop***

If you prefer, you can work with QBO using QBO Desktop; it's purported to run faster than QBO in your browser, but we'll let you judge for yourself. To download QBO Desktop, use your browser to navigate to the QBO sign-in page: <https://quickbooks.intuit.com/online/apps/>. On the page that appears, you'll see a Free Download button; click it and follow the onscreen instructions to download and install QBO Desktop.





TIP

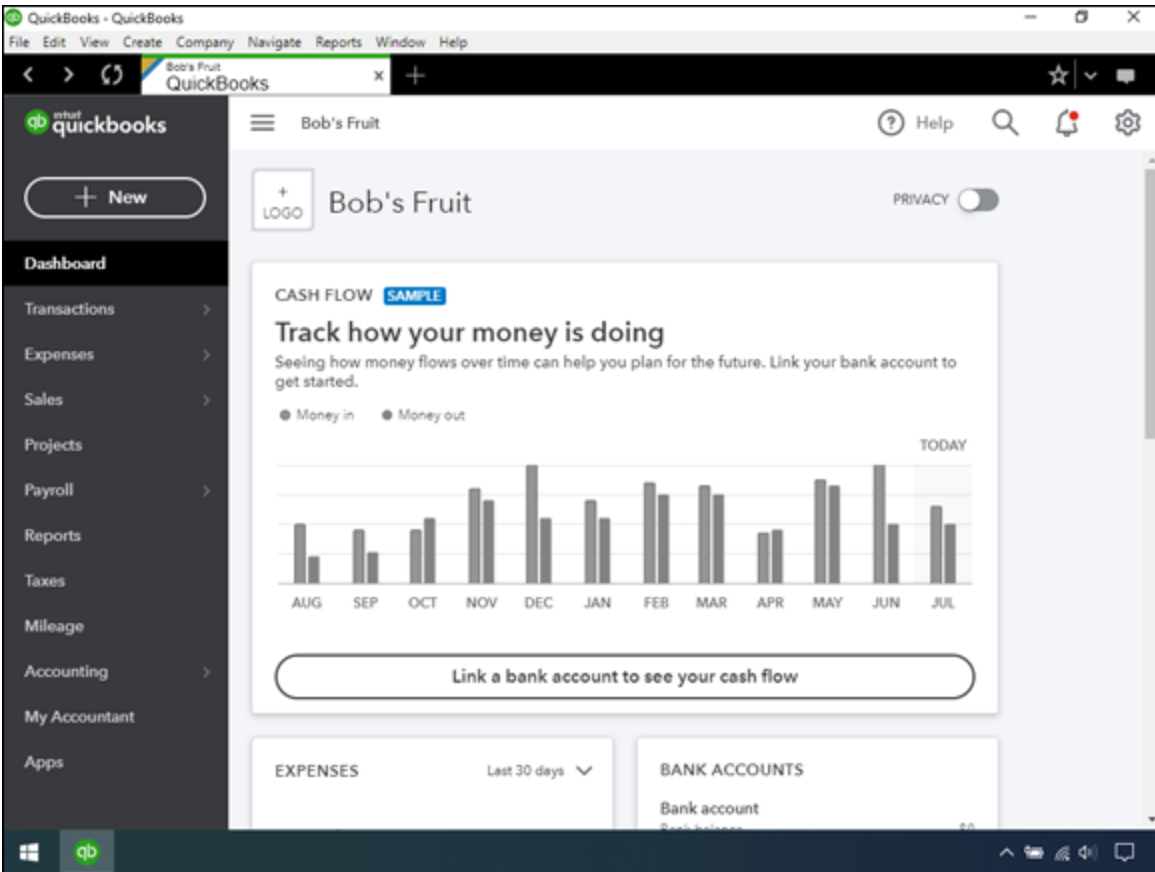
Both Windows and Mac users can use the same QBO Desktop app; what you download from the QBO sign-in page works on both platforms. Ingenious, don't you think?



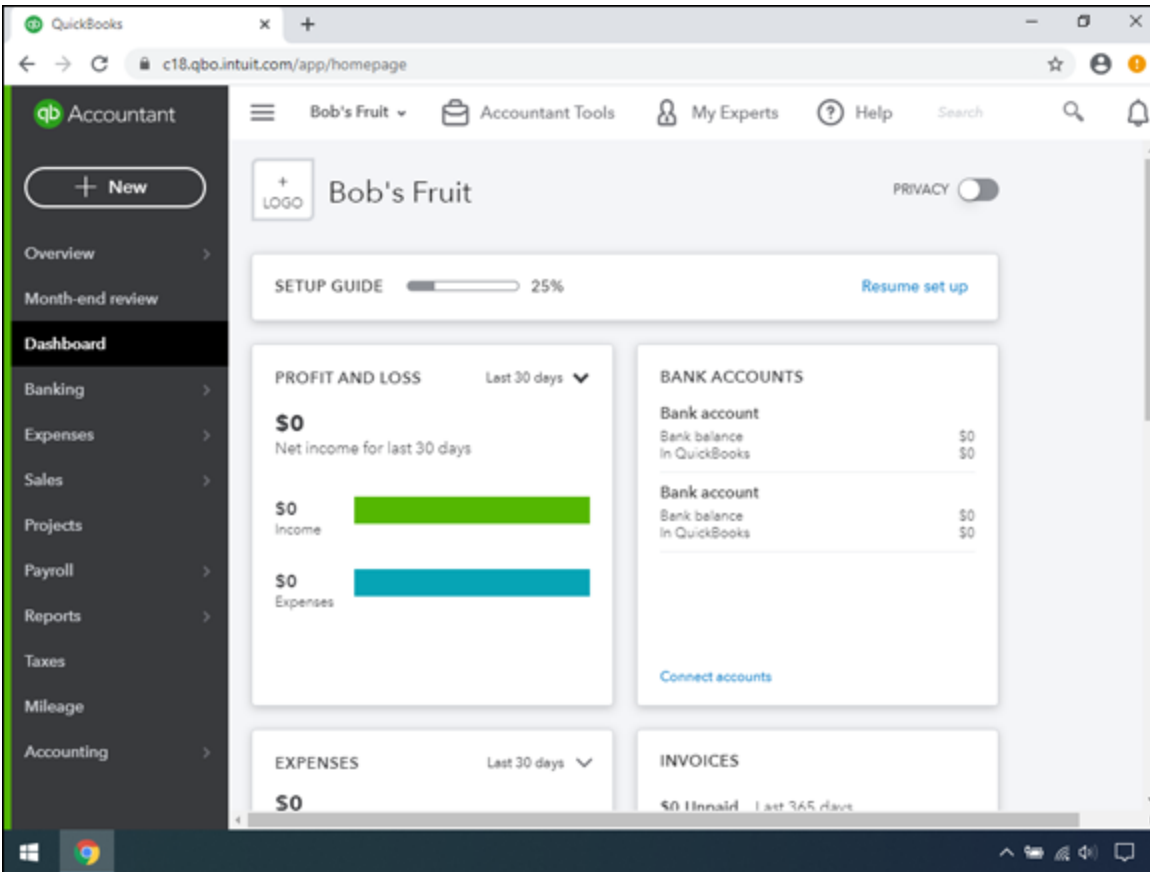
WARNING

The word “app” has become a buzzword and is often used when it probably shouldn't be. In this chapter, we're using the word “app” *only* when we refer to the mobile versions of QBO and QBOA that are available for download from the Google Play Store or the Apple App Store. In many places online, you'll find references to a QBO Windows app — and, at the time we wrote this, there is no Windows app per se. There is QBO Desktop, which allows Windows users (except Windows Phone users) to use QBO while being mobile — on, for example, laptops and tablets — but QBO Desktop *is not* available from any of the “mobile device” stores (Google Play or Apple App) and therefore, we're not calling it an app.

[Figure 1-4](#) shows QBO Desktop with a QBO company open, and [Figure 1-5](#) shows QBOA just after opening it in QBO Desktop (but before opening any client company).



**FIGURE 1-4:** QBO while working in QBO Desktop.



**FIGURE 1-5:** QBOA while working in QBO Desktop.

If you compare [Figure 1-5](#) to [Figure 1-1](#), you'll notice that, once again, QBOA users have the same additional options in QBO Desktop that they have in a browser. The menus at the top of the screen are the biggest visual difference between QBO and QBOA in QBO Desktop and QBO and QBOA in a browser. If you've been a QuickBooks Desktop product user, you know that you can use the menus to navigate. Under the hood, QBO Desktop offers some options that you won't find readily available in a browser, such as the ability to work in multiple windows.

***Understanding QBO mobile apps***

At no additional cost to you, mobile apps are also available for iPhones, iPads, and Android devices. The iOS and Android apps are optimized for touch interaction

and on-the-go workflows like customer management, invoicing, estimates, and signatures. You also can use the mobile apps to track the status of invoices, take payments, reconcile bank accounts, capture expenses, and check reports. And, you'll find Pinch and Zoom functionality in the mobile apps and in browsers on mobile devices.

You can get the mobile apps here:

<https://quickbooks.intuit.com/accounting/mobile/>. In addition to using the QBO mobile apps for iOS and Android, you also can access the QBO sign-in page and your QBO account from your mobile device's browser at [qbo.intuit.com](http://qbo.intuit.com).

New features are added often to the mobile apps. For example, you can customize invoice templates from the browser-based QBO and from QBO Desktop. You can customize templates from mobile devices but not using mobile apps; instead, use the browser-based QBO on your mobile device.



**REMEMBER** Be aware that the browser-based version of QBO and QBOA has additional functionality and keyboard shortcuts geared towards more in-depth business accounting tasks.

So, take your choice; you're not limited: Work in a browser, work in QBO Desktop, or work in a mobile app, depending on your needs at the moment.

## ***Understanding the Cloud***

Just to make sure we're on the same page here, we're defining the *cloud* as software and data housed securely

in remote data centers (not on your office premises) and accessed securely using the Internet. Working in the cloud can increase your efficiency by offering you the opportunity to work anywhere, communicate easily with others, and collaborate in real time.



**REMEMBER** Regardless of whether you use QBO or QBOA in a browser, in QBO Desktop, or in an app, both the software and the data are housed on servers controlled by Intuit and accessible via the Internet.

In the traditional model of software use, you buy software and install it on your computer. Or you might buy the software and install it on a vendor's server. QBO and QBOA fall into the category of Software as a Service (SaaS). You typically don't buy SaaS software; instead, you rent it (that is, you purchase a subscription).

Because SaaS software is typically web-based software, you (also typically) access SaaS software over the Internet using a browser. A *browser* is software installed on your local computer or mobile device that you use to, well, browse the Internet, looking up cool stuff like what the stock market is doing today, what kind of weather can you expect on Friday when your vacation starts, how to get to your boss's house for the party he's having, and — oh, yes — to work with web-based software such as QBO and QBOA. In the case of QBO and QBOA, you can work with these web-based SaaS products using a browser, QBO Desktop, or an app you download to your mobile device.

Using web-based software can be attractive for a number of reasons. For example, using web-based software, you

have access to that software’s information anywhere, anytime, from any device — stationary or mobile.



**REMEMBER** Some folks see the “anywhere, anytime” feature as a potential disadvantage because it makes information too readily available — and therefore a target for hackers. Intuit stores your data on servers that use bank-level security and encryption, and Intuit automatically backs up your data for you. Other folks see the “anywhere, anytime” feature as a disadvantage for exactly the reason that they have access to the software’s information anywhere, anytime, and from any device, offering the opportunity to work more than they’d like. You are in charge of your life, so ... no comment on this “disadvantage.”

In addition, web-based software like QBO and QBOA promotes collaboration and can help you save time. Using QBO and QBOA, accountants, bookkeepers, and clients can communicate about issues that arise, as described in [Chapter 14](#).

Then there’s the issue of keeping software up to date. Desktop software such as traditional QuickBooks typically receives a major update once each year, along with periodic software patches that must also be installed. Unlike their desktop cousin, QBO and QBOA are automatically updated every two to four weeks — meaning there’s never a new version to install or patches to deal with.



**REMEMBER** Because updating occurs so frequently to QBO and QBOA, by the time this book is published, things (and screens) might have changed. Actually, make that “probably have changed.”

## ***Should You Move to the Cloud?***

Before you make the move to the cloud, you should consider the needs of your business in the following areas:

- » Invoicing, point of sale, electronic payment, and customer relationship management
- » Financial and tax reporting
- » Budgeting
- » Time tracking and payroll
- » Inventory, job costing, and job scheduling
- » Managing company expenses and vendor bills

Beyond the advantages described in the preceding section, the particular needs of a business might dictate whether you can use QBO. For example, QBO *won't* work for you if your business has industry-specific needs or is mid-sized and needs to use ODBC-compliant applications. In addition, QBO won't work for you if you need to

- » Track your balance sheet by class.
- » Process more than 350,000 transactions annually.

- » Track labor costs.
- » Manage a robust inventory that supports making and selling finished goods.

In any of these cases, you would probably be better off with one of Intuit’s “designed for desktop use” products like traditional QuickBooks Pro, Premier, or Enterprise.



**TIP** When QBO and QBOA were first released, the U.S. version didn’t support multiple currencies. That feature has been added to both products. And, you can set a “home currency” without enabling multicurrency support. See [Chapter 3](#) for more information.

## *System Requirements*

Using a web-based software product typically doesn’t require a lot of hardware and software; in fact, the demands of QBO and QBOA aren’t extensive. In particular, you need a Windows or Intel-based Mac computer using Windows 7, 8.1, or 10, or OS X 10.11 or later. You also need

- » An Internet connection — Intuit recommends a high-speed connection of 3 Mbps or higher
- » One of the four supported Internet browsers:
  - Google Chrome
  - Mozilla Firefox
  - Microsoft Edge
  - Safari, if your operating system is iOS 11.1 or higher



» Adobe Reader 11.0 or higher to print forms

Although QBO and QBOA work in all the major browsers, they work best, in my experience, in Chrome, with Firefox coming in a close second. Therefore, we use Chrome throughout this book, and the Part of Tens chapters cover using Chrome so that you can get comfortable with that browser. If you're a Firefox user, give QBO and QBOA a try in Firefox.

The requirements for QBO Desktop and the mobile apps are basically the same as those outlined here, except that you won't really need a browser on your device (although you'll probably have one). You'll still need an Internet connection, and be aware that, although new features are added to the mobile apps all the time, the mobile apps do not support all features of QBO and QBOA.

Whether you work on a desktop computer or on a mobile device, the computer or device needs to meet the basic requirements of the operating system you use on that computer or device — and then some. For example, if you're using a Windows desktop computer, you need the amount of RAM (random access memory) specified by Microsoft to load the version of Windows on the computer before you ever launch your browser. If you don't have sufficient RAM to run the operating system, you certainly won't be happy with the behavior of QBO and QBOA. You won't be happy with the behavior of the computer, either.

Basic requirements (and we stress the word *basic*) for a Windows 7, 8.1, and 10 computer, as specified by Microsoft, are

» 1-gigahertz (GHz) or faster 32-bit (x86) or 64-bit (x64) processor

- » 1 gigabyte (GB) of RAM (32 bit) or 2GB of RAM (64 bit)
- » 16GB of available hard disk space for the 32-bit version of the operating system or 32GB for the 64-bit versions of the operating system
- » A display that supports at least 800 x 600 dpi
- » DirectX 9 graphics device with WDDM 1.0 or higher driver
- » An Internet connection for both installation and operating system updates

These versions of Windows work with multi-core processors, and all 32-bit versions of Windows can support up to 32 processor cores, whereas 64-bit versions can support up to 256 processor cores.

And a word on the word *basic*. You'll be a whole lot happier if your desktop computer components have higher numbers than the ones we just listed. If you have a computer that's fairly new — say, three to four years old — you might need only to add some RAM or possibly hard disk space. If your computer is older than three or four years, you should consider purchasing new equipment, simply because you'll be unbelievably happier with the computer's performance. Technology continues to improve dramatically in short spurts of time.

If you buy a new computer, you don't need to worry about meeting more than the basic requirements. We're pretty sure you'd have a hard time finding a new computer containing a 1-gigahertz processor; most computers today come with at least 2.5-gigahertz processors, and they support better graphics than the DirectX 9 graphics listed in the basic requirements. And most monitors available for purchase today don't support low resolutions such as 800 x 600; you most likely own a

monitor that supports much higher resolution. In my opinion, 1GB of RAM is insufficient; Intuit recommends that your desktop computer have at least 4GB of RAM, and you'll be much happier if it has 8GB of RAM. On the hard drive requirement, if you don't have the 16GB or 20GB of available space specified, you probably should be considering a hard drive replacement for your computer.

QBO and QBOA have their own hardware requirements — that exceed Microsoft's basic requirements. Visit this page to see the system requirements for QBO and QBOA: <https://quickbooks.intuit.com/learn-support/en-us/install-or-update-products/system-requirements-for-quickbooks-online-accountant-and/00/188943>.

Alternatively, you can visit [quickbooks.intuit.com/learn-support](https://quickbooks.intuit.com/learn-support) and use the search term *system requirements for QuickBooks Online*. If you want to use QBO Desktop, visit this page to see system requirements: <https://quickbooks.intuit.com/learn-support/en-us/download-products/quickbooks-app-for-windows-and-mac-general-support/01/186053#M4087>.



TECHNICAL  
STUFF

The amount of RAM your computer can successfully use depends on the computer's architecture — in particular, if your computer uses a 32-bit processor, as older computers often did, your computer might not be able to “see” more than 4GB of RAM. So, you could put 16GB of RAM in the computer and only be able to use 4GB. And part of that 4GB goes to other stuff, like your video card; so, with most 32-bit processors (there are a few exceptions), your computer can use only 3GB of RAM. Bottom line here: Newer computers use 64-bit processors and can take advantage of much more RAM, which makes them much faster.

# Chapter 2

## Embracing the QBO/QBOA Format

---

### IN THIS CHAPTER

- » Understanding available QBO subscriptions and their costs
- » Examining ways to meet payroll needs
- » Taking a tour of the App Center

QBO and QBOA are not traditional software that you buy and install on your local computer. This chapter explores the QBO/QBOA software format, and we assume that you've read [Chapter 1](#) and evaluated whether QBO can meet your needs.

## *It's All about Subscriptions*

QBO and QBOA fall into the category of Software as a Service (SaaS). As such, you don't buy the software. Instead, you rent it; that is, you buy a subscription to use the software for a time period specified by the seller.



**REMEMBER** Traditionally, you buy a *license* to use software that you install on your computer, and typically, that license permits you to install the software on only one computer.

And, of course, a QBO user can pay varying amounts for a subscription, depending on the subscription level purchased.

QBO is available at five different subscription levels, and each subsequent subscription level costs more and contains more functionality. The QBO subscriptions available at this writing are

- » Self-Employed
- » Simple Start
- » Essentials
- » Plus
- » Advanced



**REMEMBER** All versions of QBO share three attributes in common. First, you can use a tablet, Android or iOS smartphone, or desktop computer to access your data. Second, your data is automatically backed-up online. And third, all versions of QBO use 128-bit Secure Sockets Layer (SSL), the same security and encryption used by banks to secure data sent over the Internet.

After you assess your needs as described in [Chapter 1](#), use the following information to identify the lowest subscription level that will meet your requirements. At this point in time, you can upgrade to a higher level, but you cannot downgrade to a lower level.

Accounting professionals signing up clients for QBO and creating client companies originally couldn't switch client companies from one version of QBO to another if the accounting professional created the client as part of

the Intuit Wholesale Pricing program. However, except for the Self-Employed version, that's no longer true. So, you no longer need to anticipate your client's requirements for more advanced features like the ability to track inventory or employing class tracking.

## ***The Self-Employed version***

This version of QBO is aimed at freelancers and self-employed individuals, basically, those who receive Federal Form 1099 to account for the money they've been paid and pay their taxes using Schedule C of IRS Form 1040. Be aware, though, that the QuickBooks Self-Employed version (QBSE) is not currently part of the QBO product line, and that means that you cannot upgrade from QBSE to any other QBO product directly — an important fact to keep in mind when deciding to start with QBSE. If your business has business bank accounts, you should not use the Self-Employed version. QBSE enables you to separate personal and business expenses and mileage, so it's really geared to the “side hustle” gig economy, like Uber and Lyft drivers.

Using the Self-Employed version, you can

- » Download transactions from your bank and credit card accounts.
- » Separate business from personal spending.
- » Create and send invoices at any time, and personalize your invoices using your logo as well as customize the subject line and main message of the invoice email.
- » Send a mobile reminder to customers before payment is due. And, QBSE lets you know when your invoice is viewed and paid.
- » Send receipts for paid invoices.

- » Duplicate prior invoices to send them again, eliminating busy work.
- » Accept mobile payments and take advantage of free bank transfers.
- » Track mileage using your phone's GPS and delete trips, along with mileage, in bulk.
- » Use your phone to take photos of receipts for your expenses; QBSE automatically extracts key data from the receipt and uses the information to match an existing transaction or to create a new expense.
- » Use QBSE's Expense Finder feature to identify more potential deductions by securely connecting your bank accounts to pull in business expenses from the entire past year and sort them into Schedule C categories. When you sign in to QBSE for the first time from March 20 to April 15, select "No, I am still working on 2020 taxes" to access the Expense Finder feature. You can then connect to your bank accounts to securely import all 2020 expenses in just minutes. The Expense Finder feature automatically finds work expenses and organizes them by Schedule C category.
- » Calculate and pay estimated quarterly taxes.
- » Use QBSE Labs to test drive new features.
- » If you need more guidance or have loyalties to a tax preparer, you can invite your tax preparer to work with your QBSE data using QBOA.

Like the other versions of QBO, you can use a tablet, an Android or iOS smartphone, or desktop computer to access your data. In addition, QuickBooks Self-Employed uses the same security and encryption as banks, and your data is automatically backed-up online. As you might expect, this version has the fewest reports



available, and only one person and an invited accountant can access QBSE. Use this address to purchase QuickBooks Self-Employed:

<https://quickbooks.intuit.com/self-employed>.

If you opt to include TurboTax in your subscription, you also can pay your estimated quarterly taxes online and export Schedule C information from QBO to TurboTax so that you can prepare your tax return more easily. With TurboTax as part of your subscription, you receive one federal and one state electronic tax return filing at no extra cost.

## USAGE LIMITS FOR QBO SIMPLE START, ESSENTIALS, AND PLUS

Because Intuit has introduced the new QBO Advanced subscription (that you can read about in the section "[The Advanced version](#)"), Intuit is applying updated usage limits to Simple Start, Essentials, and Plus subscriptions. Customers with these subscriptions who already exceed the usage limits can continue with their current subscription and their existing data, *but* (and this is an important "but") these customers won't be able to manually add to any element that currently exceeds the usage limit for the customer's subscription. After the usage limits go into effect, a customer who wants to add to a QBO element and will exceed the usage limit must upgrade to a higher level subscription that supports their needs.

So, what are the limits? You'll find the limits for all Simple Start, Essentials, and Plus subscriptions in the Usage Limits table.

### Usage Limits for Simple Start, Essentials, and Plus Subscriptions

<b>QBO Element</b>	<b>Usage Limit</b>
Chart of Accounts	250
Classes + Locations	40 combined

<b>QBO Element</b>	<b>Usage Limit</b>
Billed Users	1 for Simple Start, 3 for Essentials, 5 for Plus
Unbilled Users	2 Accountant users for all plans, for Plus, unlimited users who access for reports only, and, for Essentials and Plus, unlimited users who access for time tracking only.

The Advanced subscription level has only two real limitations: Using it, you can have up to 25 billed users and 3 unbilled Accountant users.

So, suppose that your QBO company needs more than 250 accounts or more than a combination of 40 classes and locations. If your company already exceeds these limits, you'll be able to continue in your current subscription, but you won't be able to add accounts or any combination of classes and locations until you delete or deactivate these elements to bring down your total to the limits listed in the table. If you can't reduce your accounts or combination of classes and locations, you'll need to upgrade to an Advanced subscription.

## ***The Simple Start version***

The Simple Start version of QBO is great for a new business with basic bookkeeping needs. With Simple Start, you can

- » Track your income and expenses.
- » Download transactions from your bank and credit card accounts.
- » Create an unlimited number of customers.
- » Send unlimited estimates and invoices.
- » Print checks and record transactions to track expenses.
- » Track and pay sales taxes.
- » Track, create, and send 1099-Misc forms.
- » Import data from Microsoft Excel or QuickBooks Desktop.

- » Invite up to two accountants to access your data.
- » Integrate with available apps in QBO's App Center.

Although the Simple Start version supports Accounts Receivable functions, you can't set up invoices to bill customers on a recurring basis. You also can't track bills due in the future in the Simple Start version because it doesn't include any Accounts Payable functions. However, the Simple Start version does include a trial balance and a general ledger.

Although the Simple Start version allows two accountants to work in the client's company, Simple Start is still designed for a single user. Therefore, the accountant cannot create the client's company for the client. At the time the company is created in QBO, whoever creates the company becomes, in QBO parlance, the Master Administrator.

In addition to the single-user restriction, the Simple Start version offers more than 50 reports. And Simple Start users can memorize report settings and produce memorized reports. Use this address to purchase QuickBooks Simple Start:

<https://quickbooks.intuit.com/pricing/>.



**REMEMBER** For subscription levels that support multiple users, the accountant can create the company for the client and then assign the master administrator role to the client. And, if the accountant doesn't make the client the master administrator when creating the company, the accountant can, later on, transfer the master administrator role to the client. See [Chapter 12](#) for more information.

## ***The Essentials version***

The Essentials version of QBO includes all the features found in Simple Start. In addition, with the Essentials version, you can

- » Set up invoices to automatically bill on a recurring schedule.
- » Take advantage of Accounts Payable functions, including entering vendor bills and scheduling their payment for later.
- » Create and post recurring transactions.
- » Track time.
- » Control what your users can access.

The Essentials version permits three simultaneous users and two accountant users as well as an unlimited number of users who log in only to use time-tracking tools. In addition, the Essentials version contains the 57 reports found in Simple Start and 30 additional reports.

## ***The Plus version***

The Plus version of QBO is the most full-featured version of QBO. It contains all the features found in the Essentials version. In addition, you can

- » Create, send, and track purchase orders.
- » Track inventory using the first in, first out (FIFO) inventory valuation method. QBO supports light inventory needs: If you sell finished goods, QBO should be able to manage your needs. But if you need to assemble finished goods to sell, QBO won't meet your needs on its own. You can look for an add-on app to supplement your inventory needs; we talk about add-on apps at the end of this chapter.

- » Categorize income and expenses using class tracking.
- » Track sales and profitability by business location. You can assign only one location to a transaction, but you can assign multiple classes to a transaction.
- » Give employees and subcontractors limited access to the QBO company to enter time worked.
- » Track billable hours by customer. QBO supports light job-costing needs, but it does not allow you to automatically cost labor.
- » Track projects.
- » Create budgets to estimate future income and expenses, and you can create multiple budgets per year, location, class, or customer.



**REMEMBER** We used QBO Plus as we wrote this book because it contains more features needed by most users; therefore, users of other versions might find references in this book to features they don't have. Accounting professionals: The company that comes with QBOA is a Plus company.

The Plus version supports five simultaneous billed users and two accountant users as well as an unlimited number of users who log in only to use reports or time-tracking tools. The Plus version also contains more than 120 reports: all the reports found in both the Simple Start and the Essentials versions, and some additional reports.

## ***The Advanced version***

Intuit has recently started offering QBO Advanced, a version aimed at users who have outgrown QBO Plus. In

addition to all the features you find in QBO Plus, using QBO Advanced, you can

- » Have up to 25 simultaneous users with full access.
- » Connect with a dedicated Customer Success Manager to handle support questions; support calls go to the front of the line instead of waiting in queue. Customer Success Managers also provide information on online training and QuickBooks products; subscribers to QBO Advanced are entitled to five free online training courses annually.
- » Establish custom permissions for your users.
- » Efficiently import hundreds of invoice transactions created outside of QuickBooks through a CSV file at one time.
- » Enable workflows to trigger reminders for customers and internal team members.
- » Utilize up to 48 custom fields.
- » Implement the included online backup service, which allows you to back-up and restore your accounting data.
- » Batch create transactions, including invoices, bills, checks, and expenses.
- » Visualize your data in the Performance Center with customizable chart widgets.
- » Take advantage of enhanced reporting capabilities called Smart Reporting, powered by Fathom.

Users of QBO Advanced face only two real limitations: They can have up to 25 billed users and 3 unbilled accountant users. For more information on QBO Advanced, see

<https://quickbooks.intuit.com/accounting/advanced>.

## ***Simple Start, Essentials, Plus, and Advanced with Payroll***

If an end user signs up for QBO Simple Start, Essentials, Plus, or Advanced on his own and creates his own company, he can create the company using the Self Service Payroll option or the Full Service Payroll option, or later, he can sign up for Payroll from within QBO. An accountant also can create the company that uses Self Service Payroll for a client. For details, see the section [“Addressing Payroll Needs”](#) later in this chapter.

## ***What Does It Cost?***

The big question: What’s it cost? The price is dependent primarily on the QBO version you choose and whether you start with a trial.

If you are an end user who signs up on your own for a QBO subscription, foregoing the trial, the price per month as of the date this book was written appears in [Table 2-1](#).

**TABLE 2-1 QBO Subscription Pricing**

<b><i>QBO Version</i></b>	<b><i>Regular Price</i></b>	<b><i>Sale Price</i></b>
Self-Employed	\$15/month	\$7.50/month
Simple Start	\$25/month	\$12.50/month
Essentials	\$40/month	\$20/month
Plus	\$70/month	\$35/month
Advanced	\$150/month	\$75/month



**REMEMBER** The prices shown in [Table 2-1](#) are monthly subscription prices, and, at the time we wrote this, the sale price was good for three months. In some cases, when you sign up, you'll be offered the option to pay for an entire year. And, paying for a full year might turn out to be less expensive than paying on a monthly basis.



**REMEMBER** At the time we wrote this, Intuit offered Simple Start, Essentials, Plus, and Advanced users the ability to add Self Service Payroll for the sale prices of \$22.50/month plus \$4/employee/month, Payroll Premium for \$40/month plus \$8/employee/month, or Payroll Elite for \$62.50/month plus \$10/employee/month.

Each month, your credit card is automatically charged for your subscription. You can opt for a free 30-day trial that includes payroll processing along with the rest of the subscription's features. If you opt to continue QBO Payroll after the 30-day trial, your subscription fee increases. You also can use the QBO Payments app for free; it gives you the capability to process online and mobile payments at a rate of, at the time we wrote this book, 2.4 percent for swiped transactions, 2.9 percent for eInvoiced transactions, and 3.4 percent for key-entered transactions. In all cases, there's also a 25 cent per-transaction fee, and ACH costs 1 percent with a maximum fee of \$10. QuickBooks Self-Employed users can enable mobile payments and enjoy free bank transfers and accept electronic payments.





**REMEMBER** If you opt for a 30-day free trial, you won't get the sale price for the subscription. If you "buy now" you're on the hook for at least one month at the sale price. In that event, you can cancel your subscription, but Intuit no longer offers refunds for QuickBooks Online. You can of course always try to plead your case with QBO customer support.

If you are an accounting professional, you can sign up for the Wholesale Pricing program and use QBOA for free. If you create a client's company as part of the Wholesale Pricing program and you manage the client's subscription, your credit card is charged automatically for each client subscription. It is your responsibility to bill the client for the QBO subscription. The bill you receive from Intuit is a single consolidated bill for all the QBO subscriptions you manage. For a little more information on the Wholesale Pricing program, see [Chapter 11](#). But, for the complete skinny on the Wholesale Pricing program, contact Intuit. Note that accounting professionals might be able to get QBO for their clients at a reduced price.



**REMEMBER** If an accounting professional creates a company through QBOA, the company does not come with a 30-day free trial. Instead, at the time the accounting professional creates the company, he must provide a payment method to ensure uninterrupted service.

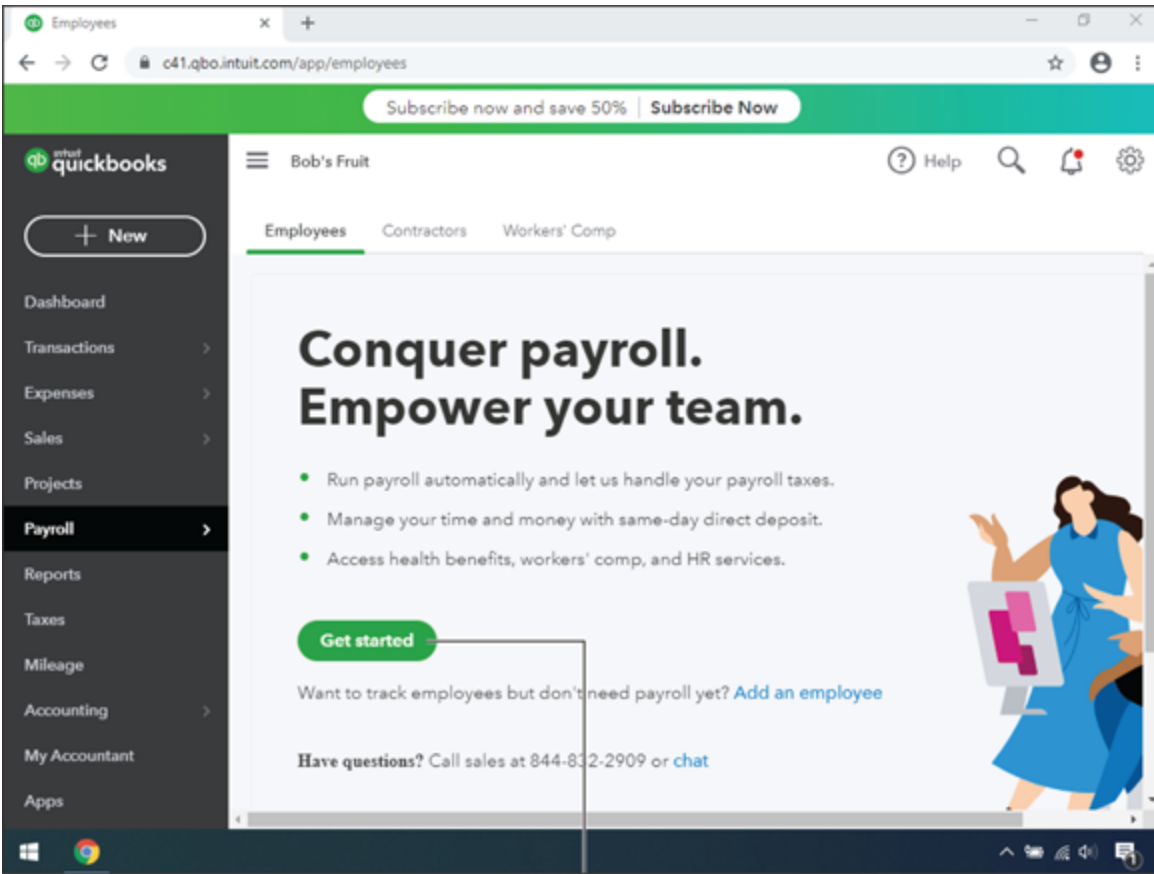
If your client initially sets up QBO with his or her own subscription, you can move that existing QBO subscription to your consolidated bill at the discounted

rate. And, if your arrangement with your client doesn't work out, you can remove the client from your consolidated bill, and the client can begin paying for his own subscription.

## ***Addressing Payroll Needs***

QBO can handle payroll regardless of whether an end user or an accountant creates the QBO company.

If an end user signs up for QBO Simple Start, Essentials, Plus, or Advanced on his own, he can create his own company using the appropriate “with Payroll” option — Core, Premium, or Elite — or, after the fact, he can sign up for QBO Payroll from the Employees screen (see [Figure 2-1](#)).



Click here to get started using Payroll.

**FIGURE 2-1:** If you sign up for QBO on your own, you can turn on Payroll from the Employees screen.



**REMEMBER** The distinction between the three options, aside from price, is that you choose Self Service Payroll if you want to file payroll forms and pay payroll taxes on your own; for details on preparing payroll in QBO, see [Chapter 9](#). Alternatively, all of the current QBO Payroll plans integrate with QBO, where Intuit pays taxes and files payroll forms for you. For those with an interest in history, Self Service Payroll is the current name for what used to be called Enhanced Payroll. Beginning in February of 2020, all new QBO

subscriptions have access to the newest Payroll lineup, Core, Premium, and Elite.



**REMEMBER** It's easy to get confused here ... we know we were. Intuit also offers another payroll product, Intuit Full Service Payroll, which is a standalone product that doesn't integrate with QBO.

All QBO Payroll services sport the following features:

- » Paying employees with printed checks or by directly depositing paychecks
- » Automatically calculating tax payments and paying them electronically
- » Processing federal and state quarterly and annual reports and preparing W-2 forms
- » Processing payroll for employees working in your company's state or another state
- » Keeping payroll tax tables up to date without having to install updates like you do with the QuickBooks Desktop product
- » Using the QBO Payroll mobile app to pay employees, view past paychecks, electronically pay taxes, and electronically file tax forms

If an accountant who is not enrolled in the Intuit Wholesale Pricing program creates a QBO Essentials, Plus, or Advanced company for a client, the client company can turn on QBO Payroll (QBOP) from the Employees screen in the client's company (refer to [Figure 2-1](#)). Clients can prepare payroll for themselves, or accounting professionals can manage all payroll functions for clients.

If the accountant is enrolled in the Intuit Wholesale Pricing program and creates a QBO Essentials, Plus, or Advanced company for a client as part of the program, the accountant can set up the QBO company to use QBO Payroll (QBOP).

Last, an accountant can add an Intuit Full Service Payroll subscription (where Intuit prepares payroll forms and pays taxes based on paychecks created outside of QBO) to a client company subscription through QBOA, regardless of whether he or she is enrolled in the Wholesale Pricing program.

## *Switching from QuickBooks Desktop*

At this point (or maybe earlier than now), you might have been wondering if you can easily switch to QBO if you have been a QuickBooks Desktop program user. And, the answer is yes. [Chapter 12](#) provides details on importing QuickBooks Desktop data into QBO. And, the import process doesn't affect your original desktop company; it's still available via the desktop product. After you import your data into QBO, you should run the Profit & Loss report and the Balance Sheet using the accrual method for all dates from both QBO and QuickBooks Desktop to ensure both versions show the same information.

And, if you want some reassurance that you'll get the same accurate information from QBO that you got from QuickBooks Desktop, you can "run in parallel" for a time period you specify. For example, you might decide to enter all your transactions in both versions of the software for one month; at the end of that time, you can

run reports from both products and make sure you see the same information.



**WARNING** Although you can continue to use the QuickBooks Desktop product, once you make the switch to QuickBooks Online, be aware that no synchronization occurs between QuickBooks Desktop and QBO. So, changes you make in one are not reflected in the other. Unless you're temporarily running in parallel, continuing to use both products could really mess up your books because you might accidentally enter transactions into one product and not the other. And it certainly would be time-consuming.

## *Where Add-On Apps Fit In*

QBO doesn't operate as a complete, standalone accounting solution. It has functional limitations. The section "[Addressing Payroll Needs](#)" highlights one such limitation — and shows how you can use Intuit add-ons to achieve more functionality in QBO. And, earlier in this chapter, we briefly mention Intuit's Payments app, which supports electronic customer payment processing and integrates with QBO.

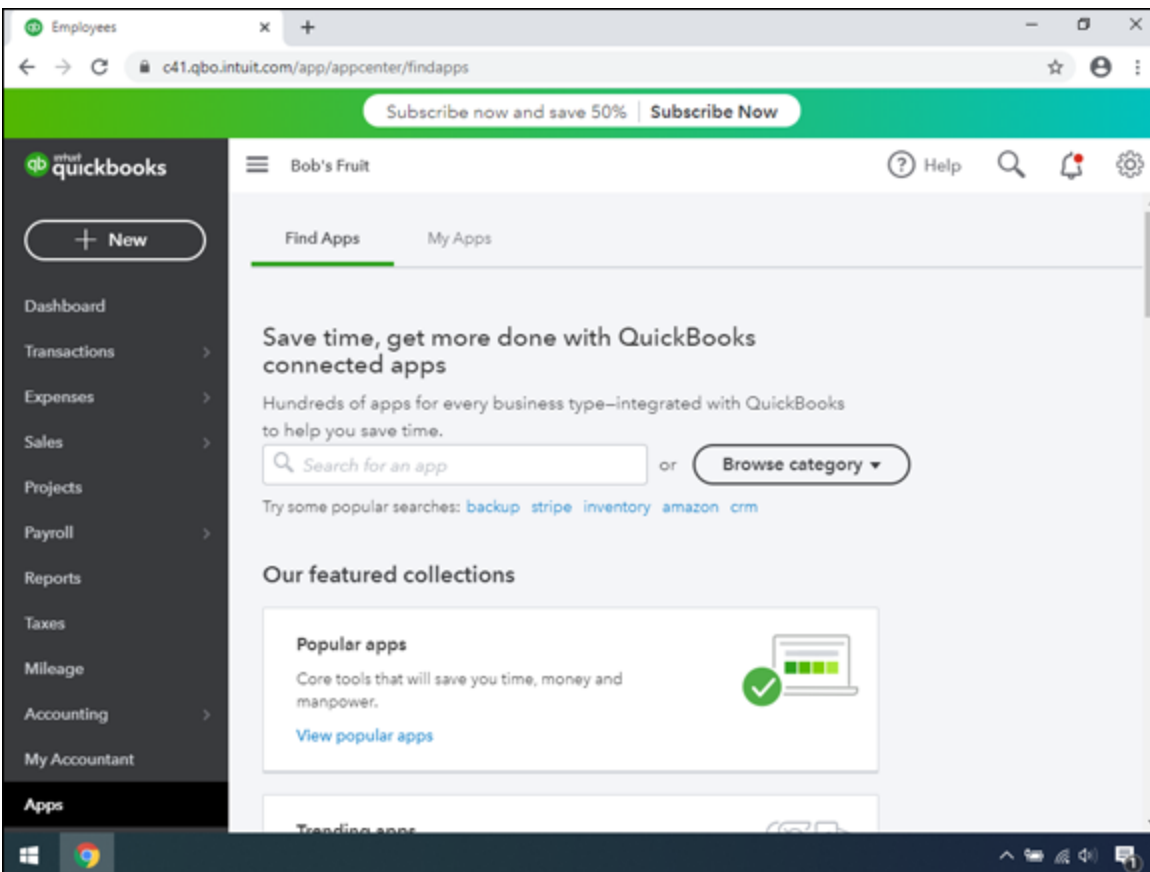
But those aren't the only add-on apps available for QBO; third-party developers have been creating apps to enhance the functionality of QBO. And, over time, you can expect more apps to be developed.



**REMEMBER** In [Chapter 1](#), we made a distinction about apps: In that chapter, we use the term to describe the

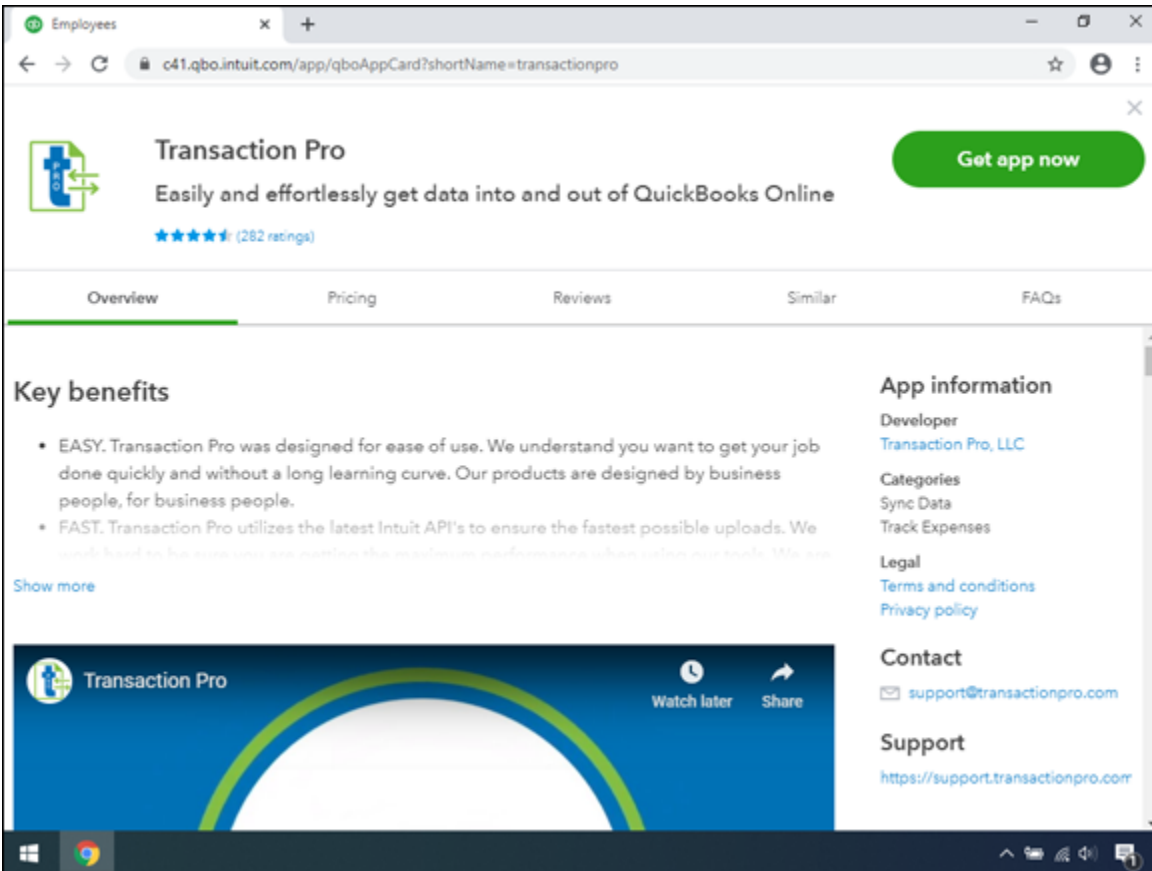
versions of QBO available from mobile device stores (Google Play and Apple App) and distinguish them from QBO Desktop, which is not available in mobile device stores but works on both Windows and Mac computers. In this section, when we refer to apps, we refer to products developed to enhance the functionality of QBO; these apps are available through Intuit's app store, called the App Center, and you can find them through QBO.

You can click the Apps link in the Navigation bar that runs down the left side of QBO to visit the App Center and explore available apps (see [Figure 2-2](#)).



**FIGURE 2-2:** Take a trip to the App Center to search for additional functionality for QBO.

Click any app to navigate to a web page that describes the app, provides pricing information, and often provides a video about the app (see [Figure 2-3](#)).



**FIGURE 2-3:** When you click an app in the App Center, you see details for the app.

Although add-on apps can provide additional functionality in QBO, some functionality is still missing; no doubt, that functionality will appear over time. For example, using QBO, you can't

- » Track your balance sheet by class.
- » Process more than 350,000 transactions annually without QBO Advanced.
- » Manage a robust inventory.



But apps are making inroads to eliminating these limitations. For example, Lettuce, an app that provided advanced inventory management features for QBO, did such a fine job of handling inventory functions that Intuit acquired Lettuce for the purpose of integrating it into QBO.

## Part 2

# Managing the Books for the End User

## **IN THIS PART ...**

Become familiar with the QBO interface.

Manage list information needed to use QBO.

Enter transactions in QBO to update your company's books.

Use reports to examine the condition of your company.

# Chapter 3

## Creating a Client Company in QBO

---

### IN THIS CHAPTER

- » **Signing up for a QBO account**
- » **Setting up a new QBO company**
- » **Understanding the interface**
- » **Working with company settings**
- » **Updating the Chart of Accounts**
- » **Working with multiple currencies**
- » **Examining QuickBooks Labs**

After you sign up for QBO, you log in. QBO then prompts you to set up your company. With certain limitations, you can import a company if you've been using a QuickBooks Desktop product. Or, you can use the QBO Setup wizard, as shown in this chapter.

For details on importing a company, see [Chapter 12](#) (or ask your accountant to help you with the import). And, don't worry; if you don't import your entire desktop company, you can import just the list information from that company, as described in [Chapter 4](#). And importing lists will still save you a lot of time and setup work.



TIP

Don't have an accountant and need one? You can visit the ProAdvisor marketplace to search for an

accountant who is familiar with QBO. Visit [www.findaproadvisor.com](http://www.findaproadvisor.com). Or try the QuickBooks Live Bookkeeping service at <https://quickbooks.intuit.com/live>.

## *Signing Up for QBO*

After you complete the sign-up process for a QBO account, Intuit, by default, logs you in to your account and walks you through the process of setting up your QBO company. The process is short — much shorter than the one you go through when setting up a QuickBooks Desktop product company — and you will need the following information:

- » Your company's name and address
- » The industry in which your company operates
- » Whether you want to import company information from a QuickBooks Desktop product
- » The way you want to handle payroll

To sign up for a QBO account, follow these steps:

1. **Visit** <http://quickbooks.intuit.com/pricing>.

You might get redirected; double-check the address in the browser's address bar to make sure you're on the "pricing" page.

2. **Scroll down the page to find three boxes describing each version of QBO —Essentials, Plus, and Advanced.**



**REMEMBER** Intuit offers QBO Advanced, a version aimed at users who have outgrown QBO Plus. QBO Advanced is *not* available as a free trial. For more information, see [Chapter 2](#) and <https://quickbooks.intuit.com/accounting/advanced>.

- 3. To use QBO as a free trial, click the slider button above the versions of QBO to change the slider's position from Buy Now for the current promotional price to Free Trial for 30 Days (see [Figure 3-1](#)).**



**REMEMBER** Be aware that the price you ultimately pay for QBO depends on whether you choose the Buy Now option or the Free Trial for 30 Days option. If you opt to “buy now,” you pay less for your subscription because discounts don't apply to the free trials. And, be aware that promotional pricing usually ends after 3 to 6 months.

- 4. In the version of QBO that you want to try, click Try It Free.**

The page in [Figure 3-2](#) appears.

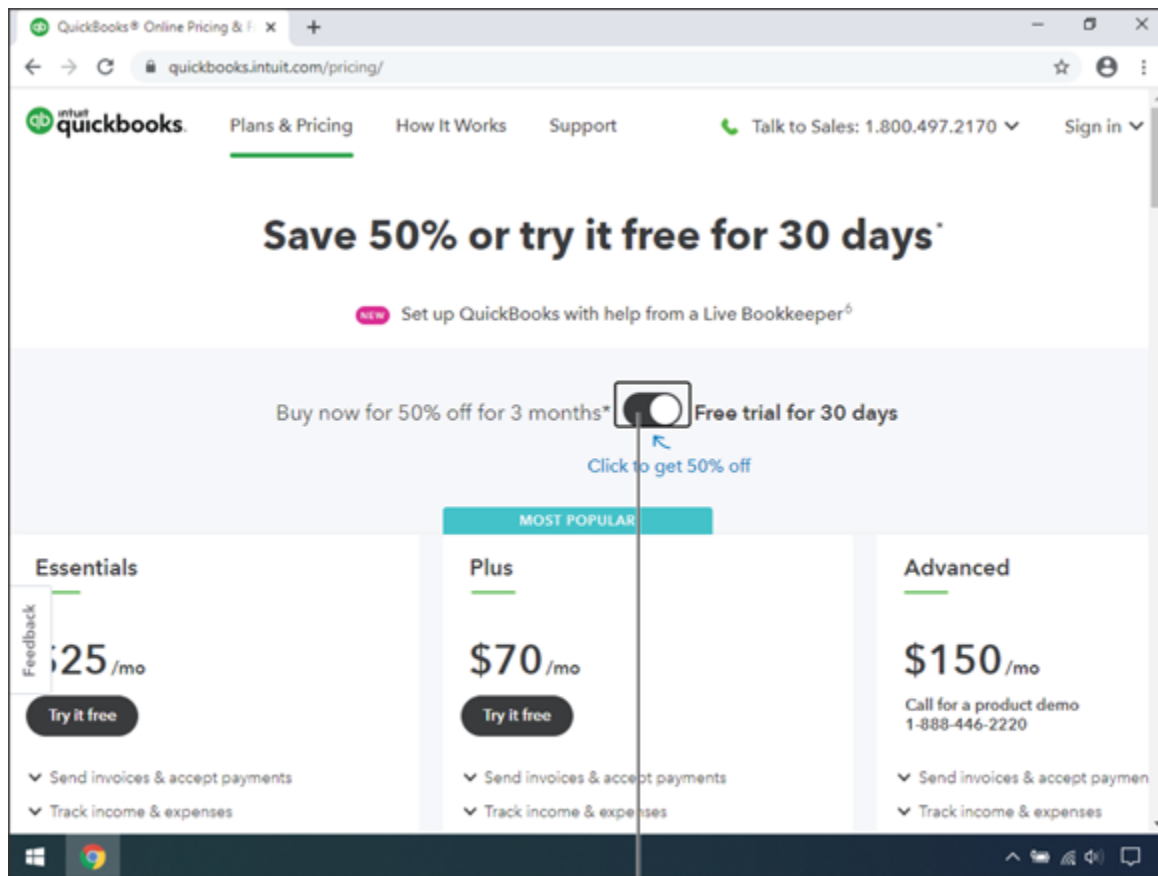
- 5. Fill in your email address (and confirm it), a mobile number if you want (it's optional, but Intuit uses it as a way to verify your identity if you need help recovering your account), and a password.**

Your password must be between 6 and 32 characters and consist of a mix of letters and numbers. The password can also contain some special characters; we included an exclamation point (!) in our password

and it was accepted. The user ID and password you supply are the ones you use each time you log in to QBO. If you've previously created an Intuit login, you can use the same one again.

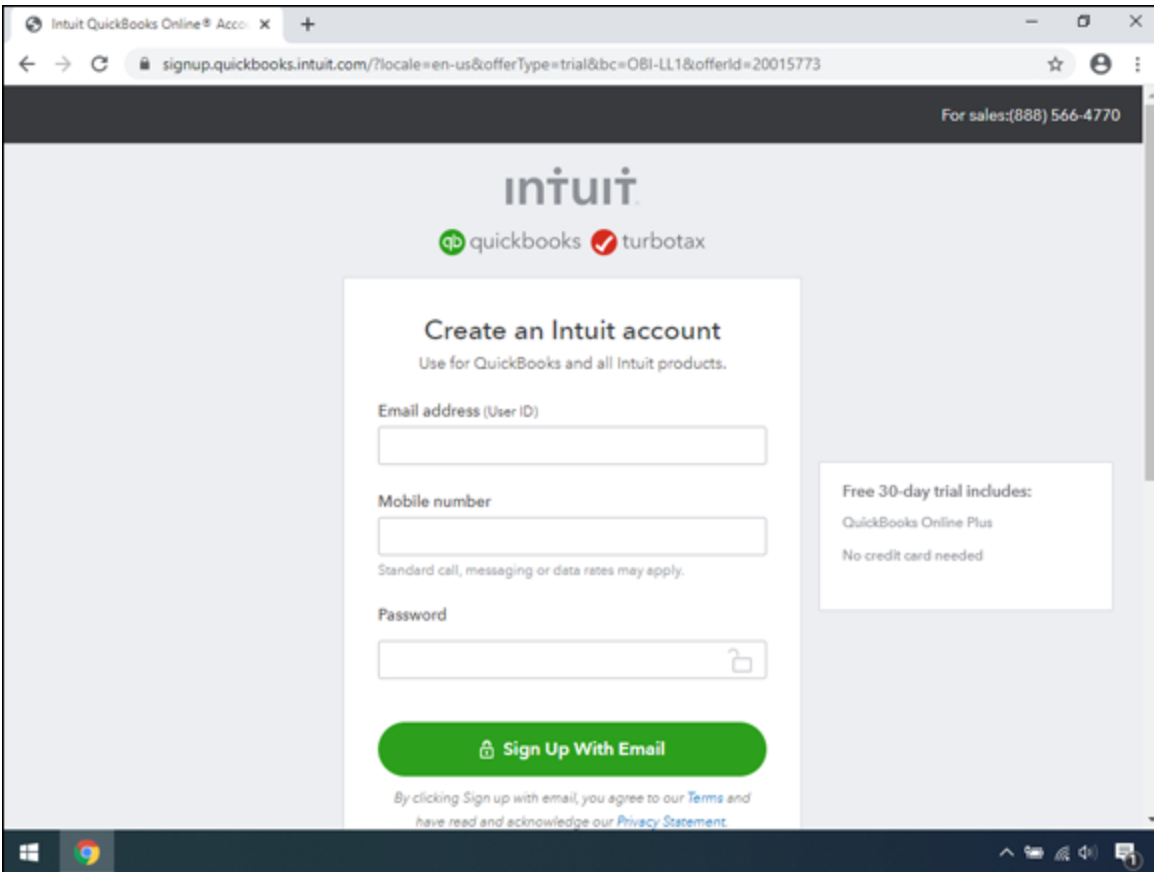
**6. Click the Sign Up with Email button below the boxes you completed in Step 5.**

At the time that we wrote this, a window appeared that offered the option to skip the free trial and buy the product at a discounted rate. You can buy, but we opted to click the Continue to Trial button.



Click here to opt for a free trial or to buy QBO.

**FIGURE 3-1:** Use the slider to toggle between a short-term discount or a free trial.



**FIGURE 3-2:** Fill in the information needed to start the free trial.

QBO sets up your free trial, logs you in to QBO, and displays the Set Up wizard ... read on.





TIP

If, at any time, you find you need help from a real person, you can take advantage of QBO's SmartLook feature to work with Intuit in your QBO company. Phone or chat with QBO technical support and, in your QBO company, click Gear ⇒ SmartLook (you'll find it at the bottom of the Tools list on the Gear menu). QBO will display a number that you supply to your technical support representative, giving permission to share your QBO screen (and only your QBO screen). And, just so you know, we first thought the SmartLook feature functioned like a bat signal, and that an agent would just show up. But, our highly qualified and competent technical editor set us straight.

## *Setting Up a New Company*

When you first sign up for a QBO account, Intuit logs you in to your QBO account and, by default, displays the Set Up wizard. The first screen of the wizard, shown in [Figure 3-3](#), asks for basic company information.

qb intuit quickbooks SET UP YOUR QUICKBOOKS 1 of 5

## 1. Tell us about your business.

Everyone needs something a little different from QuickBooks. Let's get to know what you need so we can tailor things to fit you. You can change your info anytime in Settings.

What is the full, legal name of your business?

How would you describe what your business does?

Start typing and select the industry that fits best.

I've been using QuickBooks Desktop and want to bring in my data.

Back Next

**FIGURE 3-3:** Provide basic company information.

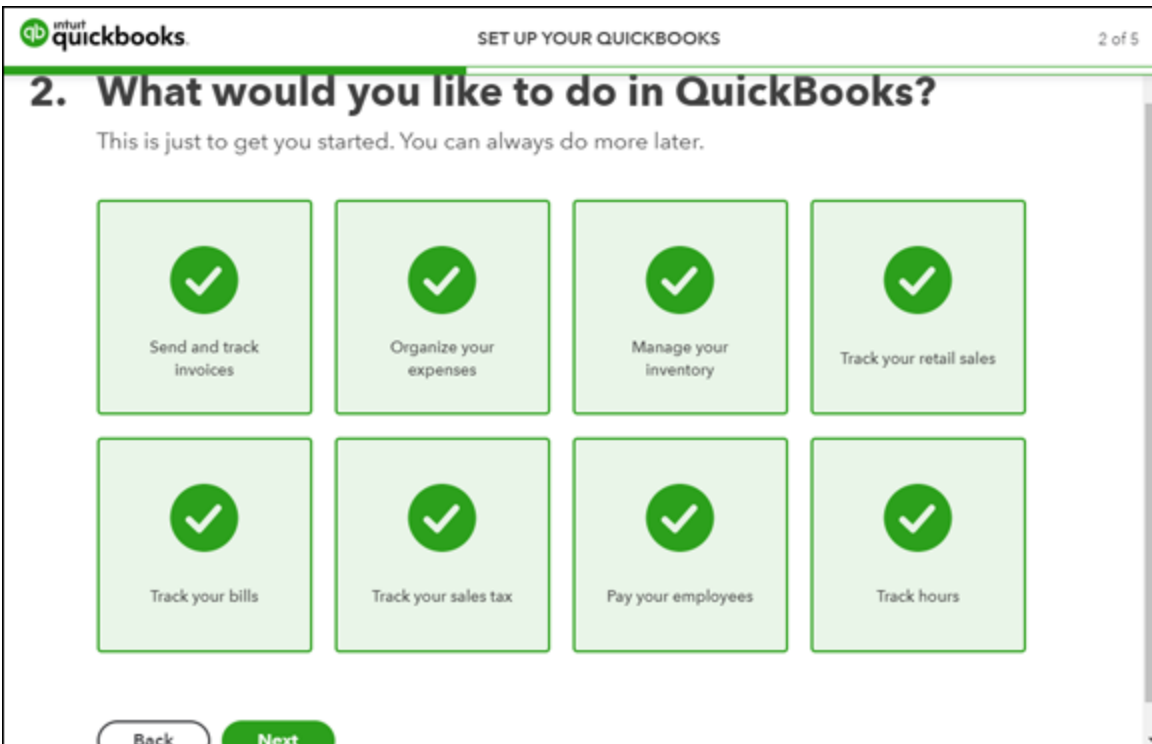


**TIP** Notice that you can opt to bring in QuickBooks Desktop data. For this exercise, we didn't check that box. Be aware that you can later import QuickBooks Desktop data; the decision you make here isn't your last chance.

Click Next in the lower-right corner, and QBO displays the screen shown in [Figure 3-4](#), where you select activities for which you intend to use QBO. Don't worry about making a mistake here; this is just a "get up and running" page. You don't need to select all activities. If you don't select an activity now, you can always add it later. As you select a particular activity, QBO displays a check in the box for that activity. You can choose any or all of the following that apply to you:

- » Send and track invoices.
- » Organize your expenses.
- » Manage your inventory.
- » Track your retail sales.
- » Track your bills.
- » Track your sales tax.
- » Pay your employees.
- » Track billable hours.

When you finish selecting activities, click All Set.



**FIGURE 3-4:** Select activities for which you expect to use QBO.

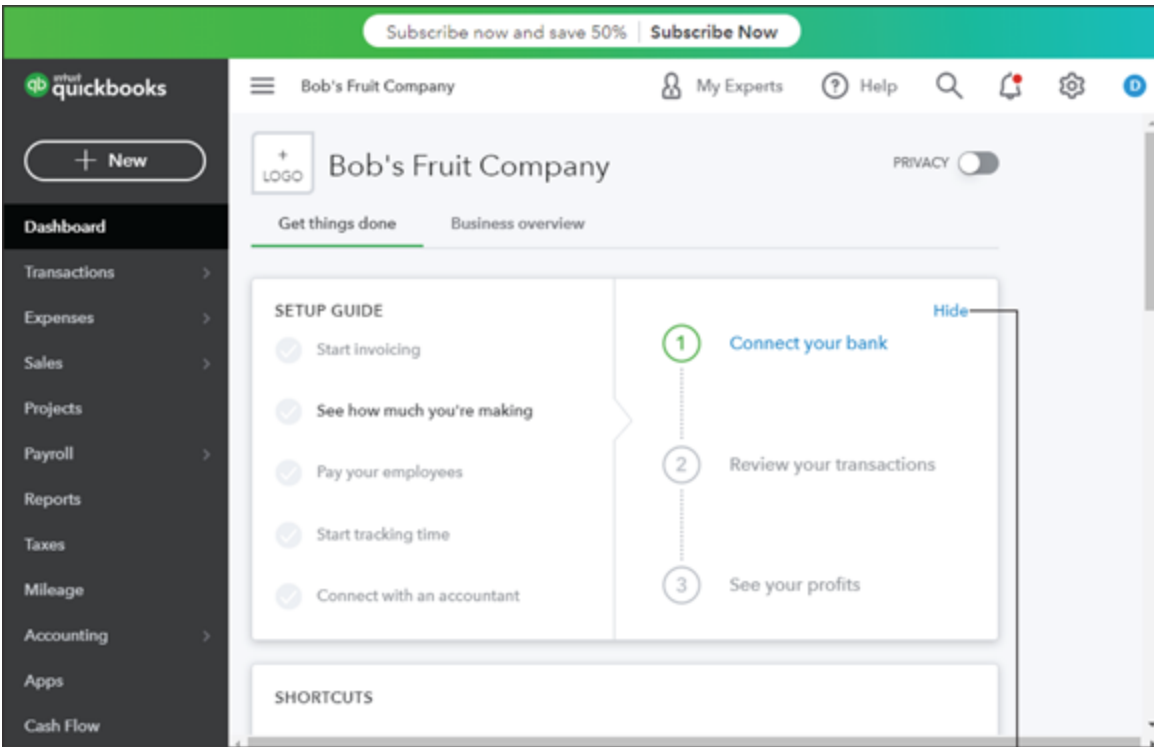


**TIP** If you choose the option to pay your employees, QBO assumes you want to use QBOP — and that's fine; you can read more about payroll and using

QBOP in [Chapter 9](#). But, if you have any future expectation of importing any QuickBooks Desktop data into your QBO company, don't turn on payroll *or* plan to start another QBO company when you're ready to import. Turning on payroll in a QBO company before you import QuickBooks Desktop data effectively nullifies your ability to successfully import the data. So, turn on payroll with the expectation that you're using this QBO company to play around and see how QBO works, but that you won't be keeping any data you store in it once you get around to importing QuickBooks Desktop data (described in detail in [Chapter 12](#)).

QBO displays a short tour and then your company's Dashboard page (formerly called the Home page) as well as links to options you might want to set up to get started (see [Figure 3-5](#)).

We examine the Dashboard page in the next section, but essentially you've just completed most of the initial setup work; we cover other program settings later in this chapter.



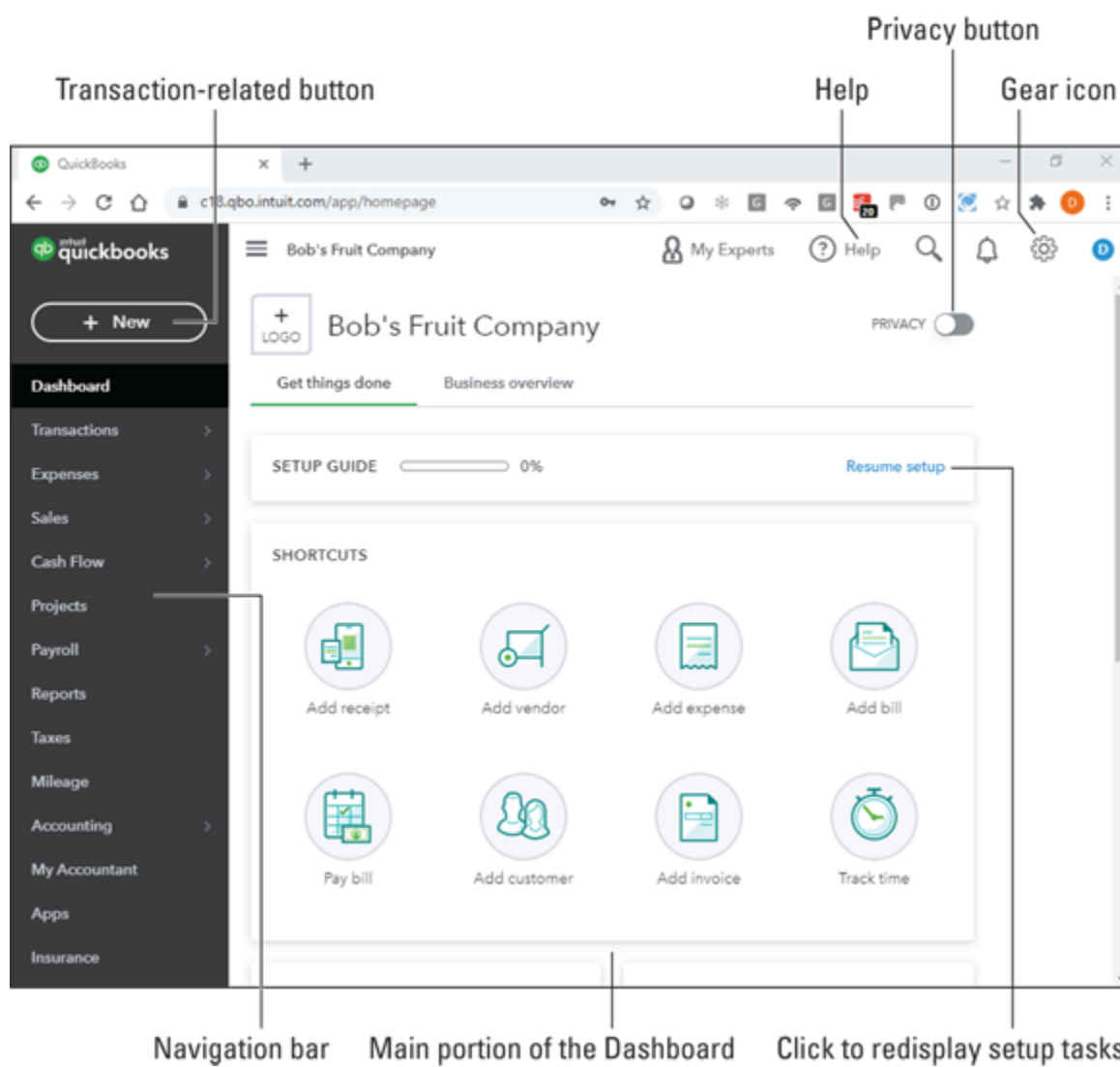
Click here to hide additional setup options.

**FIGURE 3-5:** Your QBO Dashboard page just after creating your company.

## *Understanding the Dashboard Page*

When you first see your QBO company, your Dashboard page contains boxes with links to options you can use to set up features in QBO that are important to you (refer to [Figure 3-5](#)). You can use those links and set up those options now, or you can wait until later. To hide the options, click **Hide** in the upper-right corner of the box. Don't worry, you can still set up the options associated with any of these boxes; in [Figure 3-6](#), notice the **Resume Setup** link in the upper-right corner of the Dashboard. Click it to redisplay the setup options. And, once you close the boxes, your Dashboard page displays information specific to your company.

In the center of [Figure 3-6](#), using most of the Dashboard page real estate, you find information that changes depending on what you have clicked while using QBO. For example, when you initially open QBO, the information is overview company information. If you click an entry in the Navigation bar (on the left side of the screen), the information in the center of the Dashboard page changes to information related to the entry you clicked. If you select an option on the Gear menu (discussed later in this section), the information you see relates to the option you select.



**FIGURE 3-6:** The QBO Dashboard page after closing the additional setup box.



TIP

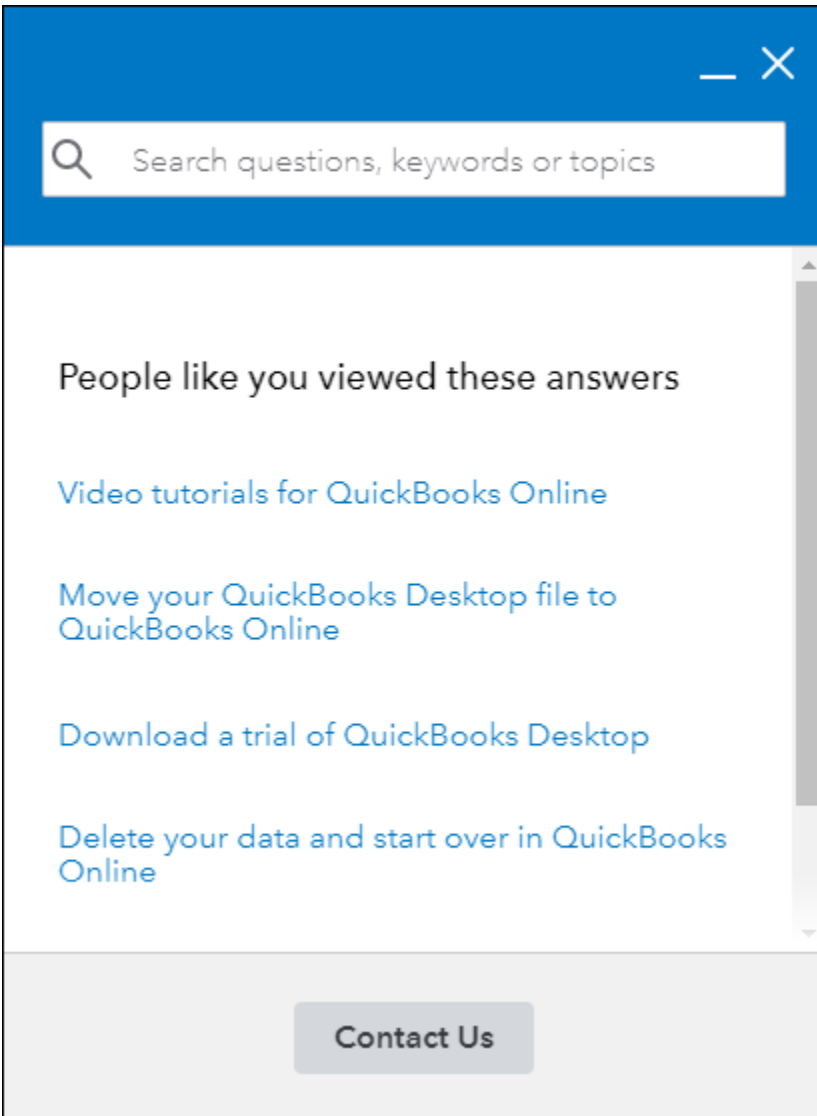
You might have noticed the Privacy button in [Figure 3-6](#). You can use this button to temporarily hide financial information on your Dashboard page. For example, you might want to turn Privacy on if you're using QuickBooks in a public place or even in your office when you're not alone. Once you turn Privacy on, it remains on until you turn it off again.

As we just mentioned, the Navigation bar runs down the left side of the screen. You use the Navigation bar the same way you'd use a menu; click an item in the Navigation bar to, well, navigate to that part of QBO. For example, you can click Sales in the Navigation bar to see existing sales transactions in QBO and to create a new Sales transaction.

The highlighted entry in the Navigation bar helps you identify the section of QBO that you are using.

On the right side of the Dashboard page, you find a list of the bank accounts you've set up; if you scroll to the bottom of the list, you find options to connect your accounts to their banks, select an account and open its register, and view all activity, which is the audit log in QBO. The audit log lists every transaction created, changed, or deleted in QBO, as well as every instance of someone logging in to and out of QBO.

When you click the Help button, you see a menu of common topics QBO thinks might be of interest to you, and you can type in the Search box to find help on a particular topic (see [Figure 3-7](#)).

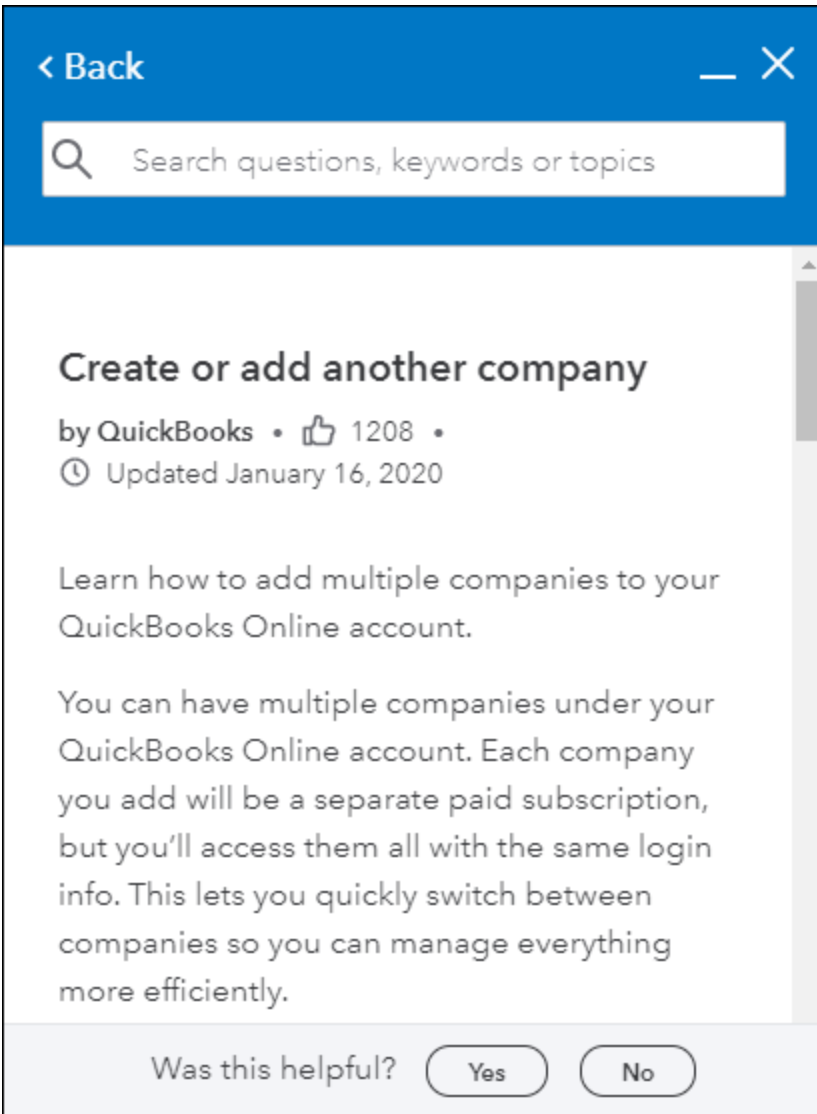


**FIGURE 3-7:** The Help menu.

For example, when you click the Create a New QuickBooks Online Company or Companies (US Only) link, QBO displays the How to Create a New QuickBooks Online Company or Companies page, which provides instructions for that topic (see [Figure 3-8](#)).

At the top-left corner of the screen, you see the New button you can use to work with transactions. [Figure 3-9](#) shows the New menu that appears when you click the New button.



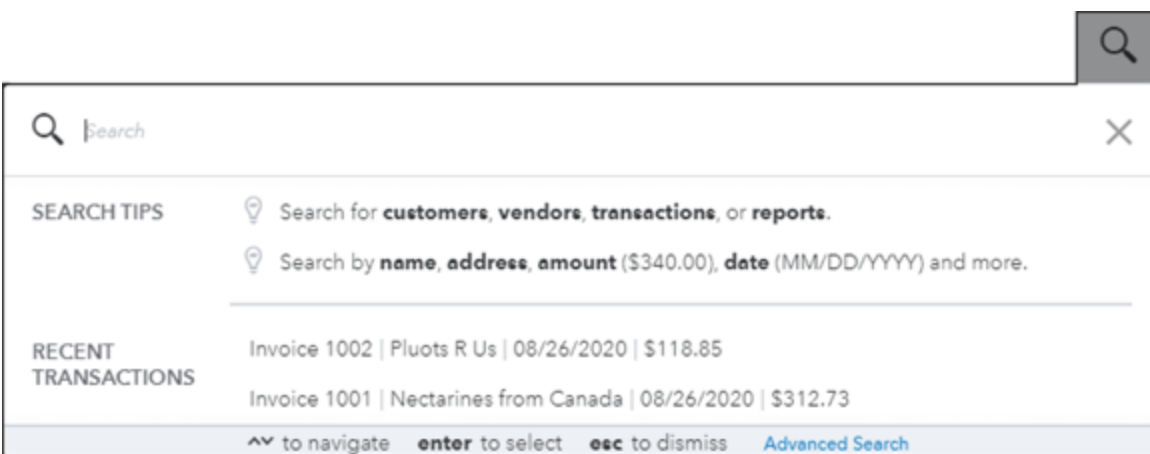


**FIGURE 3-8:** A sample Help topic.



**FIGURE 3-9:** Click the New button to create a new transaction.

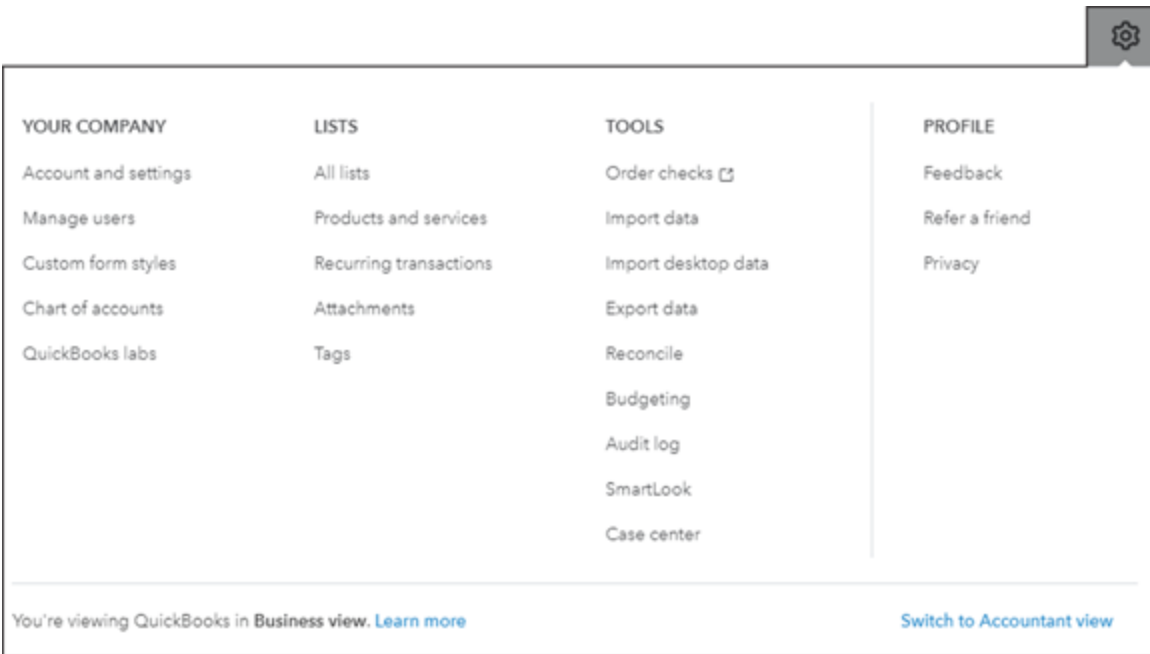
[Figure 3-10](#) shows what you see when you click the Search button, which appears as a magnifying glass to the right of the Help button. You see a list of recently entered transactions; you can click any transaction in the list to open that transaction. Or, you can use the Search Transactions box to search for a transaction.



**FIGURE 3-10:** Click the Search button to search for previously entered transactions.

Click the second button from the top-right corner, the Gear button, to display the menu shown in [Figure 3-11](#).

From here, you can look at and change QBO company settings; view lists; work with tools such as import and export, reconciliation, and budgeting tools; and view information about your QBO account. Note that the Gear menu is divided into four columns that organize related commands.



**FIGURE 3-11:** Use the Gear menu to work with settings, lists, tools, and your QBO account.

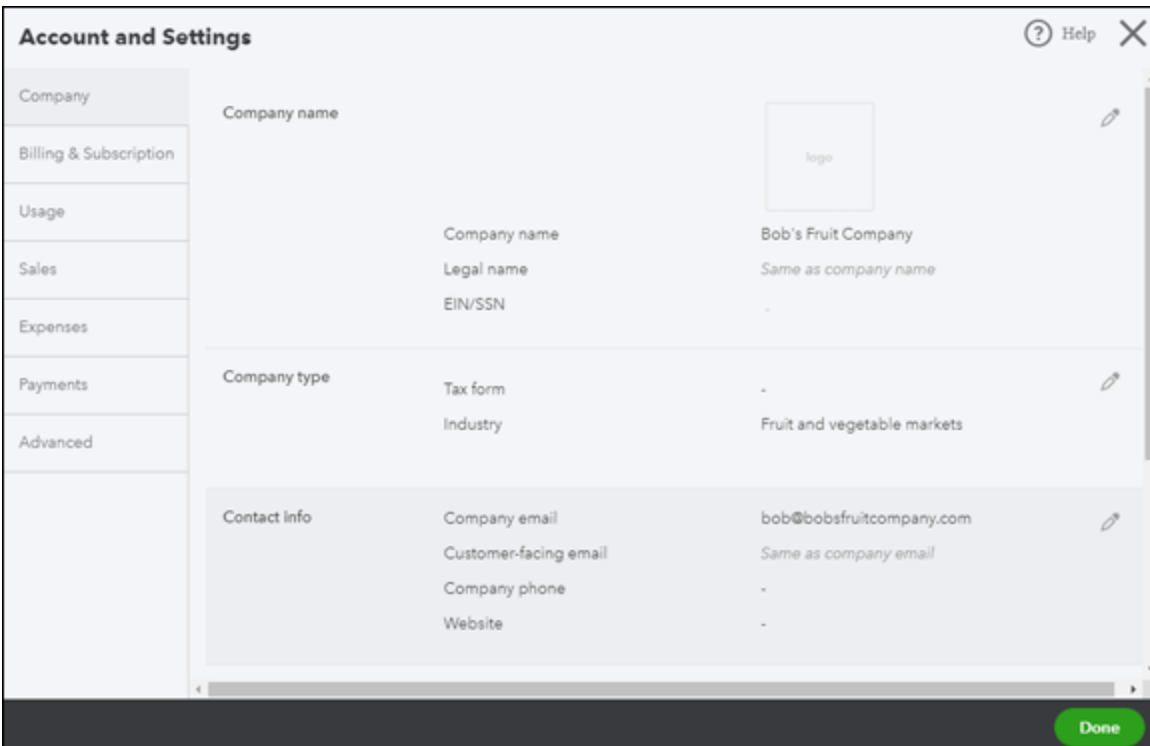
## *Establishing Company Settings*

After you set up your company, you should review the default settings Intuit established and make changes as appropriate. To examine and make changes to payroll settings, see [Chapter 9](#).

### *Examining company preferences*

Choose Gear ⇒ Account and Settings to display the Company tab of the Account and Settings dialog box (see

Figure 3-12).



**FIGURE 3-12:** Review company settings.

On this tab, you can make changes to your company name, address, and contact information and your preferences for communication with Intuit.

To change any setting, click anywhere in the group where the setting appears. When you finish making changes, click the Save button that appears in the group of settings. You can then move on to other settings on the page.

When you finish working with Account and Settings, click Done in the lower-right corner of the screen.

## ***Examining billing and subscription settings and usage limits***

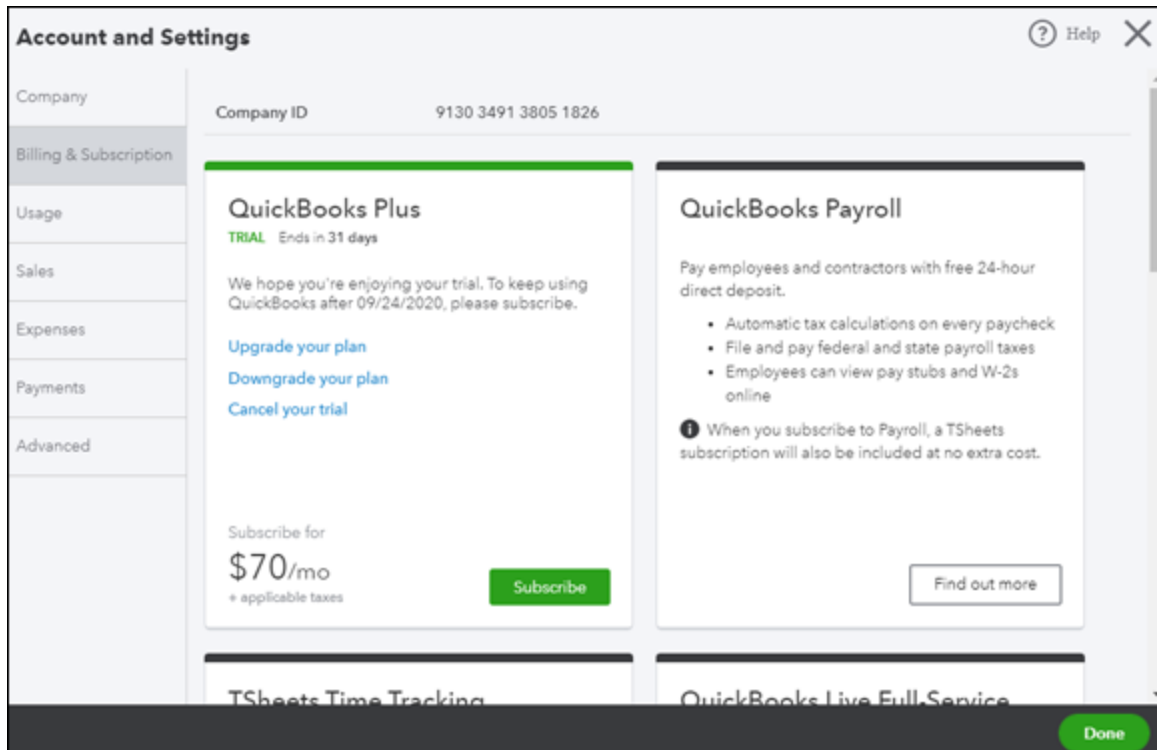
To review the settings related to your QBO billing and subscription, click the Gear icon and select the

appropriate option. QBO users, choose Gear ⇒ Account and Settings to display the Account and Settings dialog box. Then, click Billing & Subscription in the pane on the left. QBOA users choose Gear ⇒ Your Account.



**REMEMBER** You won't see the Billing & Subscription pane if the QBO company is being managed by an accountant who is part of the Wholesale Billing program.

This page, shown in [Figure 3-13](#), shows you the status of your QBO, Payroll, and Payments subscriptions. From this page, you can convert your trial version of QBO and of the QBO Payroll product to a regular subscription; converting cancels your trial. You also can use this page to order checks and supplies, should you need them.



**FIGURE 3-13:** Review QBO billing and subscription settings.



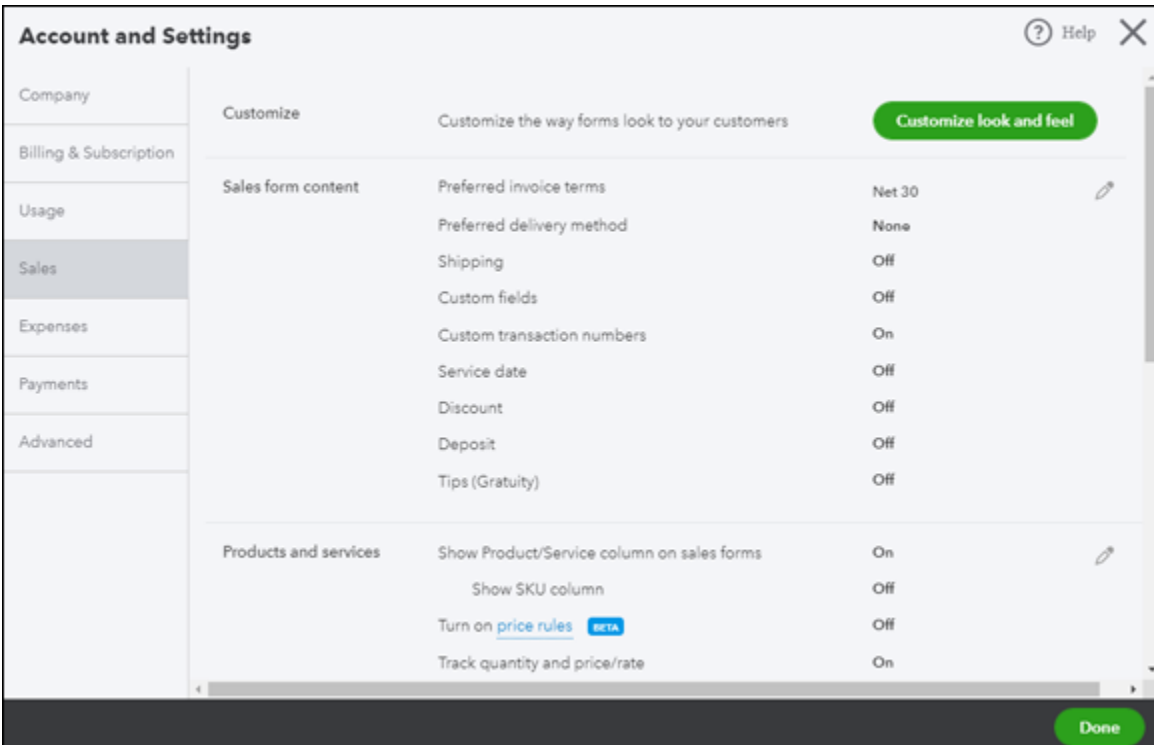
**REMEMBER** The subscription-based Payments product that Intuit offers enables you to receive online payments from your customers. If you already have a subscription to the Payments product, you can connect it to QBO from the Billing & Subscription page of the Account and Settings dialog box. If you don't have a subscription, you can subscribe from the Apps page on the Navigation bar or from the Payments page of the Account and Settings dialog box.

When you click the Usage pane on the left side of the Account and Settings dialog box, QBO displays the usage limits applied to your QBO company based on the version of QBO you selected when you created your company (Simple Start, Essential, Plus, or Advanced).

## ***Setting sales preferences***

To review the Sales preferences of your QBO company, choose Gear ⇒ Account and Settings to display the Account and Settings dialog box. Then, click Sales in the pane on the left.

At the top of the page that appears (see [Figure 3-14](#)), you can click the Customize Look and Feel button to customize the appearance of the invoice you send to customers. We return to the customization process at the end of this section; first, we'll examine the settings available to you.



**FIGURE 3-14:** The Sales page of the Account and Settings dialog box.

### ***Examining sales settings***

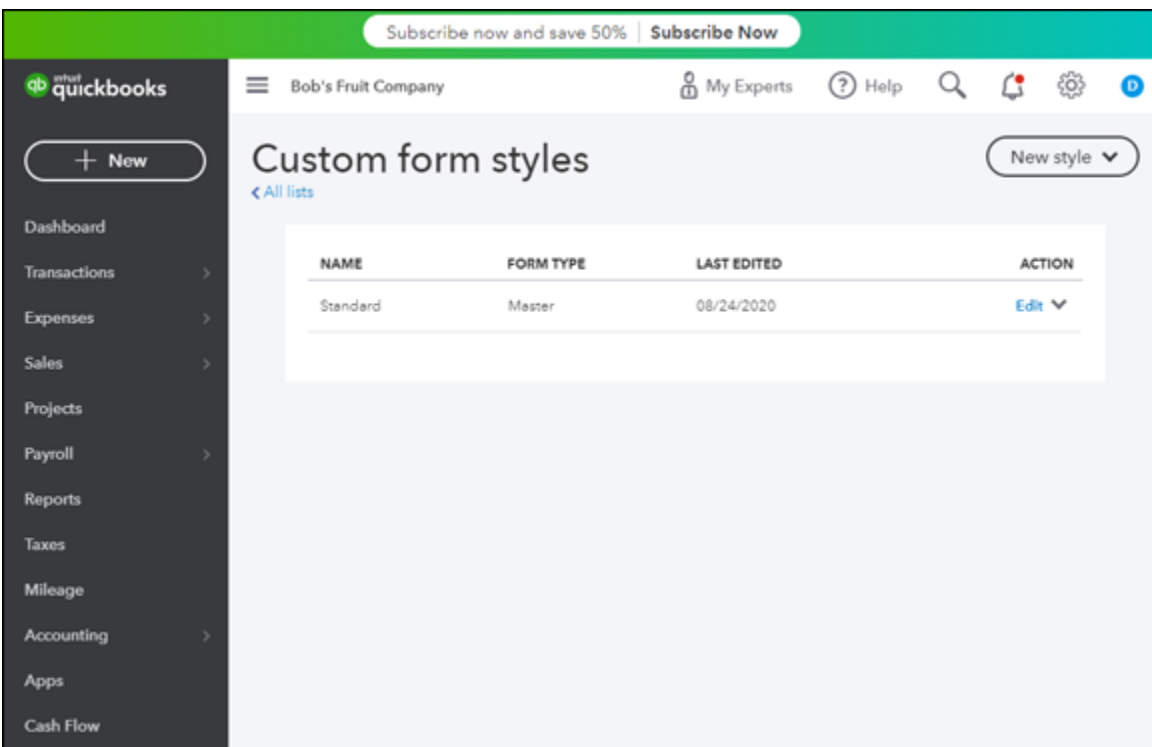
You can set a variety of options related to sales:

- » In the Sales Form Content section, you can define the fields that appear on the form you complete to prepare invoices, sales receipts, and other sales forms.
- » In the Products and Services section, you can make changes to the product-and service-related fields that appear on sales forms. If you're using QBO Plus, this is where you turn on inventory tracking and where you can try out using price rules. You can read more about inventory and price rules in [Chapter 4](#).
- » In the Messages section, you can control the default email message sent to customers with sales forms and the default message that appears on those sales forms.

- » In the Reminders section, you set up the standard language to be used in email messages sent with reminders.
- » In the Online Delivery section, you can set email delivery options for sales forms such as attaching the sales form as a PDF, showing a summary or details of the sales form in the email, and email formatting options for invoices.
- » In the Statements section, you can specify whether to show the aging table at the bottom of the statement.

### ***Customizing form appearance***

To customize forms that your customers receive, click Customize Look and Feel at the top of the Sales page in the Account and Settings dialog box to display the Custom Form Styles page shown in [Figure 3-15](#).

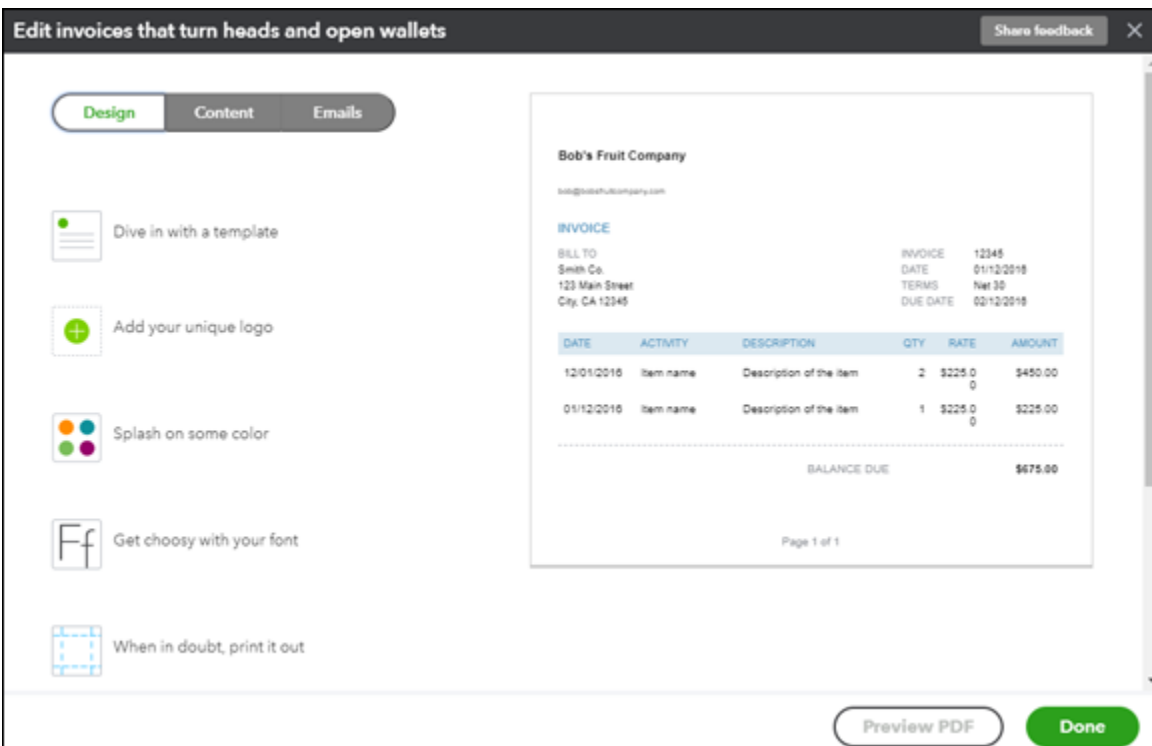


**FIGURE 3-15:** Use this page to edit an existing form style or set up a new form style.



The Custom Form Styles page lists any form styles you have already created. By default, QBO creates one form style for you when you sign up; that form style is named Standard and is used by default for invoices, estimates, and sales receipts.

If you are satisfied with the appearance of the majority of the form style, you can edit it instead of creating a form style. Alternatively, you can create separate customized forms for invoices, estimates, and sales receipts. To do so, click New Style in the upper-right corner of the Custom Form Styles page and choose the type of form you want to create. For this example, we chose Invoice, and QBO displayed the page shown in [Figure 3-16](#), which varies only slightly if you opt to edit a different form. In particular, if you opt to create a form style, the page displays a form name for the form you are creating (see [Figure 3-16](#)).



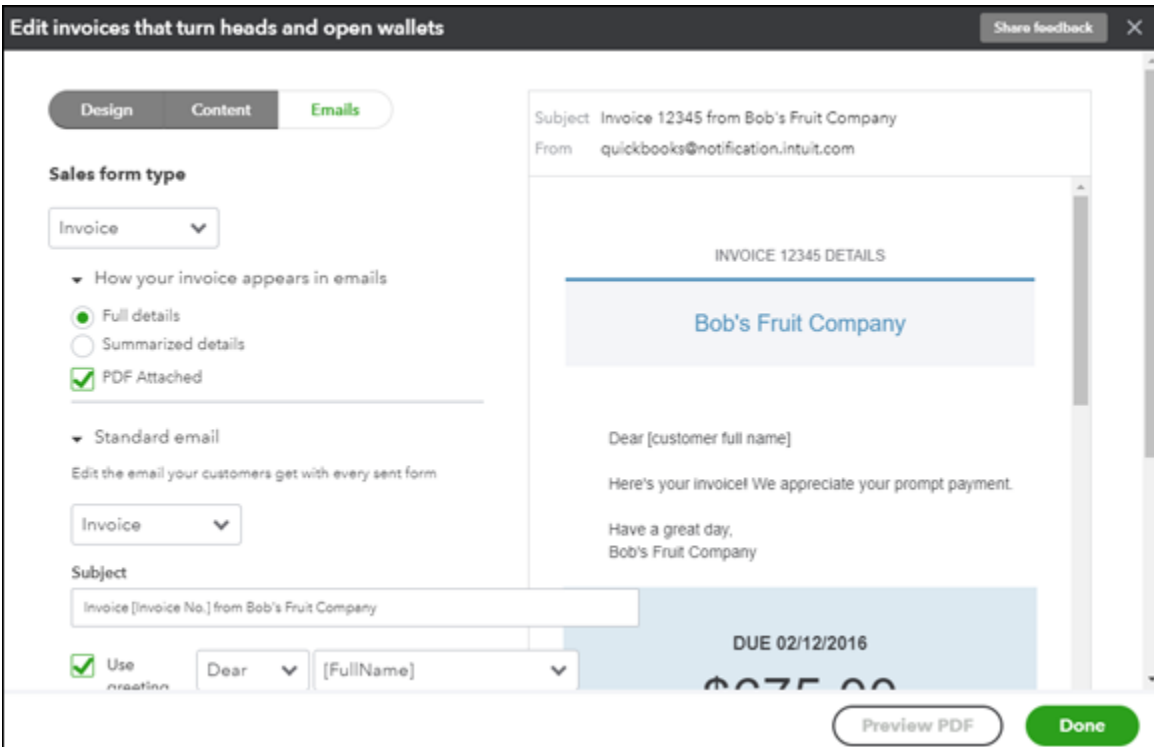
**FIGURE 3-16:** The page you use to customize sales forms.



**REMEMBER** The option to Import Style appears only if you have enabled importing form styles in QuickBooks Labs, as described in the next section, “[Importing form styles](#).”

You use the tabs that run across the top-left side of the page to establish form style settings:

- » From the Design tab, shown in [Figure 3-16](#), you click Change Up the Template to select a style for the form: Airy New, Airy Classic, Modern, Fresh, Bold, or Friendly. The preview shown in [Figure 3-16](#) is the Airy New form style. You also can modify the appearance and placement of your logo, set the form’s font, and try different colors.
- » From the Content tab, you can edit directly on the form. Just click a pencil in the upper-right corner of a form section and make changes using the boxes that appear on the left side of the page.
- » From the Emails tab, shown in [Figure 3-17](#), you can edit the standard and reminder email messages your customer receives with each new or reminder form you send them. You make changes on the left side of the page, and the right side of the page shows a preview of what your customer receives.
- » If you’ve enabled Payments in QBO, you can use the Payments tab (not shown in [Figure 3-16](#)) to choose whether you want to give your customers the option to pay online and, if so, the methods you want to offer your customers — using bank transfers, by credit card (where fees apply), or both. Note that you need to finish setting up your payments profile before customers can pay you online.



**FIGURE 3-17:** Make changes to the email your customers receive with their forms.

You can click the Preview PDF button at the bottom-right side of the screen to preview your invoice in PDF format.

Click the Done button in the lower-right corner of the screen to save changes you make to the appearance of your forms.

## ***Importing form styles***

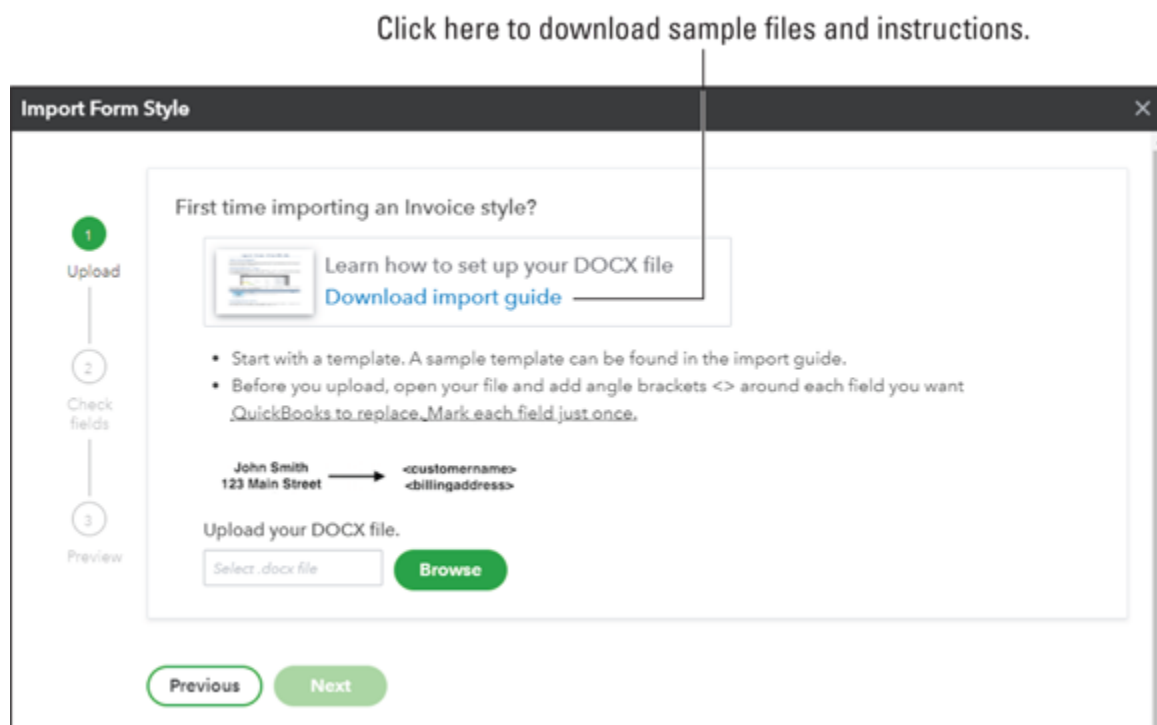


**REMEMBER** At the time we wrote this, importing form styles was a feature “under construction” in QBO and therefore not available unless you enable it using QuickBooks Labs. For details on using QuickBooks Labs, see “[Taking Advantage of QuickBooks Labs](#),” later in this chapter. For purposes of this discussion, we have enabled the feature.

If the form templates supplied with QBO don't meet your needs, you can use Microsoft Word 2010 or later to create a form style and then upload it into QBO. As part of the import process, you map fields you've identified on your Word document form style to QBO fields.

The tricky part of this process is getting the form correctly designed in Word. But, luckily, Intuit anticipated the challenge and provides sample forms and instructions to simplify the process. To download the samples and instructions, you need to pretend you've already created your form style in Word. If this feels like we're putting the cart in front of the horse, well ... we are, sort of.

To get the sample information and instructions, enable the Import Form Styles feature through QuickBooks Labs. Then, choose Gear ⇒ Custom Form Styles. On the Custom Form Styles page, click New Style, and choose Import Style. QBO displays the page shown in [Figure 3-18](#) after you choose Invoice or Estimate.



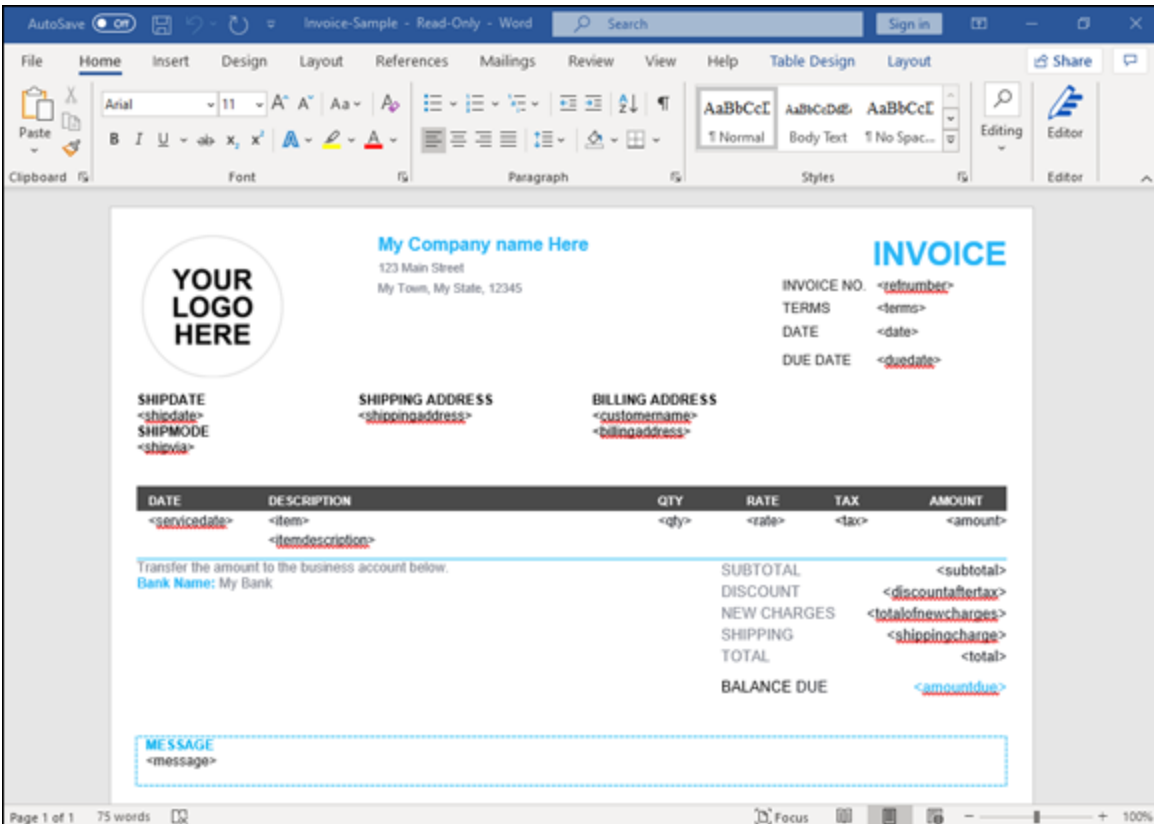
**FIGURE 3-18:** Use the Import Form Style page to download sample forms and instructions to create your own form style.

To download the sample information, click the Download Import Guide link. A Zip file downloads, containing three sample forms for both Windows users and Mac users that you can use as starting points.



**REMEMBER** The Zip file also contains detailed instructions that describe what to do and what not to do when creating a form style. For example, the instructions list the fonts QBO will recognize and also describe the best way to use Word tables. Suffice it to say, read these instructions and save yourself some pain.

Open either of the sample files to see how a customized form style should look in Word (see [Figure 3-19](#)). Note, for example, that you simply type information that won't change, but you place less than and greater than brackets (< and >) around fields you want to replace with QBO data, such as your customer's billing and shipping addresses and item information. This is akin to creating a mail merge document in Word.



**FIGURE 3-19:** In Word, place information that QBO should replace in brackets.

When you're ready to upload your form style, follow these steps:

1. **Choose Gear ⇒ Custom Form Styles to display the Custom Form Style page.**
2. **Click the arrow beside the New Style button and choose Import Style to redisplay the page shown in [Figure 3-18](#) after you choose Invoice or Estimate.**
3. **Click in the Save and Upload Your File box and navigate to the Word document you created for your form style.**
4. **Click Next in the lower-right corner of the page (appears in gray and unavailable in [Figure 3-18](#) because we haven't selected a form to upload).**

QBO uploads the document and scans it for fields you placed in brackets. If you successfully upload the Word document, you'll see a message telling you that you succeeded in uploading. If this process is not successful you will see errors; review the instruction document included with the sample file for details on errors and how to correct them.

Assuming your document uploads successfully, a page appears where you can map the fields on your form style to fields in QBO.

**5. Match the fields on your form style to QBO fields; when you finish, click Next.**

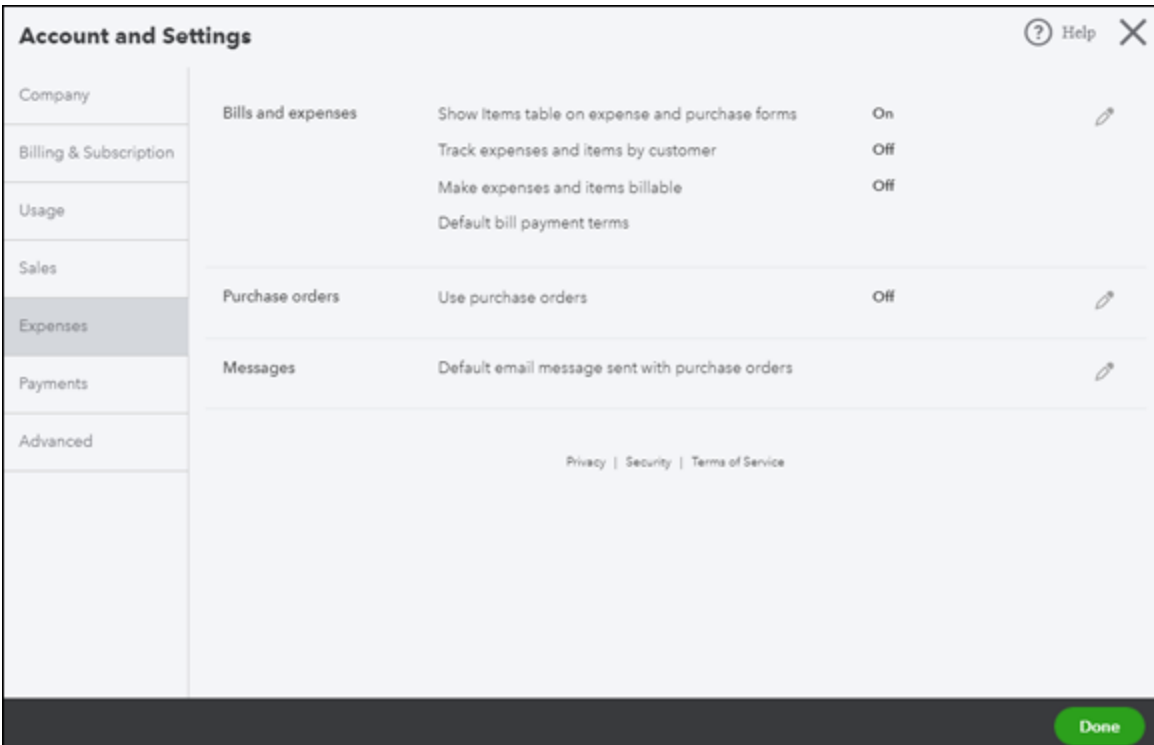
A preview of the new form style appears on the Confirm Style page.

**6. If you're happy with what you see, click Save and supply a name for your form style.**

It's now ready to use. If you're not happy, click Back and correct any problems.

## ***Taking a look at expense preferences***

From the Expenses tab of the Account and Settings dialog box, you can control expenses related to purchase orders, bills, and payments you make to vendors (see [Figure 3-20](#)). Choose Gear ⇒ Account and Settings ⇒ Expenses.



**FIGURE 3-20:** Expense preferences you can control.

In the Bills and Expenses group of settings, you can opt to display a table on expense and purchase forms so that you can itemize and categorize the products and services you buy. If you purchase goods and services for your customers, you can

- » Add a column to the table so that you can identify the customer for whom you made the purchase.
- » Add a column where you identify expenses and items for which you want to bill customers.

You also can set default bill payment terms.

In the Purchase Orders group, you can opt to use purchase orders and manage up to three custom fields for purchase orders, as well as custom transaction numbers.



In the Messages group, you can establish the settings for the default email message sent with purchase orders, including the salutation, subject, and message. You also can opt to send yourself a copy of the message that goes out with each purchase order.

## ***Examining options to receive customer payments***

The Payments tab of the Account and Settings dialog box offers you a way to connect with Intuit Merchant Services via a QuickBooks Payments account. If you don't have a QuickBooks Payments account with Intuit and you want one, click the Learn More button. If you already have a QuickBooks Payments account, you can click the Connect button to connect your QBO account with your QuickBooks Payments account.



**TIP**

Bank transfers one percent of the transfer amount, with a maximum fee of \$10 per transaction. There are no monthly fees associated with accepting credit card payments — just a “per-transaction” fee, and that fee varies, depending on whether you swipe a card, accept a payment online, or key in a credit card number. QBO users who use QuickBooks Payments now have money from qualifying credit or debit card transactions deposited in the bank the next business day. No extra fees, no extra waiting.



**REMEMBER** QuickBooks Payments is the name Intuit uses to describe the service it offers that enables you to accept credit cards or bank transfers from your customers and email invoices that contain a Pay Now

button so that your customers can pay you online. You might also know this service as GoPayment or Merchant Services. An additional added benefit of using QB Payments: Your payments and deposit transactions are entered automatically for you based on when they are funded, so you don't have to spend time entering those transactions in later.

## ***Reviewing advanced preferences***

The Advanced tab of the Account and Settings dialog box enables you to make changes to a variety of QBO settings (see [Figure 3-21](#)). Choose Gear ⇒ Account and Settings ⇒ Advanced to view and update these settings:

- » In the Accounting group, you can control fiscal year settings and the accounting method your company uses (cash or accrual).
- » Use the Company Type group to select the tax form your company uses, based on its legal organization.
- » When you create a new company, QBO automatically sets up the Chart of Accounts it thinks you'll need. Because QBO doesn't use account numbers in the Chart of Accounts, you can turn them on in the Chart of Accounts group — something most accountants prefer you do.



- » **TIP** You can replace the Chart of Accounts QBO sets up with a Chart of Accounts that you create outside QBO using an Excel file that you then import into QBO. The process is very similar to the one described earlier in this chapter in the section [“Importing form styles.”](#) The file you import needs to follow a particular format, and you can download a

sample layout file when you choose Gear ⇒ Import Data

- » Depending on the version of QBO you use, you can use the Categories section to opt to track information using classes, locations, or both. You also can opt to have QBO warn you if you don't assign a class to a transaction, and you can opt to assign classes individually to each line of a transaction or assign one class to the entire transaction. For locations, you can choose from seven different labels; one of these choices might better describe your intended use of the Location category.
- » In the Automation group, you can control some of QBO's automated behavior. For example, if you don't want QBO to prefill new forms with information from forms you entered previously, feel free to turn that setting off.
- » In the Projects section, you can opt to use QBO's project tracking features; if you do, QBO organizes all job-related activity in one place. You can read more about projects in [Chapter 6](#).
- » In the Time Tracking section, you can control the appearance of timesheets. For example, you can opt to add a service field to timesheets so that you can select services performed for each time entry. By default, QBO includes a customer field on timesheets so that you can optionally charge work performed to a customer.



TIP

If time tracking is an integral part of your business, you might consider purchasing the add-on app, TSheets Time Tracking. It integrates with QBO and gives you extensive time-tracking capabilities, including, for example, scheduling employees and letting employees track billable and non-billable time using the mobile version of the app. Visit the QBO App Center by clicking Apps in the Navigation bar of QBO for more information.

- » Use the Currency section to turn on multicurrency tracking and to set your company's home currency. If you change the home currency symbol, QBO changes the symbol for future transactions; existing transactions will still be calculated at the original currency value. For more information about Multicurrency and Home Currency, see the section "[Working with Multiple Currencies](#)" next in this chapter.

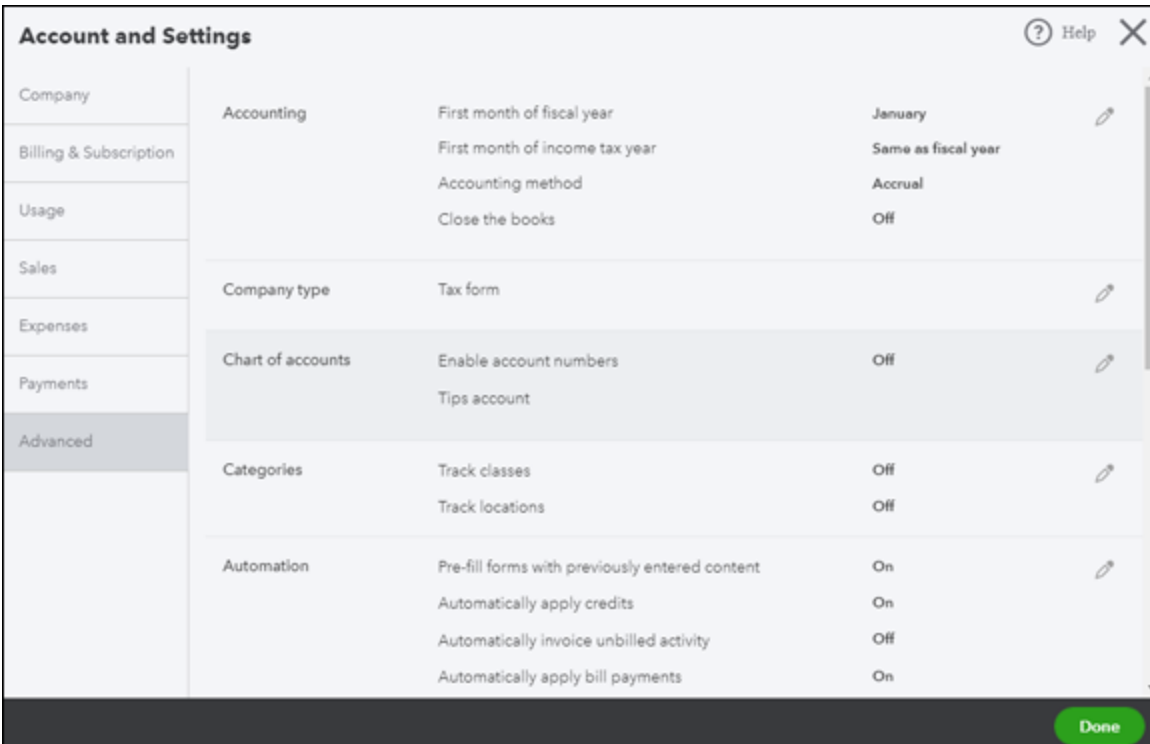


WARNING

Think long and hard before you turn on multicurrency, and turn it on only if you really need it. Why? Because turning on multicurrency eliminates your ability to change your home currency. Further, you can't turn multicurrency off after you turn it on.

- » In the Other Preferences group, you can make changes to a variety of settings, such as date and number formats; whether QBO warns you if you reuse a check number, bill number, or journal entry number you used previously; and how long QBO should wait before signing you out because you haven't done any work. And, if you prefer to call your customers something

other than Customer (such as Client, Patron, or Shopper), you can change the label you use to refer to those who buy stuff from you.



**FIGURE 3-21:** The Advanced tab of the Account and Settings dialog box.

## CATEGORIES, CLASSES, AND LOCATIONS ... OH, MY!

Don't confuse the options you see in the Categories section of the Account and Settings dialog box (QBO classes and locations) with QBO categories. The QBO Category feature is entirely separate from the class and location features shown in the Categories section of the Account and Settings dialog box.

If you turn on the Class and Location options shown here in the Account and Settings dialog box, you can then assign classes and locations to transactions to help you further break down financial data beyond the account level. To create classes and locations, first enable them in the Account and Settings dialog box. Then choose Gear ⇒ All Lists, and click Classes to create new classes and click Locations to create new locations.

QBO categories, NOT shown in the Account and Settings dialog box (and no need to turn them on), replace sub-items and are available to users of QBO

Plus to help organize item information for reporting purposes; see [Chapter 4](#) for details.

## *Working with Multiple Currencies*

QBO Essentials and higher plans support using multiple currencies. Typically, you use the Multicurrency feature when you sell products and services to customers or buy products and services from vendors whose base currency is different from your home currency. If you don't need to record transactions in multiple currencies, don't turn on this feature because you can't turn it off again.

### **DO I NEED THE MULTICURRENCY FEATURE?**

You need the Multicurrency feature *only if* you work with customers or vendors whose base currency is different from your own base currency. Suppose that your home country does not work in U.S. dollars but you only buy and sell using your home country's currency. In this case, you work in a single currency and you don't need the Multicurrency feature. Instead, you need to use the International version of QBO and set your home currency to the proper denomination — and you'll find steps to set your home currency in the section "[Turning on the Multicurrency feature.](#)"

If you turn on the Multicurrency feature, you cannot change your home currency. If your home currency is not the U.S. dollar, you cannot use many U.S. services like Payroll or Payments.

Because you can assign only one currency to each account, customer, or vendor, you need to add new asset and liability accounts, customers, and vendors for each different currency that you will use in transactions; as you create these new elements in QBO, you assign to them the currency you want to use. Be aware that, once you've posted a transaction to an account, a vendor, or a customer, you cannot change the currency of the account, vendor, or customer.

Also be aware that the Multicurrency feature in QBO doesn't support customer-or currency-specific pricing. If you need either of those features, you need to use QuickBooks Desktop. QBO Simple Start only allows you to set your home currency.



**REMEMBER** Income and expense accounts continue to use your home currency — the currency of the country where your business is physically located.

So, if you've decided to use the Multicurrency feature, do these things in the order listed:

1. Choose your Home Currency.
2. Turn on the Multicurrency feature.
3. Set up the currencies you intend to use.
4. Add customers, vendors, and necessary asset and liability accounts for each currency you expect to use. Note that QBO automatically creates Accounts Receivable and Accounts Payable accounts in the foreign currency after you create one foreign sales and one foreign purchasing transaction, so you don't need to set up those accounts.
5. Enter transactions.

## ***How the Multicurrency feature changes QBO***

After you turn on the Multicurrency feature, you will see new fields in QBO. Specifically, you'll see changes on these screens:

- » When you open the Gear menu, you'll see the Currencies option at the bottom of the Lists column.

You use the Currencies list to establish the foreign currency you want to use, along with the exchange rate. We describe using this option after we show you how to turn on the Multicurrency feature.

- » When you view the Chart of Accounts, you'll find a Currency column that shows the currency assigned to each account. You'll also find a new account — an Other Expense account called Exchange Gain or Loss.
- » When you view Bank and Credit Card registers, the currency of each transaction appears in parentheses in the Payment, Deposit (Charge in Credit Card registers), Sales Tax, and Balance Due columns. You'll also see a Foreign Currency Exchange Rate column in these registers.
- » Sales and purchase forms use both your home currency and the foreign currency; QBO does all the conversions for you on the screen.
- » On QuickBooks reports, you find that QBO converts all foreign currency amounts to home currency amounts, automatically reflecting exchange rate changes.

## ***Turning on the Multicurrency feature***

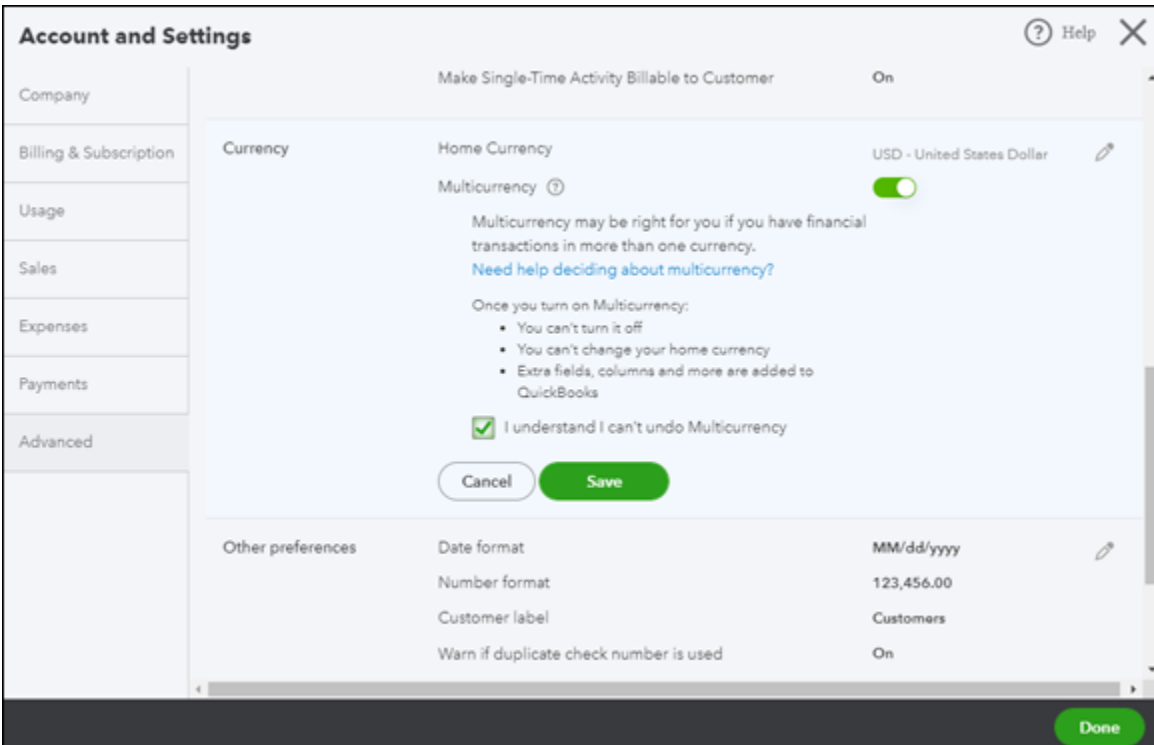
You can change your home currency from the same place that you enable the Multicurrency feature. Follow these steps:



**WARNING** Once you turn on the Multicurrency feature, you cannot change your home currency. And, you can't turn off the Multicurrency feature because it affects many accounts and balances in QBO.



1. **Choose Gear ⇒ Account and Settings.**  
QBO displays the Account and Settings dialog box.
2. **Click Advanced.**
3. **Scroll down to the Currency section.**
4. **Set your home currency by clicking the Home Currency list box.**  
Choose the currency of your country. If you're not in the United States, don't set the United States as your home currency.
5. **Activate Multicurrency by clicking the green switch (see [Figure 3-22](#)).**  
After you turn on the Multicurrency feature, QBO warns you that
  - a. You can't turn it off, and
  - b. You can't change your home currency.
6. **Select I Understand I Can't Undo Multicurrency.**
7. **Click Save.**
8. **Click Done.**



**FIGURE 3-22:** Turning on Multicurrency.

## *Setting up currencies*

After enabling the Multicurrency option, you'll find an option to display the Currencies list if you click the Gear button; the Currencies option appears at the bottom of the Lists section on the Gear menu. Follow these steps to set up the currencies you need to use:

**1. Choose Gear ⇒ Currencies.**

QBO displays the Currencies page (see [Figure 3-23](#)).

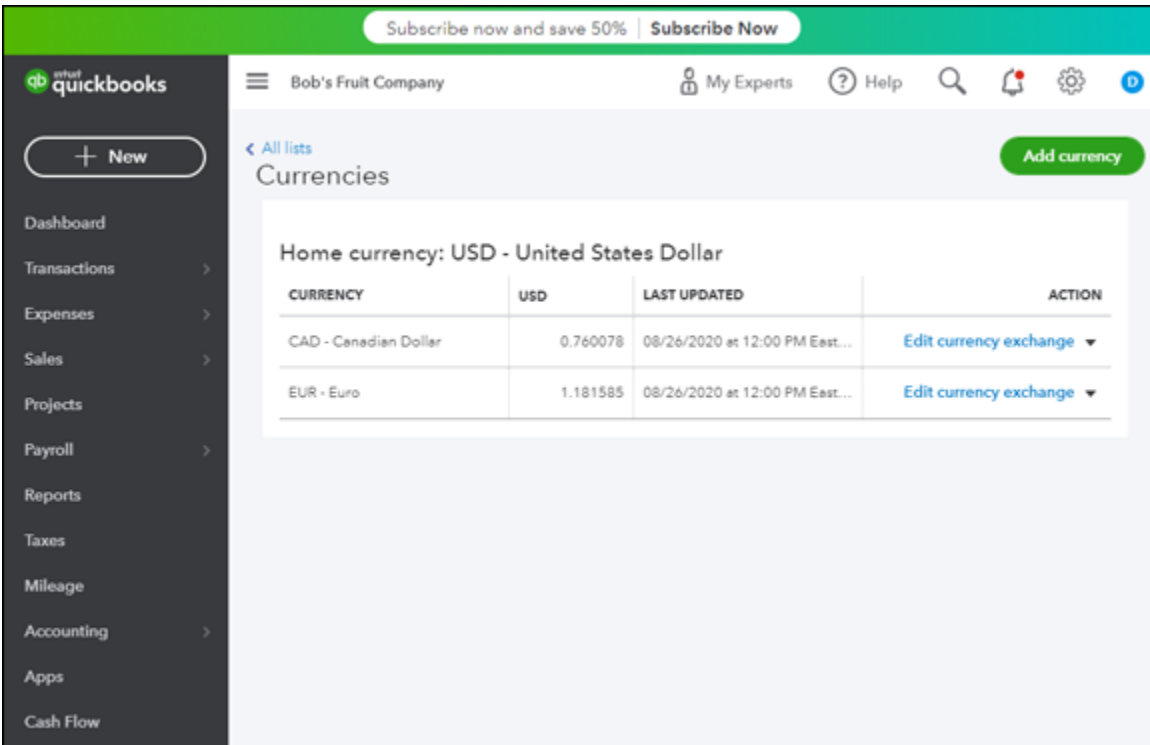
**2. In the upper-right corner of the page, click Add Currency.**

QBO displays a drop-down list.

**3. Select a currency you want to use.**

**4. Click Add.**

QBO redisplay the Currencies page with the new currency added.



**FIGURE 3-23:** The Currencies page.

QBO always records exchange rates, shown on the Currencies page, as the number of home currency units needed to equal one foreign currency unit. QBO downloads exchange rates every four hours from Wall Street On Demand, but you can, if you want, provide your own exchange rate. Click the Edit Currency Exchange link beside the rate you want to edit and supply the rate you want to use.

### ***Using multiple currencies***

Take a brief look at the effects of creating an invoice that uses multiple currencies; creating a purchase transaction for a foreign vendor works in a similar fashion.

Suppose that you have a customer whose base currency is the Canadian dollar and your home currency is the U.S. dollar. So, in this example, when we refer to the “foreign currency,” we mean the Canadian dollar.



**REMEMBER** At this time, QBO doesn't support letting either your employees or contractors record time entries (using either the Weekly Timesheet or the Single Time Activity) associated with a foreign currency customer.

First, create the customer: click Sales and, on the Sales page, choose Customers ⇒ New Customer. Fill in the window as you usually would with the following addition: Click the Payment and Billing tab. Then, open the This Customer Pays Me With list and select the customer's currency. In [Figure 3-24](#), our customer, uninspiringly named Foreign Currency, uses the Canadian Dollar. You'll find a similar setting available when you create a new vendor.

Use the Payment and Billing tab to select the customer's currency

The screenshot shows a 'Customer information' window with a close button (X) in the top right corner. The window is divided into two main sections. The top section contains fields for 'Company', 'Phone', 'Mobile', 'Fax', 'Display name as', 'Other', 'Website', 'Print on check as' (with a checked 'Use display name' checkbox), 'Is sub-customer', 'Enter parent customer', and 'Bill with parent'. The bottom section has tabs for 'Address', 'Notes', 'Tax info', 'Payment and billing' (which is highlighted), 'Language', 'Attachments', and 'Additional Info'. Under the 'Payment and billing' tab, there are fields for 'Preferred payment method', 'Preferred delivery method', 'Terms', and 'This customer pays me with'. The 'This customer pays me with' dropdown menu is open, showing 'CAD Canadian Dollar' selected. At the bottom of the window, there are 'Cancel', 'Privacy', and 'Save' buttons.

**FIGURE 3-24:** Assigning a foreign currency to a new customer.

Once you save the customer, if you look at the Customer list page, you'll see the customer listed, and, in the Currency column, you'll see the foreign currency. Your home currency customers display your home currency.

Next, in the Invoice window, select your "foreign transaction" customer. QBO automatically displays, below the customer's name, the two currencies (first the foreign currency and then your home currency) associated with the transaction (see [Figure 3-25](#)).

Foreign currency followed by domestic currency

Invoice #1001

Customer: Nectarines from Canada

Customer email: Separate emails with a comma

Online payments: Get set up

Cards: visa, Mastercard, American Express, Discover, Apple Pay

Bank transfer: Learn more

BALANCE DUE: \$0.00

1 CAD = 0.760078 USD

Billing address: Nectarines from Canada

Terms: Net 30

Invoice date: 08/26/2020

Due date: 09/25/2020

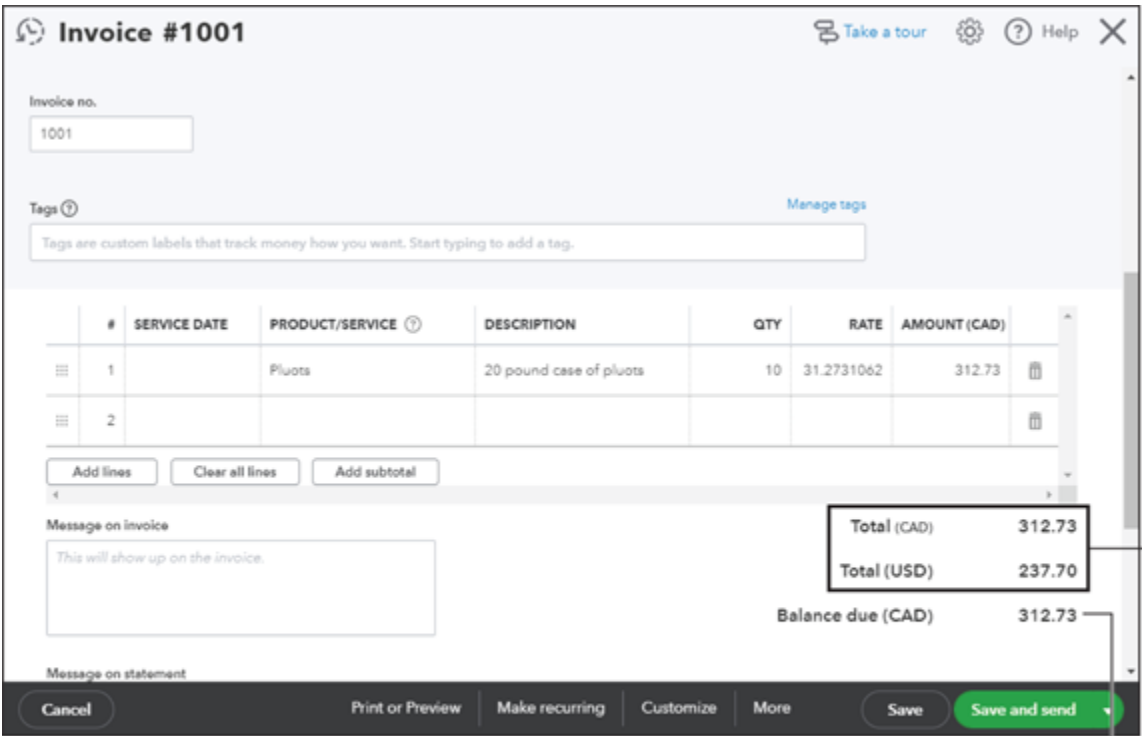
Invoice no.: 1001

Tags: Tags are custom labels that track money how you want. Start typing to add a tag.

Buttons: Cancel, Clear, Print or Preview, Make recurring, Customize, Save, Save and send

**FIGURE 3-25:** Creating an invoice for a customer who uses a foreign currency.

Once you add products or services to the invoice, as shown in [Figure 3-26](#), the amounts for each line appear in the foreign currency, and totals appear in both currencies. The Balance Due on the transaction appears in the foreign (customer's) currency so that your customer knows how much to pay.



The Balance Due appears in the customer's currency.

Totals appear in both currencies.

**FIGURE 3-26:** An invoice for a foreign currency customer shows values in both the home and foreign currency.



**REMEMBER** Saving your first sales or purchase document for a customer or vendor using a foreign currency makes QBO automatically establish a foreign currency-related Accounts Receivable and Accounts Payable account.

Reports in QBO show values in your home currency. [Figure 3-27](#) shows the A/R Aging Summary; the customer who uses a foreign currency is at the bottom of the screen—Nectarines of Canada.

Bob's Fruit Company

A/R AGING SUMMARY  
As of October 14, 2020

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
Aldis Ezzell					380.89	\$380.89
Amitie Forkan		110.52			607.75	\$718.27
Beird Deber		347.00	2,394.71		155.53	\$2,897.24
Barbe Veel					361.79	\$361.79
Bidget Cubley					146.68	\$146.68
Brandtr Gerauld					230.96	\$230.96
Finn Speedin					163.03	\$163.03
Hunfredo Pignon				435.71		\$435.71
Jarred Malthus					3.30	\$3.30
Jody Johnston					651.95	\$651.95
Kiri Godin					741.26	\$741.26
Lebbie Enderlein					440.63	\$440.63
Lexy Febvre				603.58		\$603.58
Moyre Maud					729.90	\$729.90
Nectarines from Canada		237.70				\$237.70
Chris Bessie					400.01	\$400.01

**FIGURE 3-27:** Values on reports appear in your home currency.

[Figure 3-28](#), the Balance Sheet, shows the multiple Accounts Receivable accounts QBO uses when you've enabled the Multicurrency feature and created a sales transaction using a foreign currency; the values on the report appear in the home currency.

	TOTAL
<b>ASSETS</b>	
Current Assets	
Accounts Receivable	
Accounts Receivable (A/R)	118.85
Accounts Receivable (A/R) - CAD	237.70
<b>Total Accounts Receivable</b>	<b>\$356.55</b>
<b>Total Current Assets</b>	<b>\$356.55</b>
<b>TOTAL ASSETS</b>	<b>\$356.55</b>
<b>LIABILITIES AND EQUITY</b>	
Total Liabilities	
Equity	
Retained Earnings	

Multiple Accounts Receivable accounts when you use the Multicurrency feature

**FIGURE 3-28:** QBO establishes separate Accounts Receivable accounts for transactions involving foreign currency customers.

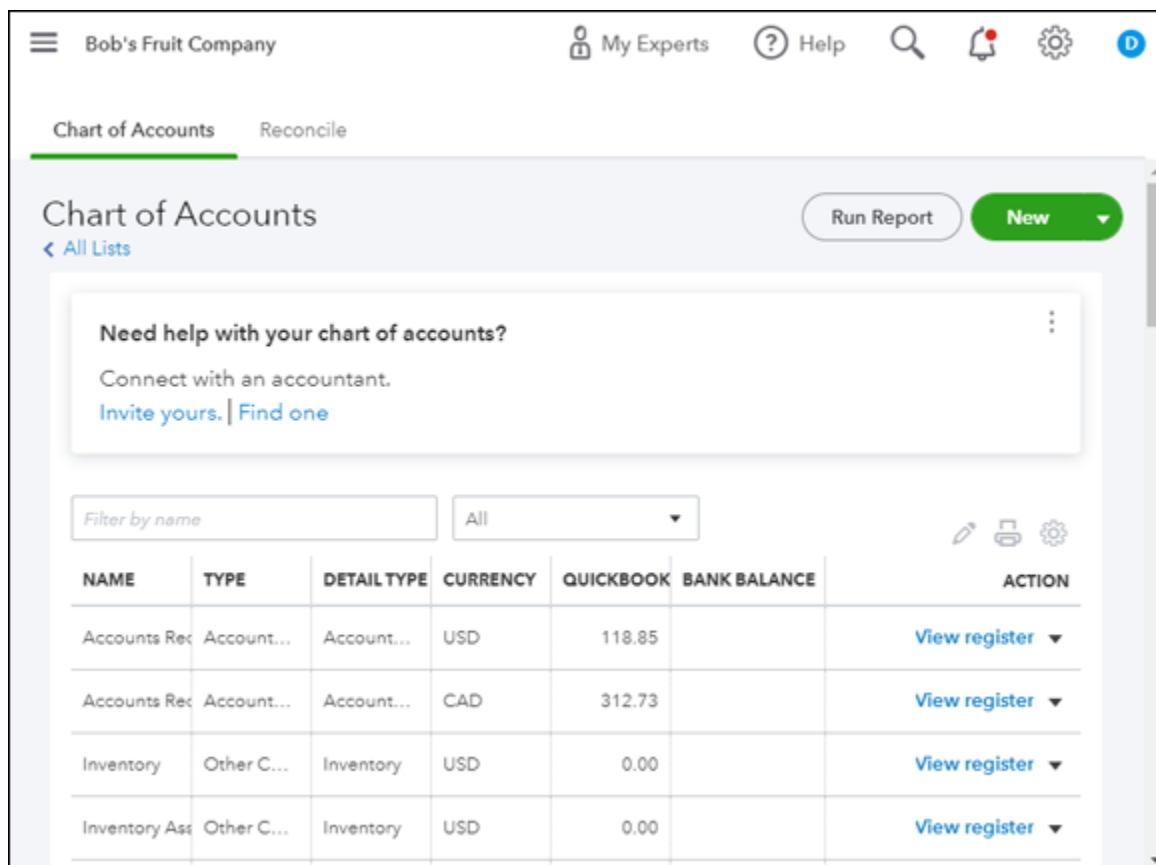
## *Updating the Chart of Accounts*

As we mention earlier in this chapter, when discussing advanced options for your company, QBO automatically sets up the Chart of Accounts it thinks you'll need when you create a new company. If you feel that the Chart of Accounts QBO creates doesn't closely match what you'll need, you can replace that Chart of Accounts with one you set up in Excel or as a CSV file using a process very similar to the one described earlier in this chapter in the section "[Importing form styles](#)." Because we suspect that



most QBO users will feel like importing a Chart of Accounts is an undertaking they prefer to avoid, we don't cover the process here; instead, we leave that to accountants. If you want to import a Chart of Accounts, you'll find details in [Chapter 13](#).

As a QBO user, though, you probably will want to modify the Chart of Accounts QBO sets up for your company. To make changes to those accounts, choose Gear ⇒ Chart of Accounts or Accounting ⇒ Chart of Accounts. On the page that appears, click the See Your Chart of Accounts button, and QBO displays a page similar to the one shown in [Figure 3-29](#); from this page, you can perform a variety of functions. For example, you can print a list of your accounts if you click the Run Report button, which is at the top of the page.



**FIGURE 3-29:** The Chart of Accounts page.



**REMEMBER** If you've enabled the Multicurrency feature, you'll see a Currency column on the Chart of Accounts page.

For individual accounts, you can perform a few actions. Balance Sheet accounts have registers; you can view the transactions in the account by clicking View Register in the Action column. You can identify Balance Sheet accounts by looking in the Type column. Balance Sheet accounts display one of the following account types:

- » Bank
- » Accounts Receivable
- » Other Current Assets
- » Fixed Assets
- » Other Assets
- » Credit Card
- » Other Current Liabilities
- » Long Term Liabilities
- » Accounts Payable
- » Equity

For other accounts — the ones without registers — you can run reports for the account by clicking Run Report in the Action column.

You also can edit any account and you can delete an account you have not yet used. Click the down arrow in the Action column (at the right edge of the account's row) to display a short menu of the actions you can take for the account.



**WARNING** If you edit an account, don't change its type unless you're sure you know what you're doing. Consider consulting your accountant before you make a change to an account's category or detail type. You also can identify if the account is actually a sub-account of another account.

To turn on account numbers, click Gear ⇒ Advanced ⇒ Chart of Accounts and then turn on the slider for Enable Account Numbers. When you return to the Chart of Accounts list, click the Batch Edit icon (it looks like a pencil and appears just above the Action column). The appearance of the Chart of Accounts page changes to enable you to quickly assign account numbers (see [Figure 3-30](#)).

NUMBER	NAME	TYPE ▲	DETAIL TYPE	CURRENCY	QUICKBOOKS B	BANK BALANCE
<input type="text"/>	Accounts R	Accounts re...	Accounts R...	USD	118.85	
<input type="text"/>	Accounts R	Accounts re...	Accounts R...	CAD	312.73	
<input type="text"/>	Inventory	Other Curr...	Inventory	USD	0.00	
<input type="text"/>	Inventory A	Other Curr...	Inventory	USD	0.00	
<input type="text"/>	Uncategori	Other Curr...	Other Curr...	USD	0.00	
<input type="text"/>	Undeposit	Other Curr...	Undeposite...	USD	0.00	
<input type="text"/>	Owner's In	Equity	Owner's Eq...	USD	0.00	

**FIGURE 3-30:** The Chart of Accounts page in Batch Edit mode.



**REMEMBER** If you've enabled the Multicurrency feature, the Chart of Accounts page in Batch Edit mode also contains a Currency column.

Type a number for each account; when you finish entering all the numbers, click the Save button at the top of the page. QBO displays the account number as part of the account name on the Chart of Accounts screen. You also can establish budgets for accounts; see the [appendix](#) for details.

The screens you use to add or edit an account look almost exactly alike. Because you'll need a Bank account for your company, examine the screens as you create your Bank account. If you plan to connect your QBO Bank account to its corresponding account at a financial institution, don't follow these steps; instead, see [Chapter 8](#) for details on creating the account. And, if you decide now that you don't want to connect and later you decide that you *do* want to connect, all isn't lost. Once again, see [Chapter 8](#) for details on merging the Bank account you create here with an online version.

## **A FEW NOTES ON PAYING OWNERS**

Many small business owners wonder about the accounts they should use to pay themselves. Owners and partners typically are not considered employees and therefore are not paid through payroll. To pay an owner or partner, use the Chart of Accounts page to set up a Draw account (Owner's Draw, Partner's Draw, whatever is appropriate; if you have multiple partners, set up Draw accounts for each partner) and use it to pay owners. The Draw account is an equity account. Similarly, owners and partners sometimes put their own money into the business; to account for these contributions, set up equity accounts (again, one for each owner or partner) called Owner's Contribution, Partner's Contribution — again, whatever is appropriate.

Note that you use the Draw account not only to pay the owner but also to account for personal items an owner might buy using the business's money. You record the withdrawals using the appropriate bank account and the appropriate Draw account. Note that these transactions don't show up on your Profit and Loss report because they are *not* business expenses. To find out the total amount paid to an owner, run a report for the Draw account.

And, finally, housekeeping about the Draw and Contribution accounts: At the end of your fiscal year, you need to enter a journal entry, dated on the last day of your fiscal year, that moves the dollar amounts from the appropriate Draw or Contribution account to Retained Earnings — another equity account. If we just lost you, talk to your accountant about how to handle closing the year.

To ensure an accurate bank balance in QBO, reconcile your bank account before you set up the account in QBO. Follow these steps to create an account in QBO:

1. **Click the New button on the Chart of Accounts page to open the Account dialog box (see [Figure 3-31](#)).**
2. **Open the Category Type list and choose Bank.**
3. **Click the entry in the Detail Type list that most closely matches the type of account you want to add.**

QBO uses the choice you make in the Detail Type list as the account's name, but you can change the name to something else. For our example, we chose Checking, changed the account name to Checking-My Bank Name, and supplied Checking-My Bank Name account as the description.

4. **If you're using account numbers, supply a number for the new account.**

You can, optionally, supply a description for the account.



**REMEMBER** If you've enabled the Multicurrency feature, the dialog box you use to create a Bank account — or any type of asset or liability account except an Accounts Receivable (A/R) or Accounts Payable (A/P) account — also contains a list box from which you select the currency for the account. QBO automatically creates currency-related A/R and A/P accounts when you create transactions for foreign customers and vendors.

**Account**

Account Type: Bank

\* Detail Type: Checking

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.

\* Name: Checking-My Bank Name

Number: [Empty]

Description: Checking-My Bank Name

Currency: USD United States Dollar

Is sub-account

Enter parent account: [Dropdown]

Balance: [Empty] as of: 08/26/2020

Buttons: Cancel, Save and Close

**FIGURE 3-31:** The dialog box you use to create an account.

- You can enter your account's balance as it appears on the last statement you received from your bank.**

Our example company is just starting out and has no opening balance yet, so we're not entering an opening balance. See the sidebar "[Proper account balances](#)" for details on what to do here.

## 6. Click Save.

QBO redisplay the Chart of Accounts page and your new account appears in the list.

## PROPER ACCOUNT BALANCES

If you've been in business for a while, transactions have occurred. To ensure accurate account balances, you need to account for these transactions in QBO.

To make sure that you start your work in QBO with correct account balances, begin by deciding on the first date you intend to use QBO. This date determines the "as of" date of historical information you need to collect. Try to start using QBO on the first day of an accounting period — either on the first day of your company's fiscal year or on the first day of a month. If you start using QBO Payroll (QBOP) on January 1, you do not need to enter any historical payroll information.

Although it might seem like more work, we suggest that the easiest way for you to ensure proper account balances is to enter \$0 as your Bank account's opening balance in Step 5 in the preceding steps for creating a Bank account. Then, enter all transactions that have occurred so far this year.

If you've been in business since before the beginning of the year, enter \$0 for your Bank account's balance and ask your accountant for opening amounts for your Balance Sheet accounts as of December 31 of last year. Enter these amounts by entering a journal entry: Click the plus sign (+) icon at the top of QBO and choose Journal Entry from the Other column in the list. To avoid later confusion, reconcile the account as of December 31 before you do any more work. That way, when you perform your first "real" reconciliation of QBO transactions, QBO transactions will line up more closely with your bank statement.

The transactions you enter for the current year will ultimately affect your bank balance (for example, a customer eventually pays an invoice), and, when you finish entering the transactions, your QBO Bank account balance should agree with the one your financial institution has. So, we suggest that you enter transactions for *all* customer invoices (and corresponding payments customers made) and *all* vendor bills (and corresponding payments you made) during the current year.

If you choose to ignore our suggestion and enter an opening amount for your bank balance in Step 5, you need to then enter all transactions that have affected your bank account *since the last statement*.

QBO posts balances you enter while creating an account to the Opening Balance Equity (Equity) account, an account created by QuickBooks. Most accountants don't like this account and will want to create journal entries to move the balances to proper accounts.

That second approach sounds like a lot less work and, if you don't use payroll, or you make payroll payments from a separate bank account, you can safely ignore our suggestion and enter an opening amount for your bank balance in Step 5 and then enter outstanding customer invoices and unpaid vendor bills.

But, if your company does prepare payroll, has prepared one or more payrolls so far this year, and you use only one bank account, we strongly urge you to take our suggestion because you need accurate *annual* information to successfully manage payroll. The easiest way to ensure that you have accurate annual payroll information is to enter all payrolls you've completed this year so far — and these payrolls will affect your Bank account, so, entering a Bank account balance in Step 5 will lead you into trouble. Yes, you can try to do a mix of both approaches and subtract payroll amounts from the bank balance you previously entered in Step 5, but that approach is seriously error-prone.

If you use one bank account for everything and you feel that entering all transactions that have occurred so far this year is just too much work, we suggest that you enter your Bank account's balance as of your last bank statement, enter outstanding invoices and unpaid vendor bills, and then contact Intuit technical support for help entering historical payroll information.

If you intend to connect your Bank account to your financial institution as shown in [Chapter 8](#), we still recommend that you set the Bank account opening balance to \$0. You can connect a Bank account to your financial institution at the time you create it or later — the choice is yours and we suggest you wait and get other things set up, like outstanding customer invoices and vendor bills. When you connect, as described in [Chapter 8](#), you still need to review each transaction the financial institution downloads into QBO to make sure the transactions are properly assigned in QBO. So, while connecting might seem like a timesaver because it enters transactions into QBO, it really isn't because you need to review each transaction.



# *Taking Advantage of QuickBooks Labs*

You might be wondering about the QuickBooks Labs option on the Gear menu, which Intuit refers to as its “high-tech playground.” If you’re adventurous, check out the lab and turn on experimental features to see how they work. Much of the time, features you find in QuickBooks Labs eventually become part of QBO.

For example, when we wrote this, the Import Style feature discussed earlier in this chapter was a QuickBooks Labs feature and therefore didn’t appear by default. Here’s how you turn on a QuickBooks Lab feature:

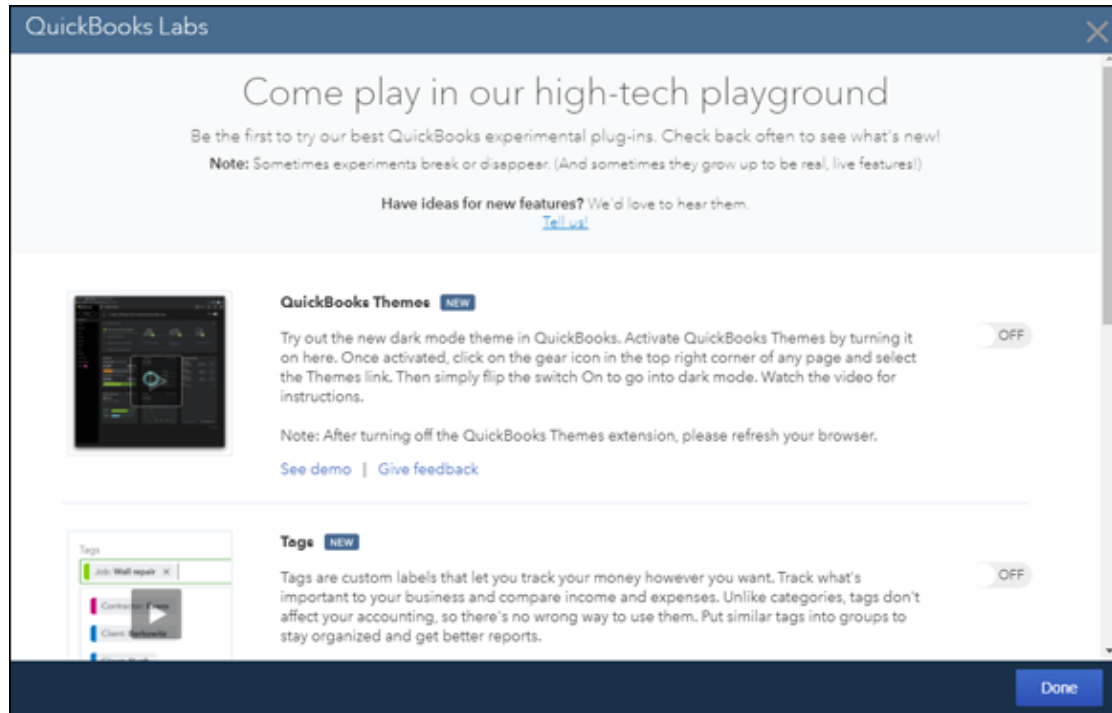
1. **Log in to your company.**
2. **Choose Gear ⇒ QuickBooks Labs.**

The QuickBooks Labs window appears (see [Figure 3-32](#)).



TIP

Note that you can provide feedback on QuickBooks Labs features. The more positive feedback a feature receives, the more likely that feature will become a standard part of QBO.



**FIGURE 3-32:** Use this page to turn on features not yet available by default in QuickBooks.

**3. Check out the features available and, for any you want to try, click the Off button.**

The Off button changes to the On button.

**4. When you finish turning on features, click Done, which appears in the lower-right corner of the window.**

Your QBO company reappears, with the features you selected enabled.



**REMEMBER** You might need to refresh the browser page to see the new features you chose to make available. Click your browser's Refresh button or press F5 on your keyboard.

# *Signing In to and Out of QBO*

If you followed the process in this chapter to sign up for QBO, you're currently signed in to QBO. But, obviously, you don't sign up for QBO every time you want to use it. And then, of course, there's the question of how you sign out of QBO each time you finish using it.

To sign out of QBO, click the button to the right of the Gear button and then click Sign Out. This button will most likely display your first initial; in this case, it displays D for David. The sign out command previously appeared under the menu that appears when you click the Gear button and is an example of how commands sometimes find new homes in QBO.

To sign in to QBO in the future, visit [qbo.intuit.com](http://qbo.intuit.com) (you get redirected to a long web address you don't need to type) and supply your username and password. We suggest you bookmark this page to make signing in easy.

# Chapter 4

## Managing List Information

---

### IN THIS CHAPTER

- » Adding new list entries by typing or importing
- » Searching lists for people
- » Changing settings for lists
- » Displaying other lists

Like its cousin the QuickBooks Desktop product, QBO relies on lists to help you store background information that you'll use again and again. For the most part, you enter information about the people with whom you do business — customers, vendors, and employees — and the stuff you sell or buy. But you also store other background information in lists, such as the accounts your company uses and the payment methods your company accepts. In this chapter, you'll find information that you need to set up customers and vendors, as well as setting up items you sell or buy. Finally, at the end of the chapter, you learn where to find other lists you might need.

## *Importing People into a List*

If you've been running your business for a while, you probably have lists of customers and vendors. If they're stored electronically, you might be able to save yourself some setup time in QBO if you import them. And,

because most people tend to worry about accounting “later,” after they’ve been running the business for a bit, we’ll start this chapter by assuming you do have lists stored in some electronic form. In the “[Adding New People to a List](#)” section of this chapter, we’ll show you how to manually set up a customer or vendor. That will be important to those of you who don’t have anything already in electronic form, and to all of you as your business grows and you add new customers and vendors.

If you’ve been using the QuickBooks Desktop product, you can import your list information from it into QBO, which can help you become accustomed to QBO using list information you already recognize.



**REMEMBER** Importing list information is not the same thing as importing a QuickBooks Desktop company. For details on importing a company, see [Chapter 12](#) in [Part 3](#). Be aware that you can’t import your list of Employees, who are “people,” because payroll setup cannot be imported. You can only import employees if you import a QuickBooks Desktop company containing employees.

Even if you haven’t been using QuickBooks Desktop, be aware that you can import list information from an Excel file or a CSV file. CSV stands for *comma-separated values*; many programs—including QuickBooks Desktop but not QuickBooks Online—enable you to export information to a CSV or comma-delimited format. Incidentally, Microsoft Excel can open and save such files. So, you can open a CSV file in Excel, edit it as needed, and then resave the file. Or, after editing, you can save the file as an Excel 97-2003 workbook if your goal is to import it into QuickBooks Online. You may also

import customers into QuickBooks Online from Google Sheets.

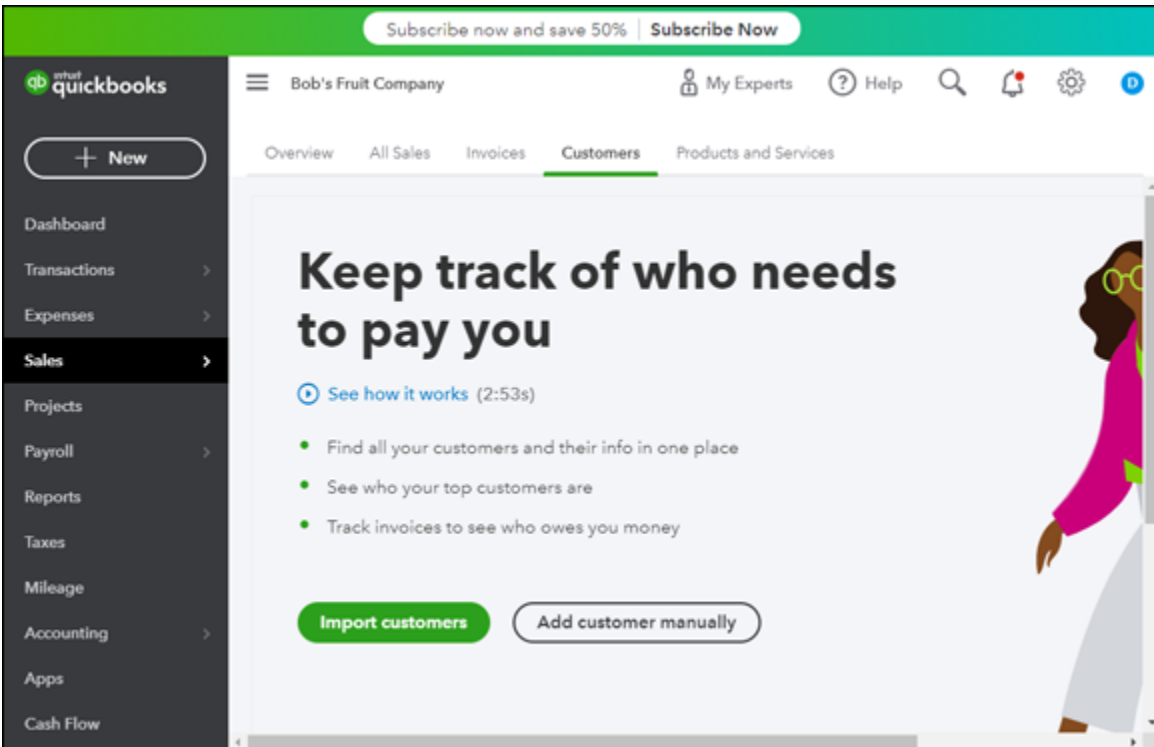


**TIP** You can create a CSV file by saving any Excel file in the CSV (comma-delimited) format. With the Excel file open, choose File ⇒ Save As. On the Save As screen, or in the Save As dialog box, change the Save as Type list below the filename from Excel Workbook to CSV (Comma-delimited).

You use the same process to import both customers and vendors from a QuickBooks Desktop product. QBO offers a button that encourages you to import customers, as you can see at the bottom of [Figure 4-1](#). You can display [Figure 4-1](#) when you use the Navigation bar to choose Sales ⇒ Customers before you've added any customers. Because the screens for importing customers or vendors are the same *after* the first screen, we'll show you how to import vendors.



**REMEMBER** In our screens, most often the Navigation bar refers to Sales, and sometimes it refers to Invoicing. They are the same, so, if necessary, click Invoicing when we say click Sales. The wording of the titles on the Navigation bar are influenced by some of the decisions you make while creating your company, so, if your company's appearance doesn't match mine, don't worry.



**FIGURE 4-1:** QBO is very encouraging when it comes to importing customers.

To successfully import information into QBO from a CSV file or an Excel workbook, the information must conform to a specific format. And, luckily, QBO gives you the option to download a sample file in Excel format so that you can view the required format for importing list information; you can use this sample as a guideline for setting up the data in your own file.



TECHNICAL  
STUFF

The steps that follow assume you have installed Excel on your computer. If you don't own a copy of Excel, you can use Excel Online, the free app from Microsoft. To make editing changes to your files in Excel Online, you need to sign in to Excel Online with your Microsoft account email and password. Keep in mind that Excel Online files must be saved to OneDrive or Dropbox; you won't be able to open or save Excel Online files directly to your hard drive.

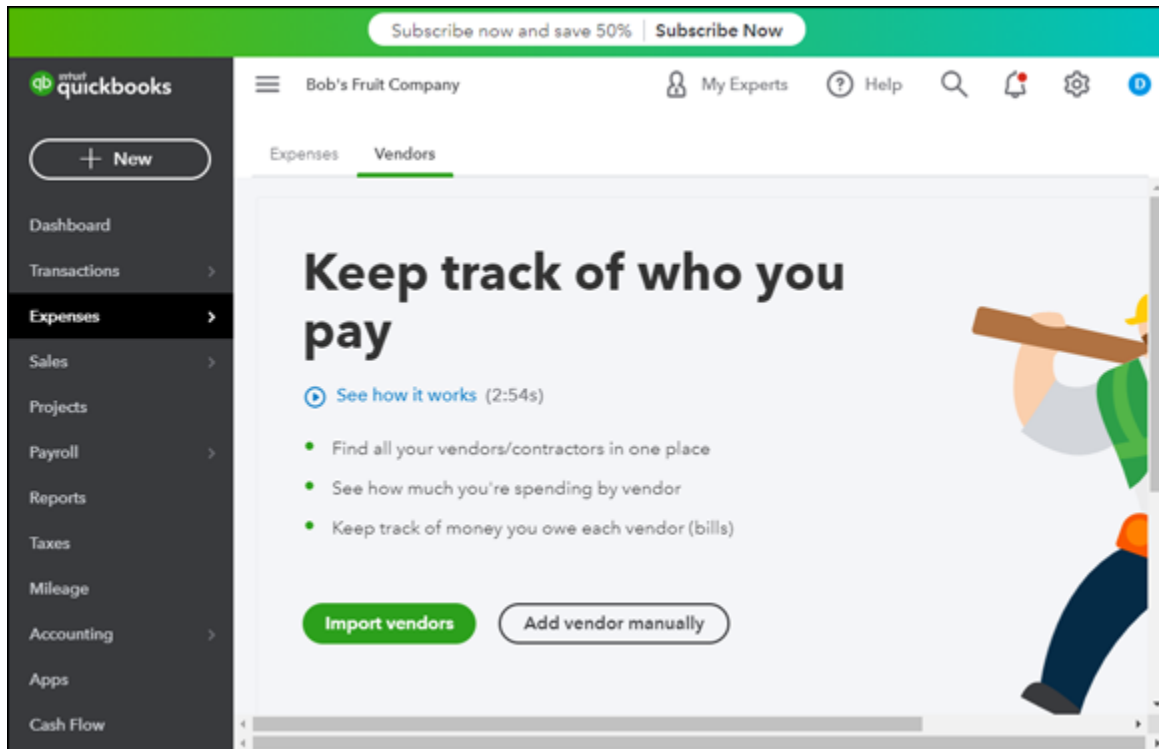
To download and view the sample file for vendors, follow these steps:

- 1. Click Expenses in the Navigation bar and then click Vendors to display the Vendors page (see [Figure 4-2](#)).**
- 2. Click Import Vendors.**  
QBO displays the Import Vendors page (see [Figure 4-3](#)).
- 3. Click the Download a Sample File link.**  
When you click the link, QBO downloads the sample file and displays a button at the bottom of your browser window.
- 4. Click the sample file's button at the bottom of your browser window.**  
The sample file opens in Excel (see [Figure 4-4](#)).
- 5. Click Enable Editing, if necessary, to exit Protected View.**
- 6. Examine the file's content by scrolling to the right to see the information stored in each column.**

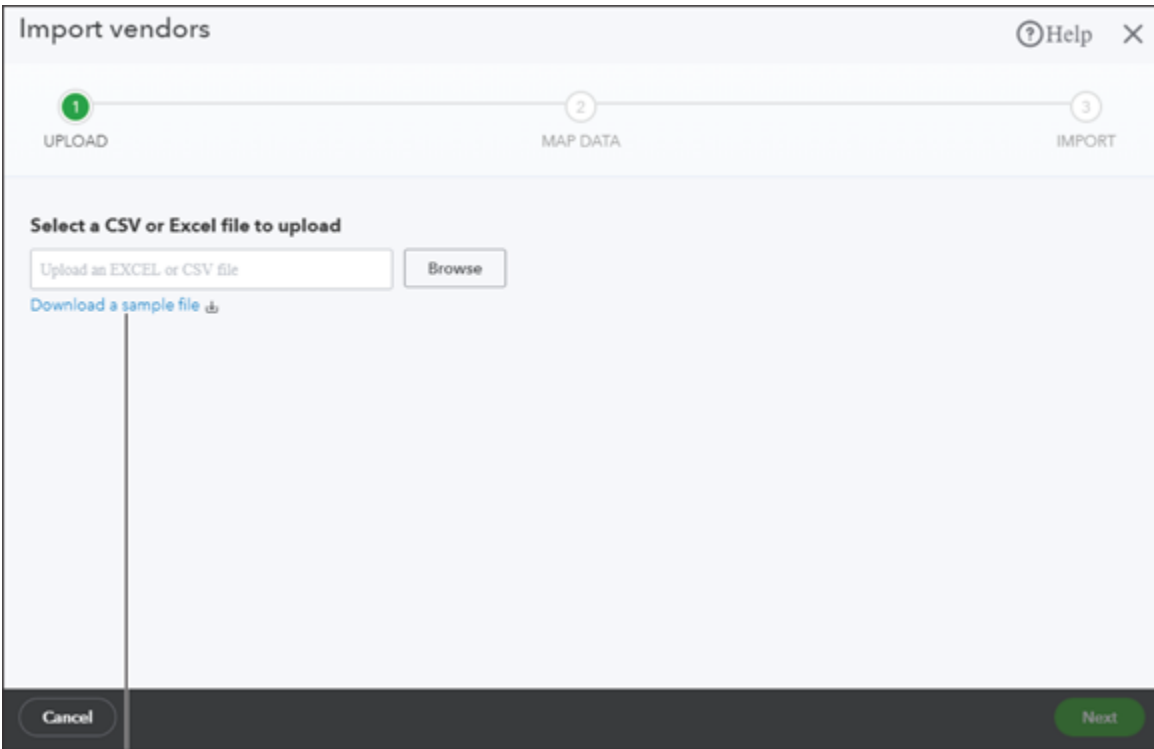


## 7. Create your own file, modeling it on the sample file.

If you also use QuickBooks Desktop, you can export lists to CSV or Excel files; see QuickBooks Desktop Help for details.



**FIGURE 4-2:** Start from the appropriate page when you want to create a list entry for a new person.



Click here.

**FIGURE 4-3:** The Import Vendors page.

	A	B	C	D	E	F	G
1	Name	Company	Email	Phone	Mobile	Fax	Website
2	Elisabeth Fillgate	Windler, Bartell and Ankunding	efillgate0@netlog.com	504-636-3145	808-250-5837	504-872-3170	ihg.com
3	Norry Mitkov	Schinner and Sons	nmitkov1@photobucket.com	503-337-8401	405-378-9666	208-395-1087	lulu.com
4	Alisander Sirett	Beatty LLC	asirett2@hostgator.com	612-133-2503	330-993-1512	405-630-1893	i2i.jp
5	Conan Gallehawk	Senger Inc	cgallehawk3@princetown.com	251-750-7932	706-477-2268	903-730-5324	hc360.com
6	Hunfredo Todari	Durgan, Moore and Okuneva	htodari4@infoseek.co.jp	818-653-6700	808-811-9473	407-334-7976	about.me
7	Truda Small	Buckridge LLC	tsmall5@redwhitecross.com	646-500-8698	941-513-6035	859-902-9909	parallels.com
8	Maxy Turneaux	Marquardt-Langworth	mturneaux6@seesaa.net	304-177-4741	520-494-7724	318-245-5967	blog.com
9	Cammy Caisley	Medhurst LLC	ccaisley7@gmpg.org	678-718-7877	757-123-6151	502-866-3372	pagesperso-orange.fr
10	Norbie Ratke	Monahan, Kozey and Bogisich	nratke8@fastestcompany.com	202-934-2880	321-369-3510	915-353-2442	ftc.gov
11	Krispin Corroyer	Muller and Sons	kcorroyer9@huffingtonposter.com	916-472-8094	714-480-1738	573-772-3236	upenn.edu
12	Edik Chudleigh	Buckridge-Kreiger	echudleigha@rakuten.co.jp	678-402-1498	404-268-5034	412-911-1615	icio.us
13	Rhoda Sturmey	Reynolds and Sons	rstormeyb@hibu.com	901-742-7424	510-548-2607	630-516-0077	cdbaby.com
14	Algernon Dossett	Heidenreich-Mraz	adossett@simplestmachines.org	714-779-0590	413-999-8047	816-663-2828	oaic.gov.au
15	Bill Swinglehurst	Daugherty, Romaguera and Marvin	bswinglehurst@references.com	937-200-5608	918-729-1407	717-462-3589	free.fr
16	Rozella Pickton	Kshlerin, Denesik and Cole	rpicktone@nbaabn.com	315-883-2748	610-587-1446	786-724-1438	sfgate.com
17							
18							
19							
20							
21							
22							
23							

**FIGURE 4-4:** A file showing the format you need to successfully import list information.



**REMEMBER** You'll find that importing your data works best if you can match the headings in your data file to the ones found in the sample data file. Also, your data file cannot contain more than 1,000 rows or exceed 2 MB in size. Don't forget to save your data file as either an Excel 97-2003 workbook or a CSV (comma-delimited) file.



**TIP** Dates that you import into QuickBooks Online must be in *yyyy-mm-dd* format. Assuming that you have a date entered in cell A1 of an Excel worksheet,

you can use this formula to transform a date such as 2/23/2021 into 2021-02-23:

```
=TEXT(A1, "yyyy-mm-dd")
```

You can then copy and paste the *yyyy-mm-dd* dates over the *m/d/yyyy* dates as values.

## THE DATA FILE'S LAYOUT IN EXCEL

Excel stores the information in the sample file (and you'll need to store the information in your data file) in a table format, where each row in the Excel file contains all the information about a single vendor or customer (each row is referred to as a *record*), and each column contains the same piece of information for all customers and vendors (each column is referred to as one *field* in a record). For example, in [Figure 4-4](#), all the information about Alisander Sirett appears in Row 4, and all vendor email addresses appear in Column C. Also note that Row 1 contains a label that identifies the type of information found in each column; you must include identifying labels in the first row of your data file.

After you have created an Excel file or a CSV file containing your list information, you can import it. Follow these steps:

1. **Make sure your Excel or CSV file is not open.**
2. **Click Expenses in the Navigation bar and then choose Vendors to display the Vendors page (see [Figure 4-2](#)).**
3. **Click Import Vendors.**
4. **Click the Browse button.**
5. **Navigate to the folder where you saved the file containing your list information.**
6. **Select the file and choose Open.**

QBO updates the Import Vendors page with the name of the file you selected.

7. **Click Next.**

QBO uploads your file and displays the Map Data screen shown in [Figure 4-5](#).

**8. Make sure that the fields in your data file correctly match fields in QBO.**

As needed, open the list box beside each QBO field name and match it to the labels in your data file.

**9. Click Next.**

QBO displays the records it has identified (see [Figure 4-6](#)).

**10. Review the records QBO proposes to import to make sure the information is correct.**

You can make changes to the information in any field by clicking that field and typing. You also can uncheck any row to avoid importing the information in that row to QBO.

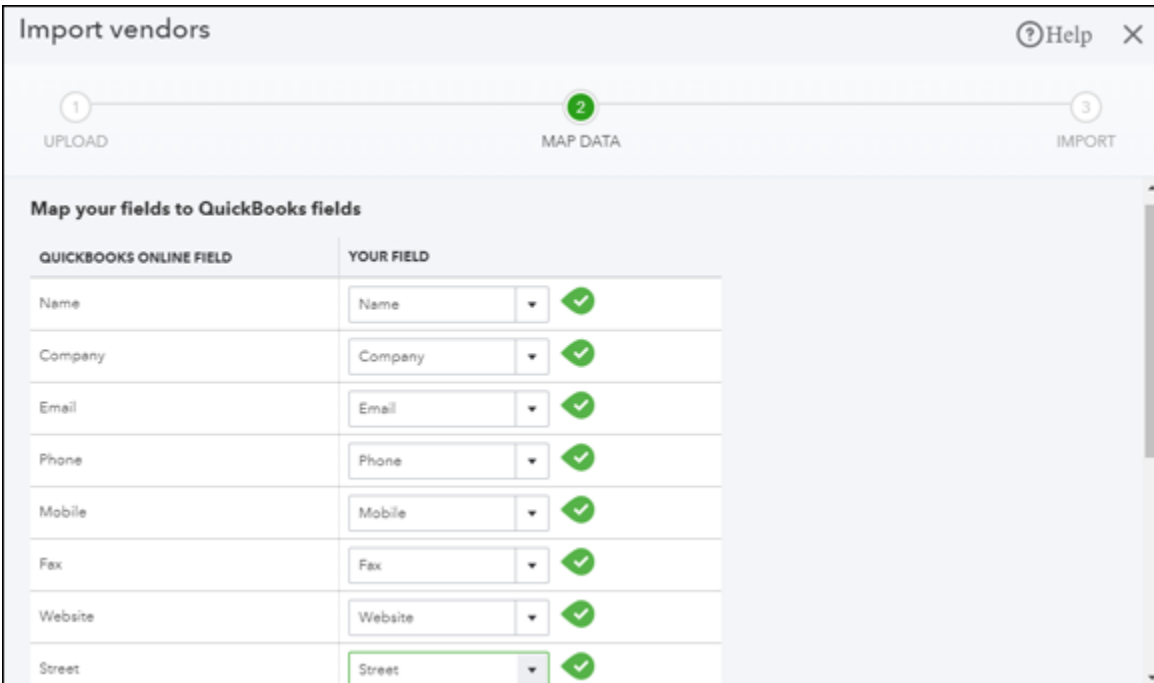
**11. When you are satisfied that the information is correct, click the Import button.**



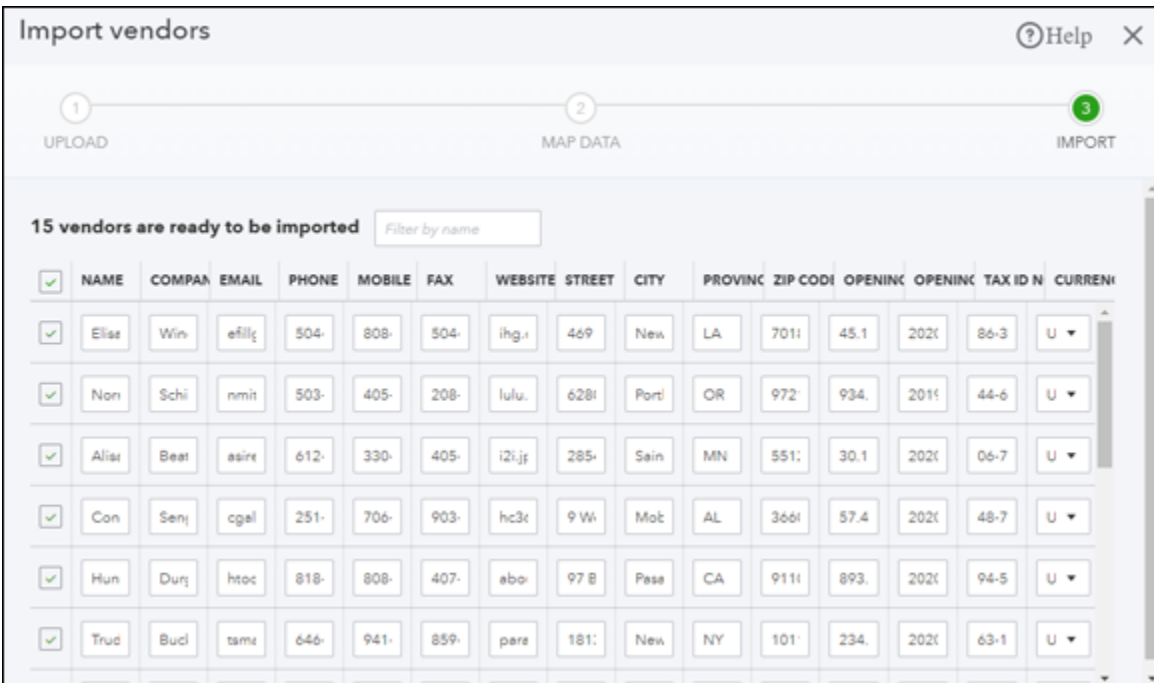
**TIP**

If the Import button is grayed out and unavailable, that means that some portion of the data cannot be imported. Look for a field highlighted in red to identify information that can't be imported. If the problem isn't apparent, contact Intuit Support for help.

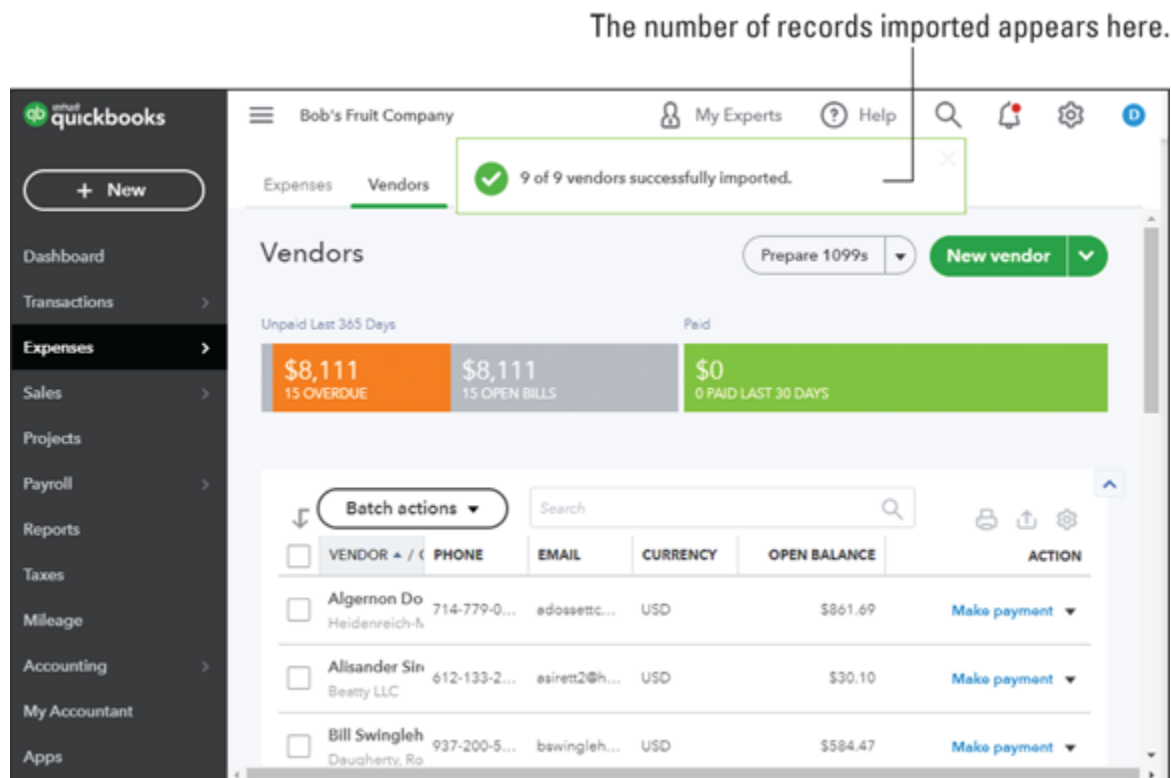
QBO imports the information and displays a message that identifies the number of records imported. The list you imported appears on the appropriate page (see [Figure 4-7](#)).



**FIGURE 4-5:** Match the fields in your data file to QBO fields.



**FIGURE 4-6:** The records QBO will import from your data file.



**FIGURE 4-7:** The Vendors page after importing vendors using an Excel file.

## *Adding New People to a List*

You use the Sales, Expenses, and Payroll links in the Navigation bar to work with your customers, vendors, employees, and contractors. The steps are basically the same to set up a new customer, vendor, employee, or contractor; you just start by clicking the appropriate link in the Navigation bar — Sales for customers, Expenses for vendors, and Workers for employees and contractors. Read on to learn how to set up a new customer.

### *Creating a new customer*

We've chosen to show you how to set up a new customer because customers have the most options to establish. For example, for customers, you can create sub-

customers and you can create and assign customer types; these features aren't available for vendors, employees, or contractors.

Follow these steps to set up a new customer in QBO:



**REMEMBER** If you have determined that your company needs to use the Multicurrency feature, turn it on before you start creating people so that you have available the fields you need to establish each person's currency. See [Chapter 3](#) for details on the Multicurrency feature.

1. **Click Sales in the Navigation bar and then click Customers to display the Customers page shown in [Figure 4-8](#).**

Labels in the screenshot:

- New Customer button
- Customer Types button

CUSTOMER / PROJE	PHONE	CURRENCY	OPEN BALANCE	ACTION
Nectarines from C Nectarines from Ca		CAD	\$312.73	Receive payment
Pluots R Us		USD	\$118.85	Receive payment



**FIGURE 4-8:** Start from the appropriate page when you want to create a list entry for a new person.

2. **Click the New Customer button in the upper-right corner of the page.**



TIP

If you see the page shown earlier in [Figure 4-1](#), you can click the Add a Customer button at the bottom of the page. Alternatively, click the arrow next to New Customer to import your customers in the same fashion as we imported vendors.

QBO displays the Customer Information dialog box shown in [Figure 4-9](#).

3. **Type the requested information.**

For details on creating and assigning customer types, see the next section, "[Using customer types](#)."

If you need to set up a sub-customer (and wonder what that is), see the section "[Adding sub-customers](#)."

Click here to create a sub-customer.

The screenshot shows a 'Customer information' dialog box with the following sections:

- Personal Information:** Title, First name, Middle name, Last name, Suffix, Email (with a note: 'Separate multiple emails with commas').
- Company Information:** Company, \*Display name as (dropdown), Print on check as (checkbox) Use display name.
- Contact Information:** Phone, Mobile, Fax, Other, Website.
- Sub-customer Options:** Is sub-customer (checkbox), Enter parent customer (dropdown), Bill with parent (dropdown).
- Address Information:** Billing address (with a 'map' icon), Shipping address (with a 'map' icon and 'Same as billing address' checkbox). Both address sections include fields for Street, City/Town, State/Province, ZIP code, and Country.

At the bottom, there are 'Cancel', 'Privacy', and 'Save' buttons.

Click here to assign a customer type for this customer.

**FIGURE 4-9:** Use this dialog box to enter information for a new customer.

#### 4. **Click Save.**

QBO saves the customer and displays the customer's page showing transaction information specific to that customer — and, of course, because you just added the customer, you won't see any transactions. You also can view and edit the details you just established for the customer if you click the Customer Details tab. To redisplay the complete list of Customers, click Sales in the Navigation bar and then click Customers.



**TIP** You can make any customer, vendor, or contractor inactive as long as the associated person has a \$0

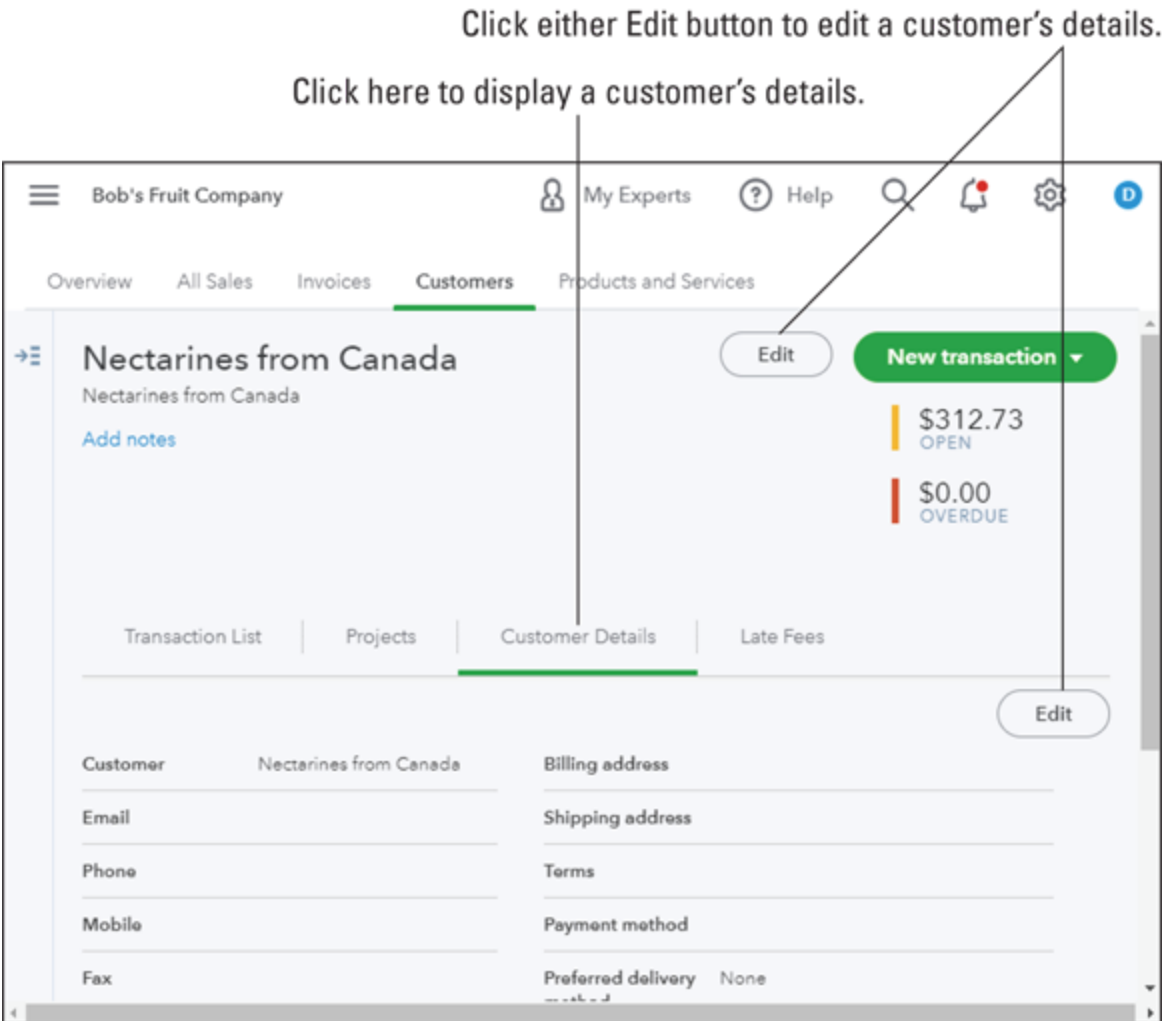
balance. We discuss employees in [Chapter 9](#). To make a person inactive, click the Action down arrow at the right edge of the appropriate list beside the entry. In the list that opens, click Make Inactive.

## ***Using customer types***

You can create customer types to group otherwise unrelated customers; for example, perhaps you offer special discounts at certain times of the year to some customers. You can use a customer type to help you identify the customers to whom you'll offer the discount (keep this one in mind if you intend to take advantage of the pricing rules feature in QBO, covered in more detail later in this chapter).

To create customer types, click the Customer Types button in the upper-right corner of the Customers page (refer to [Figure 4-8](#)). Click New Customer Type, fill the New Customer Type field, and then click Save; repeat this process for each customer type you want to set up.

To assign a customer type to a customer, click the Edit button to the right of the customer's name on the Customers page, or on the Customer Details tab. (see [Figure 4-10](#)) to redisplay the dialog box shown previously in [Figure 4-9](#). Click the Additional Info tab in that dialog box to assign a customer type to the customer.



**FIGURE 4-10:** Click the Edit button or use the Customer Details tab to modify a customer's record.



**TIP** To save time you don't need to assign customer types to each individually; instead, you can simultaneously assign customer types to a group of customers you select. See the section "[Working with a batch of people](#)" later in this chapter.

QuickBooks offers three reports that allow you to view transactions or customers by type:

» Sales by Customer Type detail report

- » Sales by Customer detail report (grouped by customer type)
- » Customer Contact List (customized to include a column to include customer type)

You can read more about running reports in [Chapter 10](#).

## ***Adding sub-customers***

Sub-customers allow you to create a hierarchy for customers that you can use pretty much any way you want. For example, for an architect sub-customers might represent jobs or projects for a particular client (called the “parent customer” in QBO). For an attorney, sub-customers could represent different matters for a given client.

If you set up sub-customers, you can choose to bill either the parent or the sub-customer. Sub-customers’ balances are included in the parent customer’s balance.

Transactions for sub-customers appear in the sub-customer’s register as well as the parent customer’s register. You can create as many sub-customers as you want, but, for any given customer, you can only assign sub-customers up to five levels deep, including the parent customer.



**WARNING** If you’re considering using the Projects feature in QBO, be aware that you can easily convert first-level sub-customers to projects if you establish the billing for the sub-customer separately from the parent customer. That is, enable the Bill This Customer option when you set up the sub-customer if you think you might want to convert sub-customers to projects.

See [Chapter 6](#) for details on the Projects feature in QBO.

To create a sub-customer, follow the steps in the section “[Creating a new customer](#)” and check the “Is Sub-Customer” box on the right side (in the middle) of the Customer Information dialog box shown in [Figure 4-9](#).

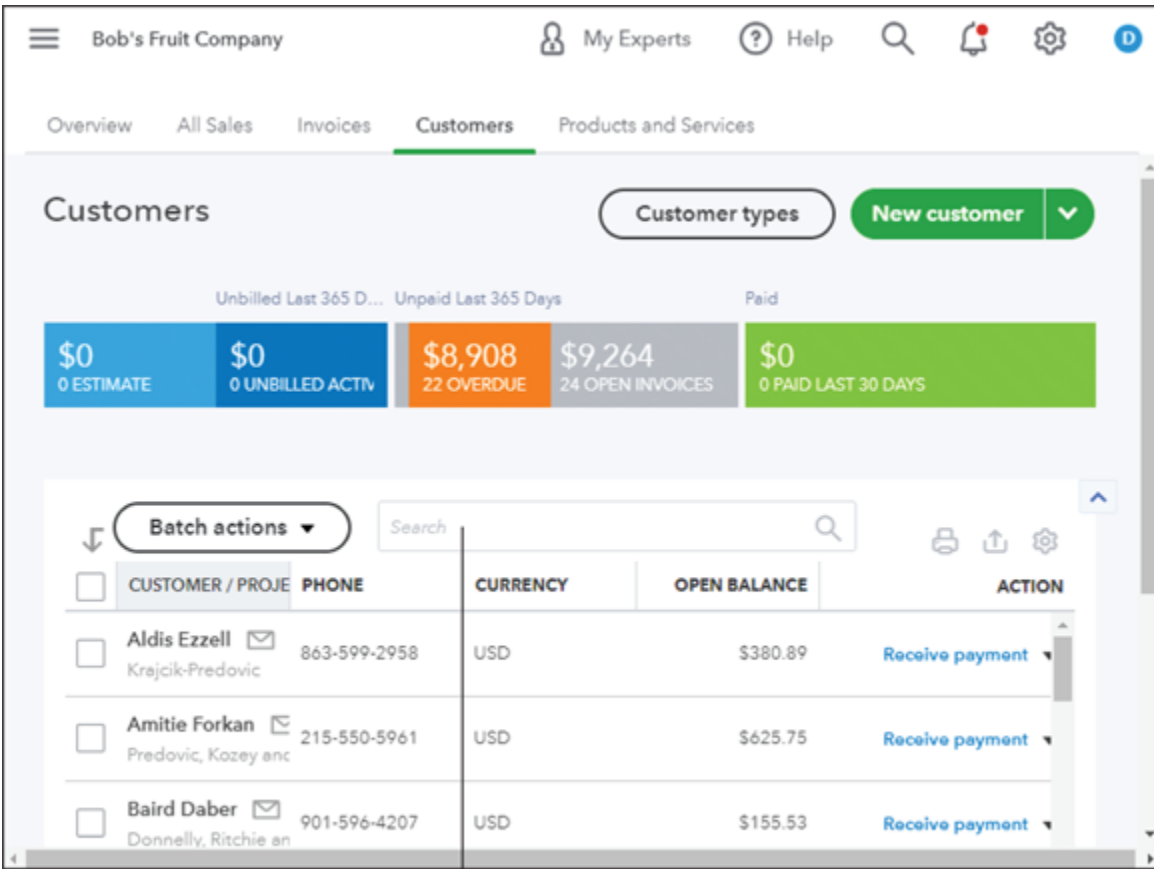
## ***Searching Lists for People***

People lists in QuickBooks include customers, vendors, employees, and contractors. You’ll be able to sort, export, and perform group actions on the Customers, Vendors, and Employees pages. Conversely, you can search for contractors and prepare 1099s only from the Contractors page. You also can print a basic report by clicking the Print List button on any list page; this button appears just above the Action column.

### ***Working with a particular person***

When you select a particular customer, vendor, or employee you can then view the transactions associated with that person as well as the person’s details, and you can attach files to the person. For this section, we’ll work with customers and vendors.

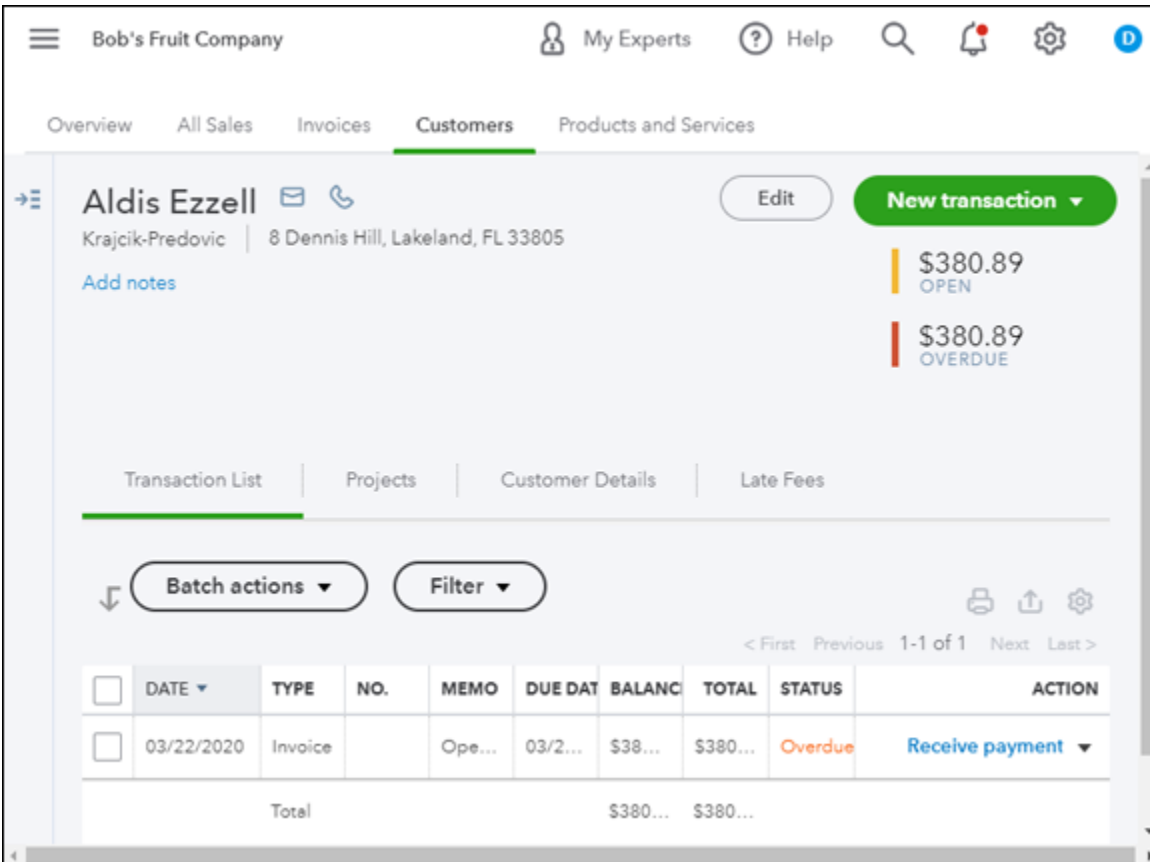
To search for a particular person, type some characters that match the person or company name in the Search box that appears above the list of people (see [Figure 4-11](#)).



Type here.

**FIGURE 4-11:** To find a particular person on a list, use the Search box that appears above the names on the list.

When you select any person from the list, QBO displays the page specifically associated with that person. The page may have multiple tabs; in [Figure 4-12](#), you see the Transaction List tab, a Projects tab, the Customer Details tab, which appeared in [Figure 4-10](#), and a Late Fees tab.



**FIGURE 4-12:** The Transaction List tab shows transactions in QBO associated with the selected person.



**TIP**

If you have enabled the Projects feature in your company, QBO displays a third tab called the Projects tab, which lists any projects you have created in your QBO company. You can read more about Projects in [Chapter 6](#).

From any tab you can click the Edit button to edit information about that person, and you click the New Transaction button to add a transaction associated with that person.

From the details page of a person, shown earlier in [Figure 4-10](#), you can attach files to keep track of important financial information. For example, you can



attach a customer's contract, a vendor's 1099 document, or an employee's receipts. You're not limited to text documents; you also can *attach* just about any type of file as long as it is no larger than 20MB. Simply drag and drop the item into the Attachments box at the bottom-left side of the appropriate details page; if you prefer, you can click the box and a standard Windows Open dialog box appears so that you can navigate to and select the document you want to attach.

To view documents you've already attached to a person, click the Show Existing link below the Attachments box and QBO opens a pane on the right side of the page showing the linked attachments.

You also can add attachments to a transaction, as you'll see when you create transactions in [Chapters 5, 6, 7, and 9](#). To view transactions that have attachments, add the Attachments column to the table that appears on the person's Transaction List page:

- 1. Display the person's Transaction List page (see [Figure 4-13](#)).**
- 2. Click the table Gear button above the Action column.**
- 3. From the list that appears, click Show More.**
- 4. Click the check box for Attachments.**

The Attachments column appears as part of the table grid with a paper clip in the column heading for all persons of that type. You'll see the number of attachments in the column for each transaction. Click the number to list the transaction's attachments; click any attachment to open.

Bob's Fruit Company

Overview All Sales Invoices **Customers** Products and Services

**Aldis Ezzell**   
 Krajcik-Predovic | 8 Dennis Hill, Lakeland, FL 33805  
 Add notes

\$380.89 OPEN  
 \$380.89 OVERDUE

Transaction List | Projects | Customer Details | Late Fees

Batch actions Filter

<input type="checkbox"/>	DATE	NO.	PROJECT	MEMO	DUE DATE	BALANCE	TOTAL	STATUS
<input type="checkbox"/>	03/22/2020			Opening ...	03/22/2020	\$380.89	\$380.89	Overdue
						\$380.89	\$380.89	

Columns  
 Type  
 Customer  
 Method  
 Source  
 Aging  
 Last delivered  
 Email  
 Show More

Split View button Attachments column Click here. Table gear

**FIGURE 4-13:** Adding the Attachments column to the table on the Transaction List.



**REMEMBER** You can add attachments to transactions as you create them.

When you finish working with one person, you can easily switch to another in that list using the list's Split View list pane.

You can click the Split View icon (refer to [Figure 4-13](#)) to display a pane listing the people stored in the list (see [Figure 4-14](#)).

Click here to sort the list.

Click here to search the list.

Click + to add a new person.

Close Split View button.

The screenshot displays a software interface for managing customers. On the left, a 'Customers' list is shown in a split view. The list includes a search box labeled 'Filter by name or details' and a 'Sort by name' dropdown menu. The list items are:

- Aldis Ezzell \$380.89
- Amitie Forkan \$718.27
- Baird Daber \$2,897.24
- Barbe Veel \$361.79
- 4th Street Fruit Stand \$0.00
- Bidget Cubley \$146.68
- Brandtr Garauld \$230.96
- Danni Jodrelle \$0.00
- Finn Speedin \$163.03

The right pane shows the details for 'Aldis Ezzell', including contact information (Krajcik-Predovic, 8 Dennis Hill, Lakeland, FL 33805) and a balance of \$380.89 (OPEN). Below this, there are tabs for 'Transaction List', 'Projects', 'Customer Details', and 'Late Fees'. The 'Transaction List' tab is active, showing a table with columns: DATE, NO., PROJEC, MEMO, DUE DA, BALANK, TOTAL, STATUS, and ACTION. The table contains one row:

DATE	NO.	PROJEC	MEMO	DUE DA	BALANK	TOTAL	STATUS	ACTION
03/22/2020			Op...	03/...	\$38...	\$38...	Overdu	Receive payment

**FIGURE 4-14:** Displaying a list's Split View.

From the list in the Split View pane, you can scroll down to find a person, or you can type a few letters of the person's name or company name in the Search box at the top of the list to find that person in the list. Or, you can sort the list by name or by open balance. Click a person to switch to that person's page.

To add a new person to the list, click the plus (+) symbol at the top of the list in the Split View pane to see the dialog box shown earlier in [Figure 4-9](#). To display the Customers page shown earlier in [Figure 4-8](#), click Customers at the top of the Split View list or click Sales in the Navigation bar and then click Customers.

To close Split View, click the Close Split View button (refer to [Figure 4-14](#)).

## ***Sorting a list***

In addition to sorting in Split View, you can sort the lists on the Customers and Vendors page by name or open balance. By default, QBO sorts the entries on these pages alphabetically by name in ascending order.



**TIP**

You can sort employees in alphabetical order and reverse alphabetical order, by pay method, or by status (active or inactive). You can't sort contractors which always appear in alphabetical order.

To change the sort order for the Customers or Vendors lists, click Sales or Expenses in the Navigation bar and then click Customers or Vendors to display the appropriate page; for this example, we'll use the Customers page.

Next, click the heading for the column by which you want to sort. If you click the Customer/Company column heading, QBO displays the customers in descending alphabetical order. If you click the Open Balance column heading, QBO sorts the list in Open Balance order, from lowest to highest. You can click the column again to sort in reverse order.

## ***Exporting a list to Excel***

You can export a list of your customers or vendors to Microsoft Excel.



TECHNICAL  
STUFF

In this section, we assume you have a copy of Microsoft Excel or another spreadsheet program on your computer; otherwise, downloading your list to an Excel file would be a dead end. If you don't have a copy of Excel on your computer, you can use the free online version of Excel or an equivalent such as Google Sheets.

Click the appropriate link in the Navigation bar (Sales or Expenses) to subsequently display either the Customers page or the Vendors page; we'll use the Vendors page in this example. At the right edge of the page, just above the Action column, three buttons appear. Click the middle button, and QBO exports the list to an Excel file; a button for the file appears at the bottom of the screen in Chrome (see [Figure 4-15](#)).

The screenshot shows the QuickBooks interface for 'Bob's Fruit Company'. The 'Vendors' page is active, displaying a summary of unpaid bills (\$8,111) and a table of vendors. A 'Batch actions' dropdown menu is open, showing a 'Download' option. A file named 'vendor.xls' is shown at the bottom of the browser window. A 'Show all' button is visible at the bottom right of the vendor list.

VENDOR	PHONE	EMAIL	CURRENCY	OPEN BALANCE	ACTION
<input type="checkbox"/> Algernon Do Heidenreich-Is	714-779-0...	adosettec...	USD	\$861.69	Make payment
<input type="checkbox"/> Alisander Sin Beatty LLC	612-133-2...	asirett2@h...	USD	\$30.10	Make payment

Click here to open the Excel file.

Click here to export the list.

**FIGURE 4-15:** Exporting a vendor list to Excel.

Click the button at the bottom of the screen to open the file. You can edit the document if you click the Enable Editing button in the yellow bar at the top of the window. Alternatively, in Excel Online you may need to sign in using your Microsoft account and save the file to OneDrive or Dropbox to edit the file, or save the file to Google Drive to edit it in Google Sheets.

## ***Working with a batch of people***

The Customers and Vendors lists allow you carry out actions simultaneously for a group of people, such as sending mass emails, paying bills online with the Bill.com add-in, or marking vendors inactive. The Bill.com add-in is available with QBO Essentials, Plus, or Advanced.



**TIP** You can use the Bill.com add-in to pay bills online from QBO, which is a subset of the full Bill.com service, which means you can use many of Bill.com's features without having to log into the service at [www.bill.com](http://www.bill.com). To add the Bill.com app choose Apps from the Navigation pane and then search for bill.com. The monthly subscription fee may be waived during a promotional period, while per-transaction fees always apply. Alternatively, the Melio Sync app in QBO allows you to pay bills for free with ACH or your debit card, while credit card payments incur a transaction fee of 2.9 percent. Unlike Bill.com, Melio Sync does not charge a monthly fee.

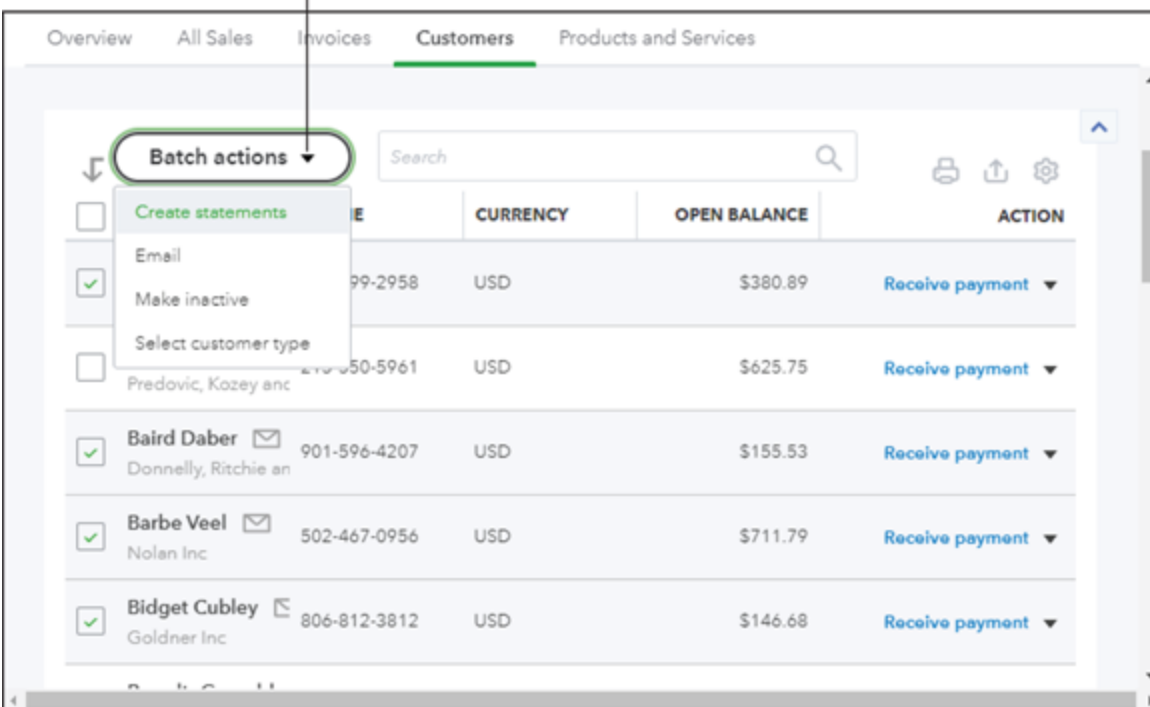
In addition to emailing customers, you can create and send statements, as well assign customer types, and mark customers as inactive. The customer type allows

you to to group customers, which we covered earlier in this chapter, in the section “[Using customer types](#)”.

To use one of these actions for a group of people, click the appropriate link in the Navigation bar — Sales or Expenses — followed by the appropriate list page to display the associated page. For this example, we used the Customers page.

Next, click the check box beside the names you want to include in your action and then click the Batch Actions button (see [Figure 4-16](#)). Select the action you want to take, and then follow the prompts onscreen to complete the action.

Click here to assign batch actions.



**FIGURE 4-16:** Performing an action for several customers.

# Changing Settings for People Lists

You can, to some extent, control the appearance of the lists on the Customers page, the Vendors page, and the Employees page. For example, you can opt to show or hide street address, attachments, email, and phone number information, and you can opt to include or exclude inactive entries in the list. You also can control the number of entries displayed on each page, as well as adjust those entries' column widths.

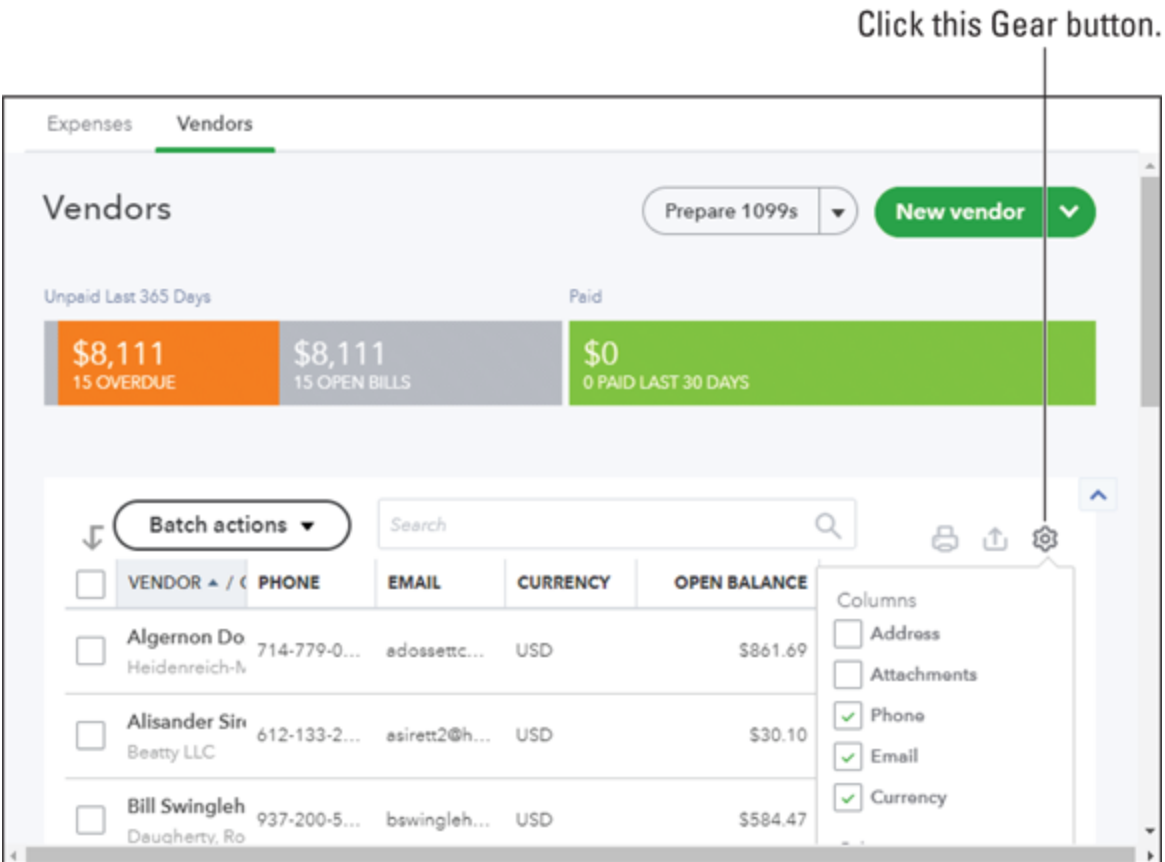


**REMEMBER** The elements you can show or hide depend on the list you're using; for example, you can show or hide address information on the Customers and Vendors lists but not on the Employees list or the Contractors list.

Click the appropriate link in the Navigation bar — Sales, Expenses, or Employees — to display the associated page; for this section, we worked on the Vendors page.

To control the information displayed in the list, click the table Gear button above the Action column at the right edge of the page (see [Figure 4-17](#)). Then select or deselect check boxes to display or hide information. Click outside the list when you finish.





**FIGURE 4-17:** Controlling the information that appears in the list.



**TIP**

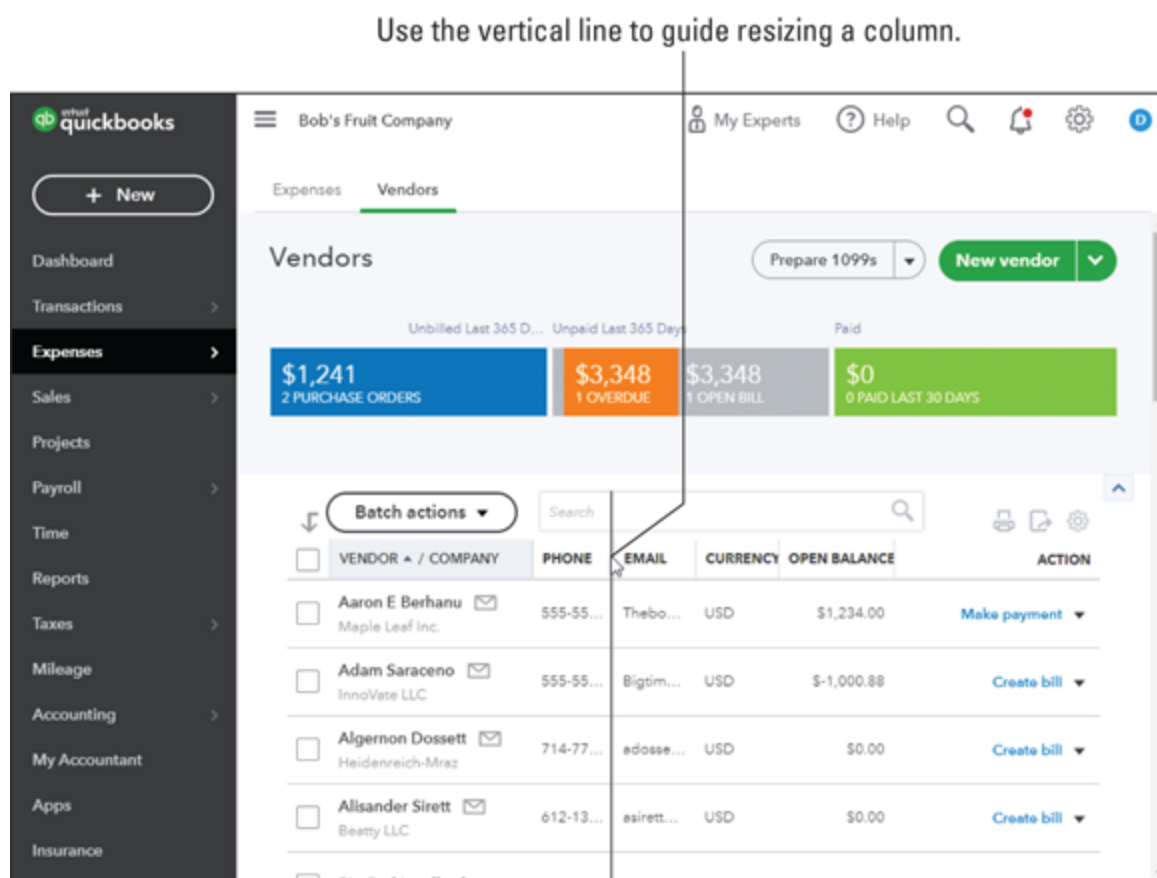
When you click outside the list, we suggest that you click in the empty area at the bottom of the Navigation bar so that you don't accidentally navigate away from the current page.

To adjust the width of any column, slide the mouse pointer into the row of column heading labels above the list and place it over the right edge of the column you want to adjust. When the mouse pointer changes to a pair of vertical lines and a pair of horizontal arrows pointing outward, drag the mouse. When you start to drag, the mouse pointer reverts to a pointer and a vertical bar appears, guiding you in resizing the column

(see [Figure 4-18](#)). Release the mouse button when you're satisfied with the column width.



**TIP** QBO remembers column width adjustments you make in registers and on pages like the Customers and Vendors pages, even after you sign out of QBO and then sign back in again.



**FIGURE 4-18:** Adjusting the width allotted to the vendor's name on the Vendors page.

## *Working with Products and Services Items*

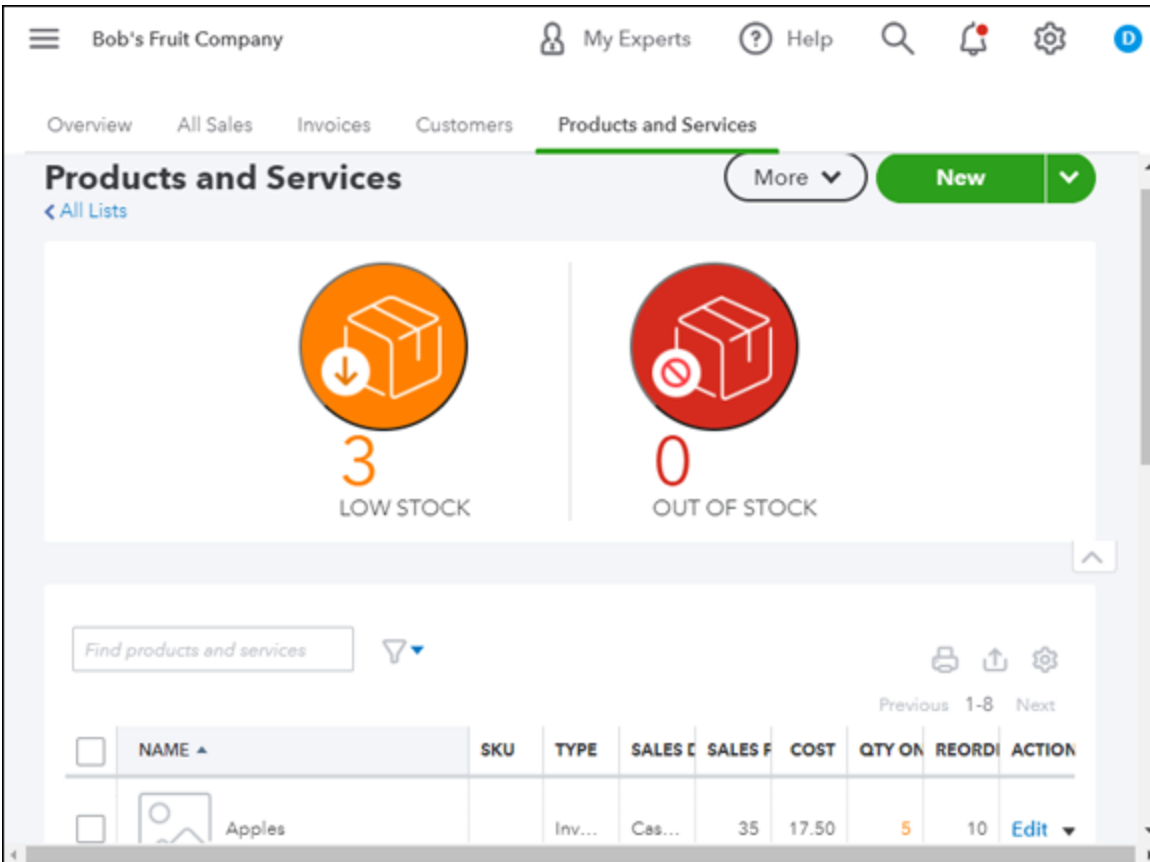
Inventory tracking can be enabled in the QBO Plus and Advanced editions. Choose Gear ⇒ Account and Settings. In the Account and Settings dialog box, click Sales and, in the Products and Services section, click Track Inventory Quantity On Hand.



**REMEMBER** QBO Plus and Advanced can support inventory tracking capabilities, but, if you're looking for inventory capabilities to support manufacturing, you'll be happier in QuickBooks Desktop Premier or Enterprise versions.

The Products and Services list, shown in [Figure 4-19](#), is the QBO equivalent to the QuickBooks Desktop product's Items list. You display the Products and Services list by choosing Gear ⇒ Products and Services. In [Figure 4-19](#), we used the compacted view of the list so that you could see more products; you select the compacted view from the table gear on the right side of the page.

You use the Products and Services list pretty much the same way you use the Customer and Vendor lists; for example, you can search for an item by its name, SKU, or sales description. You can identify the columns you can use to sort the list if you slide your mouse over the column heading; if the mouse pointer changes to a hand, you can click that column to sort the list using the information in that column.



**FIGURE 4-19:** The Products and Services list.



**REMEMBER** Enabling the Multicurrency feature, described in [Chapter 3](#), has no effect on inventory item valuations; QBO assesses and reports inventory item values in home currency units, regardless of the currency used by the vendor who sold you the items. For that reason, the Products and Services list shows no distinctions related to currency.

You can import and export items using an Excel or CSV file, the same way you import and export people information. See the sections [“Importing People into a List”](#) and [“Exporting a list to Excel”](#) earlier in this chapter. The importing and exporting processes include the information about the item’s taxability.

## TAKING ADVANTAGE OF SKUs

You can control whether SKU (stock-keeping unit) information appears on the Products and Services list and on transaction forms from the Account and Settings dialog box. Choose Gear ⇒ Account and Settings ⇒ Sales. Click in the Products and Services section and check or uncheck the Show SKU column. Click Save and then click Done. Using a custom form style (see [Chapter 3](#) for information on creating custom forms), you can add the SKU to your invoice form.

### *Establishing categories*

Categories replace sub-items and are available to all subscriptions that use sub-items except for those who migrate from QuickBooks Desktop. You can use categories to organize what you sell and, using various Products and Services reports, hopefully help you better understand what people are buying from you. Categories do not affect your accounting or your financial reports, and you cannot assign categories to transactions.

You also can use classes and/or locations to help further catalog transactions and financial information. See [Chapter 3](#) for more information.

You can create new categories as you create items or, if you prefer, you can click the More button on the Products and Services list page and choose Manage Categories to create categories so that they are available as you create items. Yes, you can do both.

From the Product Categories page shown in [Figure 4-20](#), you can click the New Category button to add a category; the Category Information panel appears on the right side of your screen and you simply supply the category name. If the category is a sub-category of an existing category, check the Is a Sub-Category box and select the name of the existing category. Click Save at the bottom of the panel to set up your category.



**FIGURE 4-20:** The Product Categories page.



**TIP**

You can create sub-categories up to four levels deep. That is, you can create a category called Clothing and then create a sub-category of Clothing called Shoes. For the Shoes sub-category, you can create a sub-category called Women's Shoes, and, for the Women's Shoes category, you can create one last sub-category called Sneakers. You can't create a sub-category for Sneakers because it's the fourth level down, but you can create another sub-category for Women's Shoes, which is three levels down, called Dress Shoes, and that would be the fourth level.

To edit a category click the corresponding Edit link in the table on the Product Categories page. Once again, the Category Information panel appears, displaying the category's current information. Make changes and click Save; alternatively, you can click Remove to remove a category.



**REMEMBER** The effect on items of removing a category depends on whether you remove a sub-category or a category. If you remove a sub-category, QBO moves the items assigned to it up one level. If you remove a category (with no sub-categories) QBO reclassifies the items as uncategorized.

## ***Setting up sales taxes***

Don't freak out; this is a lot easier than you might be imagining. QBO offers a wizard that literally walks you through the process, asking you easy questions such as your address and whether you need to charge sales tax outside your state.

"But," you say, "this chapter is supposed to be about lists, and sales taxes aren't lists." Right you are, but setting up sales taxes *before* you set up items makes your life easier. Why? Because QBO uses the sales tax information you supply as you set up items. If you don't set up sales taxes before you set up items, you'll have to go back and edit all your items for taxability. Yuk!

QBO tracks and reports sales tax automatically for companies operating on the Accrual basis of accounting. Further, QBO automatically calculates sales tax on transactions if you set your QBO company accounting basis to Accrual.

So, what should you do if your company operates on the Cash basis of accounting? Set your company accounting method to Accrual before you set up sales taxes (click Gear ⇒ Account and Settings ⇒ Advanced). Then, set up sales tax and *then* change your accounting method back to Cash. Be aware that the Sales Tax Center will track your sales tax liability on the Accrual basis, but you

can use the Sales Tax Liability reports to identify the correct amount of sales tax to pay.

The first time you click Taxes in the Navigation bar, QBO prompts you to set up sales tax. Click the Setup Sales Tax button. If you haven't already entered your company's address in QBO, the wizard prompts you to supply your address, after which you click Next. If you have already entered your address, QBO displays it onscreen for you to verify. Click Looks Good when your address is correct, and then click Next.

The wizard then asks if you need to charge sales tax outside your home state; choose No or Yes, as appropriate; if you click Yes, you identify the additional states or jurisdictions where you charge sales tax. Click Next. QuickBooks may ask some additional questions, or it may say Automatic Sales Tax is All Set up and provide a Create Invoice button.

As part of QBO's set-up process, it marks all existing customers as tax-paying customers. If you have any customers who don't have to pay tax, such as government agencies, schools, and charities, edit those customers (Sales ⇒ Customers ⇒ Edit) and, on the Tax Info tab of the Customer Details dialog box, uncheck the This Customer is Taxable check box and supply exemption details such as the reason the customer is exempt from sales tax and the customer's exemption certificate ID. You might also want to attach a copy of the exemption certificate to the customer on the Customer Details page in QBO.



**REMEMBER** Because many small business owners rely on their accountants to handle sales tax reporting, you can



find more information about reporting and paying sales taxes in [Chapter 15](#) in the QBOA portion of this book.

## ***Adding service and non-inventory items***

You can create inventory, non-inventory, and service items, and you can edit batches of items to change their type; we'll show you how to change an item's type after we show you how to add an item to the list.

- 1. To display the Products and Services list, choose Gear ⇒ Products and Services.**

Alternatively, choose Sales and then Products and Services.

- 2. Click the New button.**

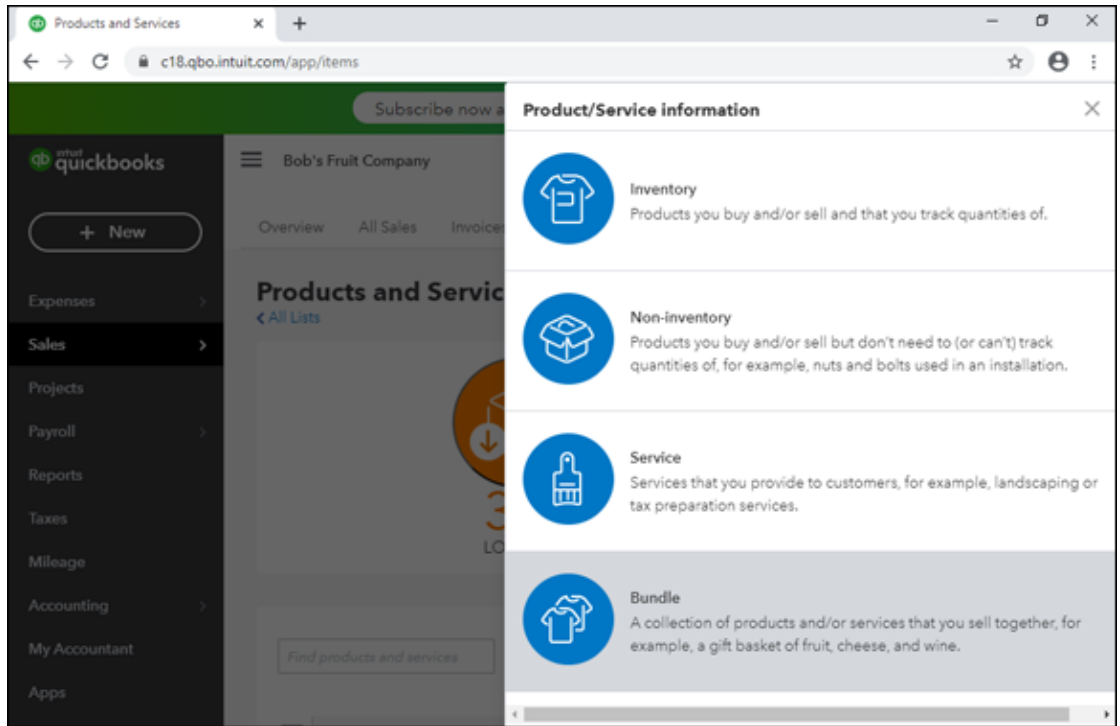
QBO displays the Product/Service Information panel on the right side of your screen (see [Figure 4-21](#)) where you select whether you're creating an inventory item, a non-inventory item, a service, or a bundle.

You can read more about inventory items and bundles later in this chapter.

- 3. Click a type to select it.**

For this example, we chose Non-inventory item. You create a service item the same way you create a non-inventory item, supplying the same kind of information shown in these steps. See the next section, "[Creating an inventory item](#)," for details on the additional information you supply when creating an inventory item, and see the section "[Working with bundles](#)" for details on creating bundles.

QBO then displays the panel for the type of item you chose; [Figure 4-22](#) shows the Non-inventory panel.



**FIGURE 4-21:** Select a type of item to create.

### Product/Service information ✕

Non-inventory [Change type](#)

---

**Name\***

✎ | 🗑

**SKU** ⓘ

**Category** ⓘ

Citrus
▼

---

**Description**

I sell this product/service to my customers.

**Sales price/rate**

21.99

**Income account**

Sales
▼

▼ [SHOW MORE](#)

Save and close
▼

**FIGURE 4-22:** Use this window to create a non-inventory item.

4. **Supply a name for the item and, if appropriate, a stock-keeping unit (SKU).**

You also can select the item’s category.

You can upload a picture of the item by clicking the Upload button and navigating to the location where you store the picture.

**5. If you have enabled Classes in QBO, you can assign a default class to the item.**

We discuss classes in more detail in [chapter 3](#).

**6. In the Sales Information section, you can**

- a. Select the I Sell This Product/Service to My Customers check box and supply a default description,
- b. Supply the price you charge when you sell this item, and
- c. Select the income account associated with the item; if necessary, you can establish a new account.

QBO uses this information when you select this item on sales transactions.

**7. Choose a sales tax category from the drop-down list.**

Set the item to Nontaxable if sales tax is not applicable.

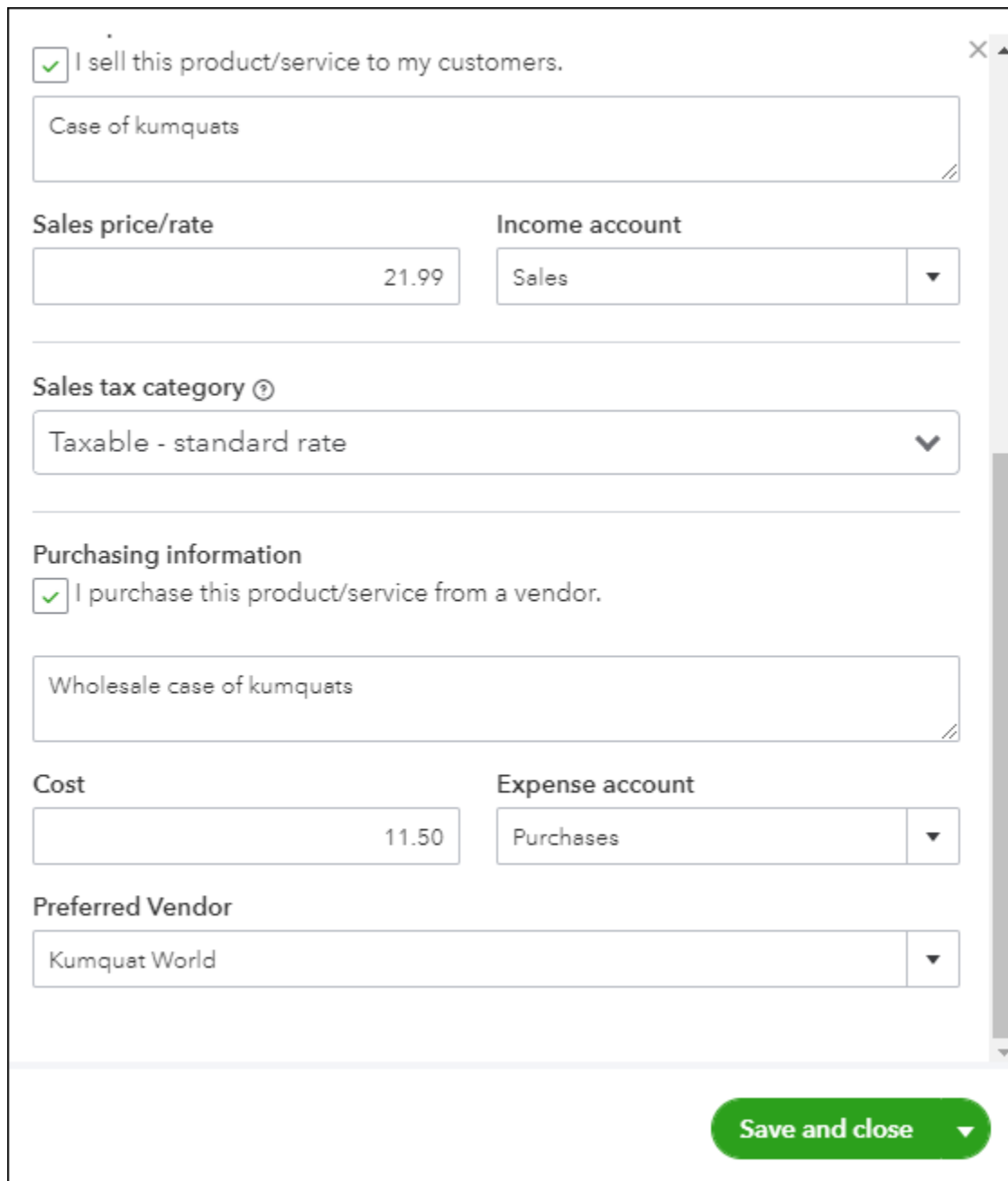
**8. To display the Purchasing Information section (see [Figure 4-23](#)), place a check in the I Purchase This Product/Service From a Vendor check box and then, if necessary, click the Show More link at the bottom of the window.**

**9. Supply a default description, the cost you pay when you purchase the item, the expense account associated with the item, and, if you want, the vendor from whom you prefer to purchase the item.**

QBO uses this information when you select this item on expense transactions.

**10. Click Save and Close.**

QBO saves the item and redisplay the Products and Services list; the new item appears in the list.



The screenshot shows a web form for adding purchasing information to an item. At the top, there is a checked checkbox labeled "I sell this product/service to my customers." Below this is a text input field containing "Case of kumquats". The form is divided into two main sections: sales and purchasing. The sales section includes a "Sales price/rate" field with the value "21.99" and an "Income account" dropdown menu set to "Sales". Below this is a "Sales tax category" dropdown menu set to "Taxable - standard rate". The purchasing section starts with a checked checkbox labeled "I purchase this product/service from a vendor." Below this is a text input field containing "Wholesale case of kumquats". The purchasing section also includes a "Cost" field with the value "11.50" and an "Expense account" dropdown menu set to "Purchases". At the bottom of the form is a "Preferred Vendor" dropdown menu set to "Kumquat World". A green "Save and close" button is located at the bottom right of the form.

**FIGURE 4-23:** Add purchasing information for the item.

## ***Creating an inventory item***

Creating an inventory item has a few additional types of information you need to supply (see [Figure 4-24](#)).

Enter your quantity on hand and the date on which you determined the quantity on hand. You must supply an As Of date or QBO won't let you save the item. If you intend to enter historical transactions that use the item you're setting up, make sure that you enter an As Of date early enough to accommodate those transactions — typically the beginning of your fiscal year.



**REMEMBER** Remember, before you can sell an item, you must own some of it. If you don't own any at the time you create the item, you'll probably buy some of it using an expense transaction, which will then increase your quantity on hand.

You can also specify a reorder point in QBO Plus and Advanced, which is the minimum quantity you want on hand at any given point in time. When the quantity on hand falls equal to or below the established reorder point, QBO reminds you to order more by way of graphic indicators that appear above your inventory list.

**Product/Service information**

Inventory [Change type](#)

Name\*  
Bosc Pear

SKU ⓘ

Category ⓘ  
Choose a category

Initial quantity on hand\*

As of date\*  
[What's the as of date?](#) MM/DD/YYYY

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

Inventory asset account [SHOW MORE](#)

[Save and close](#)

Supply this additional information.

**FIGURE 4-24:** Supply quantity on hand and inventory asset account information for inventory items.



**TIP** You can set or adjust a reorder point after you have created an inventory item; find the item in the Products and Services list and click Edit in its Action column. Enter the reorder point and click Save and Close.

You also can use the Products and Services list to see the items for which you have specified reorder points that are low or out of stock. At the top of the list, shown in [Figure 4-25](#), click Low Stock to filter the Products and Services list to show only items for which you have

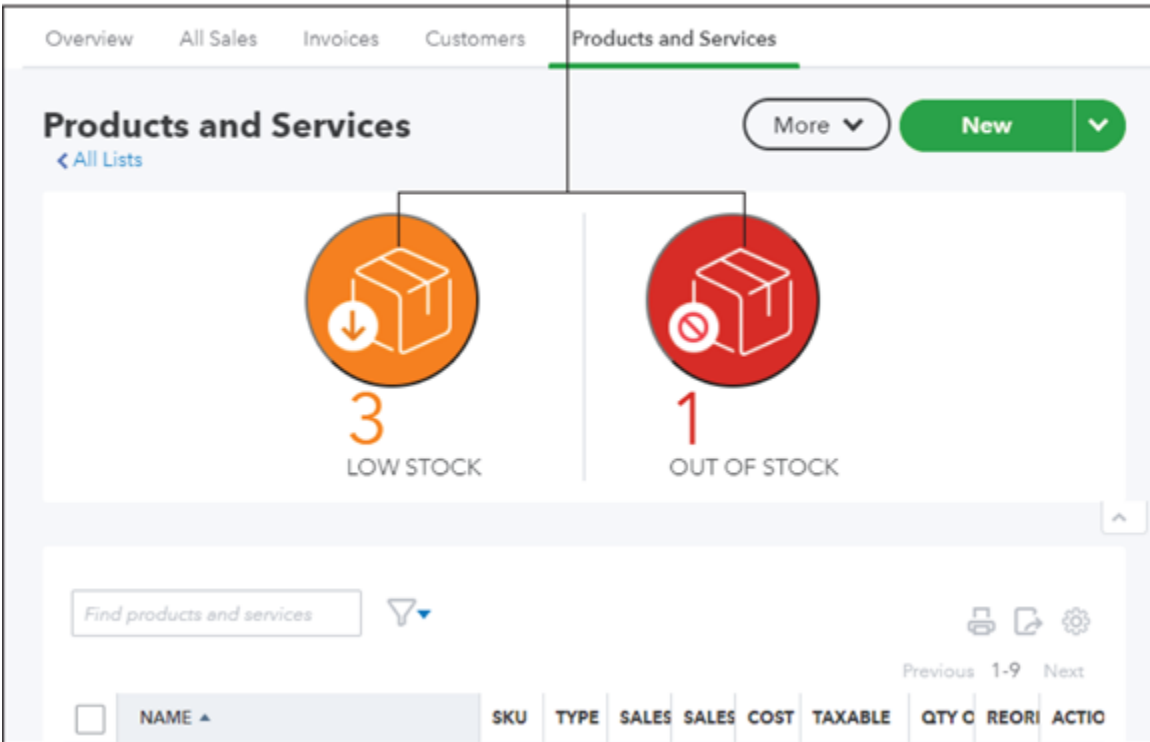
specified a reorder point that are also low on stock. Click Out of Stock to view items for which you have specified a reorder point that you don't have and should consider ordering.

QBO defines "low stock" as an item for which you have specified a reorder point and for which you have one or fewer on hand.

To order a low-stock or an out-of-stock item, click the arrow in its Action column and choose Reorder from the drop-down list that appears. QBO creates a purchase order with the item's information filled in. Complete the purchase order and send it to the supplier. Be aware that QBO creates only one purchase order for the items you select. To send purchase orders to multiple vendors, select the items to reorder for a single vendor, click Batch Actions — which appears above the Action column after you select an item — and then choose Reorder. Then, repeat the process for items to reorder from a different vendor.



Click the appropriate graphic to filter the list.



**FIGURE 4-25:** Use these graphics to filter the Products and Services list to show only Low Stock or only Out of Stock items for which you have specified a reorder point.

You can easily cancel the filter for Low Stock or Out of Stock items. Once you select one of these filters, an X appears in the upper-right corner of the filter graphic. Click that X, and QBO redisplay the complete Products and Services list.

## ***Working with bundles***

If you are using QBO Essentials or QBO Plus, you can create *bundles* to group items that you often sell together. If you were a QuickBooks Desktop user, think of a bundle as a *group item* in the desktop product.



**REMEMBER** A bundle is *not* an assembly; QBO doesn't create a bill of materials for a bundle, nor does QBO track a bundle as a separate item with a quantity and separate cost. That means QBO doesn't track quantity on hand for bundles.

In general, think of a bundle as a collection of items — products and/or services — that a customer buys from you at in a single transaction. For example, assume your company sells fruit. Let's say that you notice that customers commonly purchase several types of fruit in a single order. You can create one or more bundles that offer this combination of products. The idea behind a bundle is to make selling easier by placing all the items in the bundle on a sales form in one step rather than making you separately add each item that makes up the bundle to various sales documents. The same idea would hold if say you're a landscaping company offering products and services — you can create a bundle that offers both.



**TIP** You can use bundles on Estimates, Invoices, Credit Memos, Sales Receipts, Refund Receipts, Delayed Credits, and Delayed Charges. Bundles aren't available for purchasing documents nor can you add a bundle to a price rule (see the section "[Using pricing rules](#)" for details on pricing rules).

To create a bundle, follow these steps:

1. **Choose Gear ⇒ Products and Services to display the Products and Services list.**

2. **Click the New button to display the Select a Type panel shown earlier in [Figure 4-21](#).**
3. **Click Bundle.**  
QBO displays the Bundle panel shown in [Figure 4-26](#).
4. **Provide a name, an SKU if appropriate, and a description to appear on sales forms for the bundle.**
5. **In the Products/Services Included in the Bundle section, check the Display Bundle Components When Printing or Sending Transactions check box if you want to list, on sales documents, the components included in the bundle.**

### Product/Service information X

Bundle [Change type](#)

---

**Name\***

Citrus Pack

✎
|
🗑️

**SKU** ⓘ

**Description**

*Description on sales forms*

**Products/services included in the bundle**

Display bundle components when printing or sending transactions

PRODUCT/SERVICE	QTY
⋮	🗑️

▼ [SHOW MORE](#)

Save and close ▼

**FIGURE 4-26:** The panel where you establish a bundle.

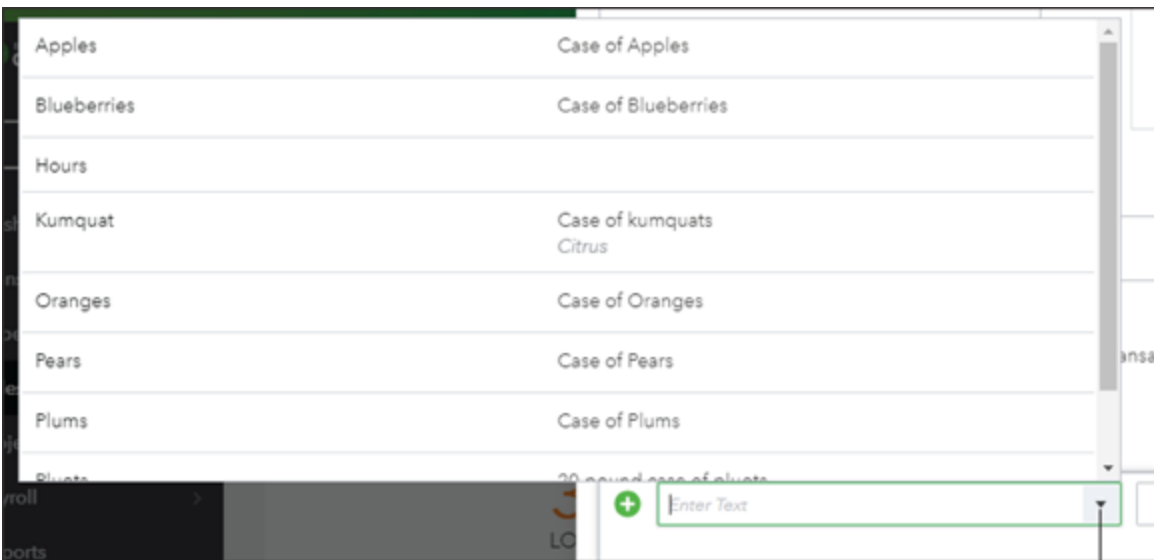
6. **Use the table grid at the bottom of the panel (see [Figure 4-27](#)) to identify the products included in the bundle.**
  - a. Click Show More to expand the panel so that you can add additional items to the bundle.

- b. Click in the first row of the Product/Service column, and QBO displays a list box you can use to select an item to include in the bundle.
- c. Supply a quantity for the item.
- d. Repeat Steps b and c for each item you want to include in the bundle.



**REMEMBER** A bundle can include up to 50 items. And, you can reorder the items in the bundle by dragging the graphic that appears to the left of each item (the one that looks like nine dots).

- e. When you finish adding items to the bundle, click Save and Close.



Click the down arrow to select bundle items.

**FIGURE 4-27:** Choosing an item to include in a bundle.

The bundle appears alphabetically within your Products and Services list. To use the bundle, you simply add it to a sales document the same way you add any product or service to a sales document. See [Chapter 6](#) for details on

adding products and services to sales documents. And, once you add a bundle to a sales document, you can edit the items included in the bundle, adding or deleting them as needed. The price of a bundle equals the sum of the bundle's components. You can discount a bundle, but you cannot mark up a bundle nor can you track quantity on hand for a bundle; remember, a bundle isn't an assembly but rather a shortcut for choosing two or more items at once.

You can search for bundles the same way you search for any product or service. Use the Search box at the top of the Products and Services list to search by name or SKU.

## ***Changing item types***

You can change a service or non-inventory item's type individually, or in certain cases you can select several items and change their item types simultaneously.

To change any single item's type, edit that item by clicking Edit in the Action column of the Products and Services list; QBO displays the item in the Product/Service information panel (refer to [Figure 4-22](#)). Click the Change Type link at the top of the panel above the item's name.

QBO displays a panel very similar to the one shown previously in [Figure 4-21](#); the only differences you'll notice are that Bundle isn't an option, and the current item type contains a check. Click the new item type, and QBO redisplay the Product/Service Information panel using the new item type. Make any other necessary changes and click Save and Close.

## **TYPES OF CHANGES YOU CAN MAKE**

Be aware that you can change item types with some limitations. Specifically, you cannot change Inventory items to any other item types. You can make

the following types of changes:

- Non-inventory and Service items to Inventory items
- Service items to Non-inventory items
- Non-inventory items to Service items

When changing item types, you change several items at one time only if you are changing Non-inventory items to Service items or Service items to Non-inventory items. If you need to change either a Service item or a Non-inventory item to an Inventory item, you can make the change only one item at a time.

You cannot change a bundle to any other item type because a bundle is a collection of previously defined items. If you make a change to the item type of an item that's included in a bundle, QBO automatically updates the bundle with the new information.

Changing the type of a single item using the method just described works well when you only need to change one or two items or if you're designating a product as an Inventory Item. Alternatively, use these steps to toggle two or more items between Service and Non-Inventory:

- 1. On the Products and Services page, select the check box that appears to the left of each item you want to change.**

Make sure that you select either Service items or Non-inventory items, but not both. QBO displays two buttons above the table of items (see [Figure 4-28](#)).

- 2. Click the Batch Actions button and select the new type for the selected items.**

QBO whirs a bit and then redisplay the Products and Services list, showing the new item types for the items you selected in Step 1.

Click here to batch items.

The screenshot shows a software interface with a navigation bar at the top containing 'Overview', 'All Sales', 'Invoices', 'Customers', and 'Products and Services'. Below the navigation bar are two tabs: 'LOW STOCK' and 'OUT OF STOCK'. The main content area features a search bar labeled 'Find products and services', an 'Assign category' dropdown, and a 'Batch actions' dropdown menu. The 'Batch actions' menu is open, showing options: 'Make inactive', 'Adjust quantity', 'Reorder', 'Make non-inventory', and 'Make service' (highlighted in green). Below the menu is a table with columns: NAME, SKU, TYPE, SALES, SALES, COST, TAXA, and an 'Edit' column. The table contains four rows: 'Apple Polishing' (checked), 'Apples', 'Blueberries', and 'Blueberry Stem Removal' (checked). The 'Apples' and 'Blueberries' rows have numerical values in the 'SALES' and 'COST' columns and 'Edit' links in the final column.

	NAME ▲	SKU	TYPE	SALES	SALES	COST	TAXA		
<input checked="" type="checkbox"/>	Apple Polishing		N... in...					✓	
<input type="checkbox"/>	Apples		In...	C...	35	1...	5	10	Edit
<input type="checkbox"/>	Blueberries		In...	C...	11	5.50	0	10	Edit
<input checked="" type="checkbox"/>	Blueberry Stem Removal		N... in...					✓	Edit

**FIGURE 4-28:** Changing the type of multiple items simultaneously.



**TIP** Note the Assign Category button at the top of the Products and Services list; this button appears when you select multiple items, and you can use it to simultaneously assign the same category to multiple items.

## ***Using pricing rules***

Pricing rules allow you to automate aspects of your pricing. For example, you can

- » Offer discounts on specific products.
- » Increase the price of specified products.
- » Offer special pricing to all or some customers.



- » Make special pricing available for a specified period of time.

Pricing rules are similar to price levels in QuickBooks Desktop; specifically, QBO doesn't record a price change as a discount but rather as an override of the sale price. This feature is still in beta testing, but you can enable it for your company.



**REMEMBER** You can't add a bundle to a price rule, but you can work around this issue if you add items included in a bundle to a price rule. Then, when you subsequently add the bundle to a sales document, the bundle will reflect the price rule pricing.

To use pricing rules, turn the feature on by choosing Gear ⇒ Account and Features ⇒ Sales and editing the Products and Services section to turn on price rules.

You can set up as many price rules as you want, but less than 10,000 works best in QBO. To create a pricing rule, choose Gear ⇒ Lists ⇒ All Lists. On the page that appears, click Price rules and then click Create a Rule. QBO displays the Create a Price Rule page shown in [Figure 4-29](#).

**Create a price rule**

Rule name:

Customer:

Products and services:

Price adjustment method:  (dropdown menu open showing: Percentage, Fixed amount, Custom price per item)

Percentage:  (dropdown menu open showing: optional, YYY)

Rounding:

(dropdown menu open showing: No rounding)

Customers (24) | Products and services

CUSTOMER	COMPANY	TYPE
Aldis Ezzell	Krajcik-Predovic	
Amitie Forkan	Predovic, Kozey and Gorczany	
Baird Deber	Donnelly, Ritchie and Donnelly	
Barbe Veel	Nolan Inc	

**FIGURE 4-29:** Use this page to create a pricing rule.

On this page, supply a name for the rule, the start and end dates for the rule, the customers who qualify, and the products or services to which QBO should apply the rule.

Specify how to adjust the price: using a percentage, a fixed amount, or a custom price. Indicate whether the rule is a price increase or decrease and how you want QBO to handle rounding. When you finish, click Save or Save and Close. When you create a sales transaction, QBO automatically applies any appropriate price rule to the transactions.

## ***Adjusting inventory item information***

On occasion, you might need to make adjustments to inventory item information. Specifically, you might need to adjust inventory item quantities on hand or starting

values, particularly after performing a physical inventory count.



**TIP** You can edit descriptive information for any item, such as its name or description; just click the Edit link in the Action column beside its name on the Products and Services page to view the item's information in the panel shown previously in [Figures 4-22, 4-23, and 4-24](#). In this section, we're talking about adjusting inventory item information, which encompasses more than editing descriptive information.

### ***Adjusting inventory quantities***

Let's say that you have a different number on hand of an inventory item than indicated in QBO. In this case, you need to adjust the quantity in QBO to match what you actually have in stock.



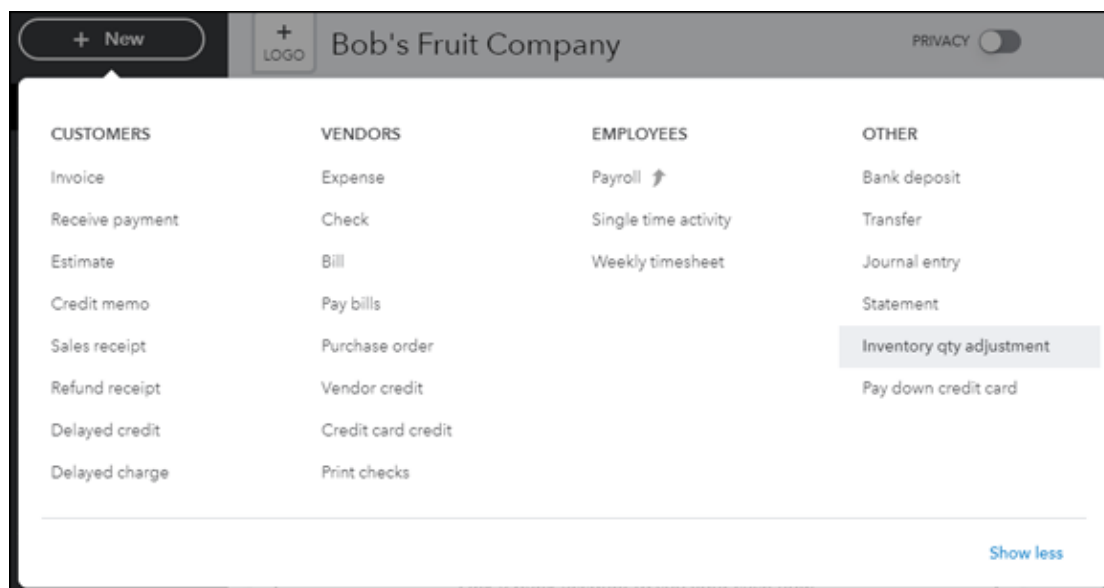
**REMEMBER** Print the Physical Inventory Worksheet report in QBO to record item quantities on hand as you count inventory. The report information can help you determine the adjustments you need to make. See [Chapter 10](#) for details on working with QBO reports.

To create an adjustment for just a few inventory items, follow these steps:

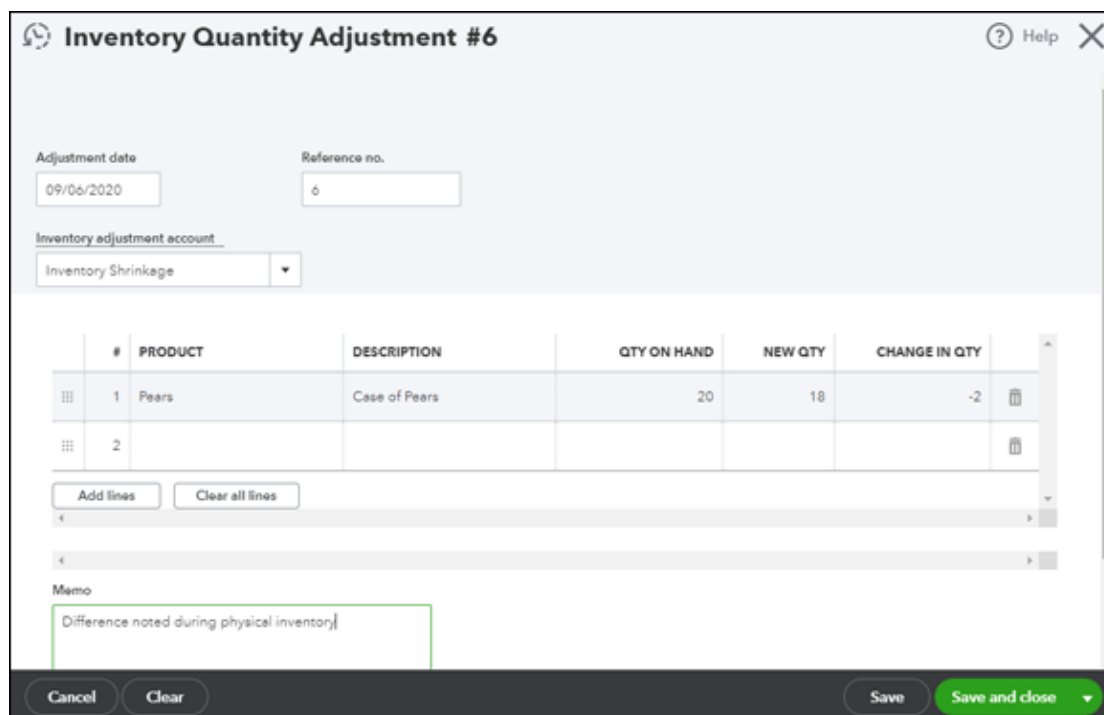
- 1. Click the New menu and choose Inventory Qty Adjustment (see [Figure 4-30](#)).**

QBO displays the Inventory Quantity Adjustment window (see [Figure 4-31](#)).

2. If necessary, change the adjustment date and the Inventory Adjustment Account.



**FIGURE 4-30:** Starting an inventory item adjustment for a single inventory item.



**FIGURE 4-31:** You can use this window when you have just a few adjustments to make.

- 3. In the table, click the Product field, click the drop-down arrow that appears, and select an inventory item.**

QBO fills the inventory item's SKU if available, description, and quantity on hand. QBO also suggests the Qty on Hand value for the New Qty value.



**REMEMBER** If you've enabled class and location tracking, you can supply information for those fields as you complete the Inventory Quantity Adjustment window.

- 4. Enter either a new quantity or a change in quantity.**

Suppose that the Qty on Hand field indicates you own 20 of your item and you need to reduce the quantity you own by 2. You do either of the following:

- Enter 18 in the New Qty field, or
- Enter -2 in the Change in Qty field.

- 5. Repeat Steps 3 and 4 for each inventory item you need to adjust.**
- 6. In the Memo field, enter a description that explains why you made this adjustment.**
- 7. Click Save.**

If you have a lot of inventory items to adjust, you can save some time by preselecting them and adjusting them as a batch. Choose Gear ⇒ Products and Services to display the Products and Services page. Then, select the inventory items you want to adjust by placing a check in the column to the left of the item name (refer to [Figure 4-28](#)).

Click the Batch Actions button and choose Adjust Quantity. QBO displays the Inventory Quantity Adjustment window shown previously in [Figure 4-31](#), but prefills the window with the information about the inventory items you selected. Complete Steps 4, 6, and 7 for each item in the window.

### ***Editing an inventory quantity adjustment***

If you need to edit an inventory quantity adjustment you previously saved (hey ... it happens), follow these steps:

- 1. Click the New menu ⇒ Inventory Qty Adjustment to display the Inventory Quantity Adjustment window.**
- 2. In the upper-left corner of the window, click the Recent Transactions button, which looks like a clock with an arrow. (see [Figure 4-32](#)).**  
QBO displays recent inventory adjustment transactions.
- 3. If the adjustment appears in the list, click it.**  
If the adjustment doesn't appear, click View More to display the Search page, where you can expand your search for the transaction. In most cases, changing the date range will do the trick.
- 4. Make the necessary changes.**  
You can remove a line from an adjustment by clicking its Delete button at the right edge of the row.
- 5. Click Save and Close in the lower-right corner of the window.**



Click here to search for more inventory adjustment transactions.

**FIGURE 4-32:** Searching for a recent inventory adjustment transaction to edit.

### ***Adjusting an inventory item's starting value***

Suppose that you made a mistake when you set up the starting value for an inventory item; you can edit the item's starting value as long as you created the inventory item after the November 2015 QBO release.



**WARNING** Changing an item's starting value can have wide-ranging effects, and QBO will display a warning to this effect when you begin an inventory item starting value adjustment. If you're not sure about what you're doing, ask your accountant. Please. She won't mind.

To adjust an inventory item's starting value, follow these steps:

1. **Choose Gear ⇒ Products and Services.**
2. **In the Action column beside the inventory item you want to adjust, click the black drop-down arrow and select Adjust Starting Value (see [Figure 4-33](#)).**

QBO displays a warning explaining that changing an inventory item's starting value may affect the initial value of your inventory.

3. **Assuming you've heeded the preceding warning and know what you're doing, click Got it!**

QBO displays the Inventory Starting Value window (see [Figure 4-34](#)).



**TIP**

If you've enabled class and location tracking, note that you can supply information for those fields along with other fields that affect the inventory item's starting value.

4. **Make the necessary changes.**

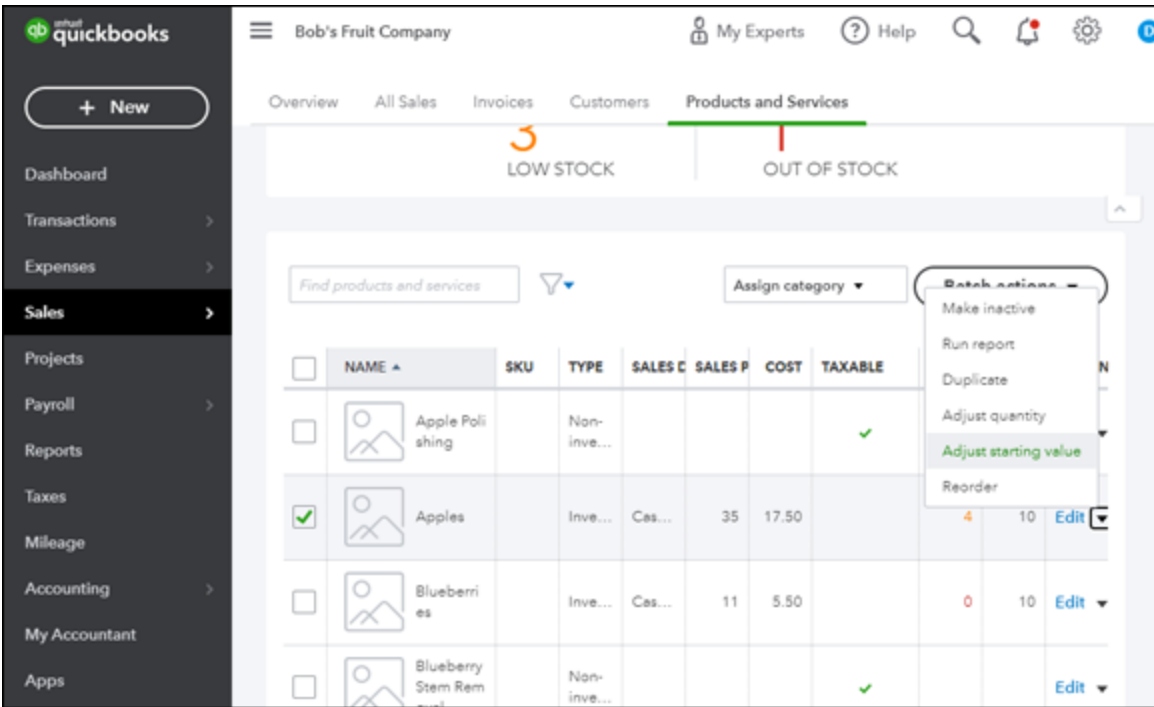


**REMEMBER**

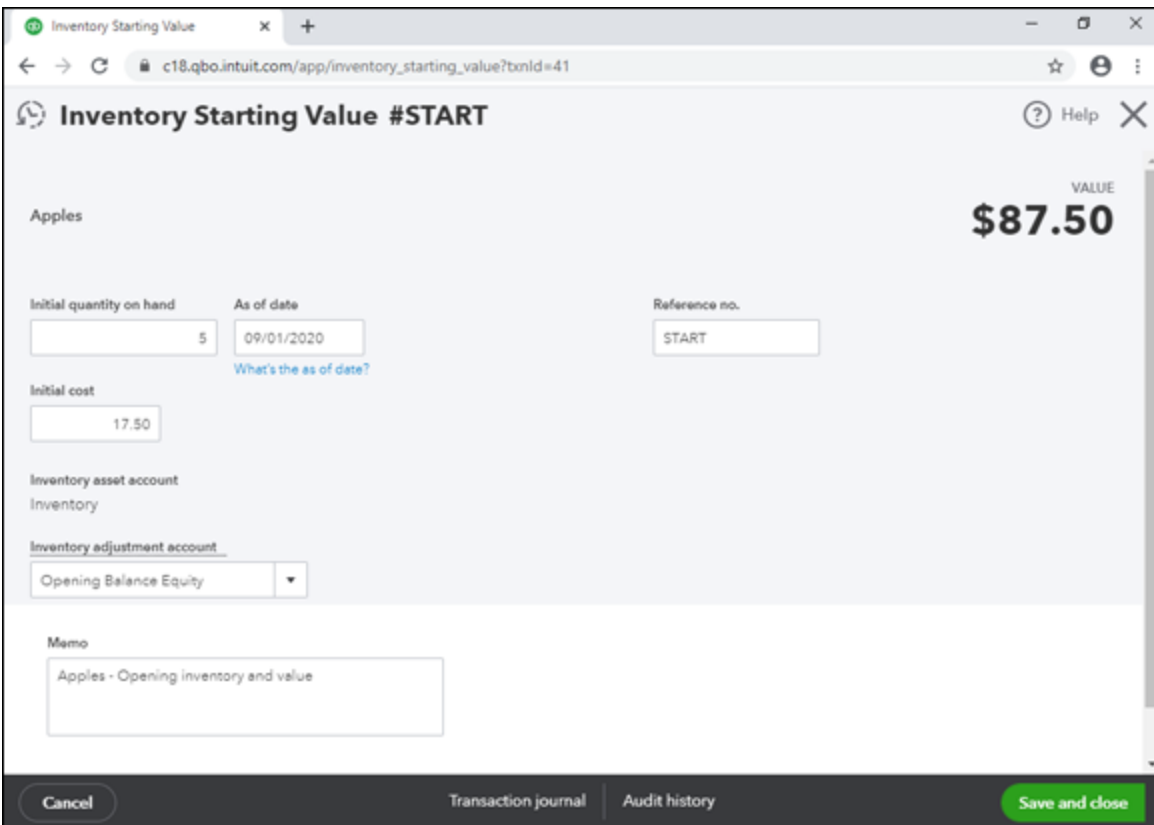
You can't change an item's inventory asset account from the Inventory Starting Value window. To change the item's inventory asset account, display the Products and Services page and click the Edit link for the item to display the item's information in the Inventory Item Product/Services Information panel shown previously in [Figure 4-24](#).

5. **Click Save and Close in the lower-right corner of the window.**





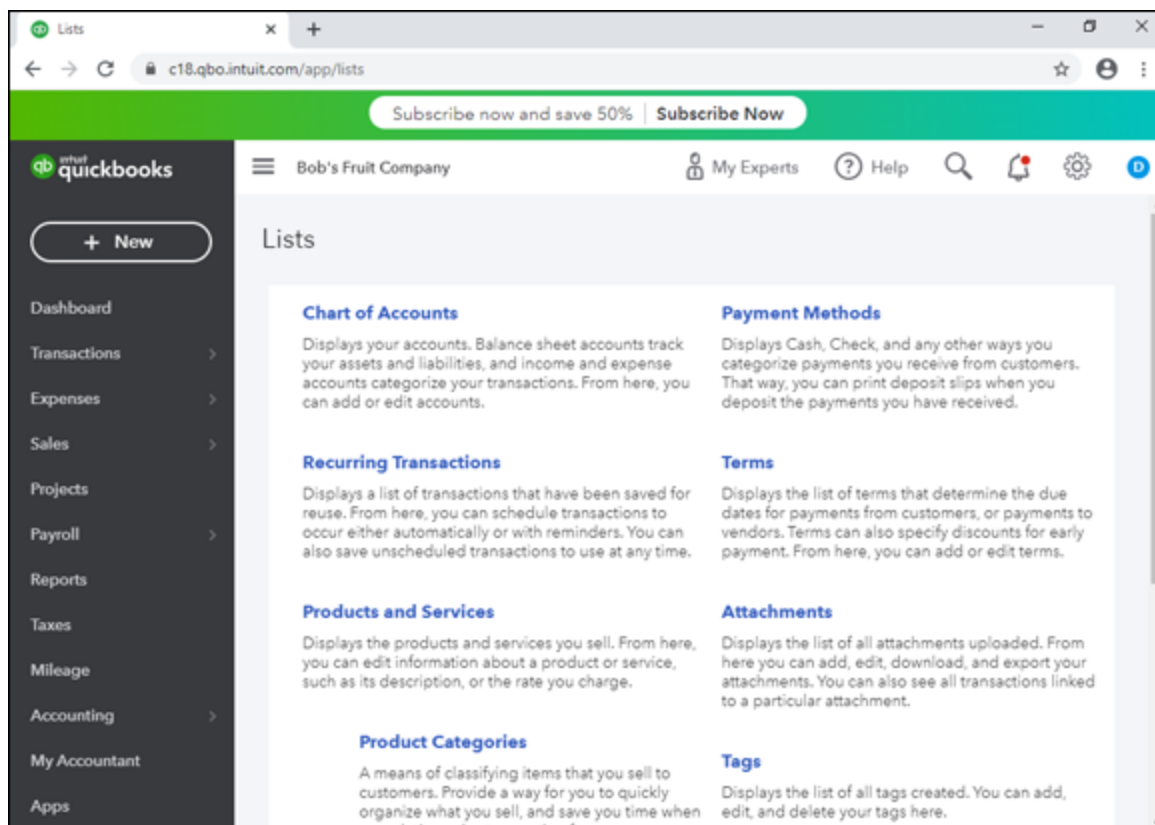
**FIGURE 4-33:** Getting ready to adjust the starting value of an inventory item.



**FIGURE 4-34:** Use this window to adjust an inventory item's starting values.

# A Look at Other Lists

Just as QuickBooks Desktop has other lists besides lists of people and items, QBO also has other lists. To find them, click the Gear icon on the toolbar at the top of the page and, from the menu that appears, click All Lists in the second column from the left. QBO displays the Lists page shown in [Figure 4-35](#).



**FIGURE 4-35:** The Lists page contains links to all available lists in QBO.

Click any list name to open that list and work with it. You can add new entries, select and edit existing entries, and select and delete entries that have never been used. The steps to create any new list element are pretty much the same as the steps discussed in this chapter to create people, items, and product categories.

# Chapter 5

## Dealing with the Outflow of Money

---

### IN THIS CHAPTER

- » Writing checks
- » Entering expenses
- » Using purchase orders
- » Entering and paying bills

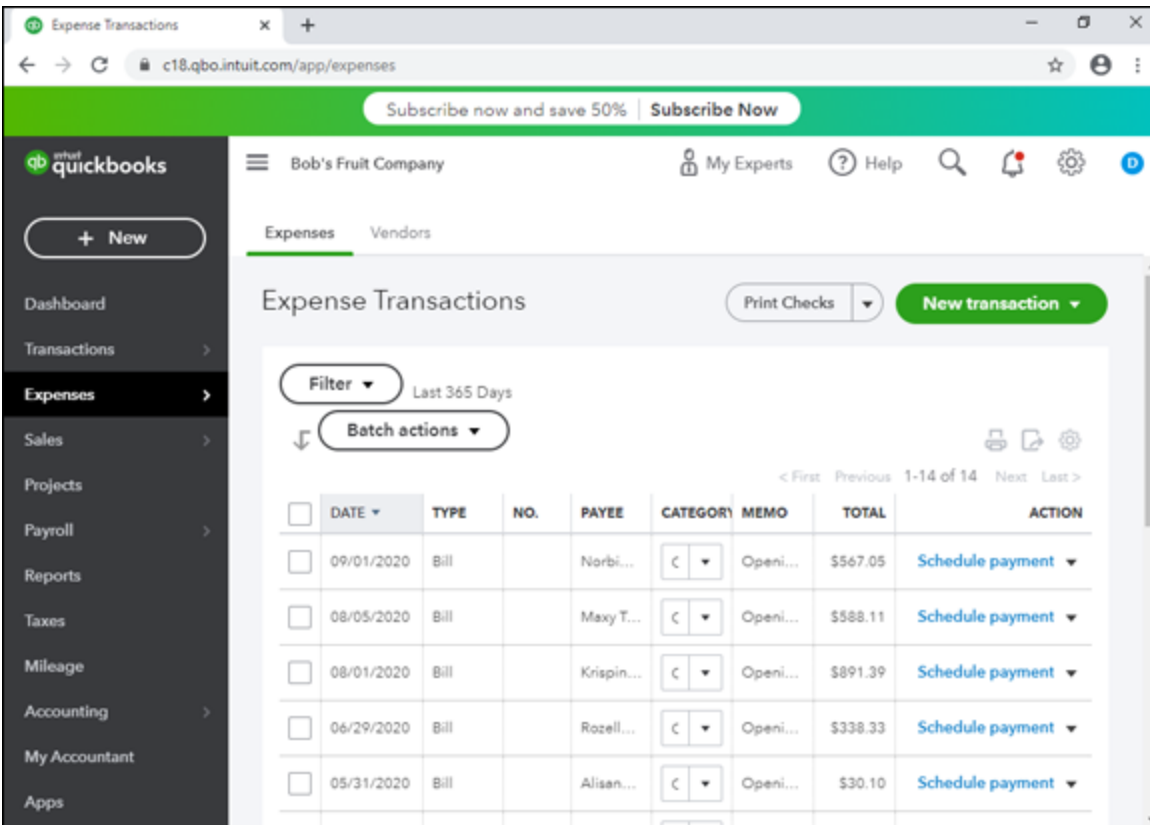
It's always more fun to make money than to spend it, but paying bills is part of life — unless you're living in *Star Wars: The Rise of Skywalker*, where they have no bills — but, we digress. This chapter explores the transactions you use in QBO to meet your financial obligations.

### GETTING UP AND RUNNING

If you have some outstanding bills you haven't yet paid, you can use those bills as a learning tool and enter them as described in this chapter. If you recorded an opening bank account balance back in [Chapter 3](#), be sure to enter into QBO the checks you've written subsequent to that date that haven't yet cleared your bank. If you didn't record an opening bank account balance back in [Chapter 3](#), or you recorded a bank account balance as of December 31 of last year, be sure to enter into QBO all the checks you've written this year, even if they have cleared the bank. If you connect your bank account to your financial institution as described in [Chapter 8](#), use the techniques described for the transactions in this chapter to review each transaction to make sure it is properly assigned in QBO.

To record most expense-related transactions, you can choose Expenses from the Navigation bar to display the

Expense Transactions page shown in [Figure 5-1](#). Click the New Transaction button to select a transaction type.



**FIGURE 5-1:** The Expense Transactions page.

If the transaction type you want to record isn't available, click the New button at the top of QBO and choose the type of transaction you want to record from the menu that appears; expense-related transactions show up in the Vendors column (see [Figure 5-2](#)).

CUSTOMERS	VENDORS	EMPLOYEES	OTHER
Invoice	Expense	Payroll ↗	Bank deposit
Receive payment	Check	Single time activity	Transfer
Estimate	Bill	Weekly timesheet	Journal entry
Credit memo	Pay bills		Statement
Sales receipt	Purchase order		Inventory qty adjustment
Refund receipt	Vendor credit		Pay down credit card
Delayed credit	Credit card credit		
Delayed charge	Print checks		

[Show less](#)

**FIGURE 5-2:** Expense transactions also appear in the Vendors column of the Create menu.

## *Writing a Check*

Typically, you enter a Check transaction when you intend to print a check to pay for an expense. Suppose that UPS has just made a delivery for which you owe money and you need to write a check: Use the Check transaction. You can print the check immediately, if needed, or at a later time.

### *Assigning a check to accounts or items*

When you write a check, you need to assign the expense for which you're writing the check to either an account or an item, and you can assign one check to both accounts and items. Follow these steps to enter and print a check:

- 1. On the Expense Transactions page, click the New Transaction button.**
- 2. From the list that appears, click Check.**

QBO displays the Check window, which is divided into four sections:

- **The Header section:** Shown in [Figure 5-3](#), this section displays the balance in the selected checking account, the selected payee and the payee's mailing address, the payment date, the check amount and number, and the option to print the check later. If you opt to print the check later, the check number changes to "To Print" (refer to [Figure 5-3](#)).
- **The Category Details section:** Shown in [Figures 5-3](#) and [5-4](#), you use this table when the expense is not related to an item you've defined.
- **The Item Details section:** You use this table when you're writing a check to pay for a product or service you purchased. If you don't see this table, its preference isn't enabled. To display the table, choose Account and Settings ⇒ Expenses ⇒ Bills and Expenses and edit the Show Items Table on Expense and Purchase Forms option.



**REMEMBER** You typically write a check using *either* the Category Details section or the Item Details section, but you sometimes may need to use both. If you won't be using a section, you can hide it by clicking the downward-pointing arrow beside the section name.

- **The Footer section:** Not named onscreen, the Footer section contains the check total, the Memo box, and the box you use to attach an electronic document to the check.

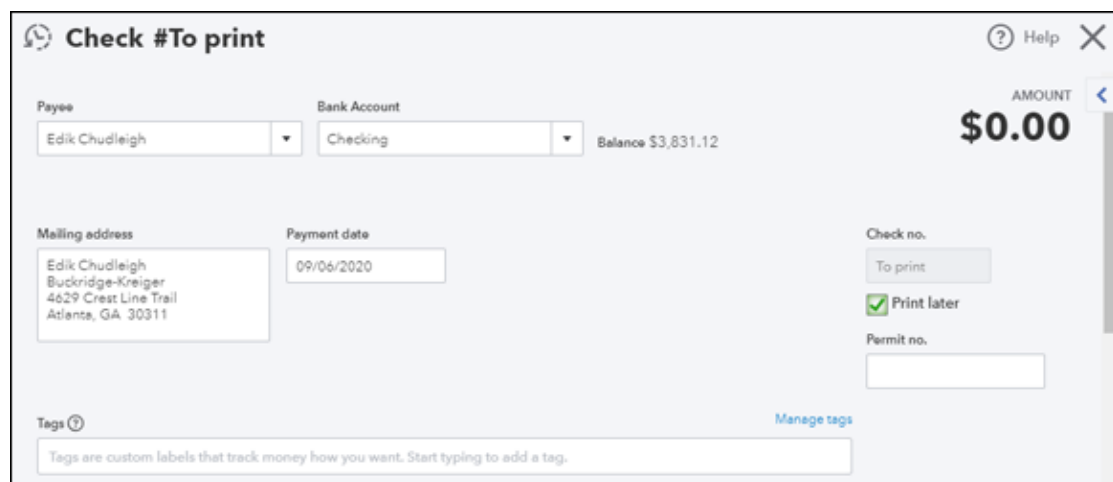
### 3. Choose a payee and an account from which to make the payment.

Along with the payee's address information, QBO displays information from previously entered transactions unless you haven't entered any transactions for that payee yet, or you have disabled the setting to display previously entered transaction information in Account and Settings.



**TIP** If a payee has one or more outstanding bills, an Add to Check pane will allow you to add those bills to your check. If that's the case, see the next section, "[Writing a check for an outstanding bill.](#)" On the other hand, if the check you're writing has nothing to do with any transaction that appears in the pane, just ignore the pane; you can hide it as described in the next section.

### 4. Double-check the payment Date and Check Number, and click Print Later, if appropriate.



The screenshot shows the header section of a check window titled "Check #To print". It includes a "Payee" dropdown menu with "Edik Chudleigh" selected, a "Bank Account" dropdown menu with "Checking" selected, and a "Balance" field showing "\$3,831.12". The "AMOUNT" field is set to "\$0.00". The "Mailing address" field contains "Edik Chudleigh, Buckridge-Kreiger, 4629 Crest Line Trail, Atlanta, GA 30311". The "Payment date" field is set to "09/06/2020". The "Check no." field is empty, and the "Print later" checkbox is checked. The "Permit no." field is empty. There is a "Tags" section at the bottom with a "Manage tags" link and a text input field.

**FIGURE 5-3:** The Header section of the Check window.

### 5. Assign part or all of the check to an expense account or an item using the Category Details

**section or the Item Details section (see [Figure 5-4](#)). To assign a portion to an expense account**

- a. Click in the Category column and select an appropriate expense account for the check you are recording. You can type characters that appear in the account name and QBO will help you find the account.
- b. In the Description column, describe the expense you're paying.
- c. In the Amount column, supply the amount of the check that you want to apply to the selected account.
- d. If you incurred the expense on behalf of a customer and you want to bill the customer for the expense, check the Billable box — and, if appropriate, the Tax box — and select the customer's name in the Customer column.
- e. Repeat Steps a to d to add more lines to the check.

**6. To assign part or all of the check to items or services you have defined, use the Item Details section (refer to [Figure 5-4](#)):**

- a. Click in the Product/Service column and select an appropriate item for the check you are recording.  
You can type characters in the Product/Service column and QBO will help you find the item.
- b. Optionally, edit the Description column for the selected item.
- c. Use the Qty, Rate, and Amount columns to supply the quantity of the selected item you are purchasing, the rate you're paying for each item,



and the amount you're paying. When you supply any two of the Qty, Rate, and Amount values, QuickBooks calculates the third value.

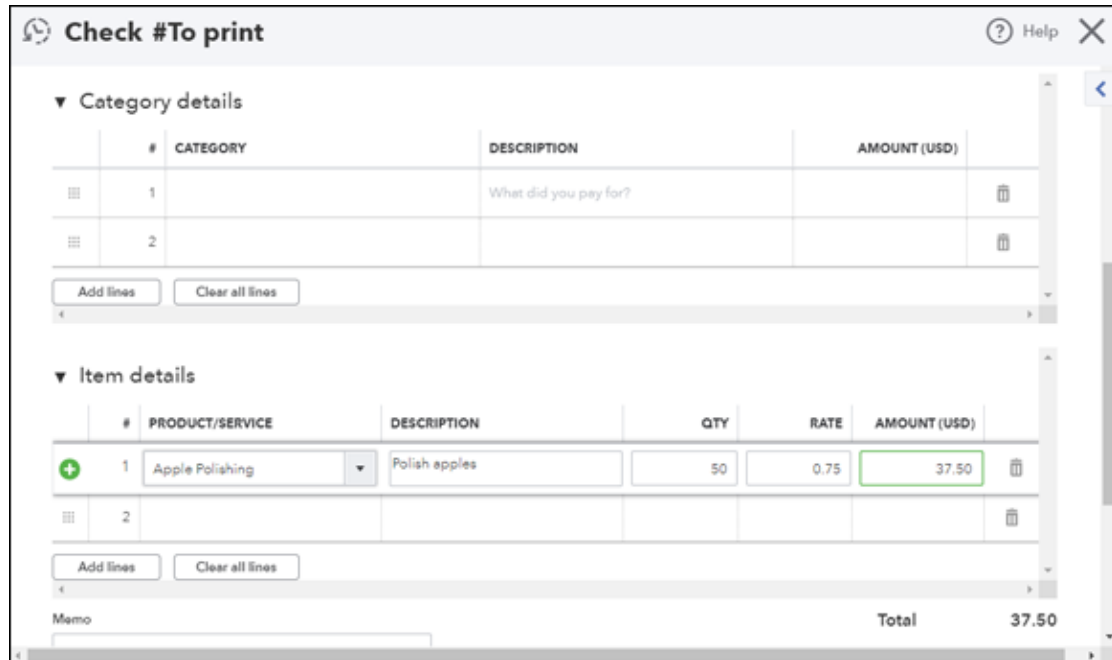
- d. If you purchased the item on behalf of a customer and you want to bill the customer for the item, check the Billable box — and, if appropriate, the Tax box — and select the customer's name in the Customer column.
- e. Repeat Steps a to d to add more items to the check.

**7. You can scroll down in the Check window to the Footer section to view the check's total, type a message to the payee, and attach an electronic document (such as the payee's invoice) to the check.**



**TIP**

To attach an electronic document to the check, click in the Attachments box; a standard Open dialog box appears that you can use to navigate to the document. Alternatively, you can drag and drop the electronic copy into the Attachments box.



**FIGURE 5-4:** The Category Details and Item Details sections of the Check window.

## 8. At the bottom of the window, you can

- **Cancel your action or clear the window and start again.**
- **Click Print Check to print the check.**  
The first time you print checks, QBO walks you through the process of selecting the type of checks to use and aligning them for your printer.
- **Click Order Checks to visit the Intuit Marketplace and order check stock.**
- **Click Make Recurring to set up the check as a recurring payment you intend to make on a schedule you specify.**  
See the section “[About recurring transactions](#)” later in this chapter for details on recurring transactions.
- **Click More to see additional actions, such as voiding the check or viewing its audit**

**history.**

- **Click Save and New to save the check and redisplay the Check window so that you can write another check.**

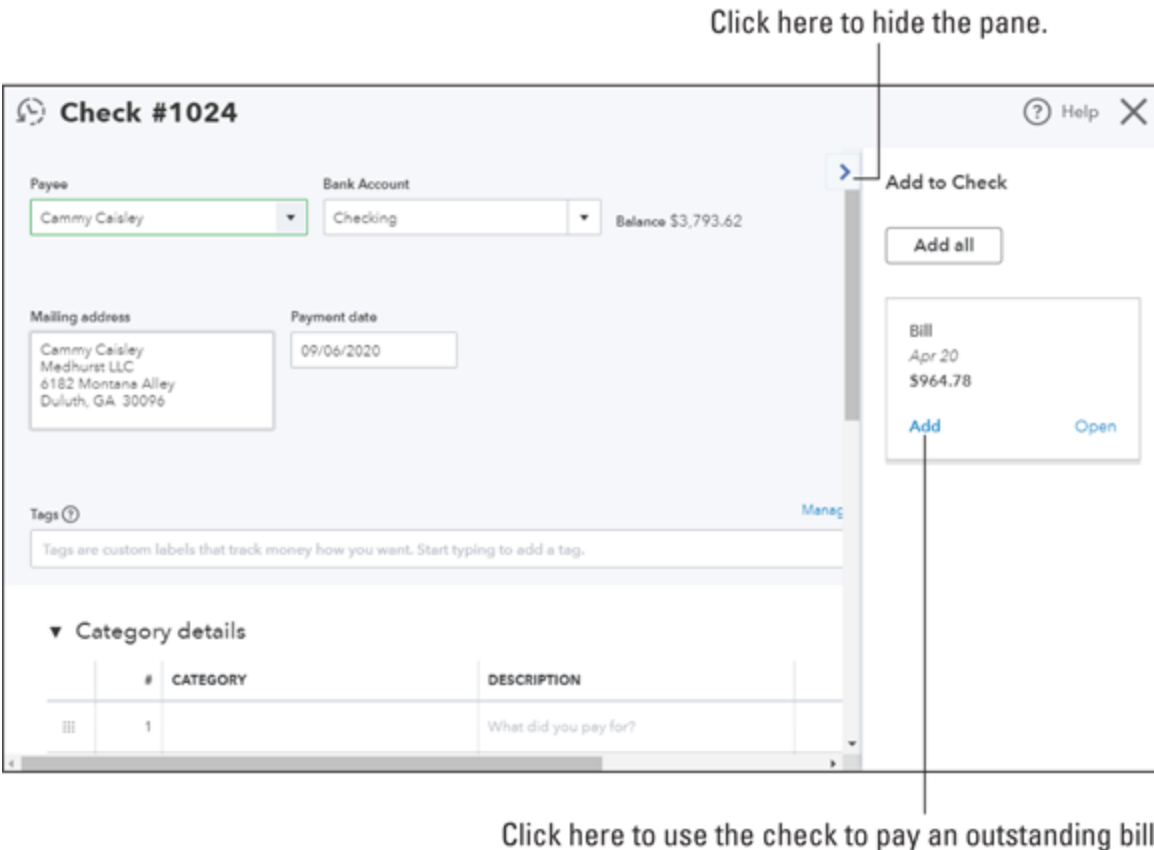


**REMEMBER** The Save and New button is a sticky preference. That means, if you click the drop-down arrow to the right of the button and select Save and Close, the next time you open the window to write a check, the default button will be the Save and Close button.

## ***Writing a check for an outstanding bill***

You can use the Check window to write a check to pay a bill you previously entered — something that you cannot do in the QuickBooks Desktop product. Note that you shouldn't use the Check transaction if you're planning on paying several bills. Instead, see the section "[Paying bills](#)" at the end of this chapter.

If you select a payee for whom an outstanding bill exists, QBO displays a pane at the right side of the Check window (see [Figure 5-5](#)) that shows all transactions linked to the selected payee; each transaction appears as a separate entry. If nothing in the pane applies to your transaction, you can hide the pane by clicking the button shown in [Figure 5-5](#).



**FIGURE 5-5:** If you select a payee for whom you previously entered a bill, the outstanding bill appears in the pane on the right side of the Check window.

If you're writing the check to pay a bill that appears in the pane, click Add in the Bill transaction you want to pay. That way, QBO appropriately applies the check you're writing to the outstanding bill and correctly reduces your outstanding obligations.



**WARNING** If you write a check to pay a bill and you *don't* apply the check to the bill, your reports show that you continue to owe the bill amount to the payee, which really messes things up.

When you click Add, QBO adds that bill to the check and switches to the Bill Payment window, essentially converting the check to a bill payment transaction. In

[Figure 5-6](#), you see the Bill Payment window after we added an outstanding bill to a check in the Check window. If you compare [Figures 5-5](#) and [5-6](#), you'll notice that the original check number was 1024, and it's still 1024 in the Bill Payment window.

DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
Bill (04/20/2020)	04/20/2020	964.78	964.78	964.78

**FIGURE 5-6:** The Bill Payment window.

You complete the Bill Payment transaction the same way you complete a Check transaction; follow Steps 7 and 8 in the preceding section. If you add the wrong bill to a check, you can cancel the Bill Payment transaction without saving it.

## *Creating an Expense*

You use an Expense transaction when you're trying to record an expense-related transaction without printing a check. For example, you record an Expense transaction to account for a payment you make using a credit or debit card. And, you can use an Expense transaction if

you have manually written a check that you now need to record in QBO without printing it.

The major difference between the Expense transaction window and the Check transaction window is the lack of any tools to help you print an Expense transaction; compare [Figures 5-4](#) and [5-7](#).

#	CATEGORY	DESCRIPTION	AMOUNT (USD)
1	Legal & Professional Services	Review apple polishing contract	750.00
2			

**FIGURE 5-7:** You can use the Expense transaction window to record making a payment without writing a check.

The Expense transaction window also contains a Payment Method list box that you don't find in the Check transaction window. Other than those two differences, the windows appear and function the same way.

## QBO AND CREDIT CARD TRANSACTIONS

By default, QBO treats credit card transactions as cash transactions, a conservative approach that recognizes expenses as they occur. To account for credit card transactions, set up your credit card company as a vendor and, in your Chart of Accounts, set up a Credit Card account for the credit

card. Then, use Expense transactions to record credit card purchases for the credit card vendor. In the Header section, select the credit card vendor and credit card account. On the detail lines, assign each credit card transaction to the appropriate account or item for that purchase; that is, if you use your credit card to buy office supplies, select your Office Supplies account in the Category Details section for that purchase. If you need to record a credit card return, use the Credit Card Credit transaction. If you want to download credit card transaction information into QBO, see [Chapter 8](#).

When the credit card bill arrives, you can pay it in a number of ways, but we'll focus on the easiest approaches:

- Use the Pay Down Credit Card transaction, select your credit card from the list, optionally specify your credit card company as the payee, specify the amount and date of your payment, and then choose a bank account. The option to indicate that you made the payment with a check will appear; if you click the check box, you can fill in the check number or click Print Later.
- To pay by check, use the Check transaction, select your credit card company as the vendor, and, in the Category Details section, select your credit card account.
- To pay the bill while reconciling the credit card account, follow the steps in [Chapter 8](#) to reconcile the account. When you click Finish, you'll be given the option to write a check to pay the amount due, enter a bill to pay the bill later, or do nothing about paying the bill now (and later, on your own, enter a check or a bill for the amount due).

If you want to recognize credit card expenses when you pay your credit card bill (rather than when you make a purchase using your credit card), *do* set up a vendor for your credit card company, but *don't* set up a credit card account in the Chart of Accounts, and don't enter Expense transactions or Credit Card Credit transactions in QBO for credit card transactions as they occur. Instead, when you receive your credit card statement, enter a Bill transaction for the credit card vendor, as described later in this chapter, and allocate each line on the credit card statement to the appropriate account or item on the bill; record credit card refunds as negative lines on the Bill transaction. QBO then treats your credit card account as an Accounts Payable vendor. And when you're ready to pay the credit card bill, you can write a check, transfer funds, or use the Pay Bills page to pay the credit card statement. Remember, this is a less conservative approach to tracking credit card expenses; if you are a heavy user of your credit card, do yourself a favor and use the first approach so that you can effectively manage your credit card spending.

# *Entering a Purchase Order*

Businesses that order lots of stuff from vendors often use purchase orders to keep track of the items on order. The QBO purchase order feature is available only in QBO Plus and Advanced as a feature you turn on. It is not available in QBO Essentials or QBO Simple Start.

Purchase orders in QBO do not affect any of your accounts; instead, they simply help you keep track of what you have ordered. And, when the order arrives, you can compare the goods that come in the door with the ones listed on the purchase order to make sure they match.

If you plan to use purchase orders, then your ordering process typically happens in the following way:

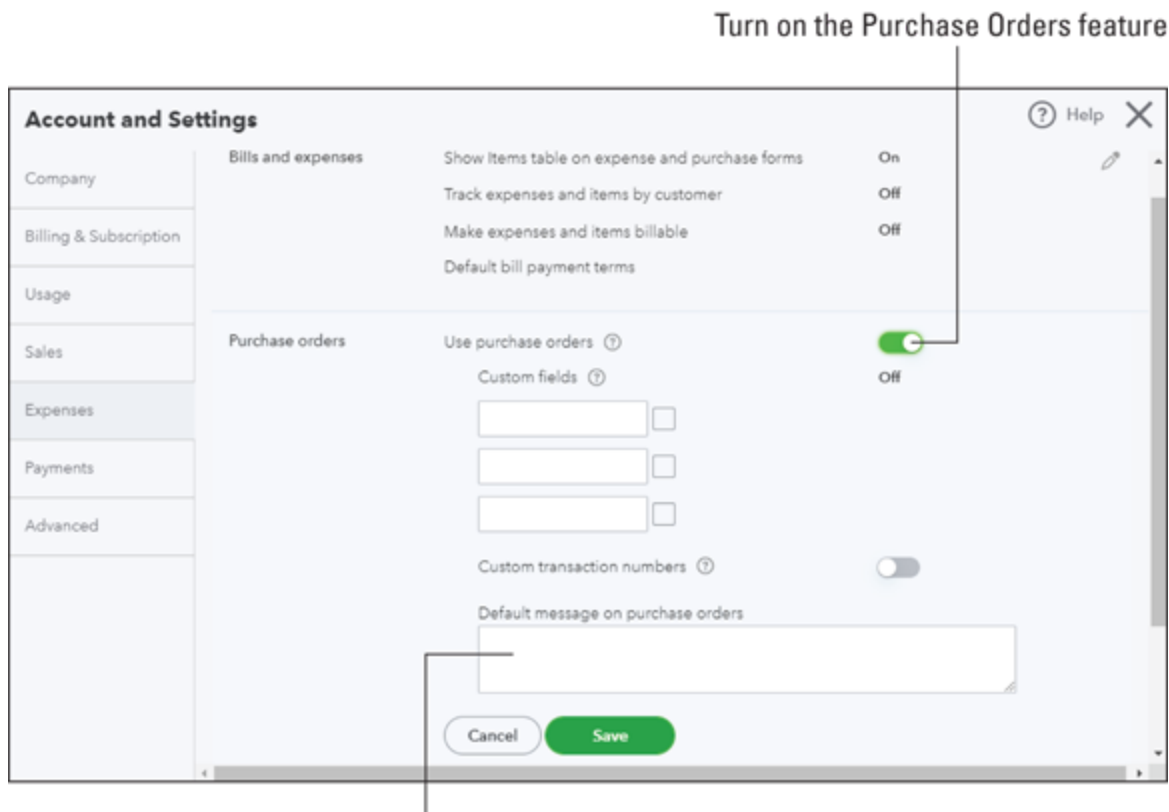
- » Place an order with a vendor and then enter a purchase order in QBO that matches the order you placed.
- » Receive the items you ordered, typically along with a bill for the items; then match the items you receive to the purchase order and enter a bill for the items. Note that sometimes you may receive the bill without the items or the items without the bill.
- » Pay the vendor's bill.

## *Turning on the purchase order feature*

To use purchase orders in QBO, make sure you turn on the feature. Choose Gear ⇒ Account and Settings. Then, click Expenses on the left side of the Account and Settings dialog box that appears, and turn on the “Use Purchase Orders” option. You also can customize the



default message QBO adds to purchase orders, as shown in [Figure 5-8](#).



Customize the email message your vendors receive with purchase orders.

**FIGURE 5-8:** Turn on the Purchase Orders feature and set up a customized message for QBO to include on purchase orders to your vendors.



**TIP** You can use your own custom purchase order numbers if you choose Gear ⇒ Account and Settings ⇒ Expenses. Then click in the Purchase Orders section to edit purchase order settings, select the Custom Transaction Numbers check box, and then click Save. You also can convert Estimate transactions to Purchase Order transactions; see [Chapter 6](#) for details.

## ***Creating a purchase order***

Enter purchase orders using the Purchase Order transaction window; you can open this window from the New Transactions menu on the Expense Transactions page, the New menu in QBO, or from the Projects Center (for details on projects, see [Chapter 6](#)). The header area of a typical purchase order looks like the one shown in [Figure 5-9](#).

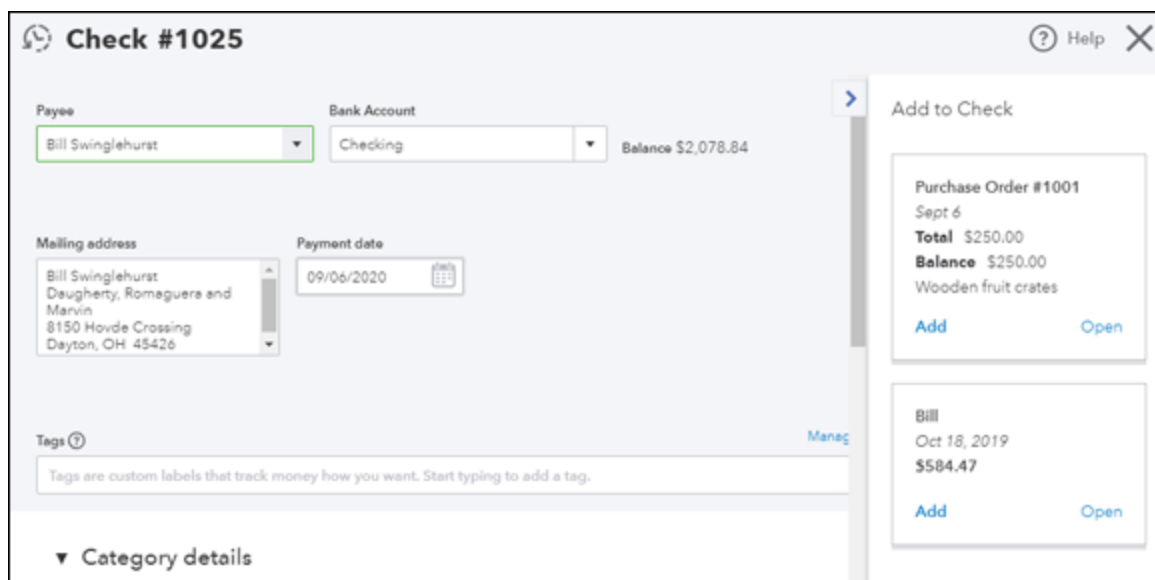
The screenshot shows the 'Purchase Order' window header. At the top left, the title 'Purchase Order' is displayed. To the right are icons for settings, help, and close. Below the title, there are two main sections: Vendor and Email. The Vendor dropdown is set to 'Bill Swinglehurst', and the Email field contains 'bswinglehurst@referenc.com'. To the right of these fields, the amount '\$250.00' is shown. Below the Vendor field, there is an 'Open' status indicator. Further down, there are several input fields: 'Mailing address' (with a dropdown showing 'Bill Swinglehurst, Daugherty, Romaguera and Marvin, 8150 Howde Crossing, Dayton, OH 45426'), 'Ship to' (with a dropdown 'Select customer for address'), 'Purchase Order date' (09/06/2020), and 'Permit no.'. Below these are 'Shipping address' (Bob's Fruit Company, 123 Nunya Drive, Greenville, GA 30222 US) and 'Ship via'. At the bottom, there is a 'Tags' section with a description and a 'Manage tags' link.

**FIGURE 5-9:** The header area of the Purchase Order window.

As you fill in the Purchase Order transaction window, QBO assigns a status of Open to the purchase order; the status appears just below the vendor's name in the upper-left corner of the transaction window. When you complete the purchase order, you can choose between Save and Close, Save and New, or Save and Send. Save and Send will email the purchase order to your vendor.

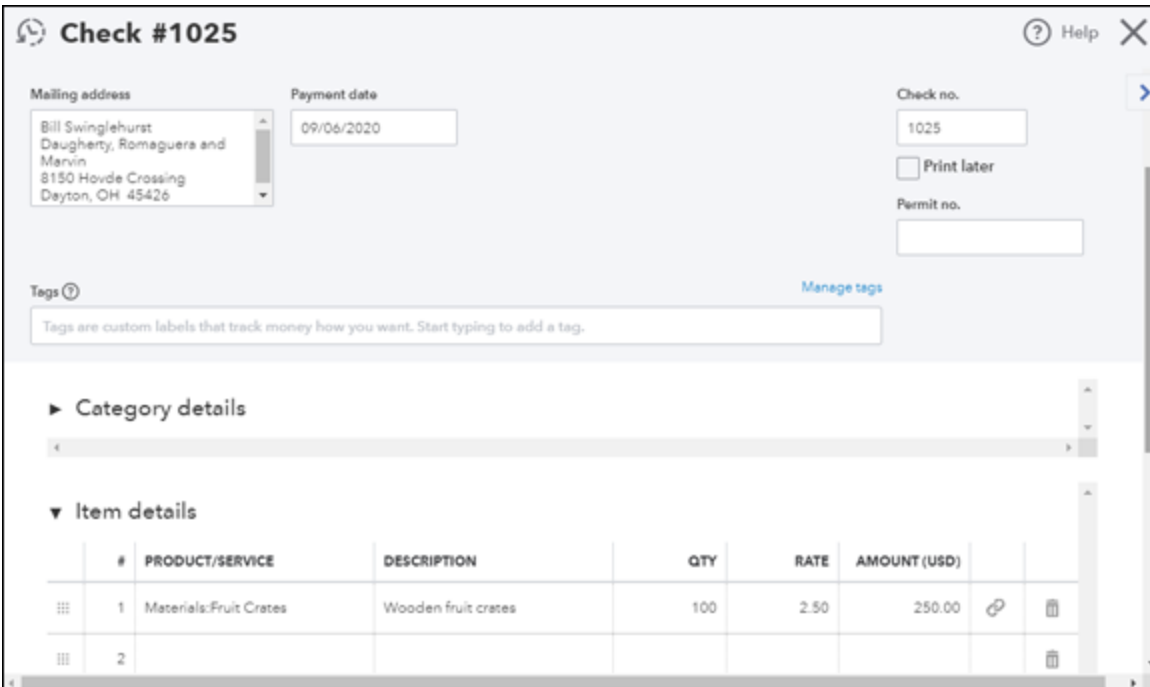
When you receive the goods, the vendor's bill, or both, you record a bill as described in the next section, or a check, an expense transaction, or a credit card charge as described earlier in this chapter, showing what you paid (or what you owe) the vendor.

When you select a vendor who has open purchase orders on any of these types of transactions, a pane appears on the right side of the window, showing available purchase orders. You add a purchase order to the transaction the same way you add a bill to a Check transaction: by clicking the Add button in the pane. In [Figure 5-10](#), we've opened a Check transaction and selected a vendor who has open purchase orders.



**FIGURE 5-10:** The Check window, with a vendor selected who has open purchase orders.

When we click Add to add the purchase order to our transaction, QBO adds the purchase order lines to the first available line in the Item Details section of our Check transaction. QBO also indicates, immediately below the vendor name, that the Check transaction has one linked transaction (see [Figure 5-11](#)).



**FIGURE 5-11:** A Check transaction after adding a purchase order to it.

If you save the Check transaction and then reopen the purchase order, you find that QBO has changed the purchase order's status from open to closed so that you don't accidentally add the purchase order to another transaction.



**TIP** If you add the wrong purchase order to a transaction, you can remove the purchase order line in the Item Details section by clicking the trash can icon at the right edge of the line.

## ***Working with partial purchase orders***

Suppose that you receive only part of an order or that you want to pay for only part of an order. No problem. You can add part of a purchase order to a Bill, Check, or Expense transaction and later add more to another bill,

check, or expense — and continue in this way until you use the entire purchase order. QBO links multiple transactions to the purchase order and automatically closes the purchase order when you have linked all lines on the purchase order to any combination of Bill, Check, or Expense transactions. If you determine that you're not going to receive some line on the purchase order, you can manually close that line without linking it to some other transaction. Click the line you want to close on the purchase order, and check the box in the Closed column.



**TIP** You can manually close an entire purchase order if you no longer need it. To edit a purchase order, choose Expenses ⇒ Expenses, then choose Purchase Orders from the Filter menu. Open the purchase order and change the status from Open to Closed (refer to [Figure 5-9](#) to see the status indicator).

Suppose that you've got a purchase order similar to the one shown in [Figure 5-12](#) and that you receive two lines on the purchase order but you're still waiting for the other two lines. You can create a transaction to pay only for those items you have received and leave the rest open on the purchase order. Follow these steps:

- 1. Open the New menu and choose Bill, Check, or Expense, depending on the type of transaction you want to use.**

For this example, we'll use a check.

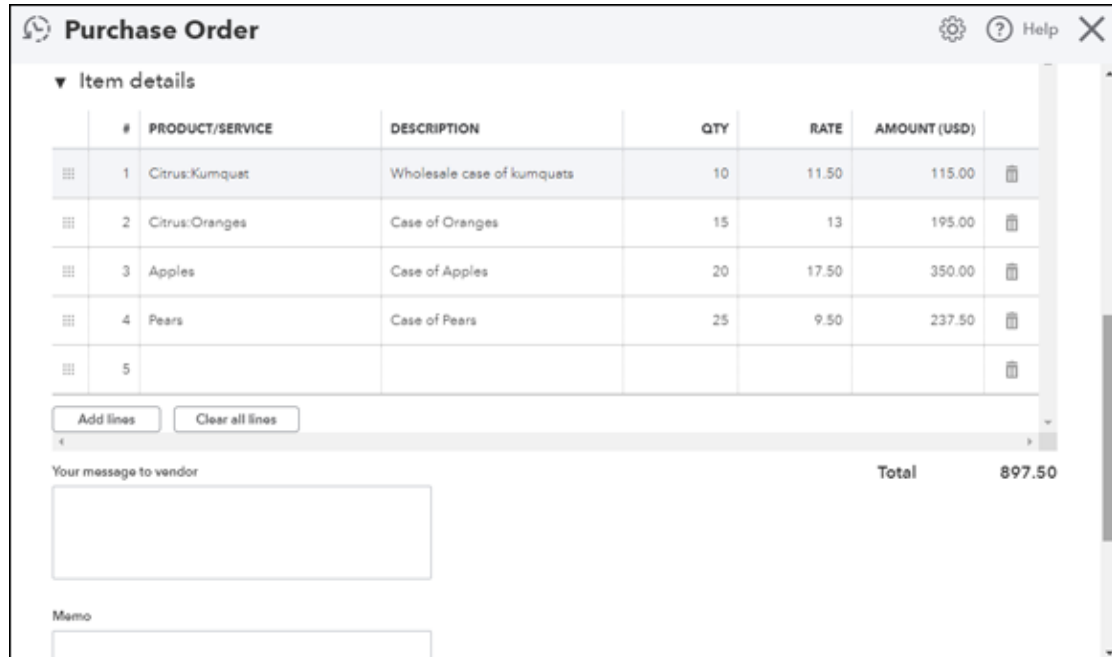
- 2. Select the vendor.**

Available purchase orders for the selected vendor appear in the panel on the right-hand side of the screen, where you can see some of the lines on the

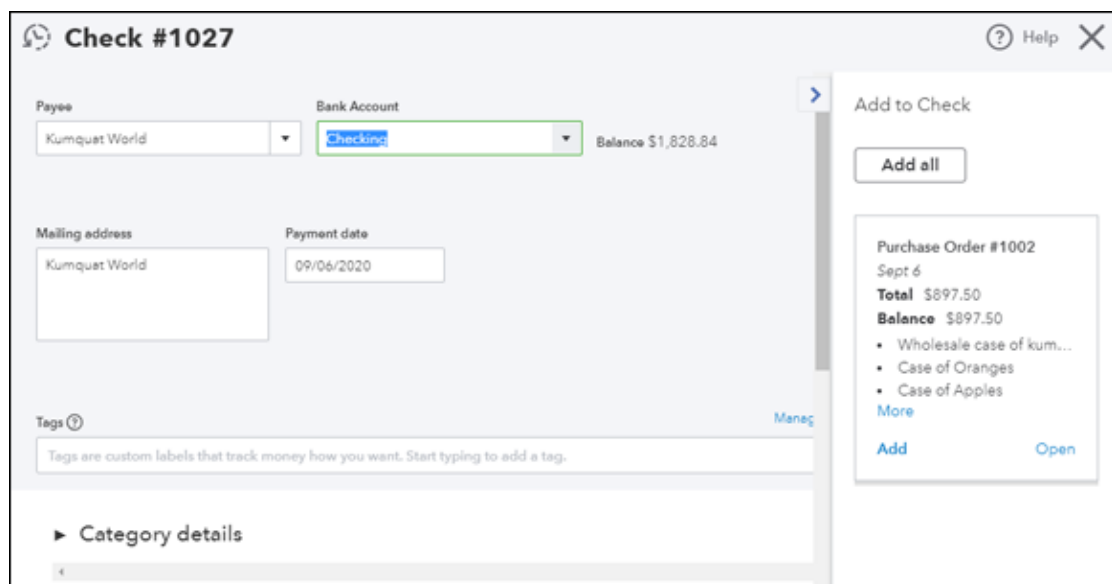
purchase order as well as its original and current amounts (see [Figure 5-13](#)).

**3. Click Add on the purchase order in the panel.**

QBO adds all the lines on the purchase order to the Item Details or Category Details section starting at the first available line in the appropriate section.



**FIGURE 5-12:** A purchase order with multiple lines.



**FIGURE 5-13:** A check showing an available purchase order with multiple lines for the selected vendor.

**4. Edit the quantity or amount for each line to reflect the portion that you want to record as partially received or paid.**

In [Figure 5-14](#), we set the quantities on the first and last lines to zero to indicate we haven't received those items yet and so are not yet paying for them. We also set the third line to partially receive the ordered item.



**REMEMBER** Note that you can partially pay a line on the purchase order by changing the quantities on that line from the original amount on the purchase order to the number you receive.

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT (USD)		
1	Citrus:Kumquat	Wholesale case of kumquats	0	11.50	0.00		
2	Citrus:Oranges	Case of Oranges	15	13	195.00		
3	Apples	Case of Apples	17	17.50	297.50		
4	Pears	Case of Pears	0	9.50	0.00		
5							

**FIGURE 5-14:** Receiving and paying for part of a purchase order.

**5. Save the Bill, Check, or Expense transaction.**

If you reopen the purchase order, as we did in [Figure 5-15](#), you'll see that QBO keeps track of the status of the items on the individual lines of the purchase. In [Figure 5-15](#), only one line is closed, but the Received column indicates that the vendor sent some or all of the items on

the second and third lines. And, although you can't see this in [Figure 5-15](#), the purchase order is still open and shows one linked transaction.

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT (USD)	RECEIVED	CLOSED
1	Citrus:Kumquat	Wholesale case of kumquats	10	11.50	115.00	0	
2	Citrus:Oranges	Case of Oranges	15	13	195.00	15	✓
3	Apples	Case of Apples	20	17.50	350.00	17	
4	Pears	Case of Pears	25	9.50	237.50	0	
5							

This line is closed.

**FIGURE 5-15:** Reviewing a purchase order after receiving some of the items on it.

If we repeat the process of receiving some of the items on the purchase order, the purchase order in the side pane indicates that the total value and the current remaining balance are not the same, implying that a portion of the purchase order has been received. And, after we identify additional received items and save the Bill, Check, or Expense transaction, the original purchase shows two linked transactions and, if appropriate, additional closed lines on the purchase order.





TIP

Clicking on “linked transactions” under the purchase order’s status in the upper-left corner of the window displays the linked transaction types, dates, and amounts; you can click any linked transaction to display it.

Wondering how to easily determine how much of a particular purchase order you have received or paid and how much is still outstanding? Use the Open Purchase Orders Detail report shown in [Figure 5-16](#).

DATE	NUM	VENDOR	PRODUCT/SERVICE	ACCOUNT	QTY	RECEIVED QTY	BAC
▼ Apples							
09/06/2020	1002	Kumquat World	Apples	Cost of Goods Sold	20.00	0.00	
Total for Apples					20.00	0.00	
▼ Citrus							
▼ Kumquat							
09/06/2020	1002	Kumquat World	Citrus:Kumquat	Purchases	10.00	0.00	
Total for Kumquat					10.00	0.00	
▼ Oranges							
09/06/2020	1002	Kumquat World	Citrus:Oranges	Cost of Goods Sold	15.00	0.00	
Total for Oranges					15.00	0.00	
Total for Citrus					25.00	0.00	
▼ Pears							
09/06/2020	1002	Kumquat World	Pears	Cost of Goods Sold	25.00	0.00	
Total for Pears					25.00	0.00	
TOTAL					70.00	0.00	

**FIGURE 5-16:** The Open Purchase Orders Detail report.



TIP

In [Figure 5-16](#), we hid the Navigation pane by clicking the three horizontal bars in the upper-left corner of the QBO window; we wanted to give the report more screen real estate.

To run this report, click Reports in the Navigation pane. Then, use the Search box to type “Open Purchase”; you won’t need to type more than that — QBO displays the report title in the search results, and you can click it to display the report. You also can use the Open Purchase Order List report. For more on reports, see [Chapter 10](#).

## ***Entering and Paying Bills***

You use QBO’s Bill transaction to enter a bill from a vendor that you don’t want to pay immediately. QBO tracks the bill as a *payable*, which is a liability of your business — money you owe but have not yet paid. Most companies that enter Bill transactions do so because they receive a fair number of bills and want to sit down and pay them at one time, but they don’t want to lose track of the bills they receive. They also want to be able to easily determine how much they owe; if you enter Bill transactions, you can print the A/P Aging Summary and Details reports to find that information.



**REMEMBER** Depending on the version of QBO that you use, the Bill transaction might not be available to you; if that’s the case, pay your bills using the Check or the Expense transaction.

### ***Entering a bill***

To enter a bill you receive from a vendor, you use QBO’s Bill transaction as shown in the following steps. If you pay a bill on a regular basis, such as rent or insurance, it might be a candidate for a recurring bill; see the next section.

1. **Choose Create and choose Bill from the Vendors column.**

QBO displays the Bill transaction window shown in [Figure 5-17](#).



**REMEMBER** If you are working with a project, you can choose Projects, select the project, and click Add to Project.

2. **Select the vendor from whom you received the bill.**

QBO fills in the vendor's mailing address information.

3. **Check and, if necessary, change the bill date and the due date.**

4. **Use the Category Details section, the Item Details section, or both to record information about the bill.**

See the section "[Writing a Check](#)," earlier in this chapter, for details on filling out the Category Details section and the Item Details section. Be aware that we hid the Item Details section in [Figure 5-17](#) so that you could see the information in the Category Details section.

5. **Optionally, scroll down to the Footer section (which isn't shown in [Figure 5-17](#)) and enter information in the Memo field and attach electronic documents to the bill.**

6. **Use the Save button to choose Save and Close, Save and New, or Save and Schedule.**

Save and Schedule is part of QBO's Online Bill Payment option, which we discuss in the Paying Bill section below.

**Bill** ? Help X

Vendor: Big Bad Landlord **BALANCE DUE**  
**\$3,348.31**

Mailing address: Big Bad Landlord  
 Terms: [dropdown]  
 Bill date: 09/06/2020  
 Due date: 09/06/2020  
 Bill no.: [input]  
 Permit no.: [input]

Tags [info] Manage tags  
 Tags are custom labels that track money how you want. Start typing to add a tag.

▼ Category details			
#	CATEGORY	DESCRIPTION	AMOUNT (USD)
1	Rent & Lease	Monthly rent	3,000.00
2	Utilities	Utility expense	348.31

Buttons: Cancel, Clear, Make recurring, Save, Save and schedule payment

**FIGURE 5-17:** The Bill transaction window.

## About recurring transactions

To help you avoid repeating the same task over and over, you can set up *recurring transactions*. You can set up recurring transactions for bills, invoices, and, well, just about any type of transaction in QBO; in fact, it's easier to tell you that you *can't* set up recurring transactions for bill payments, customer payments, and time activities. Throughout this section, we're going to use a bill as an example for setting up a recurring transaction.

Typically, recurring transactions work best for transactions with static amounts that you intend to pay on a regular basis; your rent is a perfect candidate for a recurring transaction. Be aware that transactions that occur on a regular basis but with amounts that vary, like your utility bills, are good candidates for recurring transactions as long as you set them up using Reminder for the transaction type, as described in the next section.

## ***Creating a recurring transaction***

In QuickBooks Essentials and higher you can create a recurring transaction in a number of ways; in our opinion, the easiest way is to fill out the transaction in the usual way and then, at the bottom of the transaction window, click Make Recurring (refer to [Figure 5-17](#)).

When you click Make Recurring, QBO prompts you to create a recurring transaction using a *template*, as shown in [Figure 5-18](#). The template serves as a model for the transaction and describes the way you want to pay the bill. Follow these steps:

### **1. From the Type list, choose one of the following:**

- **Scheduled:** If you select this type, QBO automatically creates the transaction and enters it. That is, if you set up a scheduled recurring bill to be entered on the first of each month, QBO automatically enters the bill on the first of each month — without any intervention from you.



**REMEMBER** For some recurring transactions, like invoices, you have the option to automatically send emails. If you select this option, QBO creates the transaction and automatically emails it.

- **Reminder:** If you select this type, QBO displays a reminder for you to complete and then processes the transaction. This option gives you more control over when and how QBO enters a recurring transaction.



TIP

This type is useful if you want to set up a recurring transaction for a bill, like your utility bills, where the amount changes but the due date doesn't. You can edit the transaction before entering it.

- **Unscheduled:** QBO won't schedule the transaction nor remind you that it's time to use the transaction. Instead, the template will be available to use as you need it.



REMEMBER

For this example, we chose Reminder, because it has basically the same options as Scheduled except that we can control its entry into QBO. For an Unscheduled transaction type, you don't establish the interval, start date, and end date.

2. **Fill in the number of days before the transaction date that you want QBO to remind you (or schedule the transaction).**



WARNING

Avoid surprises. Be aware that QBO sets the date on the scheduled transaction using the scheduled date, not the date you enter the transaction. But a recurring transaction charges a customer's credit card or ACH payment on the day you record the recurring transaction. So, the charge gets processed on the day it's recorded, but the transaction date could potentially be a future date.

The screenshot shows a 'Recurring Bill' configuration window. At the top, it says 'Recurring Bill' and 'Next Date: 10/01/2020'. Below this, there are several input fields and dropdown menus. The 'Template name' field contains 'Rent'. The 'Type' dropdown is set to 'Scheduled', and a 'Create 3 days in advance' option is visible. The 'Vendor' field contains 'Big Bad Landlord'. The 'Interval' section is set to 'Monthly' on 'day 1st' of every '1 month(s)'. The 'Start date' is '10/01/2020' and the 'End' dropdown is set to 'None'. The 'Mailing address' field contains 'Big Bad Landlord, 000 Usary Street, Rottenwood, IL 60666'. There are also fields for 'Terms' and 'Permit no.'.

**FIGURE 5-18:** Setting up a recurring transaction.

3. **Ensure that the vendor is correct.**
4. **In the Interval section, select the frequency with which you pay the bill, along with the timeframe.**
  - For daily transactions, select the interval in days to pay the bill. You can, for example, opt to pay the bill every 10 days.
  - For weekly transactions, select the interval in weeks and the day of the week to pay the bill. For example, you can pay a bill every three weeks on Thursday.
  - For monthly transactions, select the interval in months and the day of the month to pay the bill. For example, you can pay a bill every month on the last day of the month.
  - For yearly transactions, select the month and day of the year to pay the bill.
  - In the Start Date field, specify the first date on which you want QBO to enter the bill and, if appropriate, the last date to enter the bill. You

might set an ending date for a rent bill to coincide with the end of your lease.

- 5. Confirm that the mailing date and terms are correct, scroll down the page to confirm that the detail section of the transaction is correct, and add any memo information or attachments to the transaction.**

If any lines in the detail section have a value of \$0, QBO won't save those lines.

- 6. Click Save Template in the lower-right corner of the window.**

### ***Making changes to recurring transactions***

To work with existing recurring transactions, choose Gear ⇒ Recurring Transactions to display the Recurring Transactions list (see [Figure 5-19](#)).

The screenshot displays the 'Recurring Transactions' page in QuickBooks Online. At the top, there is a green banner with a 'Subscribe Now' button. Below the banner, the user's name 'Bob's Fruit Company' is visible. The main content area is titled 'Recurring Transactions' and includes a 'Reminder List' dropdown and a 'New' button. A search bar and a 'Filter' dropdown are also present. The table below lists the recurring transactions:

TEMPLATE NAME	TYPE	TXN TYPE	INTERVAL	PREVIOUS	NEXT DATE	CUSTOMER	AMOUNT	ACTION
Rent	Sched...	Bill	Every ...		10/01/...	Big Ba...	3,348.31	Edit
Insurance	Sched...	Bill	Every 3...		01/01/...	Nsuren...	432.00	Edit

**FIGURE 5-19:** The Recurring Transactions list.



To make a change to an existing transaction, click Edit in the Action column; QBO displays the transaction in the window shown previously in [Figure 5-18](#). Any changes you make to recurring transaction templates are not retroactive; you must manually change transactions already entered to correct them.



**REMEMBER** If you make changes to a customer or vendor that will affect an existing recurring transaction — for example, if you change address information — QBO displays a message when you save those changes that tells you that QBO will update related recurring transaction templates.

If you click the down arrow beside Edit in the Action column, you see the options for a recurring transaction, as follows:

- » **Use:** Enter transactions with types of Reminder or Unscheduled. You don't need to enter transactions with a type of Scheduled because QBO does that for you automatically.
- » **Duplicate:** Create additional recurring transaction templates from existing recurring transaction templates. For example, you might use the template for your rent to create another template to pay monthly insurance.
- » **Delete:** Choose this option to remove a recurring transaction template that you no longer need.

Last, you can print a report of your existing recurring transaction templates. Choose Reports in the Navigation bar. Then, click in the Search box and type **recu** (that's all you'll need to type for QBO to find the Recurring

Template List report) and click it to display a report like the one shown in [Figure 5-20](#).

TRANSACTION TYPE	TEMPLATE NAME	PREVIOUS DATE	NEXT DATE	NAME	MEMO/DESCRIPTION	ACC.
Scheduled						
Bill	Insurance		01/01/2021	Insurance Coverage Co.		Accou
Bill	Rent		10/01/2020	Big Bed Landlord		Accou
Total for Scheduled						

Sunday, September 6, 2020 06:53 PM GMT-04:00

**FIGURE 5-20:** The Recurring Template List report.

## ***Recording a vendor credit***

You enter a vendor credit to record returns to vendors or refunds from vendors. A vendor might supply you with a credit document that indicates you no longer owe the amount stated on the document, or the vendor might issue a refund check to you.

If a vendor issues a credit document, you enter a vendor credit that you apply when you pay a bill for that vendor. If a vendor issues a refund check to you, you enter a vendor credit along with a deposit, and then link the deposit to the vendor credit.

Follow these steps to enter the vendor credit:

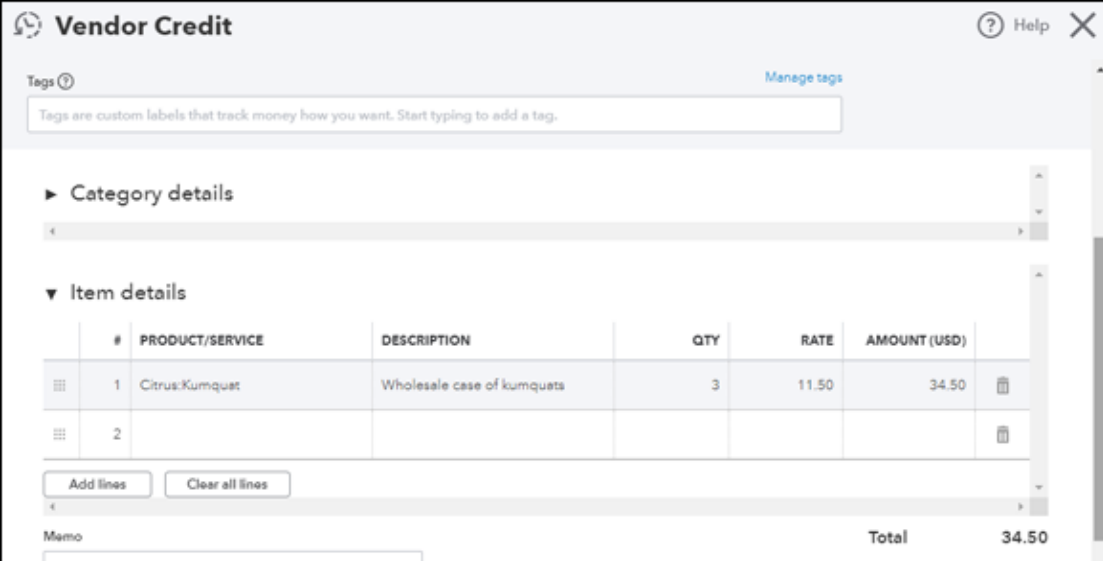
- 1. Choose New ⇒ Vendor Credit.**

QBO displays the Vendor Credit window shown in [Figure 5-21](#).

- 2. Select the vendor who issued the credit.**
- 3. Enter the date of the credit.**

4. **Enter the credit amount.**
5. **In the Category Details section, select the account used on the original bill.**

If you received the credit because you returned items to the vendor, select the items you returned in the Item Details section.



The screenshot shows a software window titled "Vendor Credit". At the top, there is a "Tags" section with a search bar and a "Manage tags" link. Below this is the "Category details" section, which is currently empty. The "Item details" section is expanded and contains a table with the following data:

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT (USD)
1	Citrus:Kumquat	Wholesale case of kumquats	3	11.50	34.50
2					

Below the table are buttons for "Add lines" and "Clear all lines". At the bottom right, a "Total" label is followed by the value "34.50".

**FIGURE 5-21:** A Vendor Credit transaction.

6. **You can optionally scroll down and attach a digital copy of the credit to the Vendor Credit transaction.**
7. **Click the arrow beside Save and New in the lower-right corner of the window and choose Save and Close.**



**TIP**

The Save option referenced in Step 7 is called a *sticky preference*, which means that after you select Save and Close, it will appear as the default Save option the next time you display this screen.

## RECORDING A REFUND TO A CARD CREDIT

If a vendor issues a credit to your credit card, the way you handle it depends on how you track credit cards in QBO.

If you haven't set up a credit card account and you wait to enter credit card transactions when you receive and record the credit card vendor's bill, enter a line on the Bill transaction using the account associated with the refund and make the amount negative.

However, if you *have* set up a credit card account, record a Credit Card Credit transaction, whether you manually record Expense transactions or download them; when you record a Credit Card Credit, QBO lets you post the transaction to any of your available credit cards. In the Category Details section, select the account associated with the refund. Note that when you download transactions, you'll be able to match both Expense transactions and Credit Card Credit transactions to downloaded information.

If the vendor issued only a credit document, read the section "[Paying bills](#)" to learn how to use the vendor credit you just entered to reduce the amount you owe the vendor when you pay the vendor's bill.

### ***When a vendor issues a refund check ...***

If the vendor issues a refund check to you, you need to complete the previous steps to enter a vendor credit. Then, follow these steps to enter a deposit to record the refund check in your bank account and then link it to the vendor credit:

- 1. Click the New menu and, from the Other section of the Create menu that appears, choose Bank Deposit.**

QBO displays the Bank Deposit transaction window shown in [Figure 5-22](#).

2. In the **Add Funds to This Deposit** section shown at the bottom of [Figure 5-22](#), enter the following information:

- In the **Received From** column, select the vendor who issued the check.
- In the **Account** column, select the **Accounts Payable** account.



**WARNING** Be sure to select Accounts Payable as the account; otherwise, you won't be able to apply the vendor credit against the check.

- In the **Amount** column, enter the amount of the check.

#	RECEIVED FROM	ACCOUNT	DESCRIPTION	PAYMENT METHOD	REF NO.
1	Kumquat World	Cost of Goods Sold	Returned spoiled fruit	Check	
2					

**FIGURE 5-22:** The Deposit transaction window.

3. Click the arrow beside **Save and New** in the lower-right corner of the window (not shown in

**Figure 5-22) and choose **Save and Close**.**

QBO redisplay the page you were viewing when you started the bank deposit.

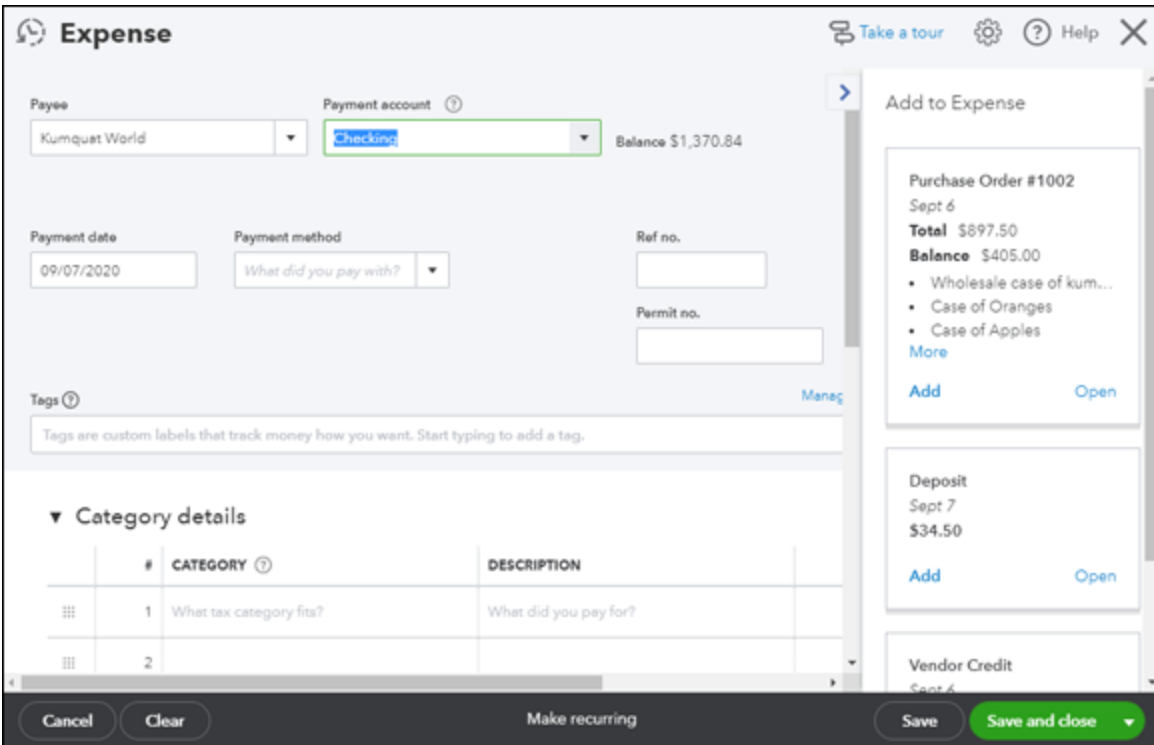


**REMEMBER** The Save option functions as a sticky preference, and you might not see Save and New because you previously made a different choice. If necessary, click the arrow next to Save and New to toggle Save and Close.

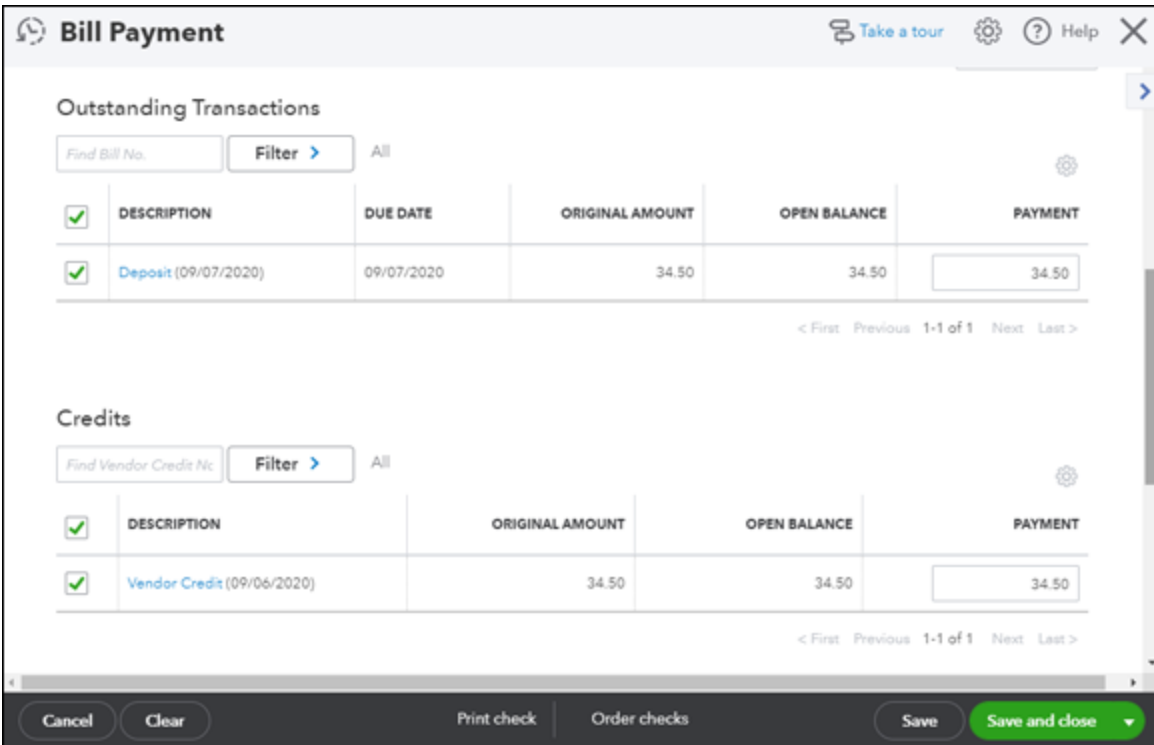
4. **Click the New menu and choose Expense from the Vendors column.**
5. **Select the vendor whose refund check you deposited.**

QBO displays available deposits, credits, and bills on the right side of the window (see [Figure 5-23](#)).
6. **Click Add to apply the Deposit transaction.**
7. **Click Add to apply the Vendor Credit transaction.**

When you add these two transactions, in this order, to the Expense, QBO creates a Bill Payment transaction with a net value of \$0 because QBO applies the deposit to the vendor credit; [Figure 5-24](#) focuses on the Details section of the transaction.
8. **Click the arrow beside Save and New in the lower-right corner of the window and choose Save and Close.**



**FIGURE 5-23:** Open transactions for the selected vendor appear.



**FIGURE 5-24:** Adding the vendor credit and the bank deposit of the vendor’s check results in a \$0 bill payment transaction.

## ***Paying bills***

Eventually, you'll need to pay the bills that you've entered in QBO. In the past, paying bills online through QBO required a Bill.com subscription, which entails a monthly fee and per-transaction charges. Bill.com is still an option for managing bills online in QBO, or you can use the embedded online bill payment in QuickBooks Essentials, Plus, and Advanced. This feature is relatively new, and if it doesn't yet appear in your QuickBooks company, it will in the coming months.

Most people sit down once or twice a month and pay outstanding bills. You'll carry out mostly the same steps to pay bills in QBO online or manually:

- 1. Click the New menu and then choose Pay Bills in the Vendors column.**

QBO displays the Pay Bills page shown in [Figure 5-25](#). Overdue bills display a red flag.

- 2. From the Payment Account list, select an account to use to pay the bills.**

For this example, we'll assume you use a Checking account to pay your bills.





TIP

If you find yourself short on cash, you can use the QuickBooks Capital app, a free app available in the Intuit App Center, to apply for a loan. QuickBooks capital uses your QBO data to complete the loan application, and, if approved, you can receive a short-term working capital from Intuit Financing Inc. or one of their lending partners. Most applicants receive a decision within one to two days. The app adds a Capital tab to the Navigation bar that you can use to track the loan.

<input type="checkbox"/>	PAYEE	REF NO.	DUE DATE ▲	OPEN BALANCE	CREDIT APPLIED	PAYMENT	TOTAL AMOUNT
<input type="checkbox"/>	Krispin Corroyer		08/01/2020 <span style="color: red;">!</span>	\$891.39	Not available	<input type="text"/>	\$0.00
<input type="checkbox"/>	Maxy Turneaux		08/05/2020 <span style="color: red;">!</span>	\$588.11	Not available	<input type="text"/>	\$0.00
<input type="checkbox"/>	Norbie Ratke		09/01/2020 <span style="color: red;">!</span>	\$567.05	Not available	<input type="text"/>	\$0.00
<input type="checkbox"/>	Bill Swinglehurst		09/07/2020	\$75.00	Not available	<input type="text"/>	\$0.00
0 bills selected				\$0.00	\$0.00	\$0.00	\$0.00

Total payment (USD) 0.00

Overdue bills

**FIGURE 5-25:** The Pay Bills page lists bills you owe but have not yet paid.

3. **Provide a payment date at the top of the screen.**
4. **Enter the number of the first check you'll use to pay bills.**



**REMEMBER** You can select the Print Later check box to identify bills to pay and schedule them to print later; at the time you print the checks, QBO lets you establish the starting check number.

**5. In the Filter list, you can select an option to specify the outstanding bills you want to consider paying.**

By default, QBO displays unpaid bills for the last year, but you can limit what appears onscreen for your consideration by a variety of dates and even for selected payees. Be careful here; remember, limiting what you see might mean missing a bill you need to pay.

By clicking the appropriate column heading, you can opt to sort the listed bills by Payee, Reference Number, Due Date, or Open Balance.

**6. Select the check box in the column at the left side of each bill you want to pay.**

As you select bills to pay, QBO updates the Payment column and the Total Payment Amount using the bill amount as the default payment amount (see [Figure 5-26](#)). You can change the payment amount of any bill by typing in the Payment column.



**REMEMBER** If a vendor credit exists, QBO assumes you want to apply outstanding vendor credits to reduce the amount you owe a particular vendor.

Pay Bills

Payment account: Checking Balance \$4,246.04 Payment date: 09/07/2020 Starting check no.: 1038  Print later

TOTAL PAYMENT AMOUNT: **\$2,121.55**

Currency: USD United States Dollar

Filter > Last 365 Days 4 open bills, 3 overdue

	PAYEE	REF NO.	DUE DATE	OPEN BALANCE	CREDIT APPLIED	PAYMENT	TOTAL AMOUNT
<input checked="" type="checkbox"/>	Krispin Corroyer		08/01/2020	\$891.39	Not available	891.39	\$891.39
<input checked="" type="checkbox"/>	Maxy Turneaux		08/05/2020	\$588.11	Not available	588.11	\$588.11
<input checked="" type="checkbox"/>	Norbie Ratke		09/01/2020	\$567.05	Not available	567.05	\$567.05
<input checked="" type="checkbox"/>	Bill Swinglehurst		09/07/2020	\$75.00	Not available	75.00	\$75.00
4 bills selected				\$2,121.55	\$0.00	\$2,121.55	\$2,121.55

**FIGURE 5-26:** QBO uses the bill amount less any vendor credits to calculate a payment amount.

- In the lower-right corner of the window, click **Schedule Payments Online** to use QBO’s free online bill payment service, or click the arrow and choose between **Save**, **Save and Print**, or **Save and Close**.**

If you choose **Schedule Payments Online**, you’ll walk through a process to connect your bank or credit card account. Payments through your bank account are free, while paying bills with a credit card incurs a 2.9% transaction fee. Alternatively, click **Save** or **Save and Close** to mark the bills paid without printing any checks. Click **Save and Print** to print checks and mark the bills paid.



**TIP** If you choose to pay the bills using a credit card rather than a bank account, the window looks the same except that no options appear related to printing checks, just as you’d expect.

If you opted, in Step 4, to print checks later, you can print those checks by choosing Create ⇒ Print Checks. The Print Checks option appears in the Vendor column of the Create menu.

# Chapter 6

## Managing the Inflow of Money

---

### IN THIS CHAPTER

- » **Creating invoices, sales receipts, and estimates**
- » **Recording payments from customers**
- » **Entering credit memos for customers**
- » **Checking invoice status**
- » **Recording billable expenses**
- » **Managing projects**

This is where the fun starts. “Why?” you ask. Because this chapter covers stuff related to bringing money into the business, which, from any businessperson’s perspective, is the reason you started your business — and therefore the most fun part!

Before diving into preparing various types of forms, you should consider whether you want to take advantage of the Projects feature in QBO, so, we’ll start there.

## *Managing Projects*

If your business is completes projects for your customers, exploring QBO’s Projects feature is in your best interest before we dive into using the various sales transactions. QBO’s Projects feature helps you organize, in one centralized location, all the pieces — that is, associated transactions, time spent, and necessary

reports — that make up ... well, a project. And, the reports included in the Projects feature help you determine each project's profitability and keep on top of unbilled time and expenses as well as non-billable time. You'll still complete all the various sales transaction forms described in this chapter in the same way we describe them, with one change: Instead of starting from the Sales Transaction list or the New menu, you'll be able, but not required, to start from the Project tab. If you enable the Projects feature before you enter transactions, your picture of a project's profitability will be clearer.

## *Turning on projects in QBO*



**REMEMBER** Be aware that you cannot turn the Projects feature off after you have turned it on. You aren't required to use it, but it will remain enabled in your company. If you want to play around with the feature before enabling it in your company, try it out in the QBO sample company. You can read about the sample company in [Chapter 11](#).

If you're using QBO Plus or Advanced in Canada, the UK, the United States, or Australia, you can take advantage of the Projects feature. To turn on the feature, follow these steps:

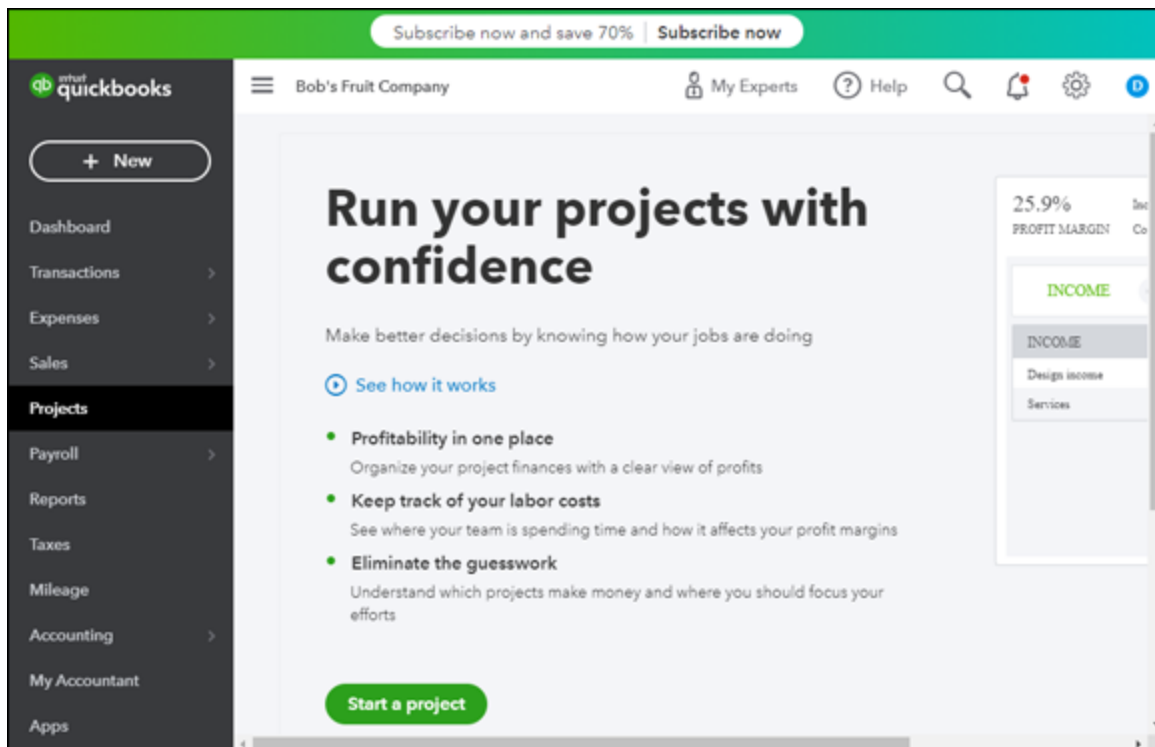
- 1. Choose Gear ⇒ Account and Settings ⇒ Advanced.**
- 2. In the Projects section, click beside Organize All Job-Related Activity in One Place to turn on the Projects feature.**
- 3. Click Done to return to your QBO company.**

A new option, Projects, appears on the Navigation pane (see [Figure 6-1](#)). When you click the option, QBO prompts you to set up your first project.

But before you jump in and start creating projects, read on ...

## ***Enabling projects in Customer lists***

Before you set up any new projects, there's one housekeeping chore you need to complete for the Projects feature to work properly. Choose Sales ⇒ Customers to display the Customers page. In the table portion of the page, just above the Action column, click the Table Settings gear. Then, place a check in the Include Projects check box (see [Figure 6-2](#)). You'll then be able to see projects on the Customers page and in list boxes on transactions, as well as on the Projects Center page.



**FIGURE 6-1:** The new Projects page in QBO.

Columns

- Address
- Email
- Customer Type
- Attachments
- Phone
- Currency

Other

- Include inactive
- Include projects

Rows

150 ▼

**FIGURE 6-2:** Enable the Include Projects check box.

## ***Converting sub-customers to projects***

You can use — and might have been using up until now — sub-customers to act as projects. So, is QBO blurring the line between sub-customers and projects? Not really. If you use the Projects feature, you'll notice that projects appear in the Project Center, where they will be easier to manage and evaluate using reports. Sub-customers remain only on the Customers list. The benefit of using the Projects feature lies with the fact that the Project Center keeps the information for each project in one place. Sub-customers don't offer this centralization — unless you convert them to projects.

If you've been using sub-customers to serve as projects, QBO can walk you through converting sub-customers to projects. So, before you start adding projects, you might



want to consider whether you have created sub-customers that you want to convert to projects. Be aware of the following:

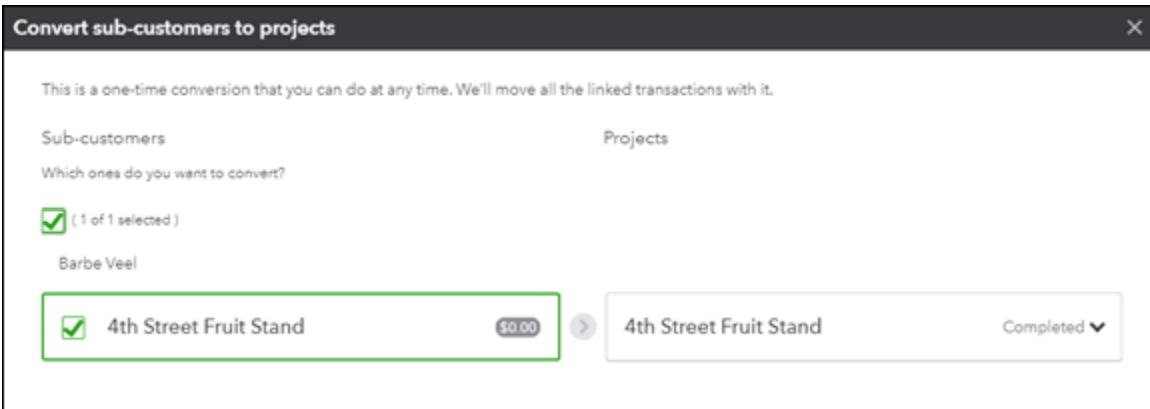
- » QBO converts sub-customers to projects only if the sub-customers are set up to be billed with the parent customer. You might need to edit your sub-customers to make this change.
- » You don't need to convert all sub-customers to projects simultaneously; QBO gives you the opportunity to select sub-customers to convert.
- » Once you convert a sub-customer to a project, there's no going back; QBO will treat the sub-customer as a project.

To convert a sub-customer to a project, display the Customers list by choosing Sales ⇒ Customers. On the Customers page, just above the table of transactions, QBO displays a message asking if you want to convert the first level of sub-customers into projects.

Click Convert Now in the message, and QBO lets you select eligible sub-customers to convert (see [Figure 6-3](#)).



**TIP** If the Convert Sub-Customers to Projects prompt doesn't appear on your Customers screen, choose Projects from the Navigation bar, and then click the arrow next to New Project and Choose Convert from Sub-Customer.



**FIGURE 6-3:** Converting a sub-customer to a project.

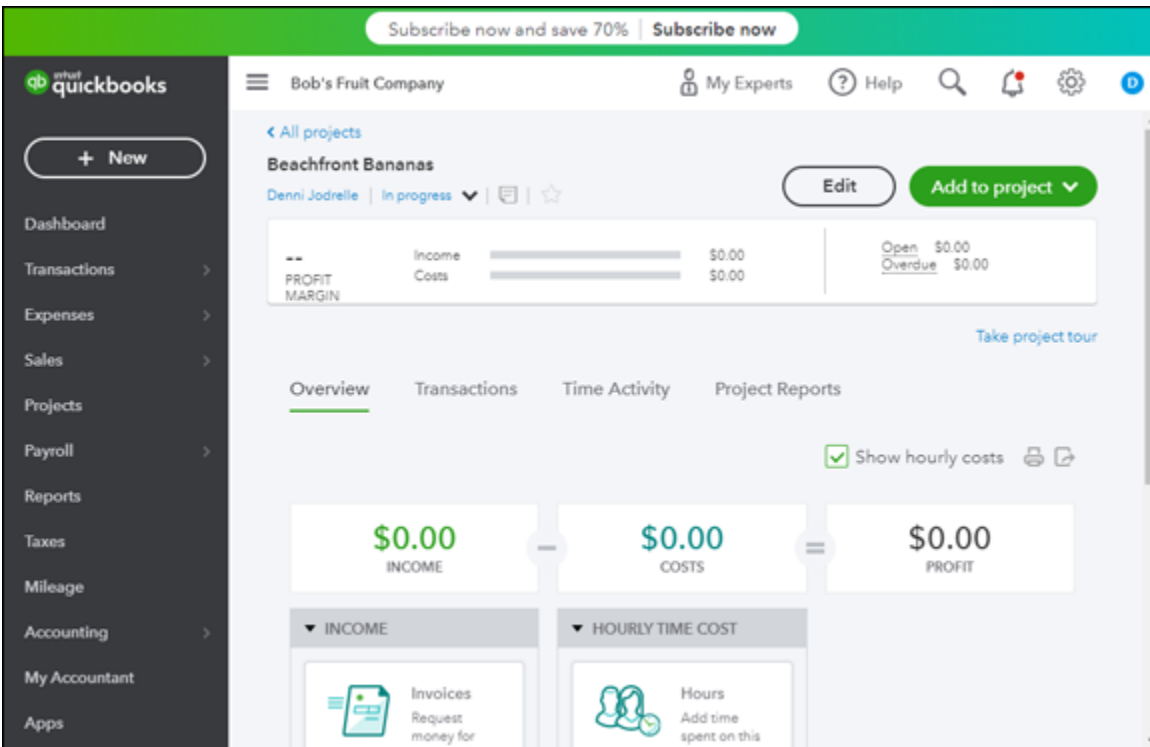
After you click Convert (not shown in [Figure 6-3](#)), QBO displays a message explaining that you're about to convert a sub-customer to a project — and there's no going back. If you're sure you want to do this, click Continue. QBO converts the sub-customer(s), sets the status of the project(s) to "in progress," and offers you the option to go to the Projects Center or redisplay the Customer list.

## ***Setting up a project***

Now you're ready to set up a project. Click Projects in the Navigation bar and, if you didn't convert any sub-customers to projects, QBO displays the Start a Project button on the Projects Center page (refer to [Figure 6-1](#)). If you did convert one or more sub-customers to projects, those projects appear on the Project Center page.

To start a new project, click New Project in the upper-right corner of the Projects Center page. A panel appears on the right side of the screen; in the panel, supply a project name, which can be anything you want and should be something you'll easily recognize. Also supply the customer associated with the project and, if you want, any notes about the project. When you finish, click Save, and QBO displays a message to let you know that it set up the project. When you click OK to dismiss the

message, a page like the one shown in [Figure 6-4](#) appears.



**FIGURE 6-4:** The Project Reports page for a project.

The page is divided into four tabs: The Overview tab, shown in [Figure 6-4](#), the Transactions tab, the Time Activity tab, and the Project Reports tab. The Transactions tab and Time Activity tabs will be blank because you just established the project.



**REMEMBER** Even though you select a customer when you create a new project, QBO doesn't automatically pull in existing transactions for the customer to the Projects page. Newly created projects have no transactions — and therefore, logically, the Transactions page is empty and reports contain no information. But, converted sub-customers are a

different story. If you convert a sub-customer with prior activity to a project, you *will* find transactions on the Transactions page; QBO brings them over during conversion so that you can see them in the Projects Center.



**WARNING** If you're thinking of changing the customer name on existing transactions to pull those transactions into the project, be careful. Changing the customer can have repercussions throughout QBO. For example, if you try to change the customer assigned to a payment transaction that you have deposited, QBO warns you that you must remove the transaction from the deposit before you can change the customer name. And, that will mess up your deposit unless you remember to re-add the payment to the deposit. So, you see, things can get complicated very quickly. Even though there is a connection between a customer and sub-customer or project, entries on QBO's Customers list are unique list elements. QuickBooks Desktop works the same way in this regard.

## ***Adding transactions to a project***

There's no special, secret way to add transactions to a project (this isn't like double, secret probation in *Animal House*). In fact, you have two choices. You can use the techniques described throughout this chapter for the various types of transactions; just make sure that you choose the project from the Customer drop-down list as you create the transaction rather than the customer (as shown in [Figure 6-5](#)).

**Estimate #1001** ? Help X

Customer: Choose a customer  AMOUNT **0.00**

Brandtr Gerald - USD  
 Denni Jodrelle - USD  
 Beachfront Bananas - USD *Project of Denni Jodrelle*  
 Finn Speedin - USD  
 Hunfredo Pignon - USD  
 Jarred Malthus - USD  
 Jody Johnston - USD  
 Kiri Godin - USD  
 Lebbie Fnderlein - USD

1001

Location of sale  
 123 Nunya Drive, Greenville, GA, :

Cancel Print or Preview Make recurring Customize Save **Save and send**

**FIGURE 6-5:** Creating a new transaction for a project.

Or, you can start many (but not all) your transactions from the Projects Center. Starting your transaction from the Projects Center using the Add to Project button has one added advantage: QBO prefills the project name for you on the transaction. Note that you can't create a Sales Receipt from the Projects page; use the New menu or the Sales page.



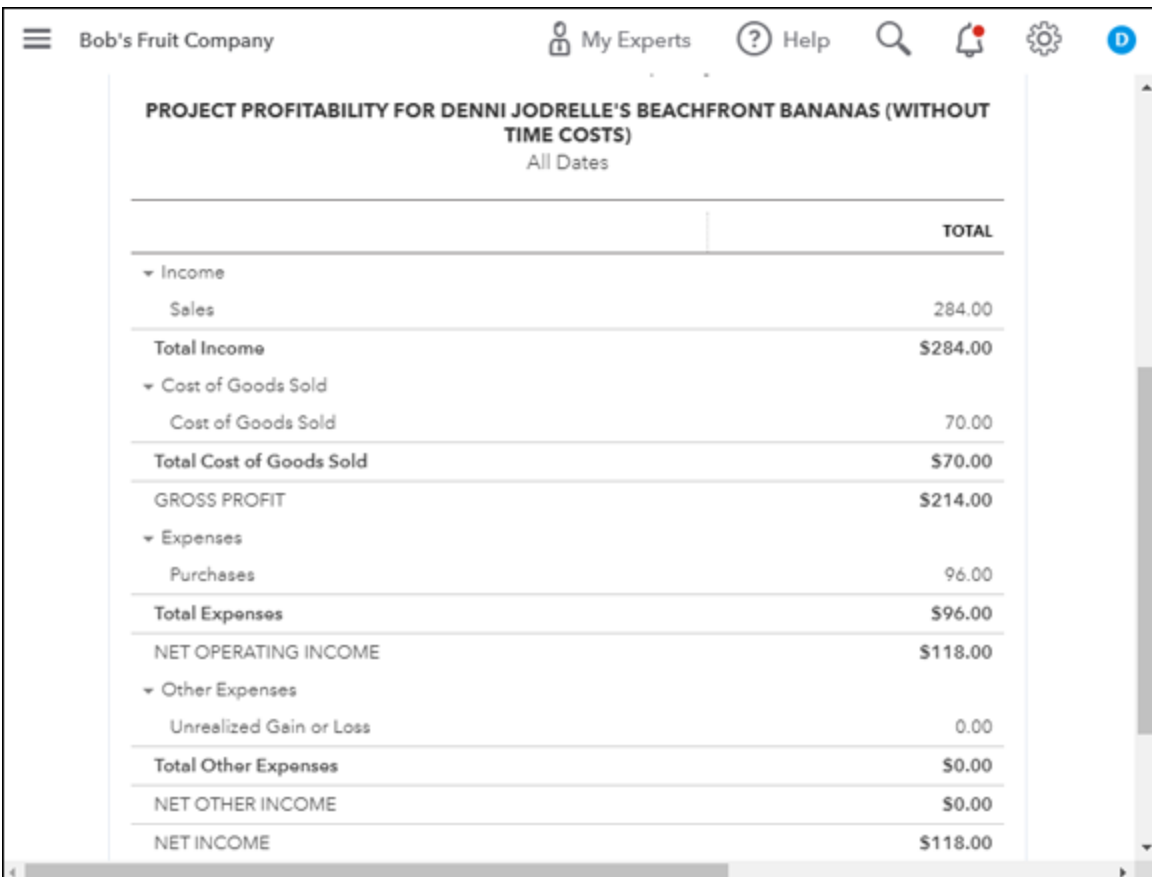
**REMEMBER** If you can't add a transaction for a project from the Projects Center, simply select the project on the transaction when you create it from either the New menu or the Customers list page.

***Projects and reporting***

Once your project collects transactions, reports become meaningful. The Transaction List report shows, by

default, exactly what you'd expect: all the transactions assigned to the project.

The Project Profitability report is, essentially, a Profit and Loss report for the project; you see a sample in [Figure 6-6](#).



The screenshot shows a software interface for 'Bob's Fruit Company' with a navigation bar at the top containing 'My Experts', 'Help', search, notifications, and settings icons. The main content area displays a 'PROJECT PROFITABILITY FOR DENNI JODRELLE'S BEACHFRONT BANANAS (WITHOUT TIME COSTS)' report for 'All Dates'. The report is a table with a 'TOTAL' column on the right. The data is as follows:

	TOTAL
Income	
Sales	284.00
<b>Total Income</b>	<b>\$284.00</b>
Cost of Goods Sold	
Cost of Goods Sold	70.00
<b>Total Cost of Goods Sold</b>	<b>\$70.00</b>
<b>GROSS PROFIT</b>	<b>\$214.00</b>
Expenses	
Purchases	96.00
<b>Total Expenses</b>	<b>\$96.00</b>
<b>NET OPERATING INCOME</b>	<b>\$118.00</b>
Other Expenses	
Unrealized Gain or Loss	0.00
<b>Total Other Expenses</b>	<b>\$0.00</b>
<b>NET OTHER INCOME</b>	<b>\$0.00</b>
<b>NET INCOME</b>	<b>\$118.00</b>

**FIGURE 6-6:** A sample Project Profitability report.

The Unbilled Time and Expenses report shows you time assigned to the project but not yet billed, and the Non-billable Time report shows you time recorded to the project that you can't bill to the project.

The Project feature also provides you with ways of “disposing” of the project. If you click Project in the Navigation bar and then click the Options button (typically this shows “In Progress”) for a particular project, you can opt to mark the project as completed, or

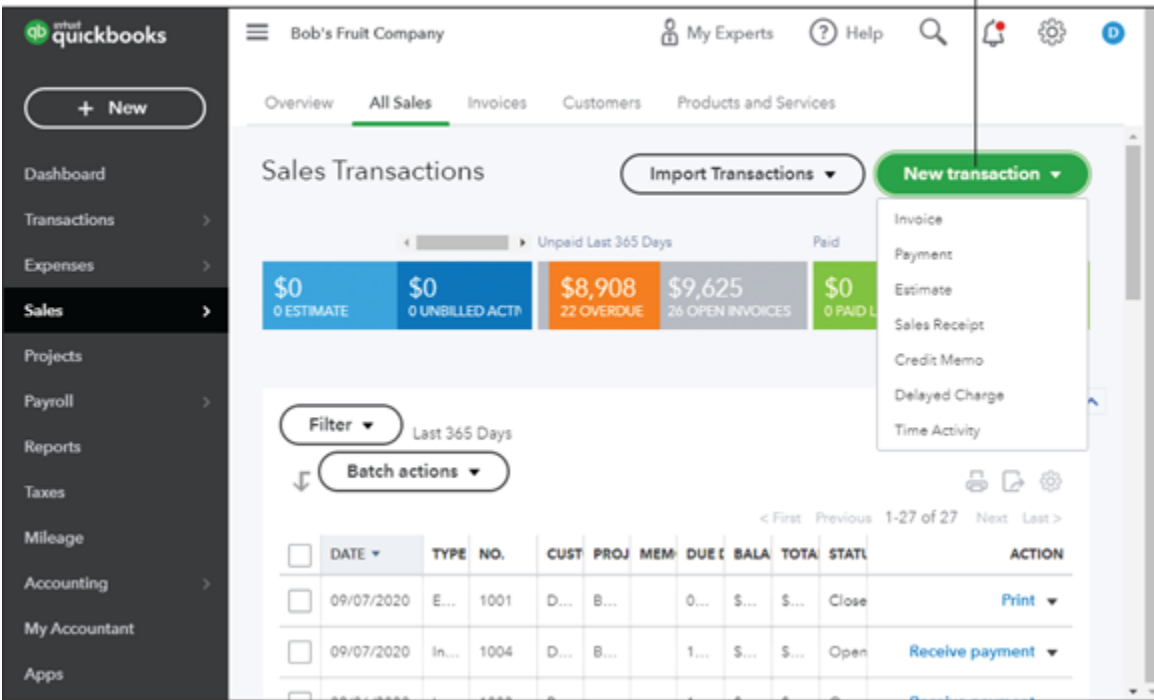
mark the project as canceled if you've assigned any transactions to it. If there are no transactions assigned, you can also delete the project.

## ***Getting Started with Sales Transactions***

If you've been in business a while when you start using QBO, and you have some invoices you've issued but customers haven't yet paid, you can use those invoices as a learning tool and enter them as described in this chapter. If you recorded an opening bank account balance back in [Chapter 3](#), be sure to enter into QBO the deposits you've made since your last bank statement. If you didn't record an opening bank account balance back in [Chapter 3](#), or you recorded a bank account balance as of December 31 of last year, be sure to enter into QBO all the deposits you've made this year, even if they have cleared the bank.

To record all sales-related transactions except for Refund Receipts, you can click Sales in the Navigation pane to display the Sales Transactions page shown in [Figure 6-7](#); then click the New Transaction button. You can record any sales-related transactions, including Refund Receipts by way of the New menu by clicking the New button. Then, choose the type of transaction you want to record; sales-related transactions appear in the Customers column (see [Figure 6-8](#)).

Click here to start a new sales transaction.



**FIGURE 6-7:** The Sales Transactions page.

CUSTOMERS	VENDORS	EMPLOYEES	OTHER
Invoice	Expense	Payroll	Bank deposit
Receive payment	Check	Single time activity	Transfer
Estimate	Bill	Weekly timesheet	Journal entry
Credit memo	Pay bills		Statement
Sales receipt	Purchase order		Inventory qty adjustment
Refund receipt	Vendor credit		Pay down credit card
Delayed credit	Credit card credit		
Delayed charge	Print checks		

[Show less](#)

**FIGURE 6-8:** Sales transactions appear in the Customers column of the New menu.

## *Customizing forms to handle subtotals*



Before you begin preparing various types of sales forms, consider whether you want to include subtotals on them. If you don't need to subtotal information on your sales forms, you can skip this section and move on to the next one. Or, if you only need subtotals occasionally, you can skip this section and read "[Preparing an invoice](#)" to find out how to add subtotals only when needed.



**REMEMBER** Be aware that you cannot customize forms using any of the iOS or Android apps; you must make your customizations on the web and then you can use your customized form in the mobile app. See <https://quickbooks.intuit.com/community/Help-Articles/Compare-mobile-app-features/m-p/185540> for details on what you can and cannot do using mobile apps. Depending upon your screen resolution, you may be able to log into the web-based version of QBO on your mobile device to make the changes.

After you enable the feature you can subtotal lines on an invoice, an estimate, or a sales receipt. For this example, we'll turn on the feature for the Invoice form. Follow these steps:

### 1. **Choose Gear ⇒ Custom Form Styles.**

The Custom Form Styles page appears, which displays the form styles you have set up.



**REMEMBER** In [Chapter 3](#), you saw how to customize forms. If you opted not to set up any custom forms, you might not see anything listed on the Custom Form Styles page. In that case, click the New Style button,

select a form (Invoice, Estimate, or Sales Receipt), and continue with these steps; for this example, we selected Invoice.

**2. Select a form to customize, and then click Edit in the Action column.**

The Customize Form Style page appears. It contains four buttons across the top-left side of the page that you use to display the Design, Content, Emails, and Payments pages. The right side of the page is devoted to previews.



**TIP**

From the Design page, you can select a template for the form, upload your logo, change the color of the colored portions of the form, select a different font for the form, and print a sample of the form.

**3. From the buttons on the top of the page, click Content.**

QBO displays the Content page, with all sections appearing gray and unavailable.

**4. Click in the Table section to edit it.**

The Table section is the section where you see column titles such as Activity, Qty, Rate, and Amount.

QBO makes the content of the Table section visible and available to edit (see [Figure 6-9](#)).

**5. Scroll down the page and click Show More Activity Options.**

QBO displays additional options for the Table section of the form (see [Figure 6-10](#)).

**6. Select the Group Activity By check box and make a selection from the list.**

For our example, we chose Type.



TIP

You can select Subtotal Groups if you want QBO to group specifically by the grouping type you select in Settings. Not selecting the option gives you more flexibility on the forms.



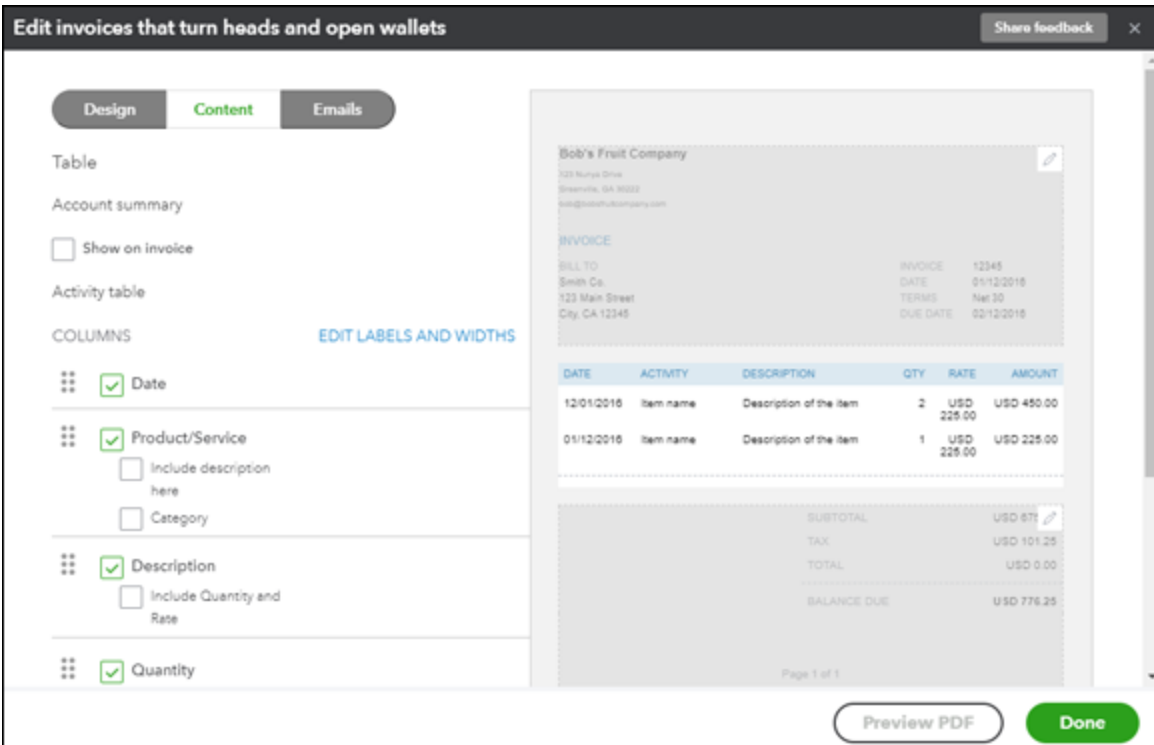
TIP

If you send progress invoices to customers, you can select the Show Progress on Line Items check box to add an Estimate Summary and a Due column to invoices. The Estimate Summary shows the estimate number and amount, invoices previously created for the estimate, and total amount you have invoiced to date. The Due column shows the amount still due for each line item.

**7. Click Done in the lower-left corner of the window to save the settings.**

If you want to preview the form in a PDF file, click Preview PDF (also in the lower-left corner of the window).

You'll need to repeat the preceding steps for each type of form (invoice, estimate, and sales receipt) on which you want to be able to subtotal information.



**FIGURE 6-9:** The Content page after choosing the Table section to edit.



Check this box to enable subtotalling.

**FIGURE 6-10:** Turning on the setting to enable grouping on the selected sales forms.

## *Preparing an invoice*

You enter invoices in QBO to inform customers that they owe you money for goods you sold them or services you

performed for them. In QBO, you can prepare invoices and send them using email or using the U.S. Postal Service.

## QBO AND GOOGLE CALENDAR

If you record work you perform on your Google Calendar (to later use in invoicing), you can use the Invoice with Google Calendar app, available in the Intuit App Center, to automate the process of pulling event details and descriptions from your Google Calendar onto a QBO invoice.

Once you enable the integration between your Google Calendar and QBO, you simply start a QBO invoice form and click the Google Calendar icon that appears on the form. Using a panel that appears to the right on the invoice form, you set search parameters; that is, you select a Google Calendar and a timeframe and supply a search keyword. QBO searches your Google Calendar for matching events and, when you opt to add events to the invoice, QBO imports event details including title, description, hours worked, and date from your Google Calendar, eliminating the duplicate data entry for you.

When you prepare an invoice, you include items on the invoice to provide information about what you're selling to the customer. You create items for both services and products using the Products and Services list, as described toward the middle of [Chapter 4](#). To enter an invoice, follow these steps:

1. **Choose New ⇒ Invoice from the Navigation pane.**



**REMEMBER** If you are working with a project, you can choose Projects from the Navigation pane, select the project, and then click Add to Project.

2. **Choose a customer.**

QBO displays the customer's mailing address, payment terms, invoice date, due date, and Send

Later option.



TIP

If a pane appears on the right side, it displays transactions you might want to link to the invoice you're creating; you can see examples in the sections "[Preparing an estimate](#)" and "[Creating Billable Time Entries](#)."

**3. Double-check the Invoice Date, Due Date, and Terms, and make an appropriate selection in the Send Later check box.**

If you want to send invoices via email, you can set up your preferences; from the QBO Dashboard page, click the Gear button beside your company name and choose Account and Settings. Set up your company's email address on the Company page. Set up message preferences in the same Account and Settings dialog box; click Sales and edit the Messages section. In addition to editing the actual message, you can provide email addresses to which you want to send copies — regular and blind — of all sales documents.

**4. Fill in the products and/or services the customer is buying:**

- a. Click in the Product/Service column and select an item for the invoice you are creating.  
You can type characters in the Product/Service column, and QBO will help you find the item.
- b. Optionally, edit the Description column for the selected item.
- c. Use the Qty, Rate, and Amount columns to supply the quantity of the selected item you are selling, the rate you're charging for each item, and the amount the customer should pay. When

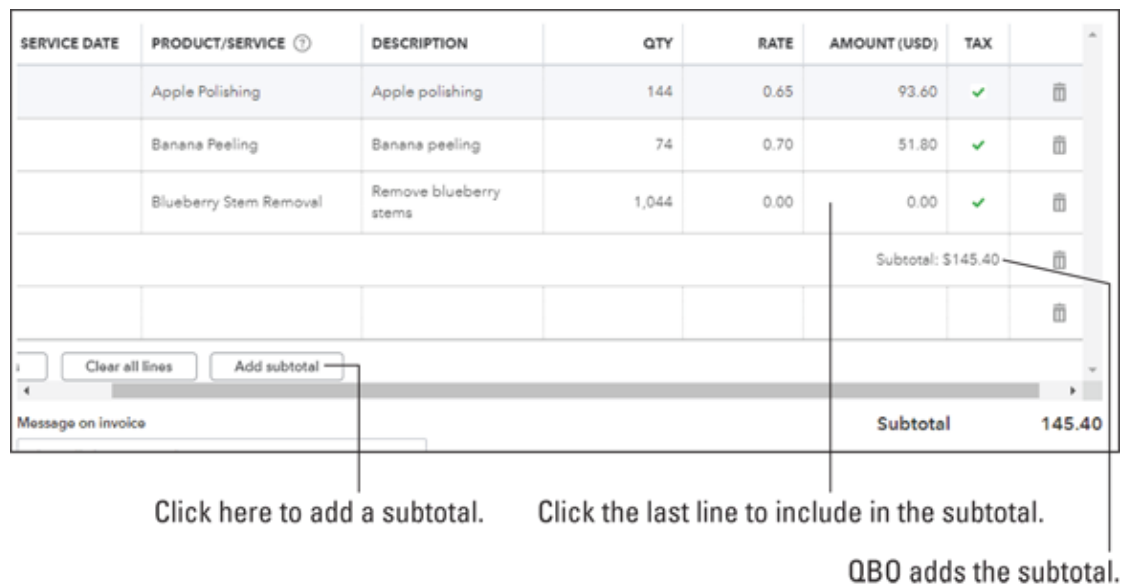
you supply any two of these three values, QBO calculates the third value.

- d. If appropriate, check the Tax box.
- e. Repeat Steps a to d to add more items to the invoice.

**5. Optional: To add a subtotal in the proper place on the invoice:**

- a. Click the last line on the invoice that should be subtotaled; in [Figure 6-11](#), we clicked the third line of the invoice.
- b. Click the Add Subtotal button, which appears below the lines on the invoice.

QBO adds a blank row and then a line that subtotaals the ones above it. You can continue adding lines to the invoice, as we did in [Figure 6-11](#), and you can add more subtotals. You can remove the blank line if you wish.



**FIGURE 6-11:** Click the last line that should be part of the subtotaled group, and then click Add Subtotal.

**6. You can scroll down in the Invoice window, as shown in [Figure 6-12](#), and select a sales tax rate and, if appropriate, a discount amount or percent.**

You see the Sales Tax Rate option on invoices only if you have turned on the Sales Tax feature by choosing Sales Tax ⇒ Set Up Sales Tax Rates; see [Chapter 4](#) for details on setting up sales taxes.

You can apply a discount to the invoice if you have turned on the preference to display the Discount box; you can turn on the preference either from the Account and Settings dialog box or, on the invoice form, click the Gear icon and select the Total Discount check box from the panel that appears on the right side of the form.

You also can type a message to the customer; type information in the Statement Memo box — which QBO transfers directly to any statement you create in the future — and attach an electronic document to the invoice.



**TIP**

You can control whether the discount is a pre-tax or after-tax discount by clicking the switch that appears to the left of the Discount and Sales Tax Rate boxes. Clicking the switch swaps the position of the two boxes; when the Discount box appears on top, the discount is pre-tax.

If you turn on the preference to display the Deposit box at the bottom of the invoice, you can use it to reduce the amount of the invoice by a deposit amount paid by the customer. You can turn on the preference either from the Account and Settings dialog box or, on the invoice form, click the Gear icon and select the



Deposit check box from the panel that appears on the right side of the form.

Click here to control whether a discount is pre- or post-taxable.

The screenshot shows the bottom section of an invoice window. On the left, there are two text input boxes: 'Message on invoice' (with placeholder text 'This will show up on the invoice.') and 'Message on statement' (with placeholder text 'If you send statements to customers, this will show up as the description for this invoice.'). To the right of these boxes is a 'Select tax rate' dropdown menu currently set to 'Based on location'. Below the dropdown is a 'Discount percent' field with a dropdown arrow and an empty input box. Further right is a 'Shipping' field with an empty input box. Below the shipping field are 'Tax on shipping' (set to \$0.00) and 'Total' (set to 150.01). At the bottom right is 'Balance due' (set to 150.01). A summary table on the right side of the window shows: Subtotal 145.40, Taxable subtotal \$145.40, Tax \$4.61 (with a 'See the math' link), and Total 150.01. A blue double-headed arrow icon points to the tax rate dropdown.

Subtotal	145.40
Taxable subtotal	\$145.40
Tax	\$4.61
	<a href="#">See the math</a>
Total	150.01
Balance due	150.01

**FIGURE 6-12:** Use the bottom of the Invoice window to handle sales tax, discount information, messages, and attachments.

7. **To attach an electronic document to the invoice, click in the Attachments box and navigate to the document, or drag and drop the electronic copy into the Attachments box.**
8. **At the bottom of the window, you can**
  - **Cancel the invoice or clear the window and start again.**
  - **Click Print or Preview to print or preview the invoice.**
  - **Click Make Recurring to set up the invoice as a recurring invoice you intend to send on a schedule you specify.**
  - **Click Customize to customize the invoice form as described in [Chapter 3](#).**
  - **Click Save to assign an invoice number and save the invoice in QBO.**

- **Click Save and Send to assign an invoice number, save the invoice, and email a copy to the customer.**

A window appears, in which you can write an email message or edit the standard message and look at a preview of the invoice. After you send your invoice, the email time and date-stamp information appears in the header. Invoice emails are now mobile-friendly, using a design that makes for easy phone reading. The invoice details also appear in the email so that customers see everything right away without needing to click a link.



**TIP**

You can click the arrow beside Save and Send and then choose Save and New to save the invoice and start a new one, or choose Save and Close to save the invoice and close the Invoice window. Alternatively, choose Save and Share Link, and a prompt appears from which you can copy and paste a link to the invoice, as, for instance, when you want to text the invoice from your mobile device or incorporate the link into an email that you generate on your own. The option you choose will appear the next time you display the Invoice window. This is a default behavior across all transaction windows in QBO.

## ***Recording a customer payment***

Let me start by mentioning that QBO interfaces with QuickBooks Payments, Intuit's online merchant service offering, so that you can accept ACH and credit card payments from your customers and record them directly

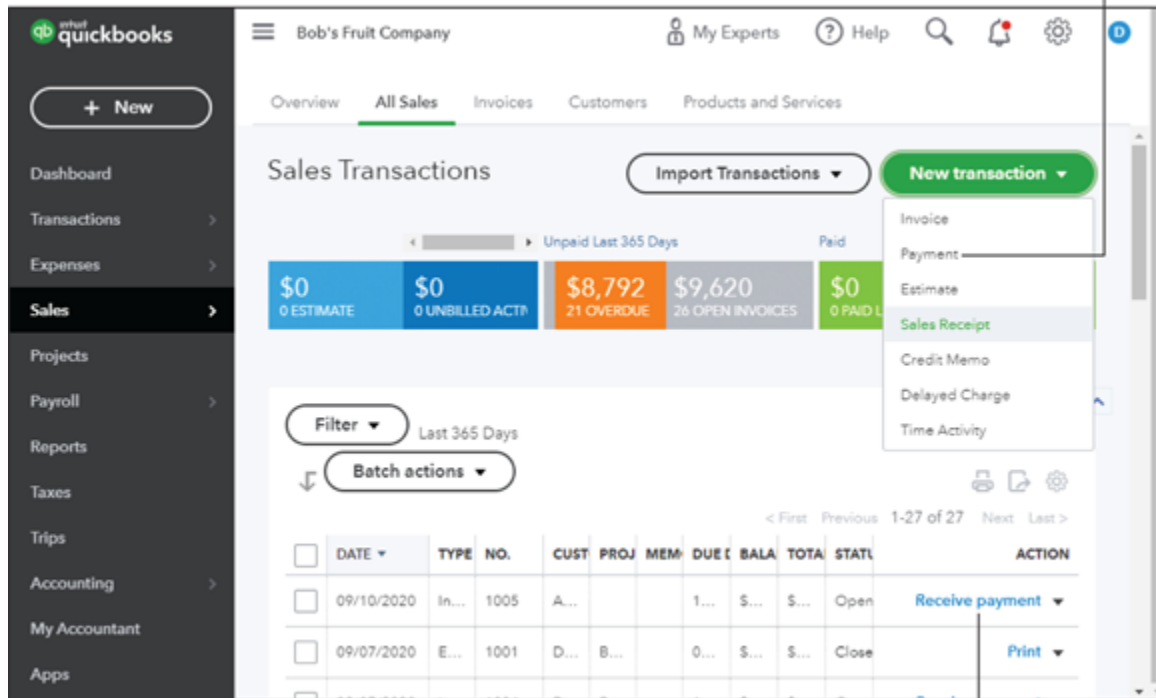
into QBO. Visit <http://quickbooks.intuit.com/payments> or contact Intuit for details.

In this section, you explore how to record payments in QBO using traditional QBO tools.

One of our favorite accounting transactions is recording payments from customers, and we bet it's one of your favorites too. You can display the Receive Payment window in the following ways:

- » In the Sales Transactions list, you can find the invoice for which you want to record a payment and click Receive Payment in the Action column (see [Figure 6-13](#)).
- » You can click the New Transaction button on the Sales Transactions page and select Payment (also shown in [Figure 6-13](#)).
- » You can click the Create menu and select Receive Payment.
- » If you are working with a project, you can choose Projects, select the project, and click Add to Project.

Click here to open a blank Receive Payment window.



Click here to receive payment for a specific invoice.

**FIGURE 6-13:** Opening the Receive Payment window from the Sales Transaction list.

If you choose the first method in the previous list, QBO displays the Receive Payment window, prefilled with the information for the invoice you selected as well as a proposed payment amount.

## USING THE UNDEPOSITED FUNDS ACCOUNT

If you receive more than one customer payment on any given day, you'll find the Undeposited Funds account a convenient way to handle the money that comes into your business. If you deposit two or more checks in your bank on a given day (or you receive multiple credit card payments on a given day), your statement will typically reflect a single lump amount for the batch of transactions. — pretty much the same way you sum the checks on a deposit ticket you give to a bank teller.

“And why is this important?” you ask. When you receive your statement from your bank, you need to reconcile the bank’s deposits and withdrawals with your own version of deposits and withdrawals. If you track each customer payment you receive as a deposit in the bank, then your deposits won’t match the bank’s deposits. And, if you don’t use the Undeposited Funds account — and instead record customer payments directly into your QBO Bank account — your deposits definitely *won’t* match the bank’s version of your deposits.

Thus Undeposited Funds account in QBO acts as a holding account for customer payments before you’ve prepared a bank deposit slip. If you first record customer payments to the Undeposited Funds account, you can then use the Bank Deposit feature in QBO to aggregate the payments you receive into a single amount that will match the amount the bank credits to your account. Then, your bank reconciliation process becomes quick and easy — well, okay, maybe not quick and easy, but certainly quicker and easier than if you were trying to figure out which combination of customer payments made up various bank deposits.

See [Chapter 8](#) for details on preparing a bank deposit and reconciling a bank statement.

If you use the second or the third method, QBO displays an empty Receive Payment window. You then select a customer, and QBO displays all the customer’s open invoices in the Outstanding Transactions section, at the bottom of the window (see [Figure 6-14](#)).

**Receive Payment** ? Help X

Payment date: 09/10/2020

Payment method: Choose payment method | Reference no.: | Deposit to: Checking

Amount received: 0.00

**Outstanding Transactions**

Find Invoice No. | Filter > | All

<input type="checkbox"/>	DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input type="checkbox"/>	Invoice (07/17/2020)	07/17/2020	285.36	285.36	<input type="text"/>
<input type="checkbox"/>	Invoice # 1004 - Beschfront Benenas (09/07/2020)	10/07/2020	284.00	284.00	<input type="text"/>

Cancel | Clear | Print | Save and new

**FIGURE 6-14:** The Receive Payment window after selecting a customer with open invoices.

At the top of the screen, select a Payment Method and select the account in which you want QBO to place the customer’s payment. Fill in the Amount Received field with the amount of the customer’s payment. In the Outstanding Transactions section, place a check beside each invoice being paid by the customer’s payment.

At the bottom of the Receive Payment window, click Save and New to enter additional customer payments, or click the arrow beside Save and New and choose Save and Close or Save and Send.

## HANDLING OVERPAYMENTS

Although it doesn’t happen often, a customer might overpay you. The way you handle the overpayment depends on whether you intend to give the customer a credit or whether you intend to keep the money — as if it were a gratuity.

Regardless of your intent, make sure that your QBO company is set up to automatically apply credits. Choose Gear ⇒ Account and Settings and then click Advanced on the left side of the Account and Settings dialog box. In the Automation section, make sure that Automatically Apply Credits is turned on. This setting forces QBO to create credit transactions if your customers overpay you. Then, you can choose how to use those credits.

Regardless of how you intend to treat the overpayment, find the invoice in the Sales Transactions list and click Receive Payment. Enter the full amount you received from the customer, including the overpayment amount, in the Amount Received field. Then, do one of the following:

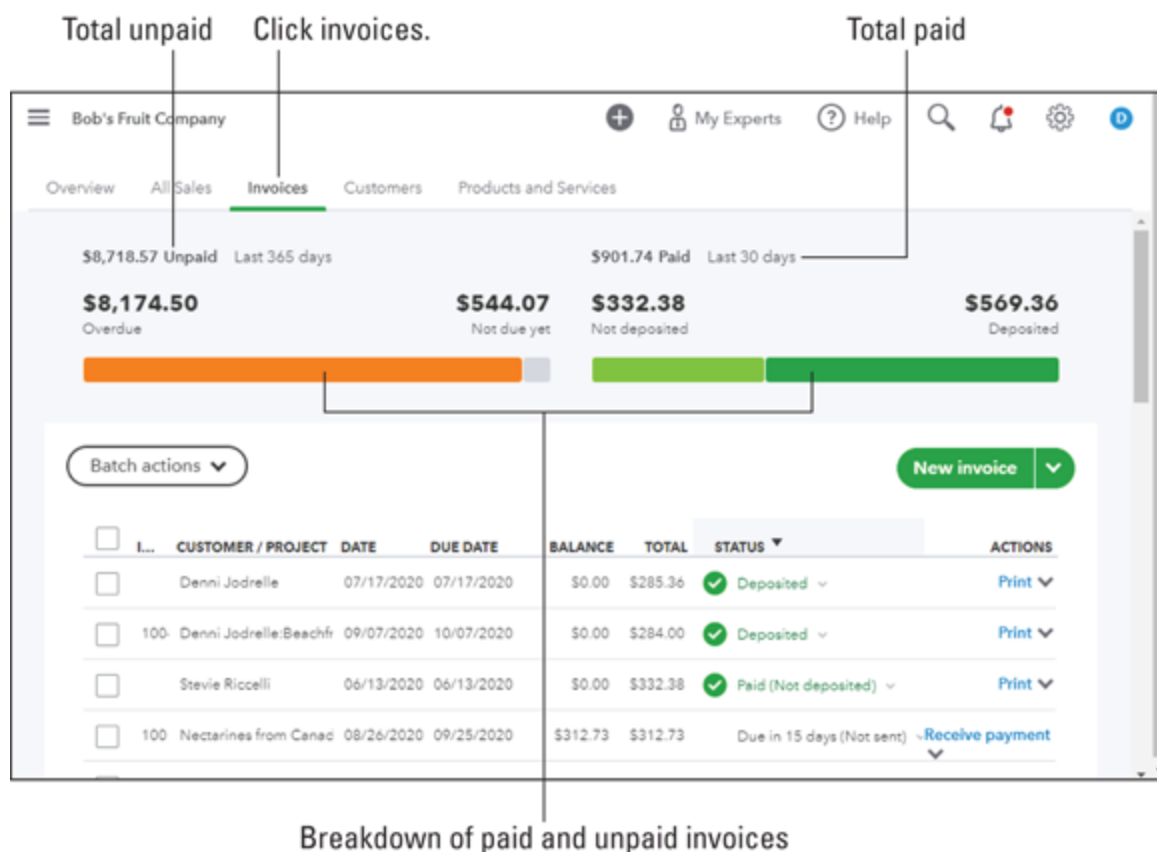
- To apply the overpayment to an existing invoice, in the Outstanding Transactions section of the Receive Payment window, select the invoices to which you want to apply the payment. Typically, the payment will fully pay at least one invoice and partially pay another invoice. QBO automatically reduces the amount due on the partially paid invoice.
- To apply the overpayment to a new invoice (one you haven't yet created), in the Outstanding Transactions section of the Receive Payment window, select only the overpaid invoice. At the bottom of the Receive Payment window, you can see the amount for which QBO will create a credit when you click Save and Close. When you subsequently create a new invoice for the customer, QBO automatically applies the credit amount to the new invoice.
- If you intend to keep the overpayment as income, create a Gratuity income account and a Gratuity service item assigned to the Gratuity income account. Then, create a new invoice for the customer using the Gratuity item and the overpayment amount. QBO automatically marks the invoice paid because it uses the overpayment credit it created from the overpaid invoice.

## ***Managing invoice status***

If you create and send a lot of invoices, it's really easy to lose track of the status of them. Is an invoice unpaid? Partially paid? Paid but not deposited? You can see where we're heading here.

QBO has set up the Invoices page to help you track the status of your invoices. If you choose Sales from the Navigation pane and then click Invoices, you see the Invoices page.

At the top of the page, you see graphics that help you determine the dollar amount of your unpaid and paid invoices. The graphic for unpaid invoices breaks down the total into Overdue and Not Due Yet. The graphic for paid invoices breaks down the total into Not Deposited and Deposited (see [Figure 6-15](#)).



**FIGURE 6-15:** Determining the amount of paid and unpaid invoices in your QBO company.

If you click in the Status column for any transaction, you can see the details behind the transaction. [Figure 6-16](#) shows the status of an invoice that has been paid but the money hasn't been deposited — the transaction's status is Paid, and displaying the details shows you the payment dates and amounts. You can click again the in the Status column for the transaction to hide its details.



Overview All Sales <b>Invoices</b> Customers Products and Services									
Batch actions ▾								New invoice ▾	
<input type="checkbox"/>	IN...	CUSTOMER / PROJECT	D...	D...	BA...	TO...	STATUS ▾	ACTIONS	
<input type="checkbox"/>		Denni Jodrelle	07/1:	07/1:	\$0.00	\$285	✓ Deposited ▾	Print ▾	
<input type="checkbox"/>	1004	Denni Jodrelle:Beachfr	09/0:	10/0:	\$0.00	\$284	✓ Deposited ▾	Print ▾	
<input type="checkbox"/>		Stevie Riccelli	06/1:	06/1:	\$0.00	\$332	<div style="display: flex; justify-content: space-between; width: 100%;"> <span>○ Sent</span> <span>○ Viewed</span> <span>● Paid Today</span> <span>○ Deposited</span> </div>	Print ▾	
You recorded the payment on 09/10/2020. Payment: \$332.38									
<input type="checkbox"/>	1001	Nectarines from Canad	08/2:	09/2:	\$312	\$312	Due in 15 days (Not sent) ▾	Receive payment ▾	
<input type="checkbox"/>	1002	Pluots R Us	08/2:	09/2:	\$118	\$118	Due in 15 days (Not sent) ▾	Receive payment ▾	
<input type="checkbox"/>	1003	Baird Daber	09/0:	10/0:	\$77.00	\$77.00	Due in 26 days (Not sent) ▾	Receive payment ▾	
<input type="checkbox"/>	1005	Amitie Forkan	09/1:	10/1:	\$110	\$110	Due in 30 days (Not sent) ▾	Receive payment ▾	

**FIGURE 6-16:** Click anywhere in the Status column to see the details for the specific transaction.

A status of Deposited means exactly what you think: You received a payment and you deposited it. And, notice that partially paid invoices appear on separate lines, helping you to track when you received payments for them and the amounts of those payments.

[Figure 6-17](#) shows that the Status column also supplies you with additional information; you see invoices that are coming due as well as overdue invoices. And, to help you visually identify overdue invoices, QBO displays them in orange (not obvious in our black and white image).

Overview	All Sales	Invoices	Customers	Products and Services
<input type="checkbox"/>	CUSTOMER / PROJECT	STATUS	ACTIONS	
<input type="checkbox"/>	Finn Speedin	Overdue 90+ days (Not sent) ▾	Receive payment ▾	
<input type="checkbox"/>	Amitie Forkan	Overdue 90+ days (Not sent) ▾	Receive payment ▾	
<input type="checkbox"/>	Orton Benzie	Overdue 90+ days (Not sent) ▾	Receive payment ▾	
<input type="checkbox"/>	Baird Deber	Overdue 90+ days (Not sent) ▾	Receive payment ▾	
<input type="checkbox"/>	Willard Gemilbett	Overdue 90+ days (Not sent) ▾	Receive payment ▾	
<input type="checkbox"/>	Aldis Ezzell	Overdue 90+ days (Not sent) ▾	Receive payment ▾	
<input type="checkbox"/>	Nectarines from Canad	Due in 15 days (Not sent) ▾	Receive payment ▾	
<input type="checkbox"/>	Pluots R Us	Due in 15 days (Not sent) ▾	Receive payment ▾	
<input type="checkbox"/>	Baird Deber	Due in 26 days (Not sent) ▾	Receive payment ▾	
<input type="checkbox"/>	Amitie Forkan	Due in 30 days (Not sent) ▾	Receive payment ▾	

**FIGURE 6-17:** In addition to fully and partially paid invoices, you also see which invoices are coming due and which are overdue.

If an invoice’s status shows that you haven’t sent it yet, you can click the invoice in the Status column to display an option to send it.

## ***Working with estimates***

You can use estimates — also known as quotes or bids — to prepare documents that forecast what you need to charge a client to complete a project. Estimates don’t affect your QBO general ledger or financial statements, but do enable you to keep track of proposals you make to customers. If a customer decides to buy, based on your estimate, you can convert estimate to a purchase order to facilitate ordering the items needed to complete the job. You also can convert an estimate to an invoice when it’s time to bill your customer.



**WARNING** You can only convert estimates with a status of Pending. Converting an estimate to an invoice automatically changes the estimate's status from Pending to Closed. Therefore, if you want to convert an estimate to both a purchase order and an invoice, make sure you convert the estimate to a purchase order first.

### ***Preparing an estimate***

Before you prepare an estimate, think about whether the estimate is related to a project; that is, decide whether you want to use QBO's Projects feature. Projects allow you to see all transactions related to the project in one place. For more information on projects, see the section in this chapter "[Managing Projects](#)."

## **NON-POSTING TRANSACTIONS**

Estimates and purchase orders are two examples of non-posting transactions. Non-posting transactions don't affect your accounting records in any way, but they are helpful because they enable you to track potential transaction information you don't want to forget. In addition to estimates and the purchase orders, QBO also enables you to record Delayed Charges and Delayed Credits.

You can use a Delayed Charge transaction much the like you use an estimate. The Delayed Charge transaction records potential future revenue, and you can convert a Delayed Charge to an invoice in the same way you convert an estimate to an invoice. For details, see the section "[Converting an estimate to an invoice](#)."

The Delayed Credit transaction enables you to record a potential future credit memo. When you prepare an invoice for a customer for whom you've entered a Delayed Credit transaction, QBO displays the Delayed Credit in the pane on the right side of the Invoice window, and you can add the credit to the invoice. A Delayed Credit transaction differs from a Credit Memo transaction because a Credit Memo transaction updates your books when you enter it, but a Delayed Credit transaction updates your books only when you include it on an invoice.

You fill out both forms the same way you create an invoice; for details, see the section "[Preparing an invoice.](#)"

You prepare an estimate in much the same way you prepare an invoice. To display the Estimate window, click the New menu and choose Estimate. Or, if you prefer to work from the Sales Transactions page, choose Sales ⇒ All Sales in the Navigation bar, click the New Transaction button, and, from the menu that appears, click Estimate. QBO displays the Estimate window (see [Figure 6-18](#)).



**REMEMBER** If you are working with a project, you can choose Projects, select the project, and click Add to Project.

Choose a customer, and QBO displays the customer's address information and the estimate date. You supply the estimate's expiration date and optionally select the Send Later option.



**REMEMBER** QBO sets an estimate's status as Pending as long as the estimate is open and has not expired or been converted to an invoice. The status appears just above the customer's billing address.

**Estimate #1002** ? Help X

Customer: Amitie Forkan  Email: aforkang@shinystat.com

⏸ Pending  Send later Co/Boc

**AMOUNT**  
**710.00**

**Billing address**  
Amitie Forkan  
Predovic, Kozey and Gorczany  
763 Anderson Way  
Philadelphia, PA 19136

+ Shipping information

Estimate date: 09/10/2020  Expiration date:

Estimate no.: 1002

Location of sale: 123 Nunya Drive, Greenville, GA, :

Cancel Clear Print or Preview Make recurring Customize Save **Save and close**

**FIGURE 6-18:** Creating an estimate.

To fill in the products and services the customer is considering for purchase, click in the Product/Service column and select an item. You can type characters in the Product/Service column and QBO will help you find the item. QBO fills in any default information stored about the item. You can change the description, quantity, rate, amount, and taxable status of the item. Repeat this process to add more items to the estimate.

If you scroll down in the Estimate window, you see the additional fields shown in [Figure 6-19](#).

Click here to control whether a discount is pre- or post-taxable.

The screenshot shows the bottom section of an estimate window. At the top left, there are three buttons: "lines", "Clear all lines", and "Add subtotal". Below these are two text input areas: "Message displayed on estimate" (empty) and "Message displayed on statement" (containing the text: "If you convert an estimate into an invoice and send a statement, this will show up as the description for the invoice."). To the right of these areas is a summary table with the following data:

Subtotal	686.00	
Discount percent	5	-34.30
Taxable subtotal	\$651.70	\$26.60
Select tax rate	Based on location	678.30
Estimate Total		678.30

A blue double-headed arrow points from the text above to the "Discount percent" field. A blue link "See the math" is located next to the Taxable subtotal row.

**FIGURE 6-19:** The bottom of the Estimate window.

You can select a sales tax rate, apply a discount percentage or dollar amount to the estimate if you have the company preference turned on to display the Discount box, type a message to the customer, type information in the Memo box, and attach an electronic document to the estimate.



**TIP**

To attach an electronic document to the estimate, click in the Attachments box and navigate to the folder on your hard disk where you store the document, or drag and drop the electronic copy into the Attachments box.



**REMEMBER** You control whether the discount is a pre-tax or post-tax discount by clicking the switch that appears to the left of the Discount and Sales Tax Rate boxes. Clicking the switch swaps the position of the two boxes; when the Discount box appears on top, the discount is pre-tax. If the discount switch doesn't appear, enable discounts by choosing Gear ⇒ Account and Settings ⇒ Sales, turn the Discount switch on, click Save, and then click Done.

At the bottom of the window, you can

- » Cancel the estimate or clear the window and start again.
- » Click Print or Preview to print or preview the estimate.
- » Click Make Recurring to set up the estimate as a recurring estimate you intend to send on a schedule you specify.
- » Click Customize to set up a custom form style for the estimate.
- » Click More to copy, delete, or view the Audit Trail for the estimate.
- » Click Save to assign a number to the estimate and save it in QBO.
- » Click Save and Send to assign a number to the estimate, save it, and email a copy to the customer. A window appears, in which you can write an email message and look at a preview of the estimate. After you send your invoice, the email time and date-stamp information appears in the header.



TIP

You can click the arrow beside Save and Send and then choose Save and New to save the estimate and start a new one, or choose Save and Close to save the estimate and close the Estimate window.

### ***Copying an estimate to a purchase order***

So, you priced your estimate well, and now your customer wants to purchase based on the quote you provided. In this case, you may want to use the estimate information to prepare a purchase order for a vendor. QBO Plus and Advanced enables you to copy an estimate with a status of Pending or Accepted to a purchase order; these versions turn on this feature by default.



WARNING

An estimate's status determines whether it can be copied. If the estimate is open and has not expired or been converted to an invoice, the estimate's status is either Pending or Accepted. An estimate's status changes from Pending to Accepted after your customer approves the estimate. Converting an estimate to an invoice automatically changes the estimate's status to Closed. If you intend to copy an estimate to a purchase order, be sure do so before you convert the estimate to an invoice.

Be aware that QBO includes on purchase orders only those items for which you have selected the "I Purchase This Product/Service from a Vendor" option. If you include items on the estimate for which you have not selected this option, those items won't copy to the purchase order. To solve this problem, you can edit your items and make sure you select the option.



You can convert any estimate with a Pending or Accepted status to a purchase order:

1. **Create and save a new estimate using the steps in the preceding section, “[Preparing an estimate](#),” or open an existing pending estimate.**
2. **At the top of the Estimate window, click the down arrow beside the Create Invoice button and choose Copy to Purchase Order (see [Figure 6-20](#)).**

You might see the message that explains that some items on the estimate might not carry over to the purchase order. The message appears because some items on the estimate are set up without the “I Purchase This Product/Service from a Vendor” option selected.

3. **If the message appears, click OK to dismiss it.**  
QBO creates a purchase order using the information from your estimate and displays it in the Purchase Order window (see [Figure 6-21](#)).
4. **Edit the purchase order as necessary, selecting a vendor and adding any more items to the purchase order.**
5. **Save the purchase order.**

Click to copy a purchase order.

**Estimate #1002** Help

Customer: Amite Forkan | Email: eforkang@shinystat.com

AMOUNT: **678.30**

Buttons: Create invoice, Copy to purchase order

Status: Pending (This customer is not tax exempt)

Billing address: Amite Forkan, Predovic, Kozey and Gorczany, 763 Anderson Way, Philadelphia, PA, 19136

+ Shipping information

Estimate date: 09/10/2020 | Expiration date: [ ]

Estimate no.: 1002

Location of sale: 123 Nunya Drive, Greenville, GA, :

**FIGURE 6-20:** Getting ready to copy an estimate to a purchase order.

**Purchase Order** Settings Help

Vendor: Choose a vendor | Email: Email (Separate emails with a comma)

AMOUNT: **\$343.00**

Status: Open

Mailing address: [ ]

Ship to: Select customer for address | Purchase Order date: 09/10/2020 | Permit no.: [ ]

Shipping address: Bob's Fruit Company, 123 Nunya Drive, Greenville, GA 30222 US

Ship via: [ ]

Tags: [ ] Manage tags

Category details: [ ]

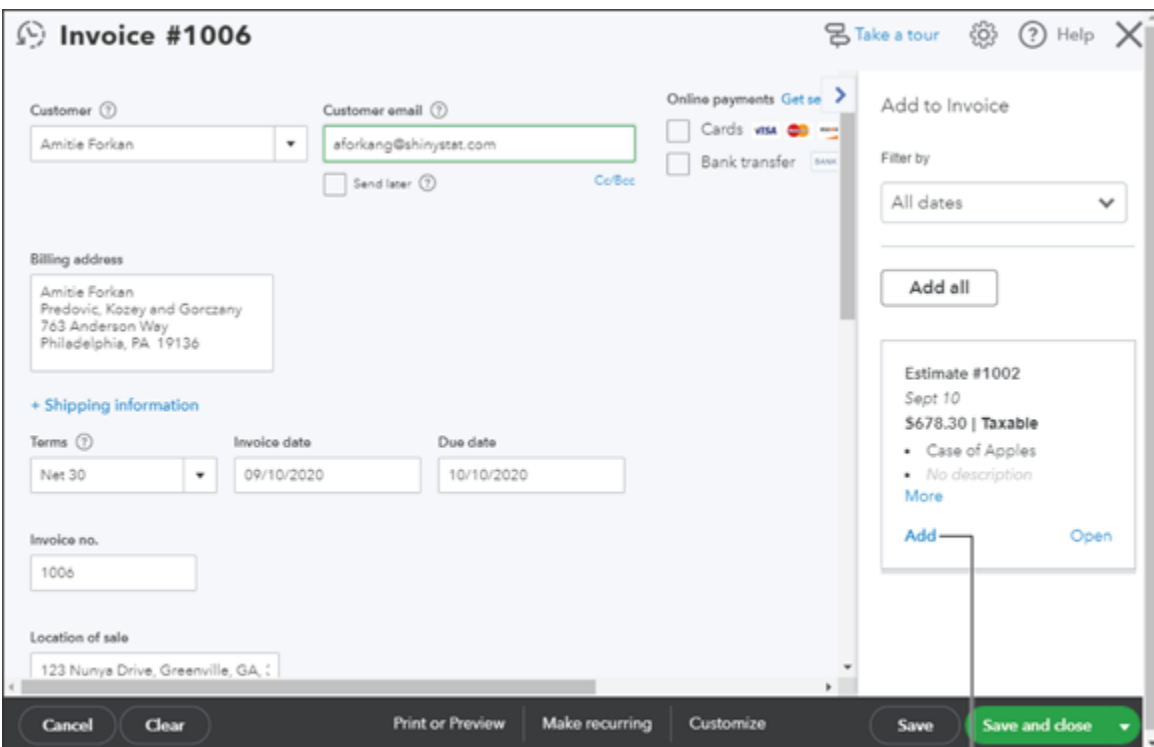
Buttons: Cancel, Clear, Print, Make recurring, Save, Save and close

**FIGURE 6-21:** A purchase order QBO created from an estimate.

## Converting an estimate to an invoice

When you're ready to prepare an invoice for a customer based on an estimate you previously created, save yourself some time and effort and copy the estimate's information to an invoice. You can, if necessary, make adjustments to the invoice by adding or removing lines. You can copy an estimate's information to an invoice using any of several approaches. Be aware that copying an estimate to an invoice in QBO automatically changes the estimate's status from Pending to Closed.

First, you can open the Invoice window and select the customer with the open estimate. QBO displays available documents you can link to the invoice, including any estimates (see [Figure 6-22](#)). Click the Add button at the bottom of an estimate, and QBO automatically adds the estimate information to the Invoice window.



Click here to add estimate information to the invoice.

**FIGURE 6-22:** Copying an estimate to an invoice from the Invoice window.

Second, you can filter the Sales Transactions page to display only estimates, and click the Create Invoice link in the Action column beside the estimate you want to convert (see [Figure 6-23](#)). QBO displays an invoice that contains all the lines available on the estimate.

Third, from the Sales Transactions page, you can click the estimate to open it (and review its content, if you want). In the Estimate window of any estimate with a status of Pending or Accepted, you'll find a Create Invoice button (refer to [Figure 6-18](#)); click that button, and QBO displays the Invoice window containing all the information from the estimate.

Regardless of the method you use, after you have copied an estimate on an invoice, QBO changes the estimate's status from Pending or Accepted to Closed. Be aware that QBO closes the estimate even if you don't invoice the customer for all lines on the estimate. Also be aware that you can change an estimate's status from Closed to Pending, but, if you do, you are making all lines on the estimate available for invoicing — and you could then accidentally invoice your customer twice for the same goods. So, if your customer buys only some lines on the estimate but intends to buy other lines at a later point in time, your best bet to ensure that you have the right information available for a future invoice is to let QBO close the original estimate and create another estimate for only the lines the customer didn't yet buy.

### Filtering to view only estimates

The screenshot shows a software interface for 'Bob's Fruit Company'. At the top, there are navigation tabs: Overview, All Sales (selected), Invoices, Customers, and Products and Services. Below the tabs is a summary bar with five colored boxes: \$678 (1 ESTIMATE), \$0 (0 UNBILLED ACTIVITY), \$8,175 (19 OVERDUE), \$8,719 (23 OPEN INVOICES), and \$902 (3 PAID LAST 30 DAYS). Below the summary bar is a filter section with a 'Filter' dropdown set to 'Last 365 Days' and 'Estimates' selected. A 'Batch actions' dropdown is also visible. Below the filter section is a table with columns: DATE, TYPE, NO., CUSTOMER, PROJEC, TOTAL, LAST DI, STATUS, and ACTION. The table contains two rows of estimates. The first row is dated 09/10/2020, type Estimate, NO. 1002, customer Amitie Forkan, total \$678.30, status Pending, and has a 'Create Invoice' link. The second row is dated 09/07/2020, type Estimate, NO. 1001, customer Denni Jodrelle, total \$284.00, status Closed, and has a 'Print' link. A 'Total' row shows a total of \$962.30. A callout line points from the text 'Click this link to start an invoice based on an estimate.' to the 'Create Invoice' link in the table.

DATE	TYPE	NO.	CUSTOMER	PROJEC	TOTAL	LAST DI	STATUS	ACTION
09/10/2020	Estimate	1002	Amitie Forkan		\$678.30		Pending	Create Invoice
09/07/2020	Estimate	1001	Denni Jodrelle	Bes...	\$284.00		Closed	Print
Total					\$962.30			

Click this link to start an invoice based on an estimate.

**FIGURE 6-23:** Click the Create Invoice link to use estimate information on an invoice.

### *Copying an existing estimate*

Suppose that you have an existing estimate — even one you’ve already copied to an invoice — and you want to create a new estimate using most of the information on the existing invoice. You can duplicate the existing estimate, edit the copy as needed, and then save the new estimate. Duplicating an invoice saves you time because you don’t need to reenter a lot of information.

On the Sales Transactions list, click the estimate you want to duplicate to open it in the Estimate window. Notice that, in [Figure 6-24](#), we’ve displayed an estimate with a status of Closed.

At the bottom of the window, click the More button and, from the menu that appears, click Copy.

The estimate's status is Closed.

Estimate #1001

1 linked Invoice

Customer: Denni Jodrelle: Beachfront Banan

Email: djodrellej@cpanel.net

AMOUNT: 284.00

Status: Closed

Billing address: Denni Jodrelle, Bosco, Waelchi and Brakus, 3878 Butternut Trail, Louisville, KY 40250

+ Shipping information

Estimate date: 09/07/2020

Expiration date: [ ]

Estimate no.: 1001

Location of sale: 123 Nucua Drive, Greenville, GA

Buttons: Copy, Delete, Audit history

Click here to copy the estimate.

**FIGURE 6-24:** Click Copy to duplicate an estimate, even if it's closed.

QBO opens a new estimate that already contains the information of the estimate you copied. Just above the Billing Address information, you see a message that explains that the estimate you're viewing is a copy and you should make any changes you need (see [Figure 6-25](#)). For example, change the customer, and QBO updates the Billing Address information. Feel free to add or delete lines as needed. When you finish making changes, click Save or Save and Send in the lower-right corner of the window, as appropriate.

This message indicates you're working in a duplicate estimate.

Estimate #1003

Customer: Denni Jodrelle Beachfront Bananas

Email: djodrellej@cpanel.net

AMOUNT: 284.00

Pending

Send later

Co/Sec

This is a copy

This is a copy of an estimate. Revise as needed and save the estimate.

Billing address: Denni Jodrelle, Bosco, Waelchi and Brekus, 3878 Butternut Trail

**FIGURE 6-25:** Edit and then save the duplicated estimate.

## *Creating a progress invoice*

Suppose your business requires that your work for a customer stretches out over a lengthy period of time — say six months or even a year or more. If you have to wait until you complete the work to collect any money, you'd have a hard time staying in business because you wouldn't have the money to pay your bills. Accordingly, you'll work out arrangements with your customers so that you're paid at various intervals, which is known as *progress invoicing*.



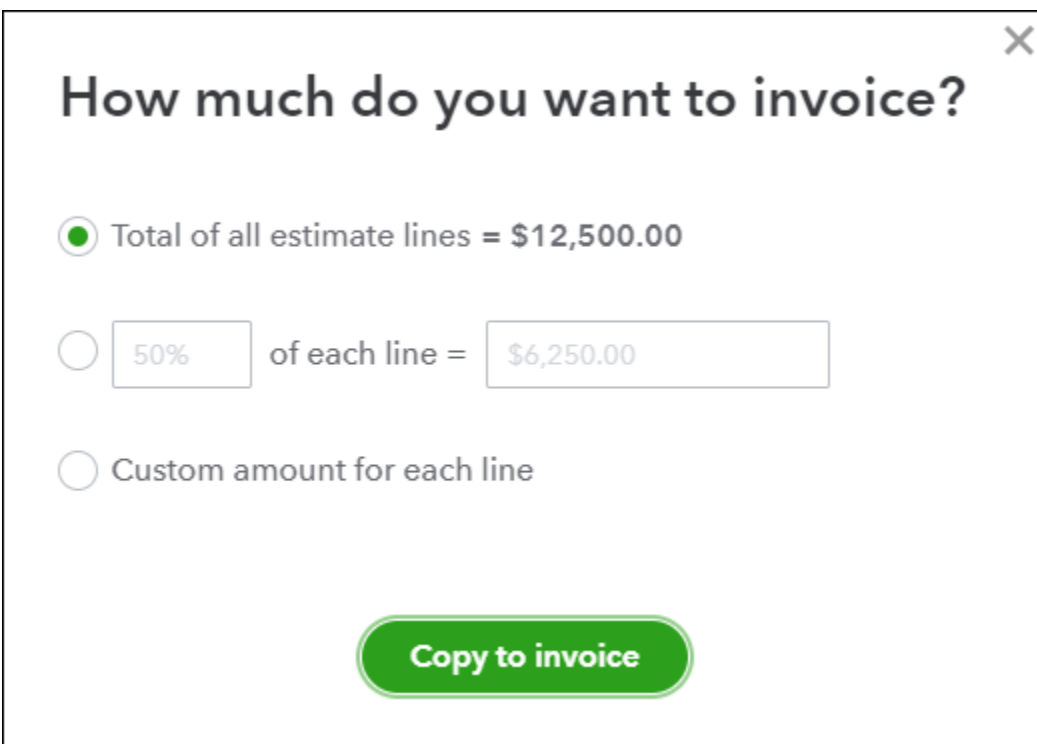
**TIP** Progress invoicing often goes hand in hand with project work; you can read more about using the Projects feature in QBO earlier in this chapter in the section "[Managing Projects](#)." Be aware that you don't need to use the Projects feature to prepare and send progress invoices; but if you *do* intend to use projects, you should set up before you enter any transactions related to the project. That way, you'll be able to effectively see the transactions affecting

the project, including estimates and progress invoices.

Progress invoicing lets you send invoices to your customers at varying intervals that you and your customer agree upon. QBO allows you to create multiple invoices for portions of an estimate until you have invoiced the estimate in full.

You won't be able to create progress invoices until you enable the feature: choose Gear ⇒ Account and Settings ⇒ Sales. Click the switch in the Progress Invoicing section, click Save, and then click Close.

Next, create an estimate that you want to use as the foundation for a given set of progress invoices. When you're ready to invoice your customer for a portion of the estimate, display the estimate onscreen and click the Create Invoice button. QBO displays the window shown in [Figure 6-26](#).



How much do you want to invoice?

Total of all estimate lines = \$12,500.00

50% of each line = \$6,250.00

Custom amount for each line

Copy to invoice

**FIGURE 6-26:** Use this window to establish the amount of a progress invoice.



Based on the choice you make in this window, QBO creates the designated invoice with appropriate values filled in and updates the estimate's value. If you opt to create an invoice using custom amounts for each line, QBO displays the invoice with no amounts filled in so that you can supply them. You create additional progress invoices for the estimate as appropriate until QBO closes the estimate.

### ***Working with sales receipts***

You use invoices when you need to track money that a customer owes you but hasn't yet paid. But suppose that your customer pays you at the time you provide goods or render services. Instead of entering an invoice and then immediately receiving a payment against it, you can use a Sales Receipt instead. If you're shipping the items to the customer, you can print a packing list based upon the sales receipt, which will show the quantities of the items the customer purchased without price information.

### ***Entering a sales receipt***

To enter a sales receipt, choose New ⇒ Sales Receipt or, from the Sales Transactions page, choose New Transaction ⇒ Sales Receipt to display the window shown in [Figure 6-27](#).

**Sales Receipt #1007** ? Help X

Customer: [Choose a customer] Email: [Email (Separate emails with a comma)] AMOUNT  
**0.00**

Send later [Co/Bcc](#)

Billing address: [ ]

+ Shipping information

Sales Receipt date: 09/12/2020

Sales Receipt no.: 1007

Location of sale: 123 Nunya Drive, Greenville, GA, :

Cancel Print or Preview Make recurring Customize Save **Save and send**

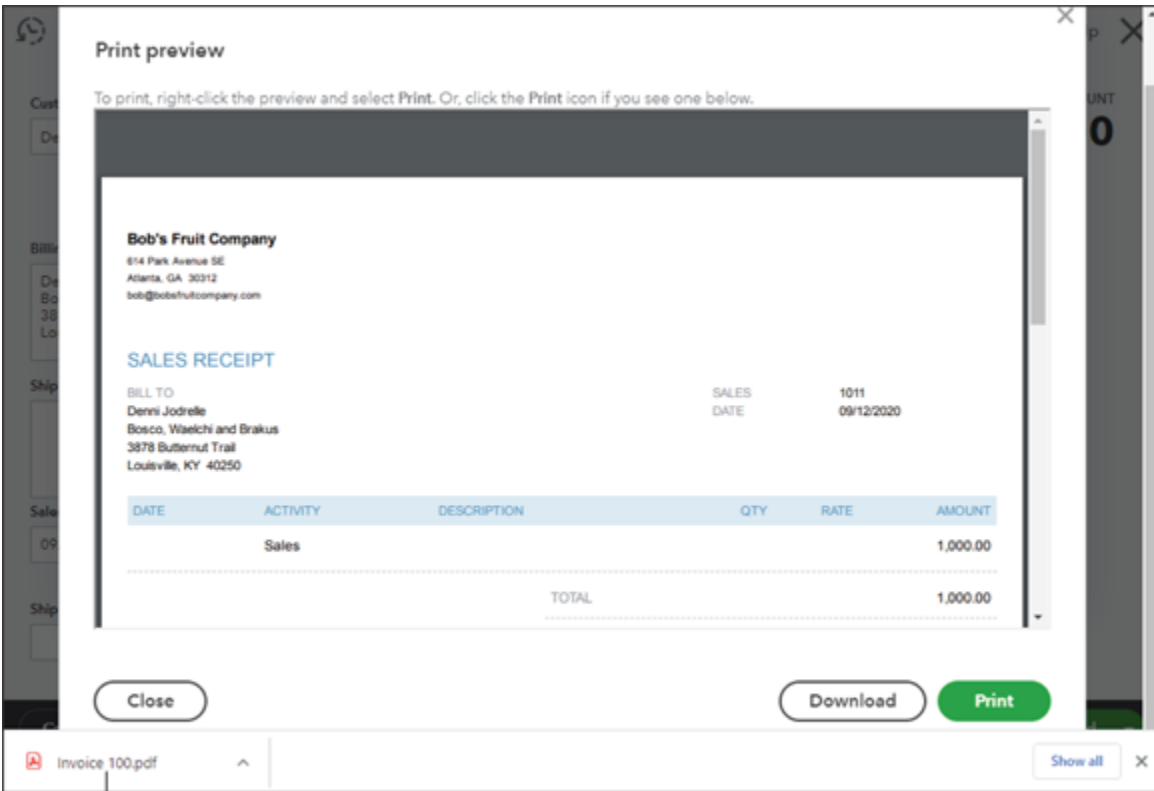
**FIGURE 6-27:** A sales receipt.

The sales receipt form closely resembles other sales forms you see in this chapter: You select a customer, and QBO fills in customer billing address information and assigns today’s date to the transaction. You identify CC and BCC email addresses for the sales receipt as appropriate; you can copy or blind copy additional email addresses for invoices, estimates, purchase orders, sales receipts, credit memos, and refund receipts. Next, enter a payment method and optional reference number, and select the account into which QBO should place the funds. See the sidebar in this chapter “[Using the Undeposited Funds account](#)” for information on selecting an account from the Deposit To list.

You fill out the rest of the Sales Receipt transaction the same way you fill out an invoice transaction; if you scroll down in the window, you’ll find the same fields at the bottom of the Sales Receipt window as the ones that appear at the bottom of the Invoice window.

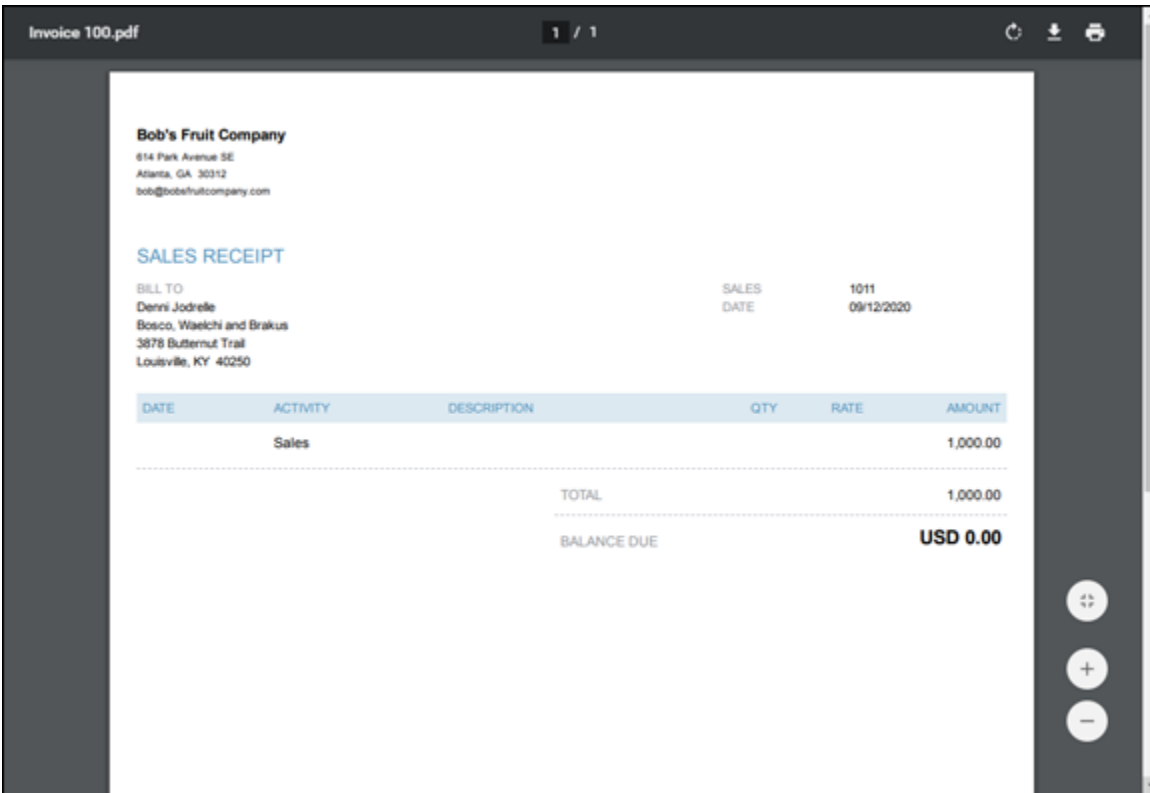
## ***Printing sales receipts and packing slips***

You can print both the sales receipt and, if appropriate, a packing list. To print either document, click the Print or Preview button at the bottom of the Sales Receipt window. If QBO and your browser — Chrome, in our case — can create a preview of the document, you'll see it onscreen and you can right-click the preview to print the document. If QBO and your browser can't render a preview, you'll see a screen with an Open button in the middle of the screen. Or your screen may look like [Figure 6-28](#), in which you can click Download to create a PDF file, or Print to send the document to a printer or the PDF print driver of your choice. If you're using Chrome, the downloaded PDF file is represented by the icon that appears in the lower-left corner of [Figure 6-28](#). You can click the PDF document shown in the lower-left corner to display it in the PDF viewer stored on your computer. Note that QBO may assign a random filename to the PDF, such as, in this case, Invoice 100 for Sales Receipt 1011, so you may need to resave or rename the PDF with a more meaningful name. [Figure 6-29](#) shows the PDF document in Chrome. If your browser cannot display PDFs, free options include Acrobat Reader and Nitro Reader.



Click here to open the downloaded document QBO creates.

**FIGURE 6-28:** The Print Preview window for a sales receipt.



**FIGURE 6-29:** The PDF version of the sales receipt QBO creates.

Notice that the sales receipt displays all pertinent information, including the prices of items.



**REMEMBER** You can dismiss the Print Preview window using the X in the upper-right corner of the screen or, if you see it onscreen, the Close button at the lower-left corner of the Print Preview window.

If you opt to print the packing slip, QBO again saves the sales receipt if you haven't already saved it. Then, QBO downloads the document and displays a preview window like the one shown previously in [Figure 6-28](#). When you click the downloaded PDF document, it opens in your computer's PDF viewer; the difference between the sales receipt and the packing slip is that the packing slip

displays only what the customer bought and not how much the customer paid.

## ***Giving Money Back to a Customer***

It happens. It's a bummer, but, it happens. Occasionally, you need to return money you have received from a customer.

You have two options for returning money to customers: You can issue a credit memo that the customer can apply against a future invoice, or you can issue a refund receipt for situations where you need to immediately return the funds.



TIP

You can think of a Credit Memo transaction as the opposite of an Invoice transaction, and a Refund Receipt transaction as the opposite of a Sales Receipt transaction. The look and feel of a Credit Memo transaction is similar to an Invoice transaction, but has the opposite impact. Similarly, the look and feel of a Refund Receipt transaction is similar to a Sales Receipt transaction but (again) has the opposite impact.

### ***Recording a credit memo***

If you and your customer agree that the customer's outstanding or future balance should be reduced, record a credit memo in QBO.



TIP

By default, QBO automatically applies credit memos to outstanding or future invoices. If you want to change that behavior, open the Account and Settings dialog box (choose Gear menu ⇒ Account and Settings) and click Advanced on the left. Scroll down to the Automation section on the right, and turn the switch for the Automatically Apply Credits option off, click Save, and then Close.

You enter a Credit Memo transaction pretty much the same way you enter an invoice; to display the Credit Memo window shown in [Figure 6-30](#), you can click the New menu button and choose Credit Memo or, from the Sales Transactions page, you can click the New Transaction button and choose Credit Memo.

The screenshot shows the 'Credit Memo #1008' entry form. At the top left, there's a clock icon and the title 'Credit Memo #1008'. At the top right, there's a 'Help' button with a question mark and a close 'X' button. Below the title, there are two main sections: 'Customer' and 'Email'. The 'Customer' field is a dropdown menu with 'Choose a customer' selected. The 'Email' field is a text input with the placeholder 'Email (Separate emails with a comma)'. Below the email field, there's a checkbox for 'Send later' and a 'Co/Bc' button. To the right of these fields, there's a section for 'AMOUNT TO REFUND' showing '\$0.00'. Below the email field, there's a 'Billing address' field which is currently empty. Underneath the billing address, there's a '+ Shipping information' link. Further down, there are fields for 'Credit Memo Date' (09/12/2020), 'Credit Memo no.' (1008), and 'Location of sale' (123 Nunya Drive, Greenville, GA, :). At the bottom of the form, there's a dark grey bar with four buttons: 'Cancel', 'Print or Preview', 'Make recurring', and 'Save and send' (with a dropdown arrow).

**FIGURE 6-30:** Entering a credit memo.

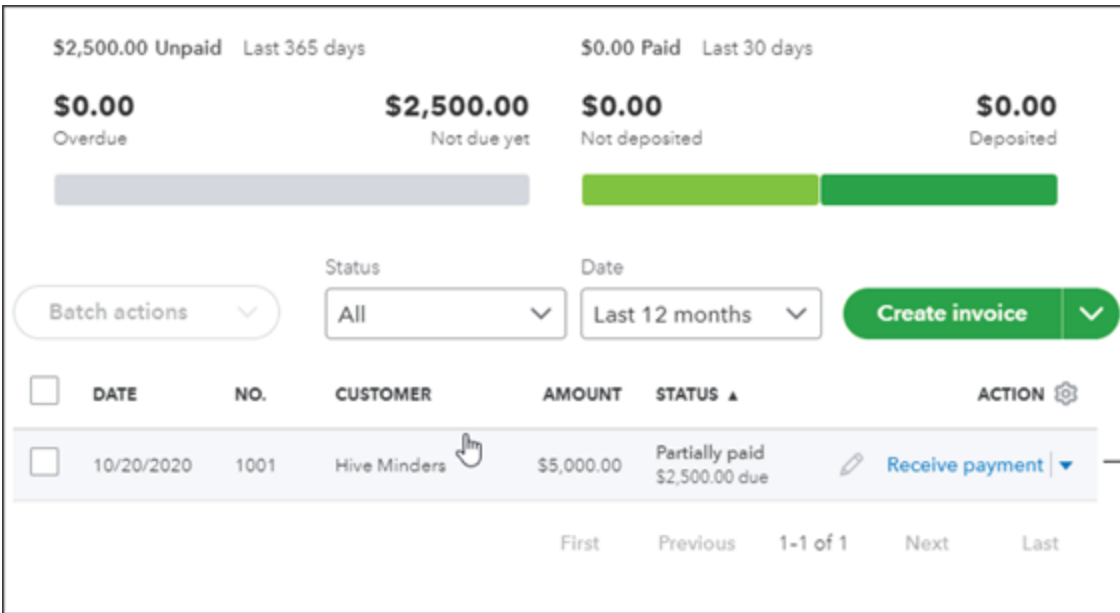
Select the customer, fill in the products or services for which you are issuing a credit memo, fill in the bottom of the Credit Memo window with appropriate information, and save the transaction. This transaction window is very similar to the Invoice transaction window; see the section [“Preparing an invoice”](#) for details.

You can enter a credit memo for a customer even if that customer currently has no outstanding invoices; when you enter the customer’s next invoice, QBO automatically applies the credit memo to the invoice unless you’ve disabled that option.

When you enter a credit memo for a customer who has outstanding invoices, QBO applies the credit memo to an outstanding invoice; if you view the Sales Transactions list for that particular invoice, you’ll notice that its Status is Partial, meaning that the invoice is partially paid (see [Figure 6-31](#)).

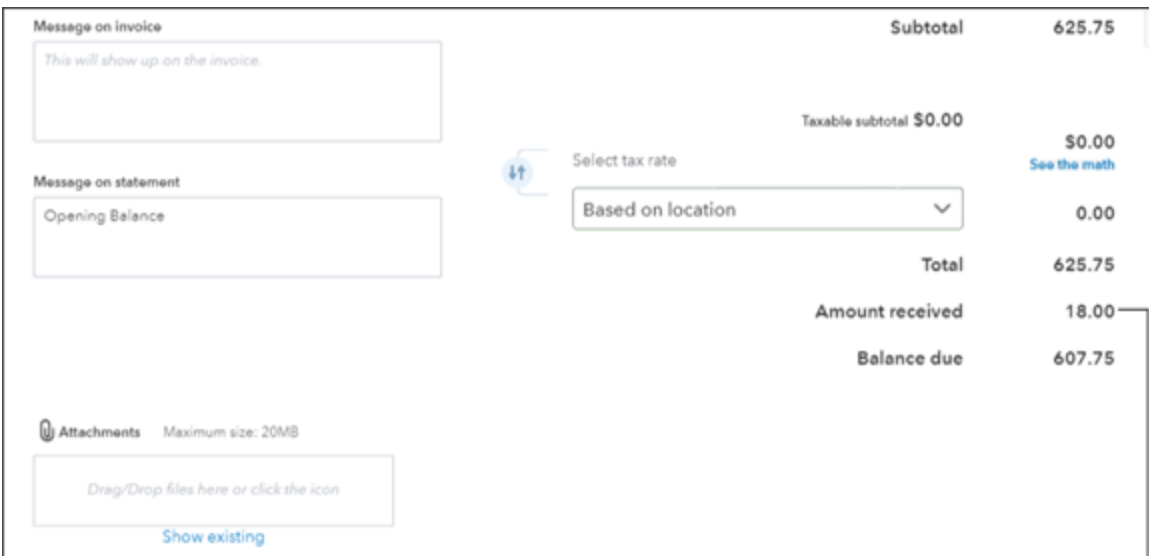
If you click the invoice to view it, you’ll see a link just below the outstanding balance that indicates a payment was made (and the amount of the payment). And, if you scroll to the bottom of the invoice, you’ll see the credit amount on the Amount Received line at the bottom of the invoice (see [Figure 6-32](#)).





Invoice with a credit memo applied

**FIGURE 6-31:** An invoice to which QBO has applied a credit memo.



The credit amount appears here.

**FIGURE 6-32:** By default, QBO applies credit memos to an existing outstanding invoice.

## *Issuing a refund to a customer*

Use QBO's Refund Receipt transaction if you need to refund money to a customer instead of reducing an

outstanding or future balance. In this example, we're going to issue a refund check to a customer, which will deduct the amount of the refund from a Bank account and reduce an Income account. The customer didn't return any items.



**TIP** To account for refunds you issue when a customer doesn't return an item, first set up an account called something like Returns and Allowances, and assign this account to the Category Type of Income and a Detail Type of Discounts/Refunds Given. Then set up a service on the Products and Services list and call it something like Customer Refunds or even Returns & Allowances. Do *not* select Is Taxable for the service. Assign the service to the Returns and Allowances account and don't assign a default Price/Rate.

Filling in the Refund Receipt window is very similar to filling in the Sales Receipt window, so, if you need more details than we supply here, see the section "[Working with sales receipts](#)." To display the Refund Receipt window shown in [Figure 6-33](#), click the New button and choose Refund Receipt in the Customers column. Select a customer, and QBO fills in related customer information.

**Refund Receipt #1009** ? Help X

**Billing address**

Barbe Veel  
Nolen Inc  
026 John Wall Way  
Louisville, KY 40293

+ Shipping information

**Refund Receipt date**  
09/12/2020

**Refund Receipt no.**  
1009

**Location of sale**  
123 Nunya Drive, Greenville, GA, :

**Tags** Manage tags  
Tags are custom labels that track money how you want. Start typing to add a tag.

**Payment method** **Refund From** **Balance** **Check no.**

Check  Checking  \$2,563.85 1042  
 Print later

Cancel Clear Order checks Print or Preview Make recurring **Save and new**

**FIGURE 6-33:** Issuing a refund check.

Select a payment method and an account; if you select a Bank account like we did, QBO lists the Bank account's current balance and the next check number associated with the account. If you want, click the Print Later check box.

In our example, the customer isn't returning any items, so we selected the Refunds & Allowances service. If your customer is returning items, select the item that the customer is returning in exchange for the refund in the Product/Service column, and don't select the Refunds and Allowances service shown in [Figure 6-33](#).

You can scroll down to the bottom of the Refund Receipt transaction window and fill in all the same information available at the bottom of an invoice. You can also save and send copies of refund receipts to your customers.

# Creating Billable Time Entries

This section of *QuickBooks Online For Dummies* focuses on the time-tracking tools that are native to QBO.



TIP

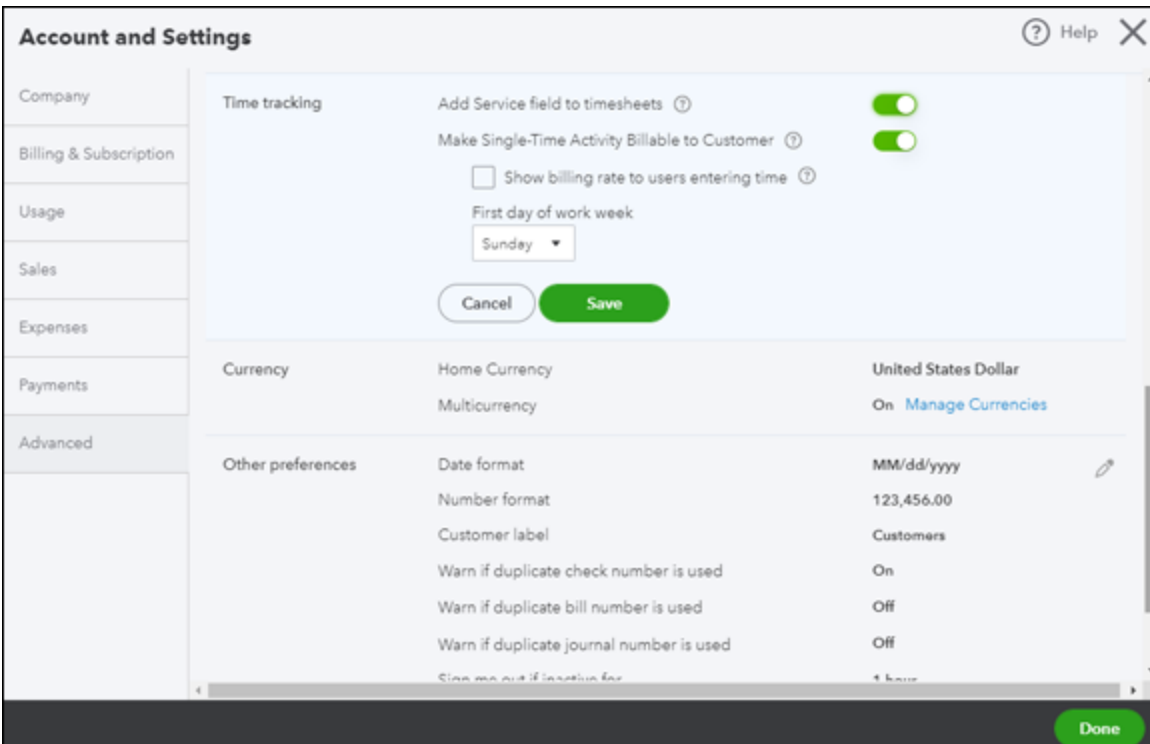
If your business has time-tracking needs that go beyond what is offered by QBO, consider using the TSheets, one of several timekeeping apps that fully integrate with QBO and easily enables your employees to track time using their mobile devices; any time they record syncs automatically to QBO, with all the appropriate customer, job, and employee information. For more information, visit the Intuit App Center (click the Apps link in the Navigation pane) or visit [apps.intuit.com](https://apps.intuit.com), the direct link at the time we wrote this.

Your employees may complete activities needed to run your company (such as preparing customer invoices or entering accounting information into QBO), and they might also perform work directly related to your customers. In the latter case, you may need to track the time employees spend on client-related projects so that you can bill your customers for your employees' time.

To track time using tools available by default in QBO, make sure you turn on Time Tracking options. Choose Gear ⇒ Account and Settings ⇒ Advanced (see [Figure 6-34](#)). Then, in the Time Tracking section, enable these two options:

» Add Service Field to Timeslips, and

## » Make Single-Time Activity Billable to Customer.



**FIGURE 6-34:** Enable Time Tracking options in QBO.

You use either the Time Activity window or the Weekly Timesheet window. Regardless of the window you use, QBO tracks the time entered and, when you prepare an invoice for a client for whom time was recorded, QBO prompts you to add the time to the invoice.

In this section, you learn to enter time using both the Time Activity window and the Weekly Timesheet window, and you see how QBO prompts you to include the billable time on a customer's invoice. Note that a time entry that you can bill back to a customer is called, cleverly, *billable time*.

### ***Entering a single time activity***

To open the Time Activity window, follow these steps:

- 1. Click the New button to open the New menu.**



**REMEMBER** If you are working with a project, you can choose Projects, select the project, and click Add to Project.

**2. In the Employees column, click Single Time Activity.**

QBO displays the Time Activity window shown in [Figure 6-35](#).

**FIGURE 6-35:** The Time Activity window.

- 3. From the Name list, select the employee or vendor who performed the work.**
- 4. Enter the date the work was performed.**
- 5. From the Customer list, select the customer for whom the work was performed.**
- 6. From the Service list, select the service that was performed.**

7. **Place a check in the Billable box, which changes to the Bill At box, and supply an hourly rate.**
8. **If the work performed is subject to tax, place a check in the Taxable box.**
9. **In the Time box, enter the amount of time spent on this activity.**

You can enter start and end times, including any break time, by checking the Enter Start and End Times box; QBO calculates the time spent and displays it below the Description box.

10. **Enter a description of the work that will appear, by default, on an invoice.**

You can change the description after adding the time entry to the invoice.

11. **In the lower-right corner of the window, click Save to save the entry or Save and New to enter another time activity.**

If you click the arrow beside Save and New, you can choose Save and Close.

## ***Using a timesheet to record time***

If you prefer to enter time in a grid format that shows the days and dates for a week, then the Weekly Timesheet, shown in [Figure 6-36](#), is for you. To enter time using this window, follow these steps:

1. **Click the New button to open the New menu.**
2. **In the Employees column, click Weekly Timesheet.**
3. **Select the name of the person whose time you're recording.**
4. **Select the week for which you want to record time.**

5. In the Details section, select a customer name, a service item, and, if appropriate, supply a description.
6. To bill the time back to a customer, select the Billable check box and provide a rate at which to charge the time.
7. Fill in the time worked on the appropriate day.
8. In the lower-right corner of the window, click Save, Save and New, or click the arrow beside Save and New and select Save and Close.

The screenshot shows the 'Weekly Timesheet' application window. It features a table with columns for days of the week (SUN 6, MON 7, TUE 8, WED 9, THU 10, FRI 11, SAT 12) and a 'TOTAL' column. Two entries are visible:

#	DETAILS	SUN 6	MON 7	TUE 8	WED 9	THU 10	FRI 11	SAT 12	TOTAL
1	Baird Deber Cost rate (/hr) ⓘ Fruit Tree Installation Installed apple tree at customer's location <input checked="" type="checkbox"/> Billable (/hr) 250.00 <input checked="" type="checkbox"/> Taxable							1:00	Cost \$87.75 Hrs 1:00 Billable \$250.00
2	Bidget Cubley Cost rate (/hr) ⓘ Banana Peeling Banana peeling <input checked="" type="checkbox"/> Billable (/hr) 0.00 <input checked="" type="checkbox"/> Taxable		4:00	2:00	3:00	4:00	4:00		Hrs 17:00

At the bottom of the window, there are buttons for 'Cancel', 'Copy last timesheet', 'Save', and 'Save and new'.

**FIGURE 6-36:** The Weekly Timesheet.

## *Adding a Billable Expense to an Invoice*

You can add billable expense entries, including billable time entries, to an invoice in a couple of ways. For



example, if you view any customer's page, QBO displays a list of transactions, as shown in [Figure 6-37](#). In the Action column of any billable entry, QBO displays a Create Invoice button that you can click to start an invoice to the customer and include the billable expense on the invoice. To view a customer's page, click Sales in the Navigation bar, click Customer on the page that appears, and then click a customer's name.

Click here to display your customer list and select a different customer.

The screenshot shows the QBO interface for a customer named Aldis Ezzell. At the top, there's a navigation bar with 'Overview', 'All Sales', 'Invoices', 'Customers', and 'Products and Services'. The 'Customers' tab is active. Below the navigation, the customer's name 'Aldis Ezzell' is displayed along with contact information: 'Krajcik-Predovic | 8 Dennis Hill, Lakeland, FL 33805'. There are buttons for 'Edit' and 'New transaction'. A summary shows a balance of '\$380.89 OPEN' and '\$0.00 OVERDUE'. Below this, there are tabs for 'Transaction List', 'Projects', 'Customer Details', and 'Late Fees'. The 'Transaction List' tab is selected, showing a table with columns: DATE, NO., PROJECT, MEMO, DUE DATE, BALANCE, TOTAL, STATUS, and ACTION. The table contains three rows of transactions, each with a 'Create invoice' action button. A 'Batch actions' and 'Filter' dropdown are visible above the table. At the bottom of the table, there are totals: '\$380.89' and '\$684.64'.

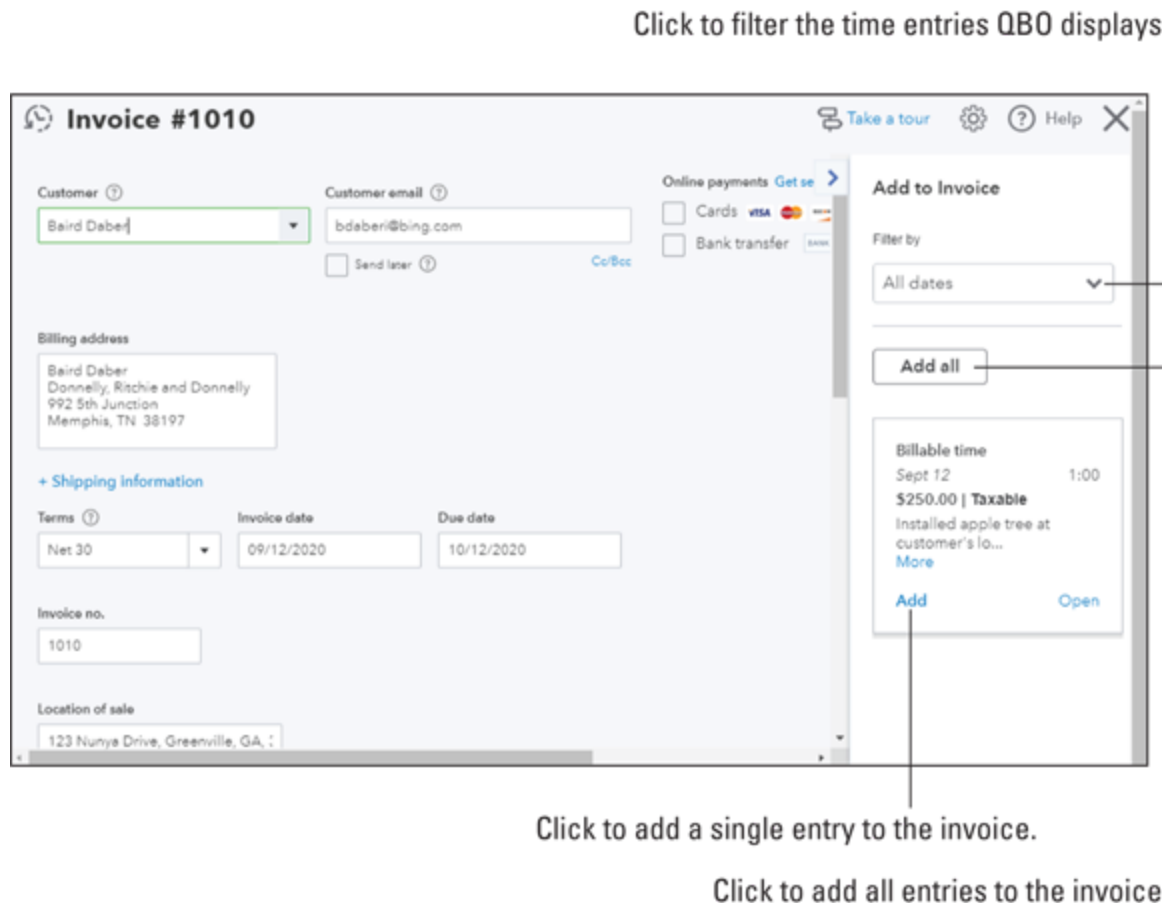
DATE	NO.	PROJECT	MEMO	DUE DATE	BALANCE	TOTAL	STATUS	ACTION
10/20/2020			Opening ...	10/20/2020	\$380.89	\$380.89	Open	Receive payment
10/20/2020			Deluxe A...	10/20/2020	\$0.00	\$187.50	Open	Create invoice
10/20/2020			Deluxe B...	10/20/2020	\$0.00	\$116.25	Open	Create invoice
					\$380.89	\$684.64		

**FIGURE 6-37:** Viewing a customer's page in QBO.



**REMEMBER** If you are working with a project, you can choose Projects, select the project, and click Transactions to view available billable expenses.

But you don't need to go looking for billable time entries. QBO prompts you to add them to any invoice you create for a customer for whom billable entries exist. Start an invoice (from the New menu click Invoice) and select a customer. If the customer has billable expense entries, they appear in the pane on the right side of the screen (see [Figure 6-38](#)).



**FIGURE 6-38:** Creating an invoice for a customer with billable time entries.

Use the Filter options to limit the billable time entries that appear. Then, click the Add button in each billable time entry that you want to add to the invoice. Or, to add all the entries, click the Add All button at the top of the pane on the right. QBO enters each billable time entry's information on a line on the invoice, filling in the service, description, quantity, rate, and total amount. By default,

QBO lists time entries individually on the invoice, but you can opt to group time entries by service type. You can edit any information on the invoice as needed. Fill in the rest of the invoice as described in the section [“Preparing an invoice,”](#) adding other lines that might not pertain to time entries.

Don't forget that you can add a subtotal for time entries, if you choose. See the [“Customizing forms to handle subtotals”](#) section of this chapter for details.

# Chapter 7

## Working in Registers

---

### IN THIS CHAPTER

- » **Examining registers**
- » **Working with registers and transactions**

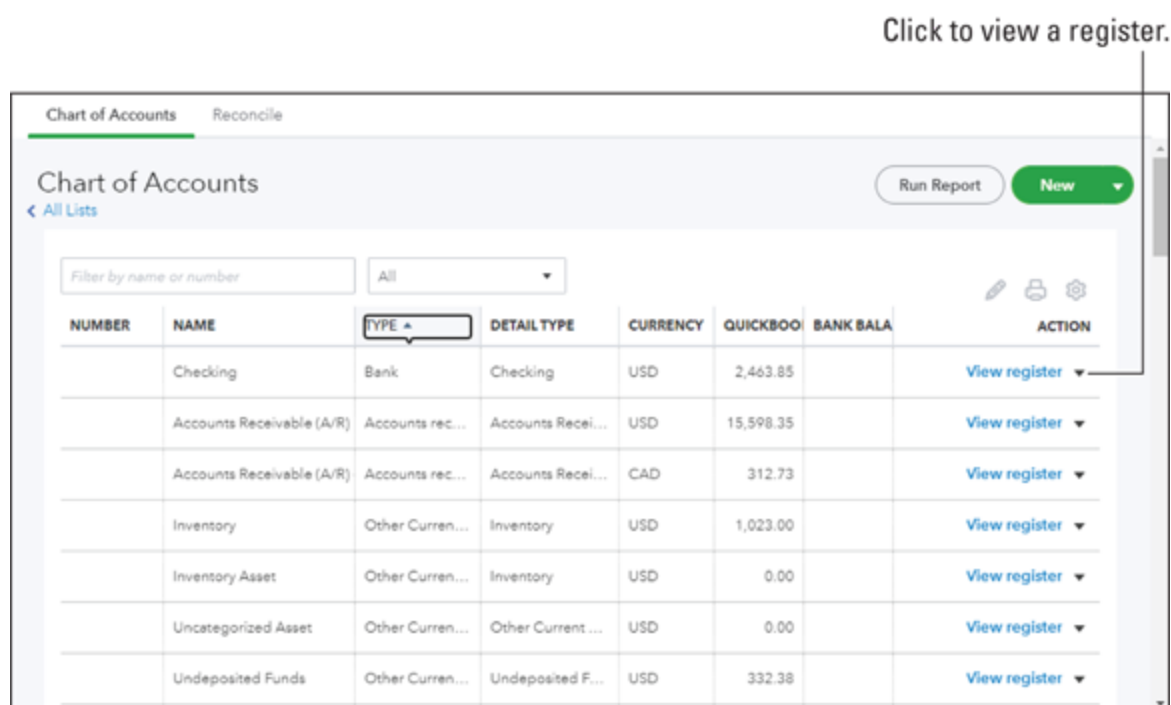
[Chapters 5](#) and [6](#) show you how to enter transactions such as checks, sales receipts, invoices, and customer payments using various QBO transaction windows. You also see ways to find and filter for certain transactions.

But transaction windows and lists aren't the only way to work with transactions in QBO. You also can use registers. Some people find it more efficient to enter transactions, particularly checks, into a register. Most everyone should find it easy to use a register to quickly view the transactions that affect a particular account and find particular transactions, as described at the end of this chapter.

## *Understanding Registers*

Registers allow you to see every transaction that affects a particular account. Registers in QBO contain much of the same information you find in traditional paper registers, such as those that banks give you to record handwritten checks. To view the register for a particular account, choose Gear ⇒ Accounting ⇒ Chart of Accounts in the Your Company column. Note that the first time you view the Chart of Accounts, you might need to click the See Your Chart of Accounts button before your Chart of Accounts appears. Then, use the

View Register link in the Action column to display the register of a particular account (see [Figure 7-1](#)).



**FIGURE 7-1:** Use the Chart of Accounts page to open a particular account's register.

[Figure 7-2](#) shows a bank account register in QBO. The register page displays the name of the account — in this case, Checking, with the bank balance beside the bank account name — and its ending balance in QBO at the top-right side of the register.

DATE	REF NO. TYPE	PAYEE ▲ ACCOUNT	MEMO	FOREIGN CURRE EXCHANGE RATE	PAYMENT (USD)	DEPOSIT (USD)	✓ B	BALA
09/07/2020	1030	Algernon Dossett			\$861.69		R	
	Bill Payment	Accounts Payable (A/P)						
09/07/2020	1036	Alisander Sirett			\$30.10		R	
	Bill Payment	Accounts Payable (A/P)						
09/07/2020		Alisander Sirett			\$96.00		R	
	Expense	Purchases						
09/12/2020	1042	Barbe Veel			\$100.00		R	
	Refund	Discounts given						
09/12/2020	1007	Bidget Cubley				\$36.00	R	
	Sales Receipt	Sales						
09/07/2020	1028	Bill Swinglehurst			\$584.47		R	
	Bill Payment	Accounts Payable (A/P)						
09/07/2020	1041	Bill Swinglehurst			\$75.00		R	

**FIGURE 7-2:** A typical bank account register.

If the bank account register shown in [Figure 7-2](#) were electronically connected to its counterpart at a banking institution, you’d also see the balance in the account as that financial institution reports it.



**TIP** By default, QBO displays the latest transaction first, but you can make changes to the way QBO displays register information, as described later in this section and at the end of this chapter, in the section “[Other Things You Can Do in a Register.](#)”

One rule you need to remember about registers: They are *not* available for all accounts. You’ll find that registers are available for all *balance sheet* accounts except Retained Earnings. Balance sheet accounts fall into the following QBO account category types:

- » Bank
- » Accounts Receivable
- » Other Current Assets
- » Fixed Assets
- » Other Assets
- » Accounts Payable
- » Credit Card
- » Other Current Liabilities
- » Long Term Liabilities
- » Equity

You see these account category types when you add a new account to the Chart of Accounts or when you view the Chart of Accounts page in QBO.



TIP

If you use account numbers, then, typically, all asset accounts begin with 1, such as 1000 or 10000, all liability accounts begin with 2, and all equity accounts begin with 3. This numbering scheme is *not* carved in stone, but most accountants recommend that you follow these guidelines when you assign numbers to the accounts in your Chart of Accounts.

Within the register, you see column headings that identify the information contained in each column for every transaction and, at the right edge of a register page, you see a running balance for the account. All the transactions in a bank account register affect a bank account — along with some other account, as dictated by the rules of accounting (*double-entry bookkeeping*, a founding principle of accounting, means that every

transaction affects at least two accounts). The amount shown in the Balance column is a running balance for the account as long as the register is sorted by date.



**TIP** At the end of this chapter, in the section “[Other Things You Can Do in a Register](#),” you learn how to sort a register so that it appears in some order other than the default transaction date order. Be aware that, if you sort by any column other than the Date column, the Balance column won’t display any information because the information wouldn’t make any sense.

By default, the latest transactions appear at the top of the register, but, if you prefer, you can change the appearance of the register to use Paper Ledger mode, as shown in [Figure 7-3](#). In Paper Ledger mode, QBO lists transactions from earliest to latest — similar to the way transactions appear when you use a paper bank account register. In a paper register, you enter your transactions as they occur, so the earliest transactions appear at the top of the register and the latest transactions appear at the bottom of the register.



DATE	REF NO.	PAYEE ACCOUNT	MEMO	FOREIGN EXCHANGE	PAYMENT (USD)	DEPOSIT (USD)	✓	BALANCE (USD)
09/15/2020		Bob Jones	Pay Perio...		\$4,509.50		R	\$4,752.46
	Paycheck	-Split-						
09/15/2020		Johnny A. Seed	Pay Perio...		\$1,316.55			\$9,261.96
	Paycheck	-Split-						
09/15/2020	1044	Tom Smith			\$750.00			\$10,578.51
	Check	Repairs & Maintenance						
09/12/2020	1007	Bidget Cubley				\$36.00	R	\$11,328.51
	Sales Receipt	Sales						
09/12/2020	1011	Denni Jodrelle	Downpa...			\$1,000.00	R	\$11,292.51
	Sales Receipt	Sales						
09/12/2020	1042	Barbe Veel			\$100.00		R	\$10,292.51
	Refund	Discounts given						

**FIGURE 7-3:** A bank account register in Paper Ledger mode.



**REMEMBER** When you switch to Paper Ledger mode, QBO assumes you want to enter a new transaction, as described later in this chapter in the section [“Entering a transaction,”](#) and automatically displays a new transaction window at the bottom of the register page.

To switch to Paper Ledger mode, follow these steps:

- 1. Click the Table Settings gear above the Balance column.**

You can see the Table Gear Settings button in [Figure 7-2](#).

- 2. From the drop-down menu that appears, click Paper Ledger mode to select it.**

QBO reorders the transactions in the register so that they appear in date order from oldest to newest.

In addition, QBO displays a new transaction window at the bottom of the register — ready for you to use, as you can see in [Figure 7-3](#).

To switch back to the register's regular appearance, repeat the preceding steps; when you remove the check beside Paper Ledger mode, QBO reorders the transactions in the register in date order with the latest transaction at the top of the register page.

In addition to using Paper Ledger mode, you can control the appearance of a register in a few other ways; you can

- » Change the size of columns.
- » Control the number of rows on a page in your QBO company.
- » Reduce each register entry to a single line.



**TIP** QBO remembers the setting you select for the register's appearance even after you navigate away from the register; if you choose to display the register in Paper Ledger mode, the next time you display any register, QBO displays it in Paper Ledger mode. Further, if you open a different register, QBO applies your customizations to that register.

To change the size of any column, slide the mouse pointer into the column heading area on the right boundary of the column. In [Figure 7-4](#), I'm resizing the Memo column. Drag the mouse pointer when the pointer changes to a pair of left-and right-pointing arrows connected to a pair of vertical bars. Dragging to the left

makes the column narrower, and dragging to the right makes the column wider. As you drag, a solid vertical line like the one in [Figure 7-4](#) helps you determine the size of the column. Release the mouse button when the column reaches the size you want.

If resizing columns doesn't satisfy your viewing needs, you can save space horizontally by removing columns from the register. To do so, you use the options on the Table Settings gear. Click the Gear button above the Balance column at the right edge of the page. In the Columns section (refer to [Figure 7-2](#)), remove the checks beside any options you don't need to view; by default, QBO displays the Memo, Reconcile and Banking Status, and Running Balance columns. Remove the checks beside these options and QBO removes their columns from the register. You also can add columns of information such as transaction attachments to a register.

Bob's Fruit Company

My Experts Help

Back to Chart of Accounts

Bank Register  Bank Balance \$4,509.50

ENDING BALANCE \$4,752.46

Reconciled through 09/20/2020 Go to: 1 of 1 < First Previous 1-36 of 36 Next Last >

DATE	REF NO. TYPE	PAYEE ACCOUNT	MEMO	FOREIGN EXCHANG	PAYMENT (USD)	DEPOSIT (USD)	✓	BALANCE (US
01/01/2020	Deposit	Opening Balance Eq...	Opening...			\$3,831.12	R	\$3,831.12
07/20/2020	Transfer	Business Credit Card			\$1,000.00		R	\$2,831.12
08/10/2020	1043 Check	State Farm Insurance			\$154.00		R	\$2,677.12
08/13/2020	Transfer	Business Credit Card			\$1,000.00		R	\$1,677.12
09/06/2020	1024 Bill Payment	Cammy Caisley Accounts Payable (A...			\$964.78		R	\$712.34
09/06/2020	1025	Huifredio Todari			\$750.00		R	\$-37.66

**FIGURE 7-4:** Resizing a column.

To save space vertically, place a checkmark in the Show in One Line box and change the number of rows that appear on a page. You can display 50 rows, 150 rows, or 300 rows. [Figure 7-5](#) shows a register displaying a single line for each transaction. By default, if you opt to display a single line for each transaction in the register, QBO hides the Memo and the Reconcile and Banking Status columns.

DATE	REF NO.	TYPE	PAYEE	ACCOUNT	FOREI	EXCH	PAYMENT (USD)	DEPOSIT (USD)
01/01/2020		Deposit		Opening B...				\$3,831.12
07/20/2020		Transfer		Business C...			\$1,000.00	
08/10/2020	1043	Check	State Farm	Insurance			\$154.00	
08/13/2020		Transfer		Business C...			\$1,000.00	
09/06/2020	1024	Bill Payment	Cammy Ceisley	Accounts P...			\$964.78	
09/06/2020	1025	Expense	Hunfredo Todari	Legal & Pr...			\$750.00	
09/06/2020	1026	Check	Bill Swinglehurst	Packing M...			\$250.00	
09/06/2020	1027	Check	Kumquat World	-Split-			\$492.50	
09/06/2020	To Print	Check	Edik Chudleigh	Purchases			\$37.50	

**FIGURE 7-5:** A register displaying one line for each transaction.

## *Entering and Editing Transactions*

You may be more comfortable using a bank account register than a transaction screen to enter a check, a sales receipt, or a bill payment. But, even if you're not,

you'll likely find viewing a transaction in a register very easy and helpful.



**REMEMBER** You can't enter transactions in all of QBO's registers; specifically, you can't enter transactions in the Accounts Receivable or Accounts Payable registers because transactions in these registers must be tied to a specific customer or vendor, which requires a transaction form such as an Invoice or a Bill.

## *Entering a transaction*

The most common transactions entered directly into a register typically affect the checking account, such as handwritten checks, so we'll focus the discussion in this section on bank account registers. After you click the View Register link of a bank account, you can enter a transaction into the register.



**REMEMBER** If you would like to add attachments to transactions you'll need to display the Attachment column in the register. To do so, choose Table Gear Settings ⇒ Attachments. You can identify the Table Gear Settings button in [Figure 7-2](#) (shown previously). Displaying the Attachments column automatically gives you the option to add an attachment as you enter a transaction, or you can edit the transaction later to add an attachment.

By default, QBO helps you enter the most logical transaction for a given register. That might be a check, a deposit, a journal entry, and so on, depending on the

register you open; in the case of a bank account register, QBO displays the Add Check link. To enter the type of transaction QBO suggests, click the Add link below the Date column heading. If you are working in Paper Ledger mode, the Add link appears at the bottom of the Date column.

But suppose you want to enter a different type of transaction in a bank register. To start a new transaction and enter it, open the appropriate register and follow these steps:

- 1. Click the down arrow beside the Add Check button.**

QBO displays the list of available transaction types for the account (see [Figure 7-6](#)).



TIP

For you keyboard fans, you can press Ctrl+Alt+N to open the Add list box. For a complete list of keyboard shortcuts, see this book's Cheat Sheet at [www.dummies.com](http://www.dummies.com).



**REMEMBER** QBO displays only those types of transactions applicable to the account register you opened. For example, you can record a customer payment in a bank account register, but you cannot enter a customer invoice. Similarly, you can record a check or a bill payment in a bank account register, but you cannot enter a vendor bill.

- 2. From the list that appears, select the type of transaction you want to enter; for this example, we selected Sales Receipt.**

QBO fills in today's date and displays lines so that you can complete the transaction (see [Figure 7-7](#)).

**3. If necessary, change the transaction date.**

**4. Press Tab and, if appropriate, change the reference number for the transaction.**

You can change the reference number only for some types of transactions — and the Sales Receipt isn't one of them.

**5. Press Tab and supply a name.**

For example, if you're recording a payment you received from a customer, select the customer's name. If you're writing a check, select the check recipient's name.

**6. Press Tab and, in the Memo column, supply any memo information you want to record for the transaction.**

**7. Press Tab and, in the appropriate column, provide the amount of the transaction.**

In a bank account register, record a payment you're making in the Payment amount box and an amount you're depositing in the Deposit amount box. The type of amount you can record (payment or deposit) depends on the type of transaction you're entering; for example, you can record a deposit for a Sales Receipt, but you can't record a payment for a Sales Receipt.

**8. Press Tab.**

QBO places the mouse pointer in the Reconcile and Banking Status column. This column displays a character representing the status of the transaction: C for Cleared or R for Reconciled. When the column is blank, the transaction is neither cleared nor

reconciled. Typically this column is updated when you download or reconcile transactions.

If the account is also connected electronically to your financial institution, this column also indicates whether a transaction was added or matched when transactions were downloaded via the account's bank feed.



**WARNING** Don't be tempted to adjust the reconciliation status of a transaction from this screen because doing so adjusts the account's reconciled balance, but the adjustment doesn't show up on reconciliation reports. You'll have a mess on your hands if you modify the reconciliation status outside the reconciliation process.

## 9. **Press Tab.**

QBO's placement of the insertion pointer depends on the type of transaction you're entering. For example, if you're entering a Sales Receipt, a Receive Payment, a Bill Payment, or a Refund transaction, QBO places the insertion point in the area where you can save or cancel the transaction.

If, however, you're entering a Check, a Deposit, an Expense, a Transfer, or a Journal Entry transaction, QBO places the insertion point in the Account column. Select the other account affected by the transaction (in addition to the account whose register you have opened). For example, if you're entering a check, select an Expense account. Then, press Tab to move the insertion point into the area where you can save or cancel the transaction.





TIP

To add an attachment to the transaction, use the Table Gear Settings button to add the Attachment fields. Then, click the Add Attachment button in the lower-left corner of the transaction window. QBO opens a standard “Open” dialog box, where you navigate to the electronic document you want to attach to the transaction. Once you find it, click it and click Open to attach it to the transaction.

**10. Click the Save button that appears in the transaction.**

Keyboard fans, press Ctrl+Alt+S.

QBO saves the transaction and starts another of the same type. You can click Cancel to stop entering transactions.

Bob's Fruit Company

My Experts Help

Back to Chart of Accounts

Bank Register Checking Bank Balance \$4,509.50

ENDING BALANCE \$4,752.46 Reconcile

Reconciled through 09/20/2020 Go to: 1 of 1 < First Previous 1-36 of 36 Next Last >

▼ All

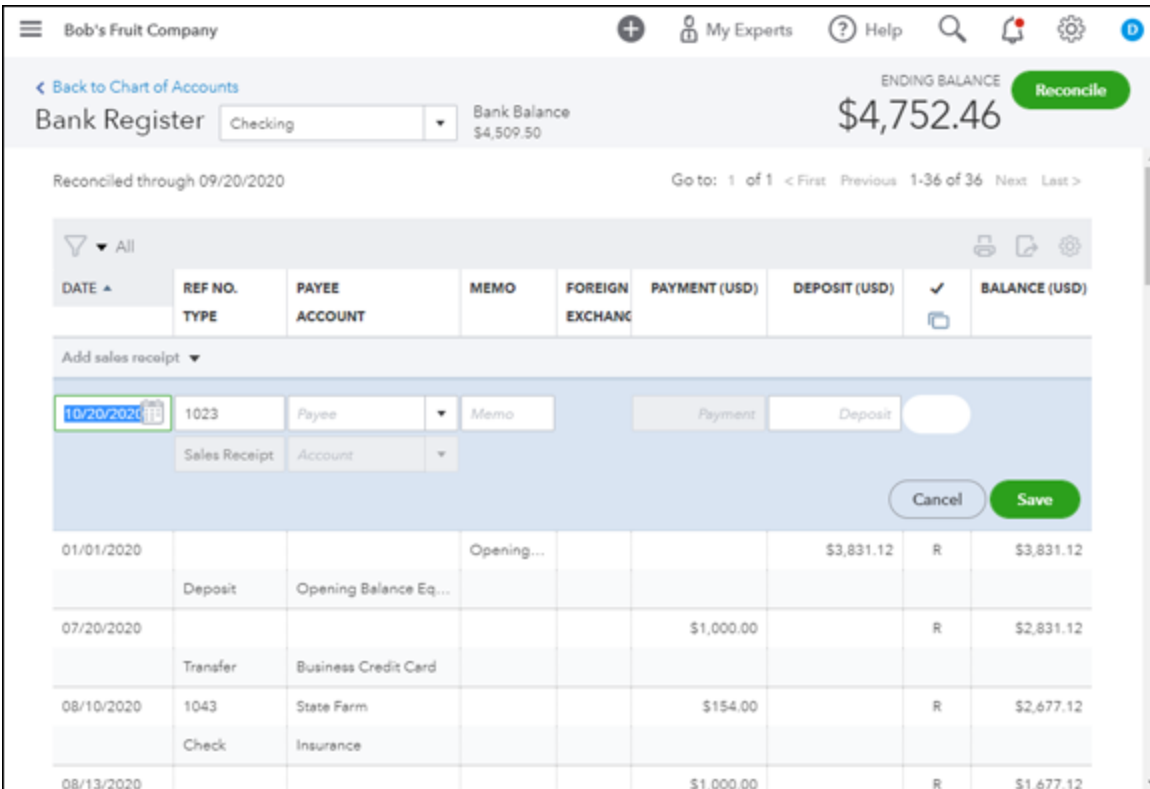
DATE	REF NO.	TYPE	PAYEE	ACCOUNT	FOREI	EXCH	PAYMENT (USD)	DEPOSIT (USD)
		Deposit		Opening B...				\$3,831.12
		Transfer		Business C...			\$1,000.00	
	043	Check	State Farm	Insurance			\$154.00	
		Transfer		Business C...			\$1,000.00	
	024	Bill Payment	Cammy Caisley	Accounts P...			\$964.78	
	025	Expense	Hunfredo Todari	Legal & Pr...			\$750.00	
09/06/2020	1026	Check	Bill Swinglehurst	Packing M...			\$250.00	
09/06/2020	1027	Check	Kumquat World	-Split-			\$492.50	
09/06/2020	To Print	Check	Edik Chudleigh	Purchases			\$37.50	

Add sales receipt

- Check
- Deposit
- Sales Receipt
- Receive Payment
- Bill Payment
- Refund
- Expense
- Transfer
- Journal Entry

Click here to display the available transaction types.

**FIGURE 7-6:** Select the type of transaction you want to enter.



**FIGURE 7-7:** Entering a sales receipt in a bank account register.



**WARNING** You cannot change the sales account for a sales receipt when entering a transaction directly into the checking register. You can, however, edit transactions through the respective transaction form, which would then enable you to change the account if needed.

## ***Editing a transaction***

You can edit a transaction in the register by clicking the transaction and then making changes. Or, if you prefer to use the transaction window for the type of transaction you selected, click the transaction and then click the Edit button. For example, if you opt to edit an Expense transaction in an account register, QBO displays the transaction in the Expense window. If you opt to enter a

check transaction, QBO displays the transaction in the Check window. See [Chapter 5](#) for examples of transaction windows.

## ***Other Things You Can Do in a Register***

Registers wouldn't be all that useful if you could only add and edit transactions. You need to be able to find transactions easily. And, it's always helpful to be able to print a register.

### ***Sorting transactions***

After a while, the number of transactions in a register can make the Register page very long, especially in a bank account register. Looking for a transaction by skimming through the register — or *eyeballing* — can be a nonproductive way of finding a transaction. Instead, sorting the register can help you find a particular transaction.

You can sort by any column in the register simply by clicking that column heading. In [Figure 7-8](#), the transactions are sorted by date, in descending order from latest to earliest; note the downward-pointing arrow in the Date column heading.

Click a column heading to sort by that column.

Reconciled through 09/20/2020 Go to: 1 of 1 < First Previous 1-36 of 36 Next Last >

▼ All 🖨️ 📄 ⚙️

DATE ▼	REF NO. TYPE	PAYEE ACCOUNT	MEMO	FOREIGN EXCHANG	PAYMENT (USD)	DEPOSIT (USD)	✓ 📄	BALANCE (USD)
Add sales receipt ▼								
09/15/2020		Johnny A. Seed	Pay Perio...		\$1,316.55			\$4,752.46
	Paycheck	-Split-						
09/15/2020		Bob Jones	Pay Perio...		\$4,509.50		R	\$6,069.01
	Paycheck	-Split-						
09/15/2020	1044	Tom Smith			\$750.00			\$10,578.51
	Check	Repairs & Maintenan...						
09/12/2020	1011	Denni Jodrelle	Downpa...			\$1,000.00	R	\$11,328.51
	Sales Receipt	Sales						
09/12/2020	1007	Bidget Cubley				\$36.00	R	\$10,328.51
	Sales Receipt	Sales						
09/12/2020	1042	Barbe Veal			\$100.00		R	\$10,228.51

**FIGURE 7-8:** Sorting transactions by date, from latest to earliest, is the default order QBO uses to display transactions.

To sort the transactions by date from earliest to latest, click the Date column; the arrow beside the column heading name changes direction and points upward.

Or suppose you want to search for transactions for a particular payee. You can click the Payee column heading to sort transactions in alphabetical order by payee, and you can click the column heading a second time to sort in reverse alphabetical order.



**WARNING** You can sort by any column heading *except* the Account, Foreign Currency Exchange Rate, Balance, Memo, and Attachment columns. And, if you sort by any column other than Date, the Balance column won't display any information because the information wouldn't make any sense.

## Filtering transactions

When sorting seems like the long way to find a transaction, try filtering the register to display transactions that meet criteria you set. Click the Filter funnel button that appears just above the Date column, and QBO displays a menu offering a variety of ways you can filter register transactions (see [Figure 7-9](#)).



**TIP** The current filter appears just beside the Filter funnel button. When you haven't selected any filters, you see "All" beside the Filter funnel button.

Click the Filter funnel button to view filter options.

Currently selected filter

The screenshot shows the 'Bank Register' for a 'Checking' account with an ending balance of \$4,752.46. A filter menu is open, displaying options for 'Find', 'Reconcile Status', 'Transaction Type', 'Payee', and 'Date'. The 'All' filter is currently selected. The background shows a table of transactions with columns for date, memo, amount, and balance.

	PAYMENT (USD)	DEPOSIT (USD)		BALANCE (USD)
	\$1,316.55			\$4,752.46
	\$4,509.50		R	\$6,069.01
	\$750.00			\$10,578.51
09/12/2020		\$1,000.00	R	\$11,328.51
09/12/2020		\$36.00	R	\$10,328.51
09/12/2020		\$100.00	R	\$10,292.51

**FIGURE 7-9:** Displaying available filters.

If you're looking for a transaction of a certain dollar amount, enter the amount or include the > or < operator with the number. When you filter by amounts, use these examples as a guideline:

- » 1234 finds all checks or reference numbers with 1234.
- » \$500 or 500 finds all transactions that equal \$500.
- » <\$25 or < 25 finds all transactions with amounts less than \$25.



**REMEMBER** QBO doesn't support searching for ranges of numbers between certain values, such as those >500 and <1000. Additionally, <= and >= are not acceptable. If you want to search for transactions that are less than or equal to 500, then use <500.01. Invalid search criteria turns red within the filter field.

To display transactions for a specific transaction date, use the All Dates box to select one of the predefined date ranges (such as Last Week) or use the Date From and To fields to view transactions only within that timeframe.

You also can filter by a transaction's reconciliation status, transaction type, or payee. Just be cognizant that the more filters you apply, the fewer transactions QBO will find.

Any transactions that meet the criteria you specify in the Filter window appear in the register after you click Apply. In addition, the selected filter appears beside the Filter button (see [Figure 7-10](#)). You can click the Clear Filter/View All link to clear the filter and redisplay all transactions in the register.

The current filter appears here.

DATE	REF NO.	PAYEE ACCOUNT	MEMO	FOREIGN EXCHANGE	PAYMENT (USD)	DEPOSIT (USD)	✓	BALANCE (USD)
09/12/2020	1011	Denni Jodrelle	Downpa...			\$1,000.00	R	(Only displayed with date/reconcile status sort)
	Sales Receipt	Sales						
09/10/2020		Denni Jodrelle				\$569.36	R	n/a
	Payment	Accounts Receivable...						

**FIGURE 7-10:** A list of transactions QBO found based on criteria specified in the Filter window.



**TIP**

While viewing a customer or a vendor, QBO displays not only the pertinent transactions, but sums them. If you apply a filter, QBO sums the filtered transactions. If the filter displays more transactions than fit on a single page, QBO displays totals on all pages. And, using the check boxes to the left of the transaction, you can separate or combine certain transactions to see the resulting sum.

## ***Printing a register***

When doing research, many people find it easiest to print the information that appears in the register. To do so, click the Print button beside the register's Table Gear Settings button (at the right edge of the register, just above the Balance column). QBO opens a new browser tab — the Print tab — to display your register formatted for printing, along with printing options (see [Figure 7-11](#)).



On the left side of the tab, select the printer you want to use and make any other necessary selections, such as the pages to print, the number of copies, and the layout orientation. When you finish selecting settings, click Print. When the report finishes printing, you can close the Print tab to redisplay your register in your QBO company.

The screenshot shows the 'Bob's Fruit Company' register with a 'Checking Ending Balance: \$4,752.46'. The register table includes columns for Date, Ref No., Payee, Memo, Foreign Currency, Payment (USD), Deposit (USD), Stat, and Balance (USD). The print settings panel on the right includes options for Destination (Save as PDF), Pages (All), and Layout (Portrait). There are 'Save' and 'Cancel' buttons at the bottom of the panel.

Date	Ref No.	Payee	Memo	Foreign Currency	Payment (USD)	Deposit (USD)	Stat	Balance (USD)
09/15/2020		Johnny A. Seed	Pay Period: 08/17/2020-09/01/2020		\$1,316.55			\$4,752.46
09/15/2020		Bob Jones	Pay Period: 08/17/2020-09/01/2020		\$4,509.50		R	\$6,069.01
09/15/2020	1044	Tom Smith	Repairs & Maintenance		\$750.00			\$10,578.51
09/12/2020	1011	Denni Jodrelle	Downpayment		\$1,000.00		R	\$11,328.51
09/12/2020	1007	Bidget Cubley	Sales		\$36.00		R	\$10,328.51
09/12/2020	1042	Barbe Veel	Discounts given		\$100.00		R	\$10,292.51
09/10/2020	1012	Moyra Maud	Sales		\$9,336.28		R	\$10,392.51
09/10/2020		Denni Jodrelle	Accounts Receivable (A/R)		\$569.36		R	\$1,056.23
09/10/2020			Payment		\$682.38		R	\$486.87
09/07/2020		Aisander Sirett	Expense		\$96.00		R	\$-195.51
09/07/2020		Kumquat World	Expense		\$70.00		R	\$-99.51

**FIGURE 7-11:** Printing a register.



**TIP** You aren't restricted to printing to paper. For example, you can print the report to a PDF file; click the Change button below the Destination printer and select a PDF option such as Save as PDF or Microsoft Print to PDF. You can even choose to Save to Google Docs if you sign into Google Cloud Print.

Alternatively, click the Export to Excel button next to the Table Gear button to export the register to an Excel spreadsheet that you can filter and analyze to your heart's content.

# Chapter 8

## Handling Bank and Credit Card Transactions

---

### IN THIS CHAPTER

- » **Managing the order and appearance of Bank accounts**
- » **Connecting QBO Bank and Credit Card accounts to accounts at financial institutions**
- » **Converting Receipts to Transactions**
- » **Making bank deposits**
- » **Reconciling a Bank Account**
- » **Tagging Transactions**

The real title of this chapter should have been “Handling Bank and Credit Card Transactions and Other Banking Tasks,” but our editors said that title, although accurately descriptive, was too long.

So, in a nutshell, this chapter covers the ways you can connect Bank and Credit Card accounts in QBO to their counterparts at financial institutions. You’ll also find out how to record bank deposits and reconcile your bank statement.

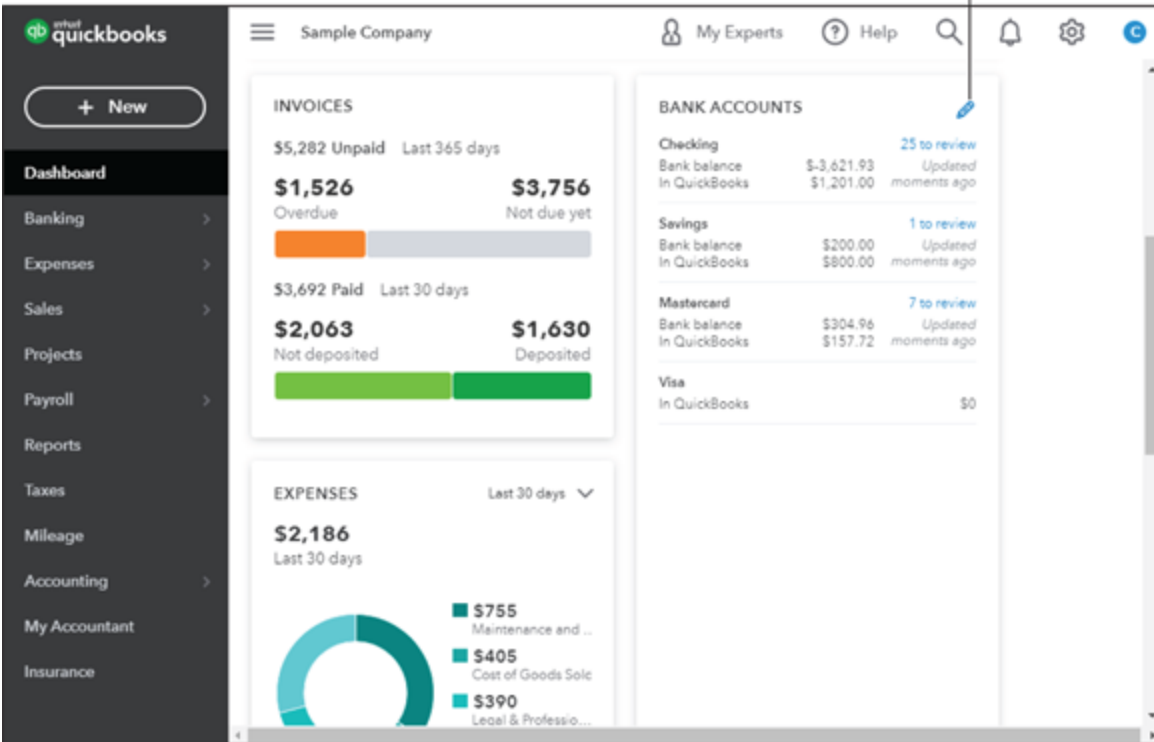
## *Controlling the Appearance of Bank Accounts*

Before diving into using Bank accounts, let's take a look at a few things you can do to make your life easier while working with Bank accounts.

All Bank accounts (and Credit Card accounts) appear on the QBO Dashboard page, and connected accounts also appear on the Banking page. As you'll see, connected accounts are direct links between QBO and your financial institution. You can control the order in which your accounts appear on these pages. For example, perhaps you'd like your accounts to appear in alphabetical order. Or maybe you'd like them to appear in most used order. Whatever works for you.

On the QBO Dashboard page, click the pencil that appears to the right of Bank Accounts if you have two or more accounts (see [Figure 8-1](#)). The pencil changes to the Save button. Then using the icon that appears to the left of an account (nine small dots forming a square), drag up or down to move the account. Once the accounts appear in the order you want, click the Save button. Changes you make will appear on the Dashboard page and, if you have connected accounts, on the Banking page.

Click to change the order in which bank accounts appear.



**FIGURE 8-1:** Drag accounts to place them in the order you want.

In addition to changing the order of accounts, you can, to some extent, control the information for connected accounts that appears in the table on the Banking page. After we've shown you how to connect accounts, the Banking page will be more meaningful, and we'll show you how to make changes to the information that appears for connected accounts on the Banking page.

## ***Connecting QBO Accounts to Financial Institutions***

QBO offers three ways to connect QBO Bank and Credit Card accounts to corresponding accounts at financial institutions:

- » Connect directly if your bank supports a direct connection.
- » Use QuickBooks Web Connect.
- » Import transactions stored in an Excel file.

You also have a fourth option: not connecting at all. If you choose this fourth option, skip to the end of this chapter, where we discuss making bank deposits and reconciling bank statements. If you aren't sure whether to connect, read through this section to help you make up your mind.

### ***Connecting ... or not connecting***

We don't think Shakespeare would mind if we paraphrased Hamlet: "To connect or not to connect, that is the question."

In QBO, you might be able to directly connect QBO Bank and Credit Card accounts to their counterparts at financial institutions. We say "might" because not all financial institutions support directly connecting to QBO. If you bank at an institution that doesn't support a direct connection, you can use the QuickBooks Web Connect method to export transactions from the financial institution's website into QBO.

Before we dive into connecting, it's important to understand that you *don't have to connect*. You can work along quite happily in QBO without ever connecting an account at a financial institution to one in QBO. You simply enter transactions that affect the appropriate account and, monthly, you reconcile the accounts. You can also disconnect any accounts that you choose to connect.

So, why connect? Most people connect to accounts at financial institutions so that they can electronically verify

(by matching) the transactions recorded in QBO with the ones recorded at the financial institution. Connecting is, therefore, primarily a matter of convenience.

## **CONNECTING AS A FORM OF DATA ENTRY ... *NOT!***

Don't be tempted to use connecting as a method for entering information into QBO. You might think you'll save time because you won't have to fill out transaction windows in QBO, but, in reality, you won't save time.

Fortunately, you can email receipts and bills to QBO and use that to save time, which we'll discuss later in the chapter. For both this method and connecting you do need to review every transaction and confirm that it is properly assigned in QBO. And, even if you review transactions daily, you won't have an up-to-date version of your accounting information because you will know about transactions that have not yet cleared your financial institution. That means that the account balances in QBO won't really be up to date unless you enter transactions in QBO and use connecting as a method of confirming that your QBO balances match financial institution balances. Long story short: It's safer to enter or email transactions and use connected account information to confirm QBO balances.



**REMEMBER** Just a reminder: See [Chapters 5](#) and [6](#) for details on entering transactions that affect a Bank account. You typically use an Expense transaction to record credit card purchases and a Credit Card Credit transaction to record refunds to a credit card. You also use a Credit Card Credit transaction to record a payment you make to reduce your credit card's balance.

### ***Connecting Bank or Credit Card accounts***

After you add a new Bank or Credit Card account, you can opt to connect it to a financial institution — or not.

You can always connect an account at any point in the future. But the whole process starts with you creating a Bank or Credit Card account.

### ***Setting up a Bank or Credit Card account***

In [Chapter 3](#), we show you how to create a new Bank account in QBO, and we didn't connect that account to a financial institution yet. You set up a Credit Card account using the same technique. For example, follow these steps to set up a Credit Card account:



**REMEMBER** You might decide later to connect the account, and that's fine. Just remember that you can't connect any account at a financial institution with your QBO data until you set up a corresponding account in QBO using the steps in this section.

- 1. Click the Gear button and, from the left side of the menu that appears, choose Chart of Accounts from the Your Company column.**  
QBO displays the Chart of Accounts page.
- 2. Click the New button on the Chart of Accounts page to open the Account dialog box (see [Figure 8-2](#)).**
- 3. Open the Account Type list and choose Credit Card.**  
QBO fills in the Detail Type for you.
- 4. If you're using account numbers in your chart of accounts, supply a number for the new account.**





**WARNING** Do not enter your credit card number in this field. The word *Number* that describes the field refers to the general ledger account number, not the number on the face of your credit card.

5. **Provide a name for the account and, optionally, a description.**
6. **Optionally, you can enter your account's balance as it appears on the last statement.**



**WARNING** If you enter a balance, QuickBooks updates both the account balance and the Opening Balance Equity account, and your accountant probably won't be happy with you. we suggest that you not enter a balance.

**FIGURE 8-2:** The dialog box you use to create an account.

## 7. Click **Save and Close**.

QBO redisplay the Chart of Accounts page and your new account appears in the list.



**REMEMBER** If you don't connect this account to a financial institution, you'll need to enter expense and credit card credit transactions that have occurred since you received the last statement for this credit card account unless you decide to connect the account to its financial institution.

## ***Directly connecting a Bank or Credit Card account***

The Banking page in QBO lists accounts you have connected to a financial institution. Before you connect any accounts, the Banking page contains basically a big green Connect button, and you use this button to connect your first account to a financial institution. After you connect an account, the Banking page becomes more meaningful, as you see after you finish the steps in this section. To connect subsequent accounts, you click the Add Account button that appears in the upper-left corner of the Banking page.

To create an account that connects directly to a financial institution, assuming your financial institution supports connecting directly to QBO accounts, gather up the user ID and password you use to log in to the financial institution online and follow the next set of steps.

You can use the steps in this section to connect an account that you created earlier and have used for a while to its financial institution. The rule of thumb is that you should first create accounts in QBO's Chart of Accounts as described in the preceding section for each account you intend to connect. This is a "rule of thumb" (a suggestion) because we think you'll find connecting less confusing if you have already set up the accounts you plan to connect to financial institutions before you start the connection process. If you haven't set up an account before trying to connect, setting up the account becomes part of the connecting process, which can seem confusing.

- 1. Set up the account in QBO as described in the preceding section.**
- 2. In the Navigation bar, choose Transactions ⇒ Banking.**

QBO displays the Banking page.

- 3. If you haven't yet connected any accounts, click the Connect Account button; if you have previously connected an account, click the Add Account button.**

QBO starts a wizard that helps you connect to a financial institution.

- 4. On the first wizard page, shown in [Figure 8-3](#), search for the name of your financial institution, and then confirm the selection by making a choice from the list. Or, click the logo for your bank if it appears below the search box.**

To search for financial institutions, you just need to type a name in the Search box.

- 5. On the next page that appears, supply your user ID and password and click the Continue button.**

QBO might tell you to go to your bank site and sign in; once you do, QBO returns you to the connection process.

To ensure that the connection is secure, QBO might make you walk through a "reCAPTCHA" to confirm that you are not a robot trying to connect to your account. Answer the questions put to you to confirm you are not a robot. However, this method is falling out of favor and so you may be prompted to authorize an OAuth connection. In this case you'll get directed to your bank's web site to log in as you normally would, after which you can choose to grant QBO access to your financial data.









After a few moments, a page appears, displaying the accounts you have at the financial institution and giving you the option to select one or more of those accounts to connect with QBO (see [Figure 8-4](#)).

Type a web address here.

## Let's get a picture of your profits



Connect your bank or credit card to bring in your transactions.

Here are some of the most popular ones

**FIGURE 8-3:** Identify your financial institution.

### Which accounts do you want to connect?

<p>SunTrust Checking *</p> <p>Balance: \$21,112.94</p>
<p>SunTrust Visa *</p> <p>Balance: -\$10,342.43</p>

[Connect](#)

**FIGURE 8-4:** Select the accounts you want to connect to QBO and their types.

## 6. **Select the accounts you want to connect to QBO.**

For each account you choose, QuickBooks will ask you to choose an existing bank or credit card account, or allow you to create a new account. It will also ask you how far in the past that you want to pull transactions for the account. Depending upon your bank, options may include Today, This Month, This Year, Last Year, or you may be able to specify a custom range.

## 7. **Click Connect.**

Follow any additional onscreen prompts you see to finish setting up the account.

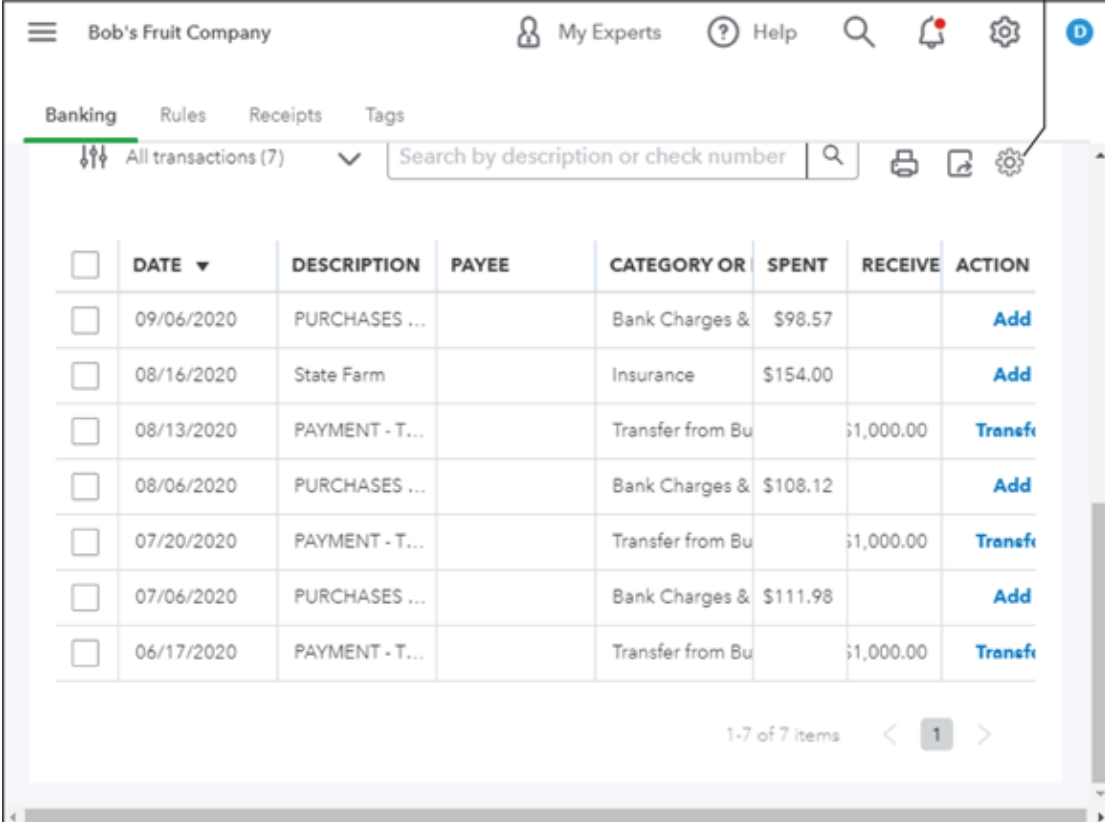
After you connect your first account to a financial institution, QBO changes the appearance of the Banking page to display a list of connected accounts and their related information as downloaded from the bank (see [Figure 8-5](#)). In most cases, QBO automatically downloads activity from your financial institution nightly. For some financial institutions, QBO downloads less frequently.

You can make changes to the information that appears in the table on the Banking page; you can opt to:

- » Display check numbers.
- » Display Payee names.
- » Turn on grouping to group transactions by month.
- » Make the date field editable so that you can change it if necessary.
- » Copy bank detail information into the Memo field.
- » Show suggested rules (rules allow QuickBooks to automatically classify accounting transactions)

» Remember category selection.

Click to change the table information.



The screenshot shows the 'Banking' page in QBO for 'Bob's Fruit Company'. The page has a navigation bar with 'Banking', 'Rules', 'Receipts', and 'Tags'. Below the navigation bar, there is a search bar and a gear icon for table configuration. The main content is a table of transactions with columns: DATE, DESCRIPTION, PAYEE, CATEGORY OR, SPENT, RECEIVE, and ACTION. The table contains 7 rows of transactions. A gear icon is located above the ACTION column, and a line points from the text 'Click to change the table information.' to this gear icon.

<input type="checkbox"/>	DATE ▼	DESCRIPTION	PAYEE	CATEGORY OR	SPENT	RECEIVE	ACTION
<input type="checkbox"/>	09/06/2020	PURCHASES ...		Bank Charges &	\$98.57		Add
<input type="checkbox"/>	08/16/2020	State Farm		Insurance	\$154.00		Add
<input type="checkbox"/>	08/13/2020	PAYMENT - T...		Transfer from Bu		\$1,000.00	Transfr
<input type="checkbox"/>	08/06/2020	PURCHASES ...		Bank Charges &	\$108.12		Add
<input type="checkbox"/>	07/20/2020	PAYMENT - T...		Transfer from Bu		\$1,000.00	Transfr
<input type="checkbox"/>	07/06/2020	PURCHASES ...		Bank Charges &	\$111.98		Add
<input type="checkbox"/>	06/17/2020	PAYMENT - T...		Transfer from Bu		\$1,000.00	Transfr

**FIGURE 8-5:** After connecting an account, the Banking page displays connected accounts, and you can alter the information in the page's table.

» Display more detailed information about a transaction by displaying information provided by the bank.

To make a change to the page's table, click the Gear button that appears just above the Action column and add or remove checkmarks to display or hide columns. You also can make adjustments to the column widths in the table on the Banking page, and QBO will remember any column width adjustments you make, even after you sign out of QBO and then sign back in. If you need to

display the Memo field in an individual bank register, see [Chapter 7](#).

## ***When you can't connect directly ...***

There are cases where you cannot connect your financial institution to an account in QBO — or, you can connect but transactions don't download. But, all is not lost. You can still update a QBO account with financial institution information using either QuickBooks Web Connect or by importing an Excel file.

### ***Using Web Connect***

If you can't connect your account directly to QBO, you can use Web Connect, which has been around for years. If you were previously a QuickBooks Desktop user, you might have used Web Connect. When you use Web Connect, you download transactions from your financial institution's website to your computer, and then you upload the downloaded transactions from your computer to QBO.



**WARNING** Because Web Connect files are not encrypted, you should not use a public computer to download information using Web Connect.

To use Web Connect, follow these steps:

- 1. In your Chart of Accounts, set up the account into which you will load transactions using Web Connect.**



**REMEMBER** You must have an account in your QBO Chart of Accounts before you can load transactions into it,



regardless of the connection type. See the section [“Setting up a Bank or Credit Card account”](#) earlier in this chapter.

**2. Log in to your financial institution’s website and look for a link that enables you to download to QuickBooks.**

Some banks have a Download button associated with each account, and clicking that button enables you to choose the method you want to use to download.

Some banks have a “Download to QuickBooks” link or a “QuickBooks Web Connect QBO” link. If you can’t find the link, contact your financial institution and let them direct you to the link. After you find it, make note of where it appears on your financial institution’s website for future use.

**3. Using the link you found in Step 2, select any of the following file formats:**

- .qbo: QuickBooks
- .qfx: Quicken
- .ofx: Microsoft Money
- Or any file format that references QBO (your bank controls the name of the file formats you see)

In the next section, [“Importing transactions via Excel”](#), you’ll read about using CSV format.

**4. Select the dates for the transactions you want to download.**

If you download transactions with dates that precede the opening balance you entered for the account in QBO, the account’s opening balance will change.

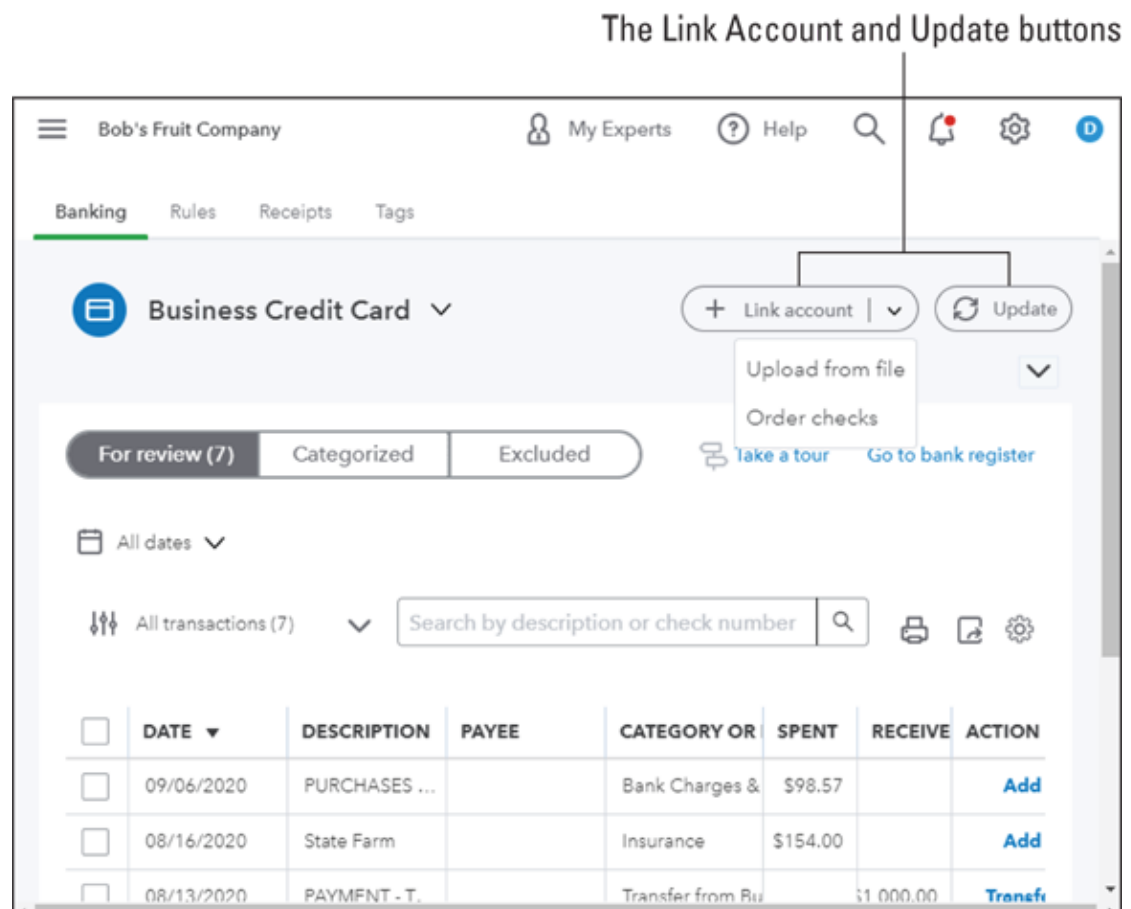
**5. Save the file to a location on your computer where you’ll be able to find it later.**

Many people download to the Downloads folder or to their computer's desktop.

**6. To upload the file, log in to QBO and, in the Navigation bar, choose Transactions.**

QBO displays the Bank and Credit Cards page.

- If you have connected other accounts, you'll see the Link Account and Update buttons on the right side of the page (see [Figure 8-6](#)).
- If you haven't connected accounts, you'll see the Connect button, and to the right of it, the Upload Transactions button.



**FIGURE 8-6:** Click the arrow beside the Link Account button and select Upload from File.

- 7. Click the Upload Transactions button or the arrow beside the Link Account button on the right side of the page and choose Upload from File.**

QBO starts the Upload File wizard and displays the screen shown in [Figure 8-7](#).

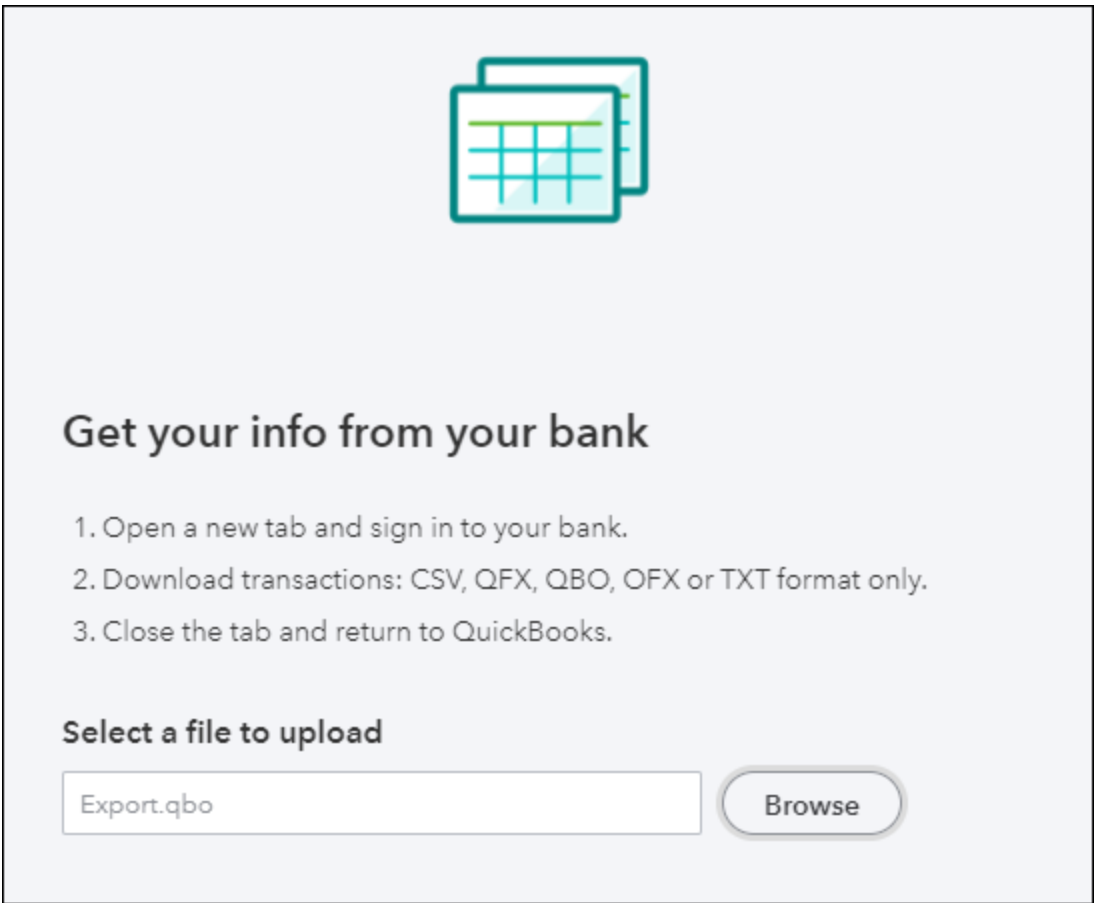
- 8. Click the Browse button, navigate to the location where you saved the transactions you downloaded in Step 5, and select the downloaded file.**
- 9. Click Next in the lower-right corner (not shown in [Figure 8-7](#)).**

QBO displays a screen where you select the QBO account into which you want to upload the transactions.

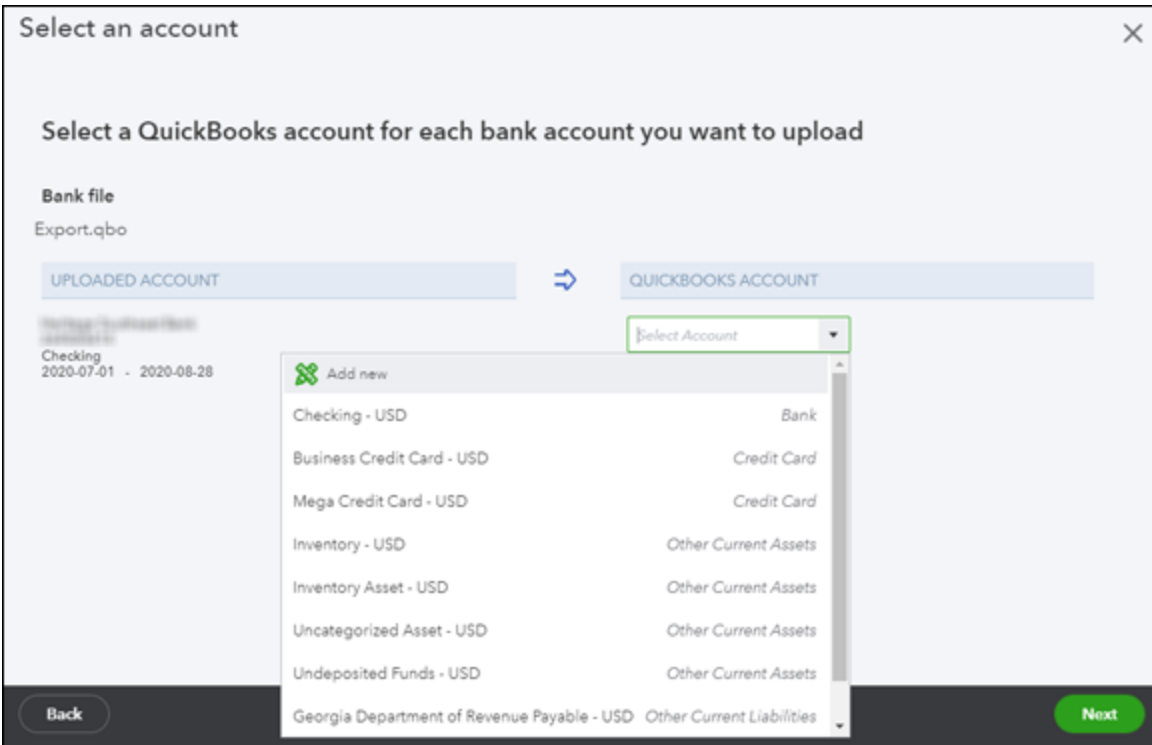
- 10. Select the QBO account where the transactions should appear and click Next (see [Figure 8-8](#)).**

QBO uploads the transactions to the selected QBO account. (The process can take a few minutes.)

- 11. When you see the confirmation screen that explains your next step (to accept your transactions), click Let's Go.**



**FIGURE 8-7:** Use this screen to navigate to the transactions you downloaded from your financial institution.



**FIGURE 8-8:** Select the account where QBO should place the transactions from your bank.



**WARNING** To handle the transactions you loaded into QBO, see the section “[Managing Downloaded Activity](#).” After you successfully upload a Web Connect file, you should delete it because it is not encrypted and contains your account information.

### ***Importing transactions via Excel***

If your bank supports downloading transactions to a CSV format (a *comma-separated values* format that can be read by Excel and other spreadsheets), you can download your banking activity to a CSV file and then import it into your QBO Bank account. First, log in to your bank’s website and save your banking transactions using the CSV format. QBO can import CSV files formatted in either three or four columns, as shown in

[Tables 8-1](#) and [8-2](#). Keep in mind that these are the minimum columns required. The CSV file from your bank may include additional columns which QBO can ignore, so you do not need to make the file exactly conform to either of these formats as long as the columns needed are present in any order in the CSV file.

**TABLE 8-1 An Acceptable Three-Column Format**

<i>Date</i>	<i>Description</i>	<i>Amount</i>
1/1/2019	Example payment	-100.00
1/1/2019	Example deposit	200.00

**TABLE 8-2 An Acceptable Four-Column Format**

<i>Date</i>	<i>Description</i>	<i>Credit</i>	<i>Debit</i>
1/1/2019	Example payment	100.00	
1/1/2019	Example deposit		200.00

Open your CSV file using a spreadsheet program and make sure it includes all of the columns from either of these formats; if necessary, edit it, but feel free to leave any extraneous columns in place in the CSV file. Save and close the CSV file, and then, follow these steps to import the transactions:

- 1. Set up the account in your QBO Chart of Accounts.**



**REMEMBER** You must have an account in your QBO Chart of Accounts before you can load transactions into it, regardless of the connection type. See the section

[“Setting up a Bank or Credit Card account”](#) earlier in this chapter.

2. **Choose Transactions ⇒ > Banking in the Navigation bar.**
3. **Click the arrow beside the Link Account button and, from the menu that appears, click Upload from File.**

The Bring Your Info into QuickBooks page, shown earlier in [Figure 8-7](#), appears.

4. **Click the Browse button, select the CSV file you downloaded from your bank’s website, and click Next in the lower-right corner.**
5. **Use the Select an Account page to specify the account into which you want to import transactions and click Next in the lower-right corner.**
6. **On the Map Columns screen that appears, match the fields in QBO to the fields in your CSV file and then click Next (see [Figure 8-9](#)).**

If appropriate, click First Row in File is a Header Row if the first row in your CSV file contains headings that describe the contents of each column.

7. **The Select Transactions for Import Page appears, from which you can confirm which transactions to import, and then click Next.**

QBO displays the transactions it will import and gives you the option to exclude transactions.

8. **Click Yes to import the transactions.**

QBO displays the number of transactions it will import and asks if you want to import the transactions.

When QBO finishes importing the transactions, a confirmation screen appears.

## 9. Click Let's Go.

QBO redisplay the Bank and Credit Cards page.



**WARNING** When you import transactions from a CSV file, the bank balance in QBO may be reported as zero. Don't panic, this simply means that the balance amount isn't available in the CSV file. See the section, "[Reconciling a Bank Account](#)," later in this chapter for the steps you take to reconcile your QBO account with your bank.

**FIGURE 8-9:** Match QBO fields to the fields in your CSV file.

To handle the transactions you loaded into QBO, see the section "[Managing Downloaded Activity](#)."

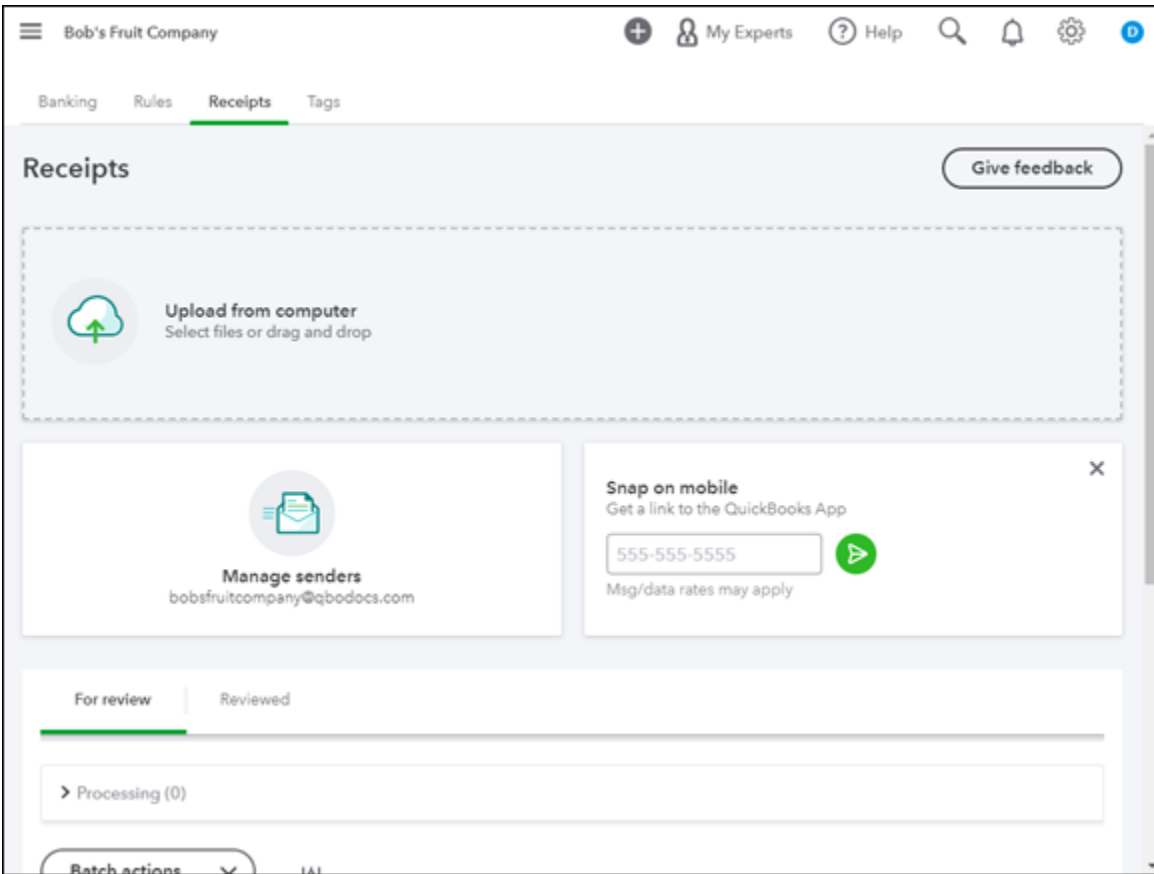


# *Converting Receipts to Transactions*

QBO also provides the ability for you to convert paper or electronic receipts or bills into transactions without you having to key in all of the details. To get started, choose Transactions ⇒ > Banking ⇒ > Receipts. You can capture receipts three ways:

- » Upload files from your computer.
- » Forward from email, which means establishing a special @qbodocs.com email address. The benefit of this is that you can establish a filter in your email to automatically forward receipts that you receive by email for automatic posting to QBO.
- » Take pictures of receipts on screen or on paper with the QBO Mobile app.

No matter which route you take, receipts will appear in the For Review section, as shown in [Figure 8-10](#).



**FIGURE 8-10:** You can use artificial intelligence to upload receipts or bills into QBO three ways.

After you click the Review link, you'll be prompted to review the following fields, as shown in [Figure 8-11](#). Here's how:

- 1. Specify a Document Type.**  
Choose between Receipt or Bill.
- 2. Optionally specify a payee, or leave the field blank.**
- 3. Choose a Bank/Credit Card Account.**  
You must make a selection from this required field.
- 4. Confirm the Payment Date.**  
QBO should glean the date from your receipt or bill, but you can override this field if needed.

**5. Confirm the Account/Category.**

QBO will attempt to classify the transaction for you, but you can change the default value if needed.

**6. Edit the description.**

QBO will prefill this field for you, but you can override the description if needed.

**7. Confirm the Total Amount (Inclusive of Tax).**

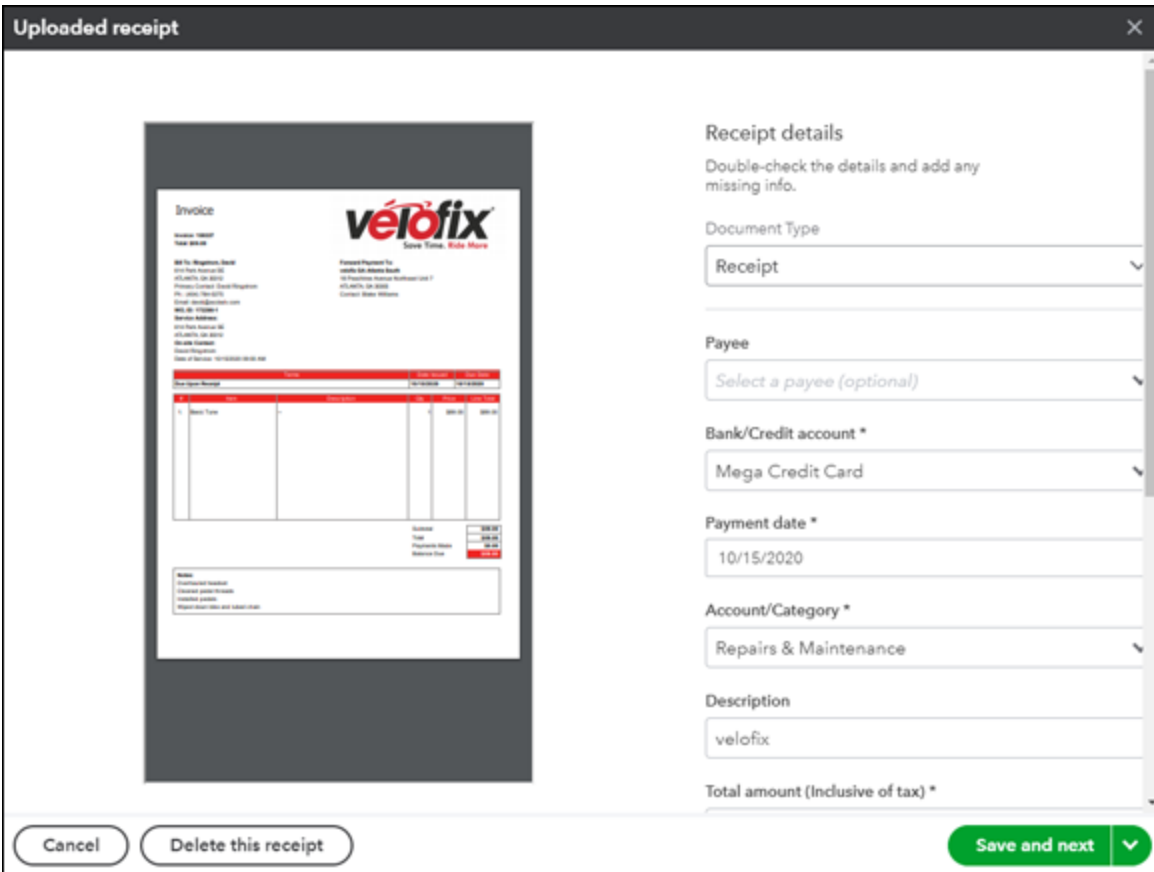
Here again, QBO will attempt to capture this for you, but you can correct the amount if needed.

**8. Optionally provide a memo.**

This field allows you to write a paragraph or more about the transaction if you wish. Other optional fields include:

- A check box to make expense and items billable.
- A drop-down list from which you can choose a customer.
- A Ref No field for you to add a reference number, such as a receipt or invoice number.

**9. Click Save and Next to post the transaction and review the next transaction in the queue.**



**FIGURE 8-11:** QBO allows you to review uploaded receipts or bills before you commit the transaction to your books.

# Managing Downloaded Activity

Downloading transactions from a financial institution and importing them into QBO is the first part of the process. Regardless of the download method you use, you need to evaluate each transaction and, as appropriate, update QBO with the downloaded transactions. From the Bank and Credit Cards page, you match, exclude, or add transactions downloaded from a financial institution to your QBO company.



**REMEMBER** Don't worry; if you make a mistake, you can fix it, as described later in this chapter in the section titled (what else?) "[Fixing mistakes.](#)"

Choose Transactions from the Navigation pane, then click Banking to display the Bank and Credit Cards page (see [Figure 8-12](#)), and, if necessary, select an account by clicking it at the top of the page. Note that you match transactions the same way for Bank accounts and for Credit Card accounts.

Just below the accounts, QBO displays three transaction status tabs:

- » For Review: transactions that you have downloaded but have not yet specified how you want to handle.
- » Categorized: transactions that you have reviewed and added to QBO.
- » Excluded: transactions that you have reviewed and decided not to include in QBO.

## Transaction Status tabs

The screenshot displays the QuickBooks Online interface for 'Bob's Fruit Company'. The top navigation bar includes 'My Experts', 'Help', search, notifications, settings, and a user profile icon. Below the navigation bar, there are tabs for 'Banking', 'Rules', 'Receipts', and 'Tags'. The 'Banking' tab is active, showing a 'Checking' account with a dropdown arrow. To the right, there are buttons for '+ Link account' and 'Update'. Below this, there are three tabs: 'For review (12)', 'Categorized', and 'Excluded'. The 'For review (12)' tab is selected. To the right of these tabs are links for 'Take a tour' and 'Go to bank register'. Below the tabs, there is a date filter set to 'All dates'. A search bar is present with the text 'Search by description or check number' and a search icon. Below the search bar, there is a table of transactions with columns: DATE, DESCRIPTION, PAYEE, CATEGORY OR, SPENT, RECEIVE, and ACTION. The table contains three rows of transaction data.

<input type="checkbox"/>	DATE ▼	DESCRIPTION	PAYEE	CATEGORY OR	SPENT	RECEIVE	ACTION
<input type="checkbox"/>	08/28/2020	PREAUTHORI...		Out Of Scope Ac	\$25.00		<a href="#">Add</a>
<input type="checkbox"/>	08/21/2020	Credit		Sales		\$338.40	<a href="#">Add</a>
<input type="checkbox"/>	08/17/2020	PREAUTHORI...		Accounts Payab	\$1,800.00		<a href="#">Add</a>

## Tabs for viewing and filtering downloaded transactions

**FIGURE 8-12** Use this page to specify how QBO should handle each downloaded transaction.

The For Review serves as a To Do list for processing the transactions that you downloaded. To quickly work through the transactions click the All Transactions filter button and choose from:

- » The Recognized filter allows you to view transactions that have been recognized, meaning you manually updated the category.
- » The Matched filter lets you view transactions where QBO found a match between the transaction

downloaded from your financial institution and your accounting records.

- » The Transferred filter allows you review transactions that QBO deems as a transfer between accounts, such as a credit card payment, or a transfer of funds between two bank accounts.
- » The Rule Applied filter shows you transactions that have been automatically updated by a Rule, which we'll discuss shortly.

In the Category or Match column, QBO suggests a way to assign each transaction. Using both information from other businesses like yours and your past behavior, QBO tries to identify downloaded transactions that potentially match transactions you entered in QBO. If you have previously accepted a transaction from a vendor, QBO assumes that you want to assign the same category to subsequent transactions for that vendor. And, if you change the payee on a transaction, QBO will suggest that change the next time a transaction appears for that payee.



**TIP** Although the suggestions are helpful, after a while, you might find yourself wishing that QBO would stop suggesting and just record the transaction — and you can use rules to accomplish that behavior. See the section “[Establishing rules to accept transactions](#)” later in this chapter for details.

QBO tags transactions for review one of four ways (see [Figure 8-13](#)):

- » When QBO finds no matches, the words “Uncategorized Expense” or “Uncategorized Income”

appear in the Category or Match column, and the word “Add” appears in the Action column.

- » When QBO finds only one possible match, QBO assumes the match is accurate and suggests a match accordingly; transactions like these appear in green in the Category or Match column, and QBO displays “Match” in the Action column. Be aware that you can still make changes to the transaction before you accept it.

A transaction QBO couldn't match

<input type="checkbox"/>	DATE ▼	DESCRIPTION	PAYEE	CATEGORY OR	SPENT	RECEIVE	ACTION
<input type="checkbox"/>	10/26/2020	Amazon		Uncategorized E	\$89.99		Add
<input type="checkbox"/>	10/25/2020	Lara's Laminat...		Uncategorized E	\$150.00		Add
<input type="checkbox"/>	10/12/2020	Squeaky Klee...	Squeaky Klee...	2 records found	\$19.99		View
<input type="checkbox"/>	10/05/2020	Bob's Burger	Bob's Burger ...	1 record found Credit Card Exp	\$18.97		Match
<input type="checkbox"/>	10/05/2020	Squeaky Klee...	Squeaky Klee...	2 records found	\$19.99		View
<input type="checkbox"/>	09/30/2020	Norton Lumb...	Norton Lumb...	1 record found CC Bill Payment	\$103.55		Match
<input type="checkbox"/>	09/24/2020	Tania's Nursery	Tania's Nursery	1 record found Expense 50	\$82.45		Match

A transaction for which QBO found a potentially matching transaction

A transaction with multiple possible matches

**FIGURE 8-13:** The Category or Match column and the Action column help you identify transactions QBO matched and transactions QBO couldn't match.

- » If QBO finds multiple possibilities, it doesn't actually assign information to the transaction, but notifies you of possible matches by displaying the number of



records found in the Category or Match column and the word *View* in the Action column.

- » QBO displays the word *Transfer* for transactions that appear to be a transfer between bank accounts or a payment on a liability account such as a credit card.

The Category or Match column will display QBO's best guess as to where a transaction should be posted. To accept the match, click the Add button to the right-hand side. QBO will move the transaction to the Categorized tab. If you want to change the category or other information about the transaction, click the transaction to display the form shown in [Figure 8-13](#) that allows you to:

- » Assign a payee.
- » Select another category or create a new one.
- » Assign a customer/project and indicate if a charge is billable.
- » Assign one or more tags as an additional way of grouping related transactions.
- » Edit the memo provided by your financial institution.
- » Add an attachment, such as PDF copy of a receipt.
- » Create a Rule (which we'll discuss shortly)
- » Exclude a transaction, meaning that even though you downloaded it you don't want to post it to your books.
- » Split a transaction between two or more categories,

To the left of the Date column is a check box known as the Select All button that you can use to to display buttons that allow you to Accept, Update, or Exclude all transactions shown on screen. The Accept, Update, and Exclude buttons also appear on screen when you click

the check box to the left of the date for one or more transactions.

## ***Excluding transactions***

We suggest that you process transactions you want to exclude before you deal with transactions you intend to include in QBO. That way, you quickly eliminate transactions that need no further consideration. When might you exclude a transaction from QBO? Suppose that you accidentally used a business credit card to pay for groceries. This transaction is not a business expense and shouldn't be part of your QBO transactions. So, you can exclude the transaction from QBO. Just remember, when you reconcile your statement, the statement balance will include all transactions, not just those you included in QBO.

To exclude a transaction, follow these steps:

- 1. On the For Review tab, select the check box on the left side of each transaction you intend to exclude.**
- 2. Click Exclude from the Batch Actions bar that appears.**

QBO moves the selected transactions to the Excluded tab on the Bank and Credit Cards page; the tab appears above the table grid, along with the For Review tab and the Categorized tab.

## ***Including transactions***

The remaining transactions fall into two categories: those that don't have an obvious matching transaction in QBO and those that do. And, you can identify the category into which a transaction falls using the Action column. If you see Add in the Action column, QBO couldn't find an obvious matching transaction; if you see

Match, Transfer, or View in the Action column, QBO did find one or more potentially matching transactions (refer to [Figure 8-13](#)). QBO makes its best guess for adding or matching transactions, but it isn't perfect.

### ***When QBO guesses correctly ...***

You need to confirm or change each transaction before you include it in QBO. If the listed transaction information is correct, you don't need to individually add or match transactions as described in the rest of this section. Instead, you can follow the steps in the preceding section except, in Step 2, choose Accept.

If you need to make the same change to a number of transactions, select those transactions and choose the Update option in the Batch Actions bar.

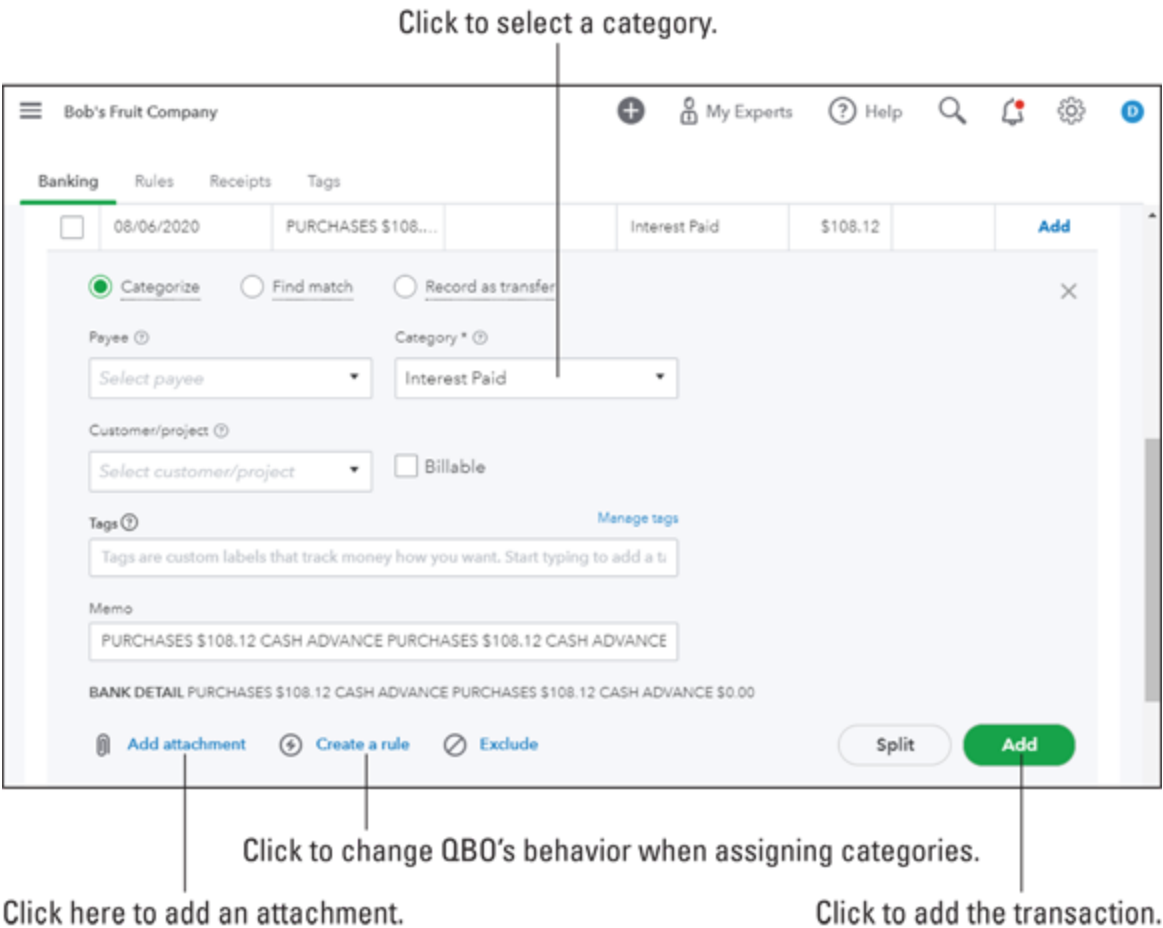
### ***When QBO doesn't know ...***

QBO might not know how to handle a transaction, or QBO might simply guess wrong. In these cases, you need to change the transaction before you accept it.

### ***Transactions QBO thinks you should add ...***

You can easily identify a transaction that QBO isn't sure how to handle because QBO displays an Add link in the Action column and, in the Category or Match column, you see the words "Uncategorized Expense" or "Uncategorized Income."

When you click one of these transactions (you don't need to click the Add link; you can simply click the line for the transaction), QBO expands the transaction information so that you can change the details of the transaction (see [Figure 8-14](#)).



**FIGURE 8-14:** When you click a transaction that displays the Add link in the Action column, QBO displays transaction details so that you can assign the transaction to an appropriate category.

For example, you can use the option buttons above the transaction information to specify whether you want to add the transaction, search for a matching QBO transaction, or transfer the transaction information to another account. If you opt to add the transaction, you can (and probably should) change the category QBO suggests to one you deem more appropriate; in [Figure 8-14](#), we changed the category from Bank Charges & Fees to Interest Paid. You also can click the Split button on the bottom-right side of the transaction information to distribute the transaction among multiple categories.

If you're working with a Bank account transaction, be aware that you can change the check number if needed.

If you change the transaction's category, QBO will assume, in the future, that all transactions for the selected vendor should be assigned to the category you choose. You can change this behavior by clicking the Create a Rule link just below the memo to create a custom rule; we talk about rules in the next section, "[Establishing rules to accept transactions.](#)"

You also can add attachments to any transaction using the Add Attachment link at the bottom of the expanded transaction information window. After you make your changes, you can click the Add button to add the transaction to QBO.

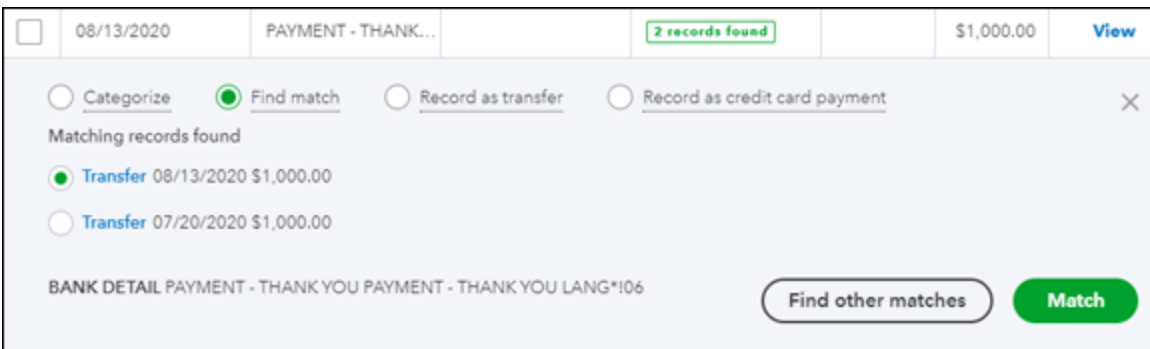
### ***Transactions QBO thinks it can match ...***

Again, you can easily identify these types of transactions; a Match link appears beside them in the Action column. When you click a downloaded transaction that QBO suggests you match to an existing QBO transaction, QBO displays a different set of details (see [Figure 8-15](#)). You can

- » **Select the correct matching transaction:** In the Matching Records Found section, click a link beside any possible match to display the transaction in its transaction window, where you can identify the category to which that possible match was assigned. If that category is appropriate for the transaction QBO downloaded, cancel the transaction window to return to the Banking page and select the correct match in the Records Found section and click the Match button.
- » **Search for other matching transactions:** If none of the Possible Matches is applied in QBO the way you want to apply the downloaded transaction, you can

click the Find Other Records button to search for additional possible matches.

- » **Add the transaction (and supply account information for it):** If you can't find a similar transaction already recorded in QBO, you can click the Categorize option button in the upper-left corner of the details for the transaction and then add the transaction as described in the preceding section.
- » **Transfer the transaction to a different account:** Click the Record Transfer (or options such as Record Credit Card Payment offered) option button in the upper-left corner of the details for the transaction and then select a new account for the transaction — and click the Transfer button that replaces the Match button shown in [Figure 8-15](#).



**FIGURE 8-15:** The transaction details QBO displays when you click a transaction you plan to match to an existing QBO transaction.

Repeat the process of adding and matching until you've handled all downloaded transactions. Each transaction that you add or match disappears from the For Review tab on the Bank and Credit Cards page and appears on the Reviewed tab; see the section "[Fixing mistakes](#)" for more information on using the In QuickBooks tab.

## ***Establishing rules to accept transactions***

We've already established that QBO tries to learn your habits as you review downloaded transactions; you can help the process along by establishing rules for QBO to follow. When you set up rules, you speed up the review process because, effectively, you tell QBO in advance how to treat certain types of transactions.

### ***How rules work***

Suppose, for example, that you purchase gas for business-use cars from Shell gas stations and you always pay using a credit card you've connected to a financial institution in QBO. Effectively, you want to categorize all transactions at Shell stations to your Fuel Expense account.

You can manually assign the category to one of these transactions and wait for QBO to "learn" your preference, or you can set up a rule for QBO to follow. When you establish a rule, you stipulate information such as the accounts and the types of transactions (money in or money out) to which the rule should apply. Note that you can create rules that affect all accounts or rules that affect specific accounts.

You then identify criteria that individual transactions should meet before QBO acts on the transactions. Finally, you specify the information QBO should assign to transactions that meet the criteria. For example, you can specify a transaction type and/or a category, as well as modify other fields.

## **THE ORDER OF RULES**

The sequence of the rules you establish matters. QBO processes your rules in the order they appear on the Rules page and applies only one rule to any particular transaction. To ensure that QBO applies the correct rule to a transaction, you can reorder the rules. Drag the icon that looks like grid of nine dots to the left of the rule on the Rules page.

Rules Learn more about bank rules. [New rule](#)

Search by name or conditions

	<input type="checkbox"/>	PRIORITY	RULE NAME	APPLIED TO	CONDITIONS	SETTINGS	AUTO-	STATU	ACTION
	<input type="checkbox"/>	1	Interest Paid	Business Credit	Bank text contains "CASH ...	Set Category to "Interest P...		Active	<a href="#">Edit</a>
	<input type="checkbox"/>	2	(Suggeste...	Business Credit	Description contains "Stat...	Set Category to "Insurance...		Active	<a href="#">Edit</a>

1-2 of 2 items **1**

Suppose that you set up two rules in the following order:

- Rule 1: Categorize all transactions under \$10 as Miscellaneous Expenses.
- Rule 2: Categorize all McDonald's transactions as Meals & Entertainment.

If a \$12 dollar transaction from McDonald's appears, QBO applies Rule 2. But if a \$7.50 transaction from McDonald's appears, QBO applies Rule 1.

The rules you establish can work in one of two ways:

- » QBO can use your rule to suggest changes to downloaded transactions that you then review and approve. Or,
- » You can opt to have QBO automatically apply the rule to all transactions that it determines match the rule's conditions and add those transactions to QBO.

When you use the first approach, QBO identifies, on the For Review tab of the Bank and Credit Cards page, transactions for which it finds and expects to apply a rule. You can identify these transactions because, in the Category or Match column, they display a Rule icon.





TIP

QBO uses different icons to identify transactions matched by rules but not yet added to your company and transactions added automatically by rules; you can read more about these icons in the section [“Fixing mistakes.”](#)

The second approach — letting QBO automatically apply a rule — might seem risky, but it really isn't. Even though QBO automatically applies the rule, you can still make changes to transactions that QBO automatically accepts.

### ***Creating a rule***

You set up either type of rule — a rule that suggests changes for your review, or a rule that automatically updates and adds transactions — using the same steps. There's only one step where you do things differently; we'll point out that step when we get there.

- 1. Choose Transactions from the Navigation pane.**  
The Bank and Credit Cards page appears.
- 2. Click Rules above the list of bank and credit cards.**  
QBO displays the Rules page shown in [Figure 8-16](#).
- 3. Click the New Rule button in the upper-right corner of the Rules page.**  
QBO displays the Create Rule dialog box shown in [Figure 8-17](#).
- 4. Assign the rule a name — one that will be meaningful to you.**  
You can't use special characters like the apostrophe (') in a rule name.

5. **Identify whether the rule applies to money coming into QBO or money flowing out of QBO, and select the accounts to which you want the rule to apply.**
6. **Use the “When a Transaction Meets” section of the Rule page to set criteria QBO should use when examining downloaded transactions to determine whether to apply the rule to them.**

You can set multiple criteria using the Add a Condition button, and you can specify that a transaction should meet all or any of the criteria. Specifying “all” is more stringent and QBO is more selective about applying the rule.



TIP

The first list box in the section enables you to specify whether QBO should compare the transaction description, the bank text, or the transaction amount to a condition you set. For those inquiring minds out there, Description (the transaction description) refers to the text that appears in the Description column of the Bank and Credit Cards page. The Bank Text option refers to the Bank Detail description the bank downloads; you can view the Bank Detail description if you click any downloaded transaction. The Bank Detail description appears at the bottom-left of the transactions being edited back in [Figure 8-15](#).

7. **At the bottom of the Rule dialog box, shown in [Figure 8-18](#), set the information you want QBO to apply to transactions that meet the rule’s criteria.**

You can choose one or more of the following:

- a. Select the Transaction Type QBO should assign to the transaction.
- b. Select the Category and optional split that QuickBooks should use for classifying the transaction. Splits can be based upon percentages or dollar amounts.
- c. Select the Payee to apply the transactions that meet the rule's conditions.
- d. Specify one or more tags for grouping related transactions together.
- e. Click Assign More to optionally, add a Memo to each transaction that meets the rule's conditions.

For more on ways to use the Memo field, see the sidebar "[The Memo field and transaction rules.](#)"

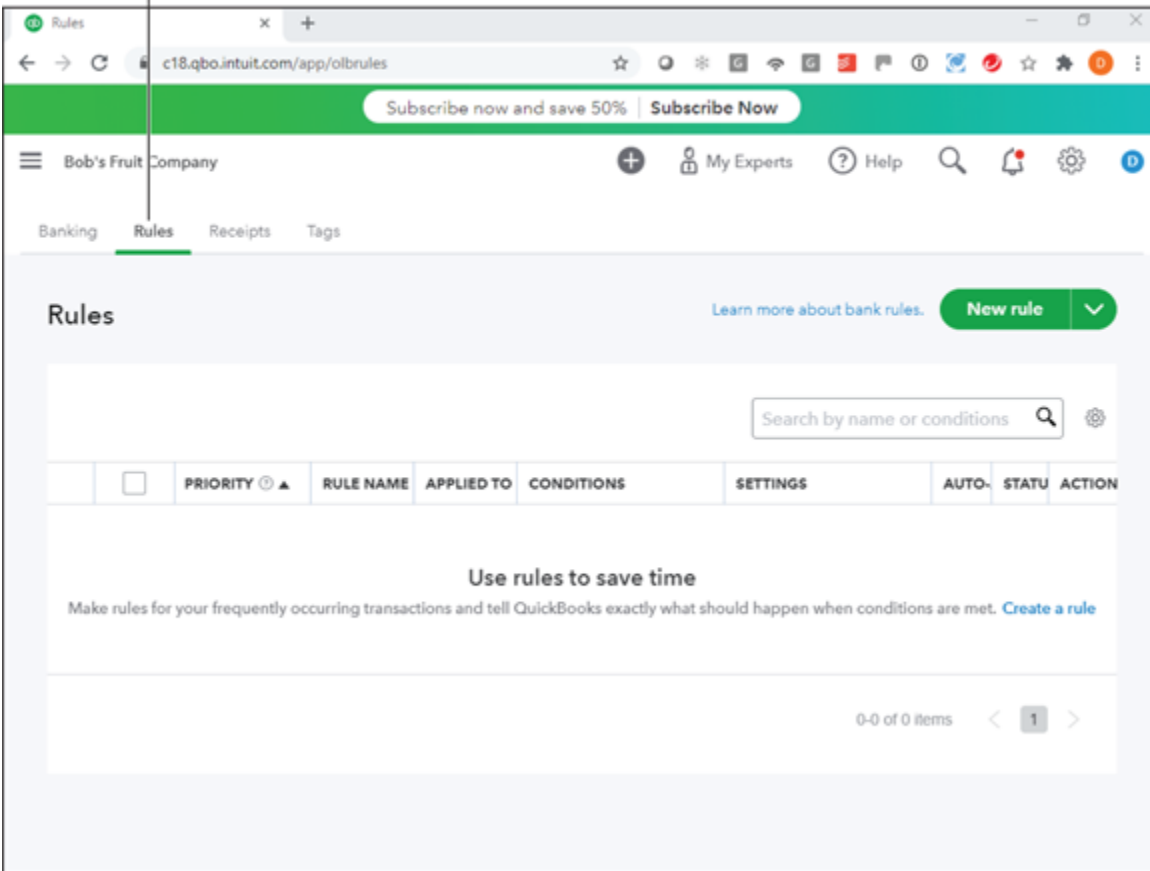
- f. Select the Automatically Add to My Books check box if you want QBO to automatically add transactions that meet the rule's conditions to your company.



**REMEMBER** This is the "different" step we referred to in the introduction to these steps. If you select this box, you don't need to approve transactions to which QBO applies this rule. But, you can always make changes to automatically added transactions.

8. **Click Save in the lower-right corner of the Rule page (the Save button doesn't appear in [Figure 8-18](#)).**

Click to display the Rules page.



**FIGURE 8-16:** The Bank Rules page.

**Create rule**

Rules only apply to unreviewed transactions.

What do you want to call this rule? \*

Interest Paid

Apply this to transactions that are

Money out in Business Credit Card

and include the following: All

Bank text Contains CASH ADVANCE

+ Add a condition

Then assign

Transaction type Expense

Category Interest Paid Add a split

Payee SunTrust Bank

Cancel Save

**FIGURE 8-17:** The Rule dialog box, where you set the information you want QBO to apply to transactions when it uses the rule.

Once you create a rule or rules, you can use the Actions column of the Rules page to copy them (so that you don't have to create similar rules from scratch) and to delete rules you no longer want. And, if you need to edit a rule,

click the Edit link in the Actions column to reopen the Rule dialog box and make changes.



**TIP** Accountants, you can help your clients and save some time if you create a set of rules in one company and then export and import rules between QBO companies. See [Chapter 13](#) for details.

money out Business Credit Card X

and include the following: All ▼

Bank text ▼ Contains ▼ CASH ADVANCE

[+ Add a condition](#)

**Then assign**

Transaction type Expense ▼

Category Interest Paid ▼ [Add a split](#)

Payee SunTrust Bank ▼

Tags Tags are custom labels that track money how you w

[+ Assign more](#)

**Automatically confirm transactions this rule applies to**

Auto-add

Cancel Save

**FIGURE 8-18:** Provide the information QBO should use on transactions that meet the rule’s criteria.

## THE MEMO FIELD AND TRANSACTION RULES

QBO uses different special icons to identify transactions added using rules and transactions automatically added using rules. And QBO “remembers,” in QBO registers, transactions added using rules. But, at the present time, you can’t filter a register to show you only those transactions added by a rule (automatically or not).

You can, however, filter registers using the Memo field. So, if you anticipate needing to filter a register for transactions added by rules and transactions added automatically by rules, use the Memo field in the Rule dialog box to distinguish them. You might include text such as, “Added by Rule” and “Added Automatically by Rule” to appropriate rules.

## *Fixing mistakes*

On the Bank and Credit Cards page, you can easily identify transactions to which QBO has applied rules because, in the Category or Match column, QBO uses different icons to identify transactions added by rules and transactions added automatically by rules. And you can see how QBO handles each downloaded transaction in your company when you click the Categorized tab on the Bank and Credit Cards page (see [Figure 8-19](#)).

Click to view accepted transactions.

<input type="checkbox"/>	DATE ▼	DESCRIPTION	AMOUNT	ASSIGNED TO	RULE	ACTION
<input type="checkbox"/>	08/16/2...	State Farm	-\$154.00	Added to: Expense: Insurance 08/16/2020		Undo
<input type="checkbox"/>	08/06/2...	PURCHASES \$108.12 ...	-\$108.12	Added to: Expense: Interest Paid 08/06/20:	Auto-confirm Rule	Undo
<input type="checkbox"/>	07/06/2...	PURCHASES \$111.98 ...	-\$111.98	Added to: Expense: Interest Paid 07/06/20:	Auto-confirm Rule	Undo

Click to undo an accepted transaction.



**FIGURE 8-19:** Use the Categorized tab to find transactions you've accepted into QBO.

Suppose that you accidentally include a transaction in QBO that you meant to exclude. Or suppose that QBO assigned the wrong category to a transaction. You can easily correct these mistakes using the In QuickBooks tab on the Bank and Credit Cards page.



**REMEMBER** The method used to match and add a transaction — manually, through a rule, or automatically through a rule — doesn't matter. You can make changes to any downloaded transaction. Be aware, though, that QBO treats downloaded transactions as having cleared your bank; so, if you edit a downloaded transaction in the register, QBO will ask you if you're sure.

If you include a transaction in QBO that contains mistakes — for example, the transaction was automatically added by a rule to the wrong category — you can undo the action. Undoing an accepted transaction removes it from the register and places it back on the For Review tab, where you can make changes and accept it again as described earlier in this chapter in the sections “[Excluding transactions](#)” and “[Including transactions](#).”

To undo an accepted transaction, click the Categorized tab on the Bank and Credit Cards page. Find the transaction and click the Undo link in the Action column. QBO displays a message telling you that “Undo” was successful. Switch to the For Review tab, find the transaction, edit it, and accept it again — or, you can

exclude it from QBO, if appropriate, as described earlier in this chapter in the section “[Excluding transactions](#).”

## ***Making a Bank Deposit***

In [Chapter 6](#), we showed you how to record payments from customers, and we strongly recommend that you use the Undeposited Funds account as you record Receive Payment transactions. As you may surmise from the name, Undeposited Funds is not a final destination for these transactions, but merely a stopover along the way to your bank account.

In short, you can think of the Undeposited Funds account as a temporary holding place until you prepare a bank deposit. “So, why use the Undeposited Funds account?” you ask. “Why not just place the customer payments into the Bank account where they belong?”

Excellent questions. And the answers revolve around making sure that the bank deposits in QBO match the ones at your bank, because if the deposits match, bank statement reconciliation — everybody’s least favorite task — becomes quite easy. But if they don’t match... well, let’s just not go there.

For example, if you receive more than one customer payment on any given day, it’s likely you’ll take several checks to your bank that day as a single deposit. Most banks typically don’t record the individual checks that make up a deposit as individual deposits to your account. Instead, the bank records the sum of the checks as your deposit — pretty much the same way you sum the checks on the deposit ticket you give to the bank teller.

“And why is this important?” you ask. This fact is important because, when you receive your statement from your bank, you need to easily match the bank’s

deposits and withdrawals with your own version of deposits and withdrawals. If you track each customer payment you receive as a deposit in the bank, then your QBO deposits *won't* match the bank's deposits. But if you record customer payments into the Undeposited Funds account, your deposits *will* match the bank's version of your deposits because you'll move multiple checks from the Undeposited Funds account to create a single deposit to your bank account.

So, assuming that you're following our advice and using the Undeposited Funds account before you prepare a bank deposit slip, you'll periodically use the Bank Deposit feature in QBO to sum up the payments you receive and intend to deposit simultaneously at your bank. QBO records the amount calculated in the Bank Deposit window, which will match the amount you actually deposit at your bank. Then, your bank reconciliation process becomes painless — okay, maybe not painless, but certainly quicker and easier than if you were trying to figure out which of myriad customer payments make up various bank deposits.

To create a bank deposit transaction, follow these steps:

- 1. Click the New button and select Bank Deposit from the Other column.**

QBO displays the Bank Deposit transaction window shown in [Figure 8-20](#). Existing payment transactions appear at the top of the window in the Select the Payments Included in This Deposit section. You can use the lines in the Add Funds to This Deposit section to add new payment transactions that are not associated with an outstanding invoice.



**WARNING** Don't try to record a payment from a customer for an outstanding invoice in the Add Funds to This Deposit section. QBO is unlikely to match the line on the Bank Deposit transaction to the outstanding invoice. Instead, record the Receive Payment transaction; the transaction then appears in the Select the Payments Included in This Deposit section of the Bank Deposit transaction window.

- 2. At the top of the window, select the account into which you plan to deposit the payments.**
- 3. In the Select the Payments Included in This Deposit section, click the check box beside each transaction you want to include on the deposit.**
- 4. For each transaction you intend to deposit, select the payment method.**



**TIP** Credit card companies often deposit credit card transaction receipts into your Bank account, and most of them make a daily deposit. To keep bank statement reconciliation as simple as possible, we suggest that you record separate QBO deposits for each credit card you accept. You can group the checks and cash payment methods on the same deposit. If you're using Intuit Payments, it automatically makes the deposits when credit card transactions are funded. A third section appears on the Deposit screen called QB Payments that will be collapsed by default so as not to confuse people with additional funds to deposit.

- 5. Optionally, you can supply a memo and a reference number.**

The total of the selected payments — and the amount you intend to deposit unless you add entries in the Add Funds to This Deposit section — appears below the Select the Payments Included in This Deposit list.

**6. Scroll down the Bank Deposit transaction window.**

Optionally, supply a memo for the deposit.

Optionally, supply a cash back amount — money from the deposit total that you don't intend to deposit — along with an account in which to place the cash back amount and a memo to describe the purpose of the cash back amount.

Optionally, you can attach an electronic document to the deposit, such as a scanned copy of the deposit ticket you take to the bank.



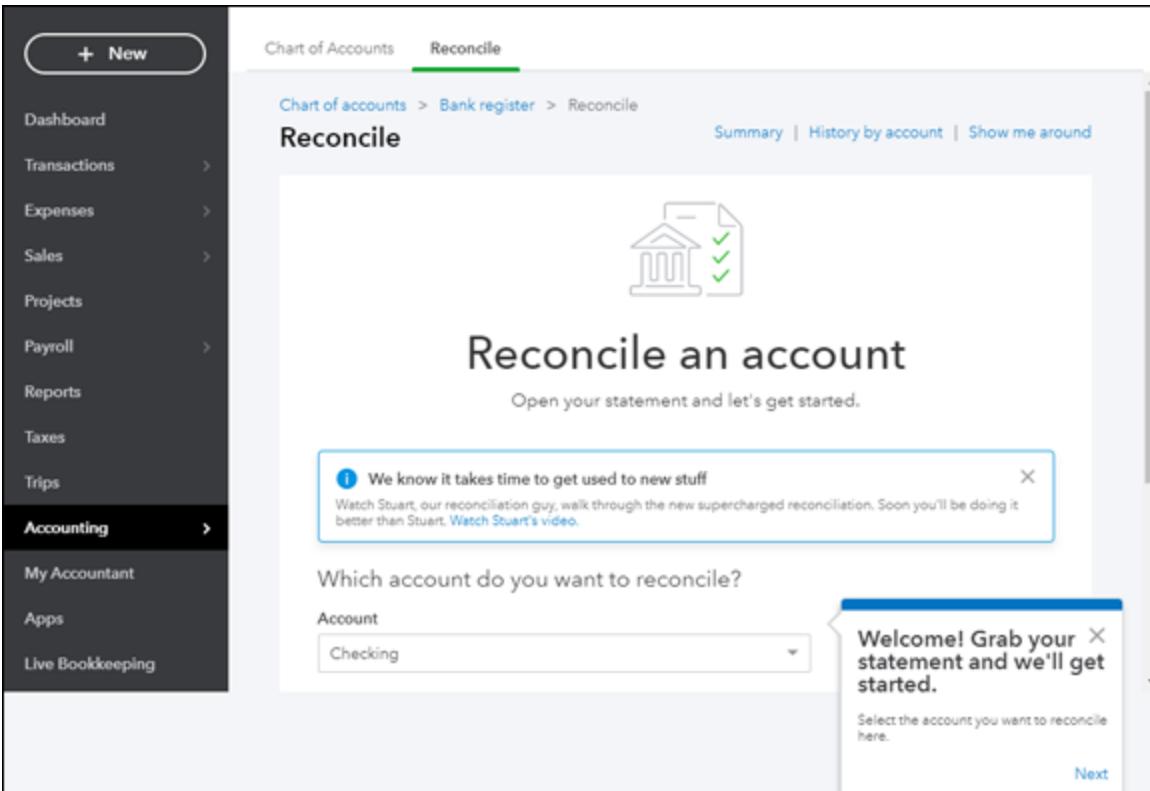
**TIP**

To attach an electronic document to the deposit, click in the Attachments box and navigate to the document or drag and drop the electronic copy into the Attachments box.

**7. Click Save and Close.**

QBO moves the deposited amount from the Undeposited Funds account to the account you selected in Step 2.

All that's left to do is take a trip to the bank. Or if you're mobile-savvy, you might be able to remotely deposit checks via your cellphone; talk to your banker.



**FIGURE 8-20:** Use the Bank Deposit window to select payment transactions to deposit.

## *Reconciling a Bank Account*

Most people's least favorite task is reconciling the bank statement. But, if you're diligent about entering transactions in QBO and recording bank deposits as described in the preceding section, reconciling your bank statement should be a fairly easy process. Get your last bank statement and follow these steps:

- 1. Click the Gear button and, choose Reconcile from the Tools portion of the menu that appears.**
- 2. From the Reconcile page that appears, select the account you want to reconcile (see [Figure 8-21](#)).**

Note that you can and should also reconcile credit card statements.



**REMEMBER** You might see a Get Started button on the Reconcile page; click it, and a dialog box appears that summarizes, in roadmap-like style, the reconciliation process. If prompted click Let's Do It to continue and display the page shown in [Figure 8-21](#).

- 3. Enter the ending date and balance found on your bank statement, and then click Start Reconciling.**

QBO displays the Reconcile page shown in [Figure 8-22](#).

Bank Deposit

Account: Checking Balance \$1,309.85 Date: 09/10/2020 AMOUNT: \$0.00

Currency: USD United States Dollar

Tags: Tags are custom labels that track money how you want. Start typing to add a tag. Manage tags

Select the payments included in this deposit

<input type="checkbox"/>	RECEIVED FROM ▲	DATE	TYPE	PAYMENT METHOD	MEMO	REF NO.
<input type="checkbox"/>	Barbe Veel	09/10/2020	Payment	Enter Text		
<input type="checkbox"/>	Stevie Riccelli	09/10/2020	Payment	Enter Text		

1-2 of 2

Select all Clear all

Total 682.38  
Selected Payments Total 0.00

Don't see the payments you want to deposit?

Cancel Clear Print Make recurring Save and new

**FIGURE 8-21:** Enter information found on your bank statement.

Chart of accounts > Bank register > Reconcile

Reconcile Checking  
Statement ending date: September 20, 2020

\$11,328.51 STATEMENT ENDING BALANCE  
\$3,831.12 BEGINNING BALANCE  
\$3,831.12 - \$0.00 0 PAYMENTS + \$0.00 0 DEPOSITS  
\$7,497.39 DIFFERENCE

Edit info Save for later

Show me around

X Statement ending date Clear filter Payments Deposits All

DATE	CLEARED DAT	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (U)	DEPOSIT (UE)	
07/20/2020		Transfer		Busines...			1,000.00		<input type="radio"/>
08/10/2020		Check	1043	Insurance	State Farm		154.00		<input type="radio"/>
08/13/2020		Transfer		Busines...			1,000.00		<input type="radio"/>
09/06/2020		Bill Pay...	1024	Accoun...	Cammy Cai...		964.78		<input type="radio"/>
09/06/2020		Expense	1025	Legal & ...	Hunfredo T...		750.00		<input type="radio"/>
09/06/2020		Check	1026	Packing...	Bill Swingle...		250.00		<input type="radio"/>
09/06/2020		Check	1027	- Split -	Kumquat W...		492.50		<input type="radio"/>

Click transactions in this column to mark them as cleared.

**FIGURE 8-22:** Match transactions found on your bank statement with those shown on the Reconcile page in QBO.

- Select each transaction that appears on your bank statement and on the Reconcile page by clicking in the rightmost column.**



TIP

Paychecks deposited in two bank accounts will show up as two distinct transactions in QBO, so they should be easy to match during reconciliation.

By selecting a transaction, you're marking it as having cleared the bank. Your goal is to have the Difference amount at the bottom of the Reconcile window equal \$0. If your account is connected to your bank, many transactions might already display a checkmark in the rightmost column because the transaction has been downloaded from the bank and matched to a transaction in QBO.



By default, QBO filters the Reconciliation page to display all uncleared transactions dated before the statement ending date, but you can click Payments to view only payments and Deposits to view only deposits, similar to the way most bank statements are organized. Also by default, QBO hides transactions with dates later than the statement ending date. If, after selecting all the transactions you see, the Difference amount isn't \$0, then click the X beside Statement Ending Date to look for additional transactions to mark as cleared. You also can take advantage of the Filter funnel to filter the transactions in a way that works best for you. And, be sure to compare the totals QBO lists for payments and deposits to the corresponding numbers on the bank statement; that can help you track whether you're missing a payment, a deposit, or both.



TIP

If you need to view the register of the account you're reconciling, you can click the register link in the upper-left corner of the page. When you finish viewing the register, click the Reconcile button that appears in the upper-right corner of the page. And, while working on the Reconciliation page, the information at the top of the page can be very useful as you're reconciling. But, if you don't need it, you can hide it to view more transactions; click the upward pointing arrow just above the column you use to mark a transaction as reconciled.

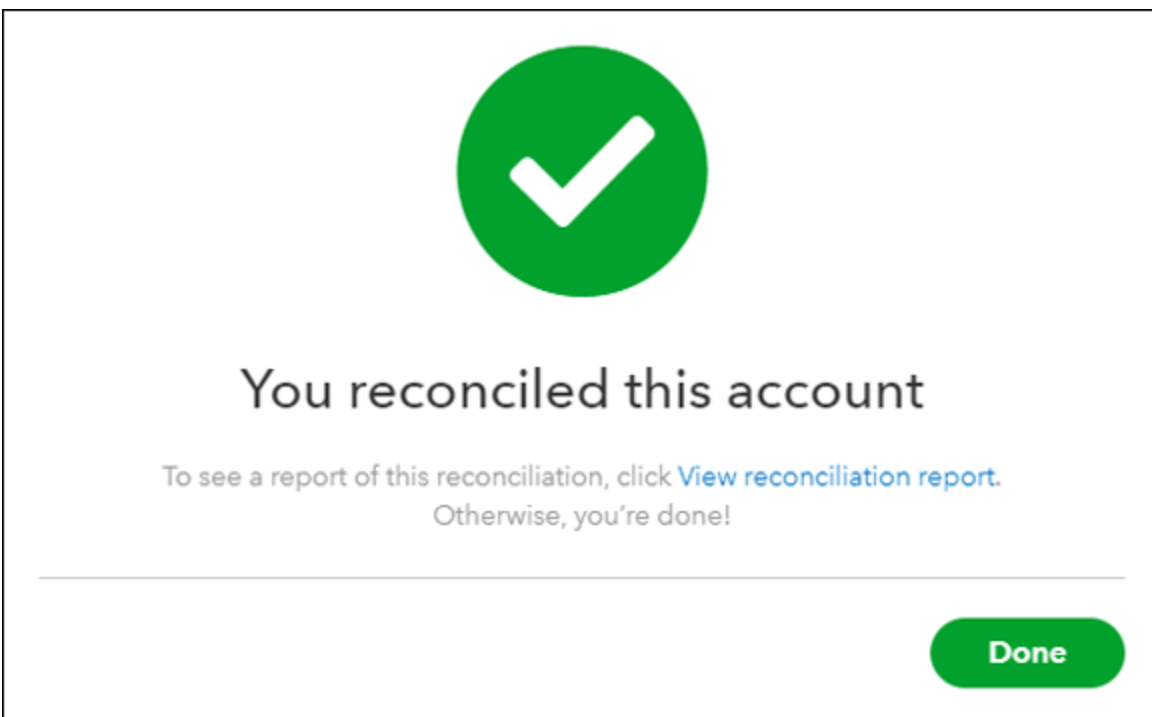
**5. When the Difference amount equals \$0, click the Finish Now button.**

QBO displays the Success message (see [Figure 8-23](#)) and gives you the opportunity to view the

Reconciliation report by clicking the View Reconciliation Report link. The Reconciliation report looks like the one shown in [Figure 8-24](#). The report is broken into a summary section that you can see in [Figure 8-24](#) and a detail section, not visible in [Figure 8-24](#), that lists all checks and deposits you cleared.



**REMEMBER** All is not lost if you can't get the green Finish Now button to appear because you can't get your reconciled difference to zero. Simply choose Save for Later to resume the reconciliation at a different sitting. Returning with a fresh eye can often make discrepancies jump off the screen. You also don't have to commit to Finish Now; click the arrow next to it and choose Save for Later or Close Without Saving.



**FIGURE 8-23:** The goal of reconciliation is to make the Difference amount equal \$0.

Bob's Fruit Company  
Checking, Period Ending 09/20/2020

RECONCILIATION REPORT

Reconciled on: 09/14/2020

Reconciled by: dringstrom+qbotrial@gmail.com

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

Summary		USD
Statement beginning balance	3,831.12	
Checks and payments cleared (25)	-11,161.13	
Deposits and other credits cleared (7)	18,658.52	
Statement ending balance	11,328.51	
Register balance as of 09/20/2020	11,328.51	

Details

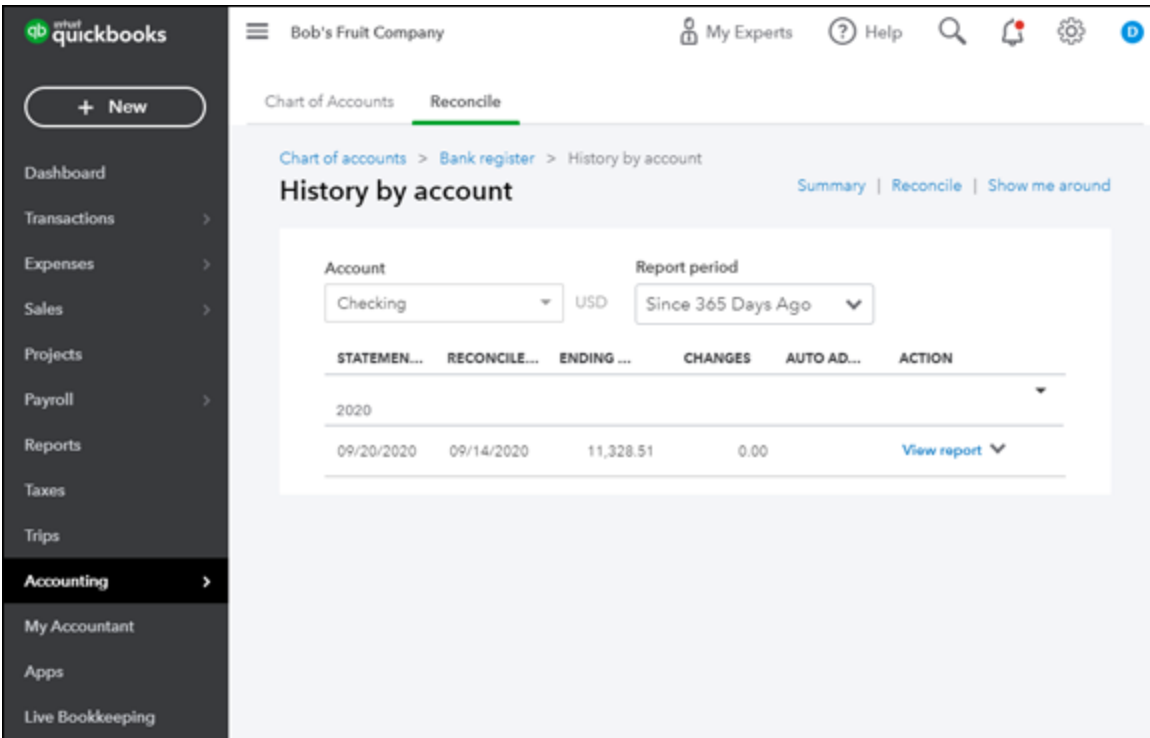
Checks and payments cleared (25)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)

**FIGURE 8-24:** A typical Reconciliation report.

You can click any transaction on the report to view it in the window where you created it. And to produce a paper copy, click the Print button in the upper-right corner of the report window.

You can view the Reconciliation report at any time. Just redisplay the Reconcile page shown previously in [Figure 8-21](#) (choose Gear ⇒ Reconcile) and click the History by Account link that appears in the upper-right corner of the page. When you click the link, which appears only after you have reconciled an account, QBO displays the History by Account page, which lists prior reconciliations (see [Figure 8-25](#)) for an individual account. Click the View Report link beside any reconciliation on this page to see its Reconciliation report.



**FIGURE 8-25:** Prior Reconciliation reports you can view.

To view reconciliations for other accounts, use the Account list box to select a different account.

## WHEN THE OPENING BALANCE DOESN'T MATCH THE STATEMENT

It happens sometimes. You go to reconcile an account and its opening balance doesn't match the ending balance of the prior reconciliation period. You need to fix the beginning balance before you can reconcile the account.

Good news, here ... QBO provides tools that help you fix the problem — in the form of a Reconciliation Discrepancy report that lists transactions associated with the erroneous beginning balance. When you select an account to reconcile that has a beginning balance problem, QBO displays a message that identifies the amount by which the account beginning balance is off, and offers a "Let's Resolve This Discrepancy" link. When you click the link, QBO displays a Reconciliation Discrepancy report that lists the transactions affecting the erroneous beginning balance. Typically, the report contains transactions that were changed after they were reconciled or were not reconciled when they should have been. The Reconciliation Discrepancy report also contains a "Difference" amount — and your goal is to make that

amount be \$0. You accomplish that by handling the transactions QBO displays on the Reconciliation Discrepancy report.

If you want to explore what happened to the listed transactions that made them cause the discrepancy, you can click the View link of the transaction — it appears in the right column of the report — and QBO will show you an Audit report for the transaction that details the changes that were made to the transaction.

To correct a transaction, click it on the report and QBO gives you ways to correct the transaction. Once you correct the transaction on the Reconciliation Discrepancy report, the account is ready to reconcile.

## *Tagging Transactions*

Tags offer an additional dimension for categorizing and reporting upon related transactions. You must already assign an account or category to each line item on a transaction, but QuickBooks offers the ability to assign transactions to classes, locations, and even tags. All three work similarly by enabling classes or locations in the Advanced Settings area of the QBO Settings dialog box. Unlike classes or locations, tags are already turned on in QBO, meaning you can populate the tag field in any transaction. Tags, classes, and locations are all three ways of being able to categorize transactions into groupings that are meaningful to you beyond the Chart of Accounts.

Normally QBO allows you to do a “quick add” of a new vendor, customer, account, and so on, but tags must be set up in advance before you can start tagging transactions:

1. **Choose Transactions ⇒ > Tags.**
2. **Click the New button and choose Tag Group or Tag.**

Think of a tag group as a parent tag, and a tag as a sub-tag, meaning you can associate one or more tags with a tag group.

- 3. Assign the tag name, or in the case of a group, assign the group name and optionally a color.**

When you have at least one tag or group created, you can start tagging transactions.



**TIP**

The number of tag groups you can create depends upon your QBO level. Simple Start users can create 10 tag groups, Essentials users can create 20, while Plus users can create 40. Individual tag limits apply as well, such as 300 for Plus users. QBO Advanced users have limitless tag groups and tags.

- 1. Choose Transactions ⇒ > Tags.**
- 2. Click Start Tagging Transactions in either the Money In or Money Out sections.**  
QBO displays a list of your transactions.
- 3. Select one or more transactions that you wish to tag.**  
You can use the Filter button to select transactions if you wish.
- 4. Click Update Tags and then choose Add Tags.**  
You can also choose Remove Tags if you wish to untag transactions.
- 5. Choose or type the name of the tag, and then click Apply.**  
Tags appear in the new Tags column.



**WARNING** The ability to tag transactions en masse is only available when you first click Start Tagging Transactions in either Money In or Money Out. As soon as you leave this screen you cannot return back to it, although you can still edit and tag individual transactions through the normal QBO transaction screens. If you want to apply tags widely across your transactions, make sure that you allow enough time to complete this work in a single sitting if you wish to use the batch tools that are initially available.

# Chapter 9

## Paying Employees and Contractors

---

### IN THIS CHAPTER

- » **Turning on payroll and setting payroll preferences**
- » **Preparing paychecks**
- » **Handling payroll tax payments and returns**
- » **Paying contractors**

As an employer, you have a responsibility to pay both your employees and any contractors who work for you. In this chapter, we explore both responsibilities.

In the past QBO users could prepare payroll in one of two ways: using QBO with Self Service Payroll or using QBO with Full Service Payroll. Intuit has revised their offerings to blur the lines between these two offerings. All QuickBooks Online Payroll (which we'll refer to as QBOP) plans now offer automated tax deposits and tax forms. All three plans also offer Auto Payroll, which if enabled instructs QBO to process payroll automatically as well. Between Auto Payroll, automated tax deposits, and automated payroll return findings, much of your payroll process can be "set-and-forget".





**WARNING** If you subscribe to QuickBooks Online Payroll you're foregoing the option to deposit your payroll taxes and file your payroll tax forms on your own. For most users this will be a boon, but it's a consideration if you're accustomed to managing such compliance tasks on your own. Further, when you start completing the payroll tax screens, Intuit automatically verifies the information you enter with governmental websites, so don't embark on setting up payroll unless you're sure you want Intuit making automated tax deposits and payroll filings on your behalf.

## WHAT ABOUT INTUIT ONLINE PAYROLL?

A third alternative aimed at accountants is to use Intuit Online Payroll; this option offers no functionality within QBO. Instead, you log in to this product separately from QBO to either prepare payroll yourself or let Intuit prepare payroll, manage all payroll tax payments, and prepare and file all payroll tax returns (including W-2s at the end of each year) for you — for a fee, of course. You can explore this option at <https://payroll.intuit.com/online-payroll>. Be aware that, because this is a separate product from QBO, you need to export IOP data and then import it into QBO to reflect the financial impact of payroll, but all payroll processing and reporting happens in IOP, not in QBO. At the time we wrote this, IOP seemed to be evolving into QBO with only payroll turned on.



**REMEMBER** At the end of this chapter, we explore the ways QBO users typically pay — and report on paying — contractors, who are vendors who perform work for a company but do not qualify as employees.

# ***Understanding the Employee Payroll Process***

Just so you understand the job you're undertaking, be aware that running payroll is more than just issuing paychecks to your employees (although your employees will tell you that's the most important part of payroll). Yes, you first need to prepare accurate paychecks that account for withheld payroll taxes, deductions for benefits such as health insurance, and company contributions to, for example, retirement plans. But then, after you've prepared paychecks, you also need to remit amounts withheld for deductions and benefits to the appropriate parties. QBOP will handle the tax deposits and file payroll tax returns with the appropriate taxing authorities for you.

## ***Getting Started with QBO Payroll (QBOP)***

When you prepare payroll, the process involves setup work so that you can accurately calculate payroll checks. You must also account for payroll taxes withheld from each employee's paycheck. QBOP will remit federal, state, and in some cases local payroll taxes to the appropriate tax authorities. You will remit any required deductions and contributions that affect each employee's paycheck to appropriate institutions.

This section examines the payroll setup process in QBOP and details differences in the process if you're a new employer or an established employer.

## ESTABLISHED EMPLOYERS AND ENTERING PAYROLL HISTORY

If you're an established employer and using QuickBooks for Windows Desktop, you might want to import your company into QBO as described in [Chapter 12](#). In that case, your employees will appear in QBO; but, assuming you intend to use QBOP, you'll have some setup work to complete, much of which is similar to the work described in this chapter — and, as you'll see, the Payroll Setup wizard walks you through that work. Entering payroll history is where things differ for you; the “newly in business,” at whom this chapter is aimed, don't have any payroll history to enter, so the treatment for entering payroll history is light.

Switching mid-year can cause confusion; we recommend (and your accountant will agree) that you plan to switch at the start of a new year or, at the very least, at the start of a quarter. You can enter history as of the last day of the preceding quarter, and the only additional information you need to enter would be information that has an impact on an annual form, such as the employee's W-2.

But for those who have been recording payroll in QuickBooks Desktop, you'll find the QuickBooks Desktop Payroll Summary report most useful because it contains all the information the Payroll Setup wizard requests to establish your payroll history information. Using the information on the Payroll Summary report, you enter, for each employee for the current year, total wages, deductions, and taxes for prior quarters. Using the same report, enter the same information for the Year-to-Date as of Today column presented by the Payroll Setup wizard. Finally, established employers enter prior payrolls, totaled for all employees, once again using the Payroll Summary report from QuickBooks Desktop.

You enter the total payroll for each pay period in the current quarter. As you enter these numbers, you are entering information paid to *all* employees (not individuals) for the date — which makes the task less onerous because there's less data entry. Similarly, you enter total taxes paid by tax for that pay period.

And, because you've been paying employees, you'll also need to enter information about prior payroll tax payments you made during the current payroll year to reconcile the payroll tax history.

You can use the details in this article to help you complete your company's setup after you import it: <https://community.intuit.com/articles/1274215-what-to-do-after-completing-an-import-to-quickbooks-online-from-quickbooks-desktop-mac-windows-us>. And the steps you see in this chapter will also help you set up QBOP.

Rather than typing out that lengthy address, you can also visit [intuit.quickbooks.com/learn-support](https://intuit.quickbooks.com/learn-support) and then use the search term “After converting” to retrieve the article.

## *Turning on QBOP*

QBOP uses a To Do list to walk you through the payroll setup process. You start by first turning on payroll in QBO. Then, you’ll complete sequential tasks on the To Do list that walk you through setting up your company so that you can pay your employees.



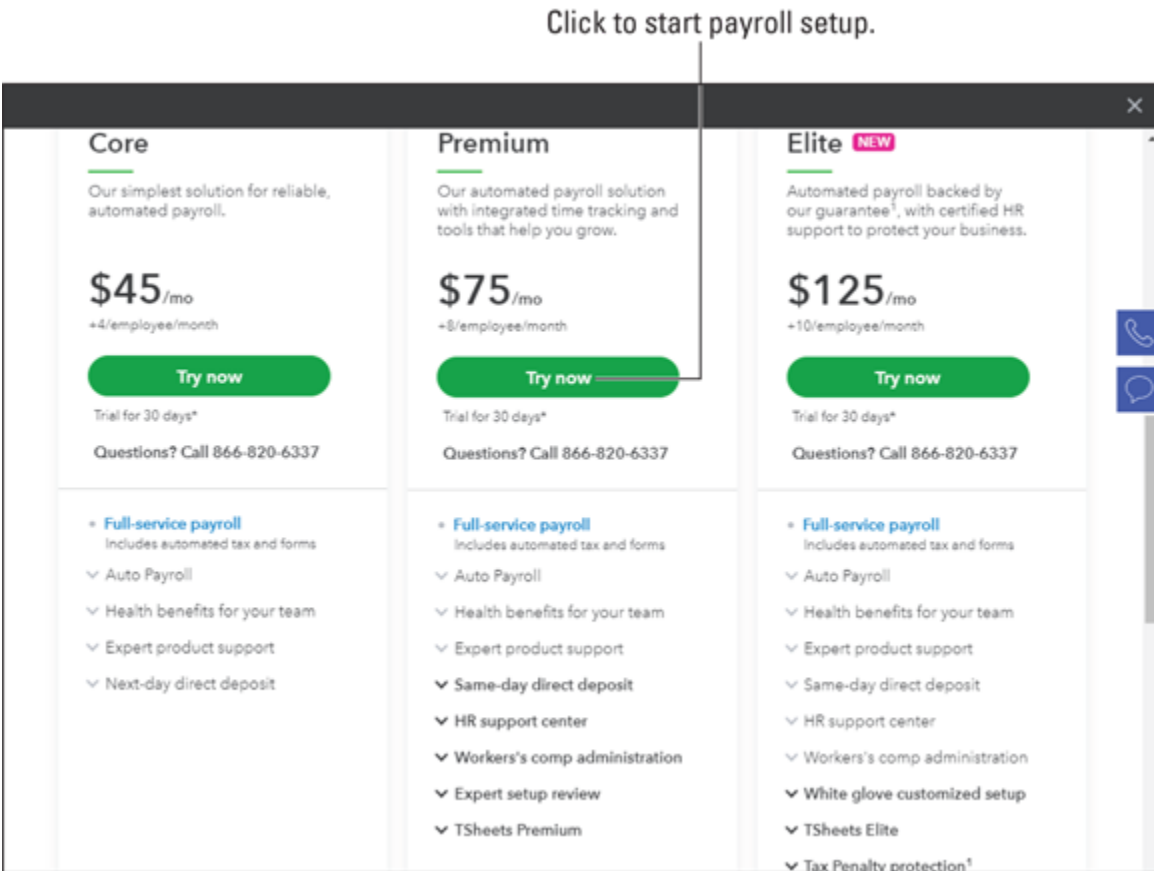
**REMEMBER** Be aware that you can set up employees without turning on payroll. You will be able to enter payroll later, going back as far as the date on which you started your payroll subscription. Also note that not turning on payroll immediately doesn’t save you any money. You are charged for your subscription from the time you sign up for the service less any trial time even if you don’t pay any employees. We suggest that you plan to set up payroll as soon as you subscribe so that you don’t spend months paying for a subscription you’re not using.

Click the Payroll link in the Navigation bar to display the Employees page, and then click the Get Started button. On the first page, shown in [Figure 9-1](#), you choose between Core, Premium, and Elite payroll processing. All three plans include automated tax deposits and payroll tax form filing. Because this chapter is about using QBOP, we click the Try Now button under the Premium Payroll option. The QBO Employees page reappears; click the Get Started button to start the payroll setup process.



**WARNING** QuickBooks walks you deliberately through the payroll process. You won't be able to progress through the To Do list without completing each task, so allow enough time to complete each section completely. On the first page of the Get Ready for Payroll wizard, you are asked if you've paid any employees in the current year. Choose No, I'm Not Sure, or Yes, and then click Next. If you indicate that you have previously done payroll and are now switching to QBOP, the wizard displays additional questions for you to answer concerning the method you used to pay employees prior to subscribing to QBOP. Answer the questions and click the Continue button in the lower-right corner of the screen. If you indicate that you've not previously paid employees, no additional questions appear, so you can just click Next in the lower-right corner of the screen.

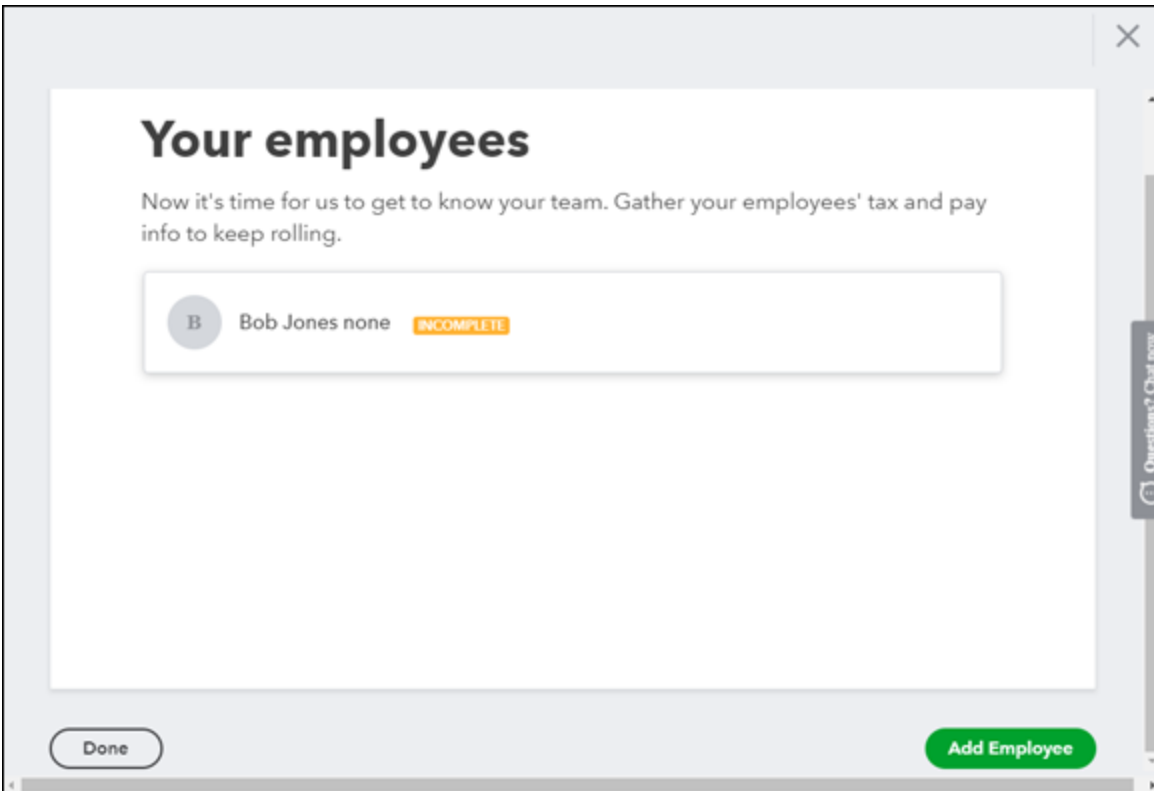
The second screen of the wizard asks when your next payday is. Choose a date, and then click Done. QBO next displays the contact information you provided when you initially set up your company. Edit the fields if needed, and then click Done.



**FIGURE 9-1:** Choosing an option for payroll.

If you have been using QuickBooks for Windows Desktop to prepare payroll, you can enter payroll history information for each employee and each payroll using information you find on the Payroll Summary report from the QuickBooks Desktop program.

Next you'll be prompted to add employees (see [Figure 9-2](#)). In this case, our first employee is marked incomplete because we added him prior to activating QBOP.



**FIGURE 9-2:** The Payroll Setup wizard helps you add current employees.

Click Add Employee, and the wizard displays a fairly lengthy screen for you to complete about the employee. On the first part of the screen, shown in [Figure 9-3](#), provide the employee's name, email address, and hire date.

**Johnny Seed**

1 Personal info

First name\* M.I. Last name\*

Johnny A Seed

Email

We'll email an invite for this employee to view their pay stubs and W-2 with QuickBooks Workforce. [Learn about Workforce](#)

Invite this employee to track and record their hours with TSheets by QuickBooks. [Learn more](#)

2 What are Johnny's employment details?  
Add employee's hire date and where they work.

Hire date  
Why do we need this?  
09/16/2020

Work location  
123 Nunya Drive (GA)

Delete employee Done

**FIGURE 9-3:** Fill in the basic information about the employee.

QBO offers to let you invite the employee to fill in the employee information, including W-4 information, using a secure portal. If you want the employee to provide the information, provide the employee's email address, otherwise you can complete the fields on your own.



**REMEMBER** Form W-4 is the Internal Revenue Service's form that employees complete to specify their withholding allowance. If you need to complete Form W-4 for any employee, you can visit [www.irs.gov](http://www.irs.gov) and click the W-4 link in the Forms & Instructions section to display editable PDF forms or access the form directly at [www.irs.gov/pub/irs-pdf/fw4.pdf](http://www.irs.gov/pub/irs-pdf/fw4.pdf).

For this example, we're going to assume you want to provide the information yourself.



Scroll down the page and fill in the following information:

- » The frequency with which you pay the employee and the next expected pay date. When you supply pay frequency information, QBO creates a pay schedule that you can choose to apply to subsequent employees you create. [Figure 9-4](#) shows a typical pay schedule.

What's Johnny's pay schedule?

How often do you pay Johnny?  
Twice a Month

When's the next payday?  
09/30/2020

When's the last day of work (pay period) for that payday?  
09/16/2020

What do you want to name this pay schedule?  
Twice a Month

Use this schedule for employees you add after Johnny

Next four pay periods (based on dates you entered)

PAY PERIODS	PAYDAY
09/02/2020 – 09/16/2020	09/30/2020
09/17/2020 – 10/01/2020	10/15/2020
10/02/2020 – 10/16/2020	10/31/2020
10/17/2020 – 11/01/2020	11/15/2020

Cancel Done

**FIGURE 9-4:** A typical pay schedule.

- » The amount you pay the employee (hourly, salaried, or commission only).
- » Whether the employee has any deductions.
- » Form W-4 withholding information, which includes, as you can see from [Figure 9-5](#), the employee's address, Social Security number, marital status, and withholding amount. State payroll tax information appears at the bottom of the screen and is not shown

in [Figure 9-5](#). These requirements vary from state to state, but QBOP prompts you to supply information for the state in which your business operates.



TIP

To identify your state's payroll tax requirements, visit your state's website and search for *payroll taxes*.

The screenshot shows a software window titled "Payroll Taxes Setup and Compliance" with a close button (X) and a help button (?). The main content is a "W-4 Employee's Withholding Allowance Certificate" for the year "2020". The form is divided into several sections:

- 1a. First name\***: Johnny
- M.I. Last name\***: A Seed
- 1b. Social Security number\***: 123-45-6789
- Home address\***: 7050 Orchard Drive
- City or town\***: Red Oak
- State\***: GA
- ZIP code\***: 30272
- 1c. Federal filing status\***:
  - Single or Married Filing Separately
  - Married Filing Jointly (or Qualifying Widow(er))
  - Head of Household
  - Exempt
- 2c. If employee marked box 2c, check here**:
- 3. Dependents claimed, in dollars**: \$ 0.00
- 4a. Other income**: \$ 0.00
- 4b. Deductions**: \$ 0.00
- 4c. Extra withholding**: \$ 0.00

At the bottom, there is a section for "Georgia state taxes" with a note: "Enter state withholding info from the state form that Inhoou filled out". The window has "Cancel" and "Done" buttons at the bottom.

**FIGURE 9-5:** Information required to complete a Federal Form W-4.

- » The method you want to use to pay the employee (such as paper check or direct deposit). If you choose Direct Deposit, specify the bank account information for the employee (account type, routing number, and account number).



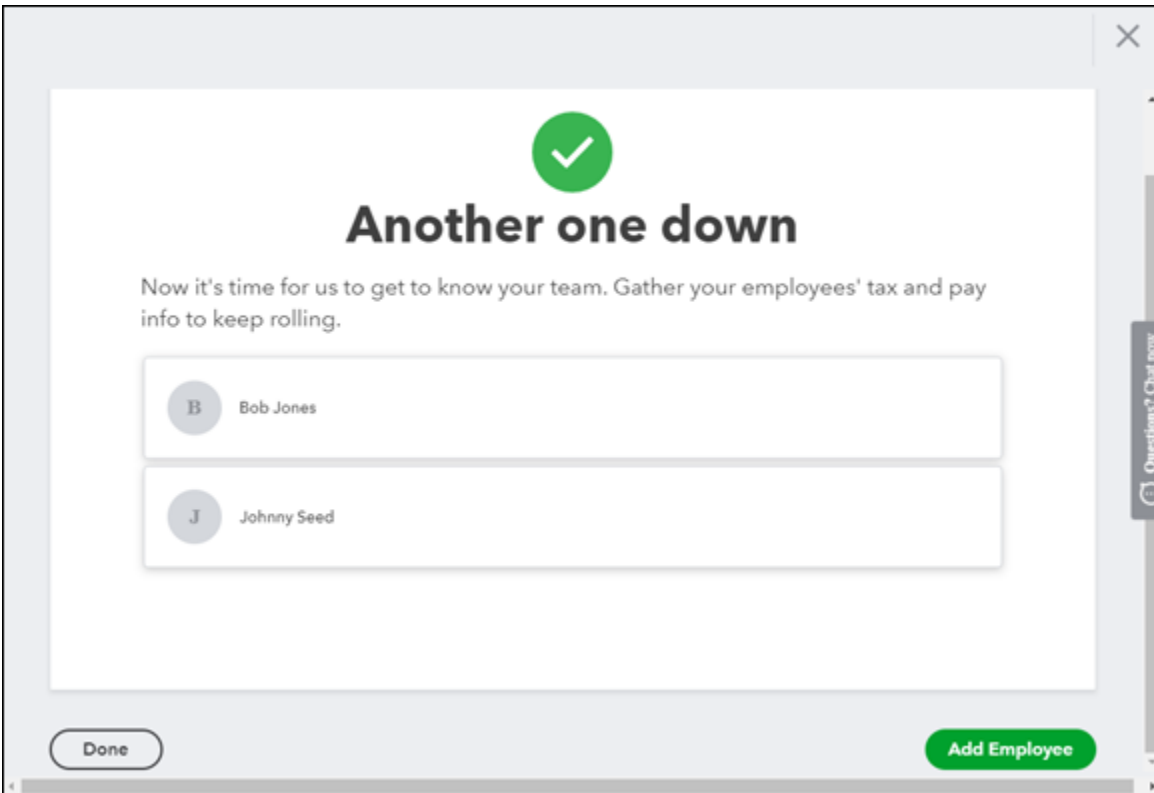
TIP

For Direct Deposit checks, you can choose to deposit the paycheck in its entirety in a single account, deposit the check into two accounts, or deposit a portion of the check directly and pay the balance as a paper check.

When you finish supplying the employee's information, click Done, and QBO displays the My Payroll page, listing active employees (see [Figure 9-6](#)). From this page, you can edit existing employees (click the employee to edit the information), you can add more employees, and you can start a payroll — and you probably should go ahead at this point and add the rest of your employees.

### ***Setting payroll preferences***

In addition to adding employees, you should review payroll preferences and set up payroll taxes. You won't be able to fully process your payroll and payroll tax returns until you complete all of the setup fields.



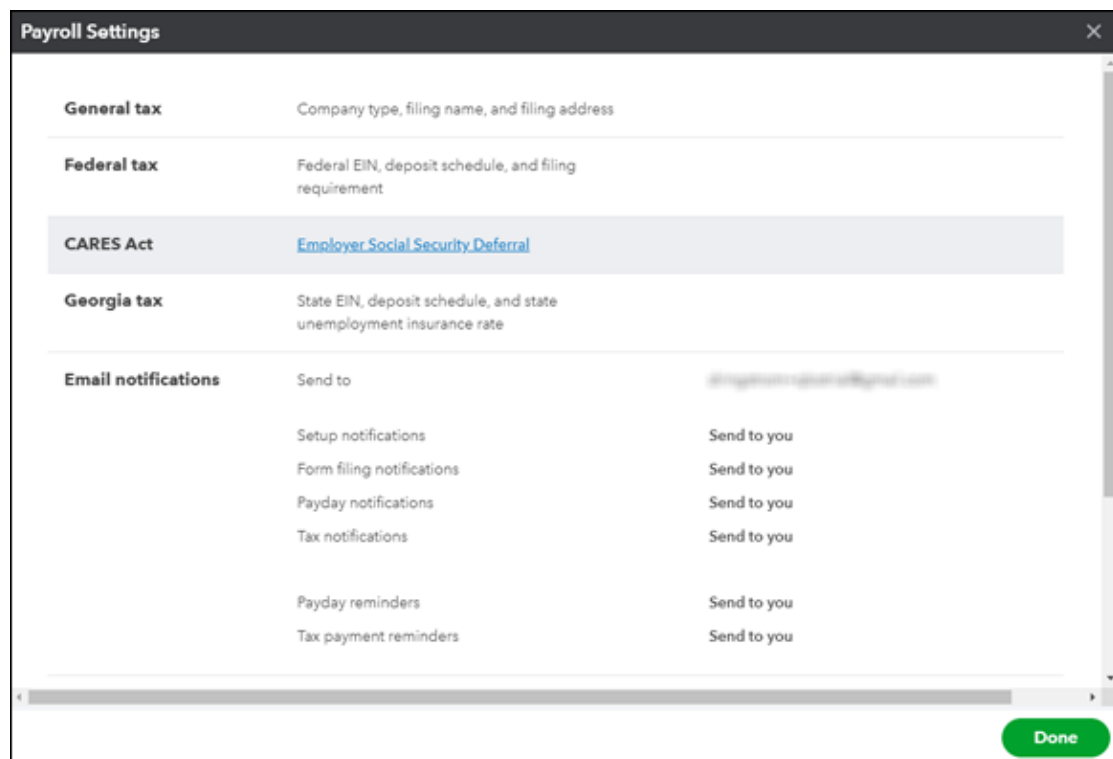
**FIGURE 9-6:** Add or edit employees.

To review payroll preferences, choose Gear ⇒ Payroll Settings in the Your Company column to display the Payroll Settings page shown in [Figure 9-7](#). The page contains a series of sections that you can use to review or establish various settings related to payroll. Understanding this page might make you feel less overwhelmed by what you see:

- » General Tax allows you you to edit your company type, filing name, and filing address, as well as change your first payroll date if necessary.
- » Federal Tax allows you you to indicate your Employer Identification Number (EIN), opt out of workers comp offers from Intuit partners, and specify a filing requirement and deposit schedule.
- » Special federal programs, such as the CARES Act may appear here if payroll tax deferrals or other relief is

presently available.

- » A state tax section allows you to specify your state Employer Identification Number, payroll tax deposit schedule, and state unemployment rates.
- » Email notifications allow you to opt in or out of payroll-related email notifications.
- » Shared Data allows you to give your employees the option to import their W-2 data into TurboTax.



**FIGURE 9-7:** The Payroll Settings page.

- » Bank Accounts requires you to connect your bank account if you wish to send money with QuickBooks to remit deductions, pay your employees with direct deposit, as well as e-file and e-pay your taxes. You can still handle these items outside of QBO if you don't wish to connect your bank account, but clearly the integration is much of the value of paying for a QBOP subscription.

- » Check Printing allows you to specify whether you want to print checks on plain paper (assuming that your printer allows you to use a MICR cartridge to generate the row of numbers at the bottom of a check) or on pre-printed QuickBooks compatible checks, along with a link for ordering checks.
- » Accounting Preferences enables you to map payroll tax payments, expenses, and liabilities to your chart of accounts.



TIP

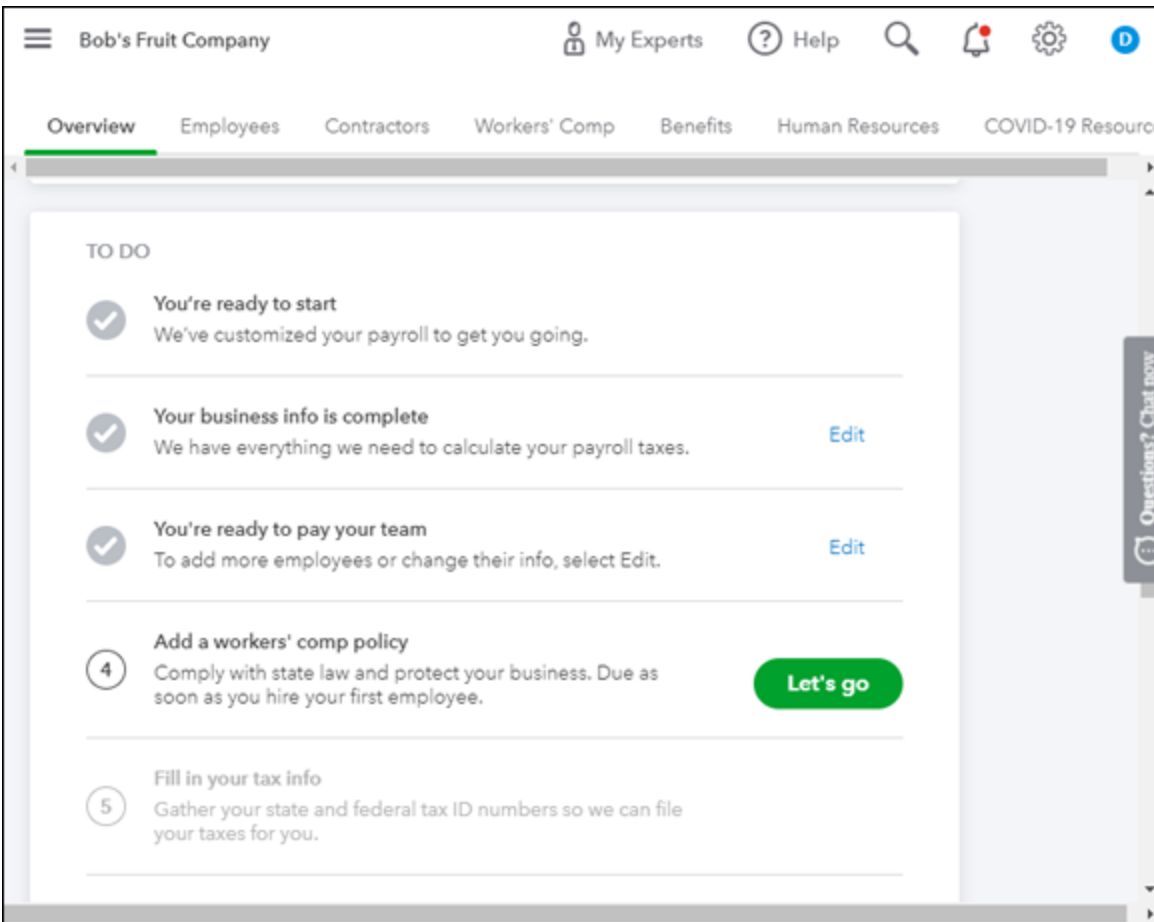
Be sure to set aside a few minutes and review every section in Payroll Settings. This will help you avoid surprises and frustration when you make a tax payment or attempt to e-file near a deadline.

QBO also offers a “Fill In Your Tax Info” wizard that can walk you through some of these choices, although each of the sections in the the Payroll Settings screen are mostly limited to a few fields at a time.

## ***Setting up payroll taxes***

Before you start using payroll, you should also review the To Do list on the Payroll Overview page, shown in [Figure 9-8](#). If you’ve been completing steps as you’ve read through this chapter, then your To Do list may look like [Figure 9-8](#). As shown, you can click Edit to change any data that you’ve already entered, or click Let’s Go to add a workers’ comp policy. A wizard first asks you to choose between “Yes, I’m covered” and “No, I don’t have it”. If you choose No, QBO offers to help you find a policy, or you can opt to do the work yourself. If you choose Yes, you’ll be asked if you want to connect your policy to QuickBooks. If you do, click the “Help Me Add My Policy to QuickBooks” check box and then click Next. If you

skip the check box and click Next, you're returned to the To Do list.



**FIGURE 9-8:** The To Do list on the Payroll Overview page.

At this point you can use the Fill In Your Tax Info wizard to set up your payroll by clicking Let's Go. The wizard will first ask you to confirm your general business info, such as your company's legal name and address, company type, and Primary Principle Officer (PPO) title. Click Next to continue to the next screen.



TIP

The Primary Principle Officer (PPO) title field is predicated on the choice you make from the Company Type field, so be sure to complete the fields sequentially to avoid confusion.

The next step in the To Do list relates to workers' compensation insurance. If workers' compensation insurance is required in your state, QBOP notifies you and asks you if you're already covered, or if you'd like a quote on a policy that integrates with QBOP. You can optionally allow QBOP to connect your workers' compensation policy or simply click Next.



TIP

The date you start using QBOP determines the “as of” date of historical information you need to collect — and determines that date to be the first day of the current quarter. Try to start using QBOP on January 1 of any year — that way, you don't need to enter any historical information. If you can't start using QBOP on January 1, try to start using it on the first day of an accounting period — either on the first day of your company's fiscal year or on the first day of a month. Historical payroll transactions can be summarized prior to that date, but must be entered in detail after that date.

Next you'll provide the legal name and address for your company, as well as federal and state tax information. Once you complete the General screen, QBOP displays a single Federal and State Tax Details page (not shown) if you indicated that you're a new employer. Existing employers will see the more detailed Federal Tax Info



screen shown in [Figure 9-9](#). Supply your federal Employer Identification Number (EIN), and confirm the payroll tax form you use and how often you must remit payroll taxes. You should also specify whether your company is a federally recognized non-profit organization that is not required to pay federal unemployment taxes (FUTA). And, indicate whether you want to share your information for the purpose of getting workers' comp insurance offers. When you click Next, the State Tax Details form shown in [Figure 9-10](#) appears within which you'll provide your state tax ID number and unemployment information. Click Done to complete this part of the To Do list.

✓ General      2 Federal      3 State

## Give us your federal tax info

Once we have your tax info, we can correctly pay and file your federal taxes. You can find what you need in letters and tax notices you've received from the IRS.

Employer Identification Number (EIN) (optional) ⓘ

12-7381424

Don't have one? [Apply for an EIN](#)

Which payroll tax form do you file with the IRS? ⓘ

Form 941 each quarter (most common) ▼

How often do you pay your taxes? ⓘ

Monthly ▼

Previous      Next

**FIGURE 9-9:** The Federal Tax Info page.

The screenshot shows a web application window titled "Payroll Taxes Setup and Compliance". The main heading is "State tax details". There are three sections of questions:

- Do you know your Georgia Account Number (Unemployment Insurance)?**
  - Yes, it is
  - No, I haven't received it yet, or I don't have it handy
- Do you know your Georgia Account Number (Withholding)?**
  - Yes, it is
  - No, I haven't received it yet, or I don't have it handy
- Do you know what SUI (State Unemployment insurance) rate Georgia assigned to your business?**
  - Yes, it is  %
  - No, please use 7.56% for now

Below these is a question: **What Administrative Assessment rate did Georgia assign to your business?** with a dropdown menu showing "0.06%".

At the bottom left is a "Back" button and at the bottom right is a green "Done" button.

**FIGURE 9-10:** The State Tax Info page.

The final task on the payroll setup to do is to link your bank account. This is a required step because as of this writing QBOP automatically deposits your payroll taxes for you and files your payroll tax forms.

In short, if you use QBOP, you cannot deposit your payroll taxes or file your payroll returns on your own; the system does it for you.

You can use the links on the Payroll Tax Center screen to make changes to any of the settings you provided as you worked through the checklist.

## ***Preparing Payroll***

Once you get past the setup work, you're ready to process payroll — essentially a three-step process:

- » Record paycheck information.
- » Review paycheck information.
- » Generate paychecks.



TIP

Mobile users: Consider trying out the Intuit Online Payroll Mobile app, which works with both QBOP and with QBO with Full Service Payroll (as well as other Intuit payroll products). You can use it to pay your employees and your payroll taxes, file payroll tax forms electronically, and review employee information and paycheck history. Data syncs automatically between the mobile app and your Intuit payroll account. Download the mobile app from the Apple App Store or from the Google Play Store; it's free with a payroll subscription.

## ***Recording payroll information***

To start preparing paychecks, click the Payroll link in the Navigation bar and then click Employees to display the Employees page. Then, click the Run Payroll button on the top-right side of the page.

QBOP starts the Run Payroll wizard by displaying the window shown in [Figure 9-11](#), which lists all your employees (we have only two employees in this company, so our list is short). If you use multiple pay schedules, QBO prompts you to choose a pay schedule before showing you the page in [Figure 9-11](#).

At the top of the window, verify the bank account from which you'll pay employees and double-check pay period and pay date information. By default, QBO places a checkmark to the left of each employee scheduled to be paid, but you can remove the check if appropriate. For

each employee paid on an hourly basis, supply the hours worked during the pay period.



**TIP** If you have lots of employees and want to see more of them onscreen, click the gear on the right side of the screen above Total Pay in the table and choose Compact. QBO reduces the amount of screen real estate it allots to each employee.

Run Payroll: Twice a Month

Pay from: Checking Balance \$11,328.51

Pay period: 08/17/2020 to 09/01/2020

Pay date: 09/15/2020

TOTAL PAY: \$7,810.06

**Tip:** We've filled in some regular pay hours. To save you time, we've filled in the default hours you've set up for your employees. Be sure to make any needed updates before you continue.

EMPLOYEE	PAY METHOD	SALARY	REGULAR PAY H...	MEMO
<input checked="" type="checkbox"/> Jones, Bob \$150,000.00 / year	Paper check	\$6,250.00		
<input checked="" type="checkbox"/> Seed, Johnny A \$18.00 / hour	Paper check		86.67	
TOTAL		\$6,250.00	86.67	

[Add an employee](#)

Cancel Preview payroll

**FIGURE 9-11:** Use this screen to enter payroll information for your employees.

## LETTING EMPLOYEES USE TIMESHEETS

If you use QBO Essentials or higher, you can set up *time-tracking users* who can log in with limited privileges that enable them to complete timesheets (and do nothing else). Alternatively, QBO users that use QBOP Premium or Elite have the TSheets time-tracking app included in their payroll plan which

allows workers to use the free TSheets mobile app to log their time. Your employees and contractors are notified of this automatically when you provide their email address in the employee setup screens.

If you're not using TSheets and wish to add a time-tracking user, follow these steps:

1. **Click the Gear button at the top of the Dashboard page and, from the menu that appears, click Manage Users in the Your Company column.**
2. **Click the Add User button and, from the window that appears, click Time Tracking Only.**
3. **Click Next and select the employee (or vendor) you want to fill out timesheets.**
4. **Supply the employee's (or the vendor's) email address.**
5. **Click Next and then click Finish.**

QBO sends to the user an email containing a link that he clicks to complete the Time Tracking Only setup process. If the user already has a QBO sign-in name and password, he can use it. Otherwise, he needs to create a sign-in name and password.

Once the user has signed in, the Single Activity Time Sheet screen appears; if the employee prefers to use the Weekly Timesheet screen, she can click the tab at the top of the screen. Since many employers don't pay their employees based on hours reported on timesheets — instead opting to use timesheets to bill clients for time spent on client projects or to track labor costs associated with a project — see [Chapter 6](#) for details on entering time.

If you use QBO Plus or Advanced you can use timesheets without using QBOP if you wish to track time to be billed to clients or customers. You can view hours entered on timesheets by time-tracking employees. Before you start payroll, click the Create (+) button at the top of QBO, select Weekly Timesheet, and then select the employee. If you prefer, you can print information: Run a Time Activity by Employee report (click the Reports link in the Navigation bar and then search for "Time Activities by Employee Detail." Then, customize the report to display the payroll timeframe. For information on reports, see [Chapter 10](#).

And don't forget that, if tracking time is crucial to or tedious for your business, you can subscribe to an app such as TSheets Time Tracking, that integrates with QBO and enables time tracking from any mobile device. TSheets is included in the Premium and Elite versions of QBOP.

## ***Reviewing and generating payroll checks***

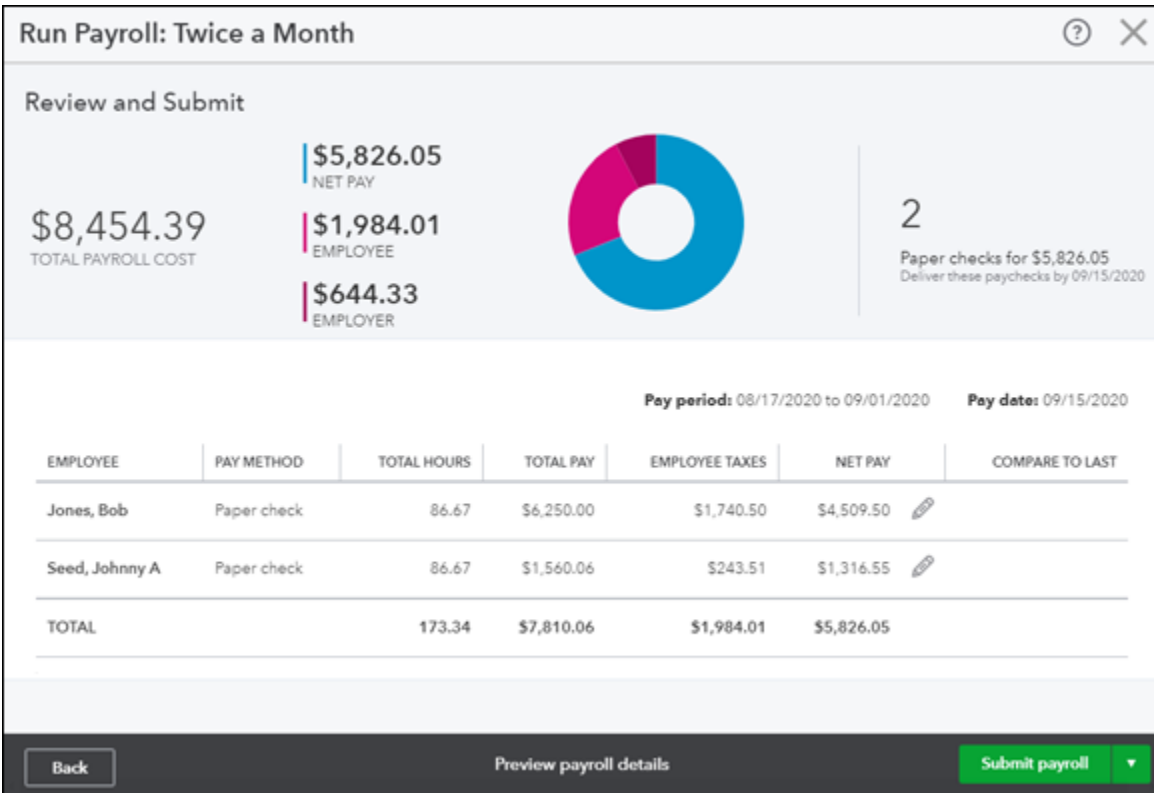
After you finish entering hours and, if appropriate, memos for each employee you plan to pay, click the Preview Payroll button in the lower-right corner of the Run Payroll window (shown previously in [Figure 9-11](#)). The Run Payroll wizard displays the Review and Submit page, similar to the one shown in [Figure 9-12](#).

When you're satisfied with the information on this page, click the Submit Payroll button in the lower-right corner of the screen. If you're unsure about the payroll or you don't have time to complete it now, click the down arrow beside the Submit Payroll button and choose Save for Later to save the work you've done so far.

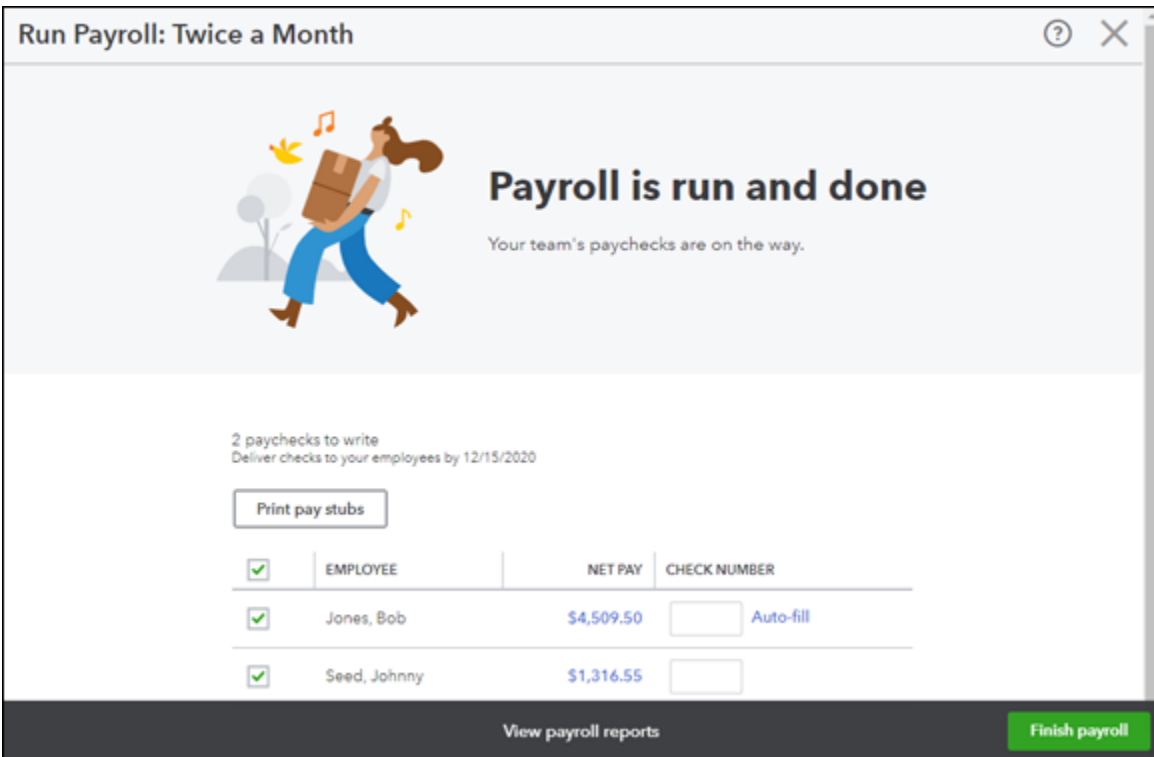


**TIP** You can click the pencil at the right edge of the line for any employee to see the details associated with the employee's paycheck. If necessary, you can make changes to some paycheck details; for example, for hourly employees, you can change the hours an employee worked and the federal and state income tax amounts.

QBO displays the last screen of the Run Payroll wizard, which confirms that you've completed payroll. If you don't directly deposit paychecks for your employees, QBO gives you the option to print paychecks and stubs. You can supply a starting check number and click Print Pay Stubs to preview paychecks and stubs and print them (see [Figure 9-13](#)).



**FIGURE 9-12:** Reviewing paychecks before generating them.



**FIGURE 9-13:** When you don't directly deposit paychecks, you'll see a page like this one.



TIP

If you pay your employees by Direct Deposit, expect next day deposits for Payroll Core, or same day deposits for Premium or Elite for transactions initiated by 7:00 AM Pacific. The confirmation screen displays when the funds will be withdrawn from your bank account and deposited into the employee's bank account.

On the last screen of the Run Payroll wizard, click the Finish Payroll button in the lower-right corner (and not shown in [Figure 9-13](#)) to record the payroll information in QBO.

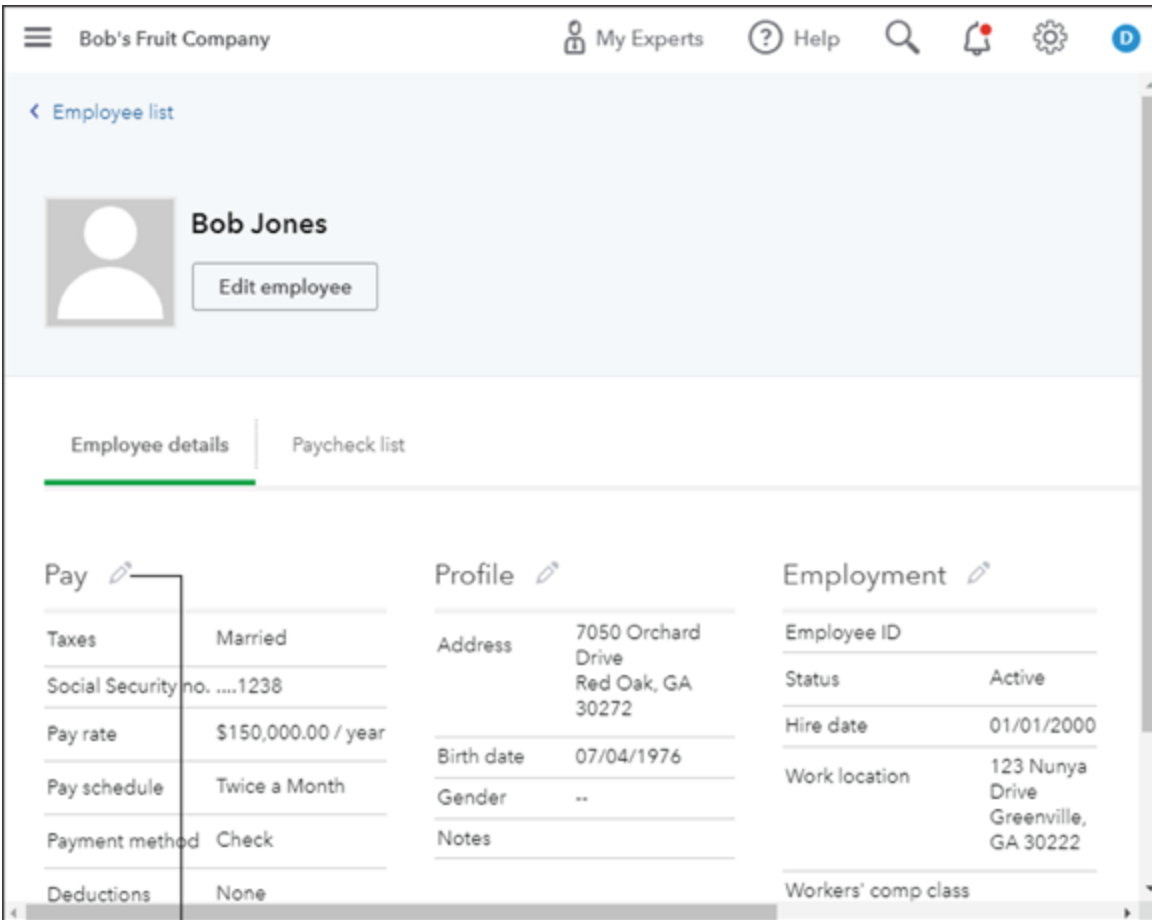
## ***Establishing or Correcting Payroll Exemptions***

Previous versions of QBOP offered the ability for you to set or correct payroll exemptions. As of this writing QBOP requires you to contact a payroll specialist if you wish to establish a tax exemption. To confirm that this is the case for you:

- 1. Click Payroll in the Navigation pane, click Employees, and click the name of the employee whose status you need to change.**
- 2. In the Pay section of the Employee Details page that appears, click the pencil icon to edit the employee's pay information (see [Figure 9-14](#)).**
- 3. On the page that appears, click the pencil icon under the "What are Employee Name's Withholdings?" (see [Figure 9-15](#)).**



4. On the Payroll Taxes Setup and Compliance page that appears, scroll down and expand Tax Exemptions (see [Figure 9-16](#)).



Click to edit information.

**FIGURE 9-14:** Click the pencil icon in the Pay section to edit pay information.

The screenshot shows a web interface for an employee named Bob Jones. At the top, there is a title 'Bob Jones' and a close button. Below this, there is a section for 'Deductions' with a note that deductions may include healthcare or retirement plans and a link to 'Learn more about deductions'. It states 'No deductions (most common)' and has a '+ Add deductions' button. The next section is '5 What are Bob's withholdings?' with a sub-note 'You can find this info on this employee's W-4. What is a W-4?'. Below this, the status 'Married' is shown with a pencil icon. A line points from the caption below to this pencil icon. The following section is '6 What are Bob's personal details?' with a sub-note 'Add employee's personal details.' and a 'Birth date' field containing '07/04/1976'. The final visible section is '7 How do you want to pay Bob?'.

Click to edit withholdings.

**FIGURE 9-15:** Click the pencil icon in the withholdings question to edit the employee's withholdings.

As shown in [Figure 9-16](#), you'll likely be directed to contact a payroll specialist to establish the exemption.

**Payroll Taxes Setup and Compliance**

Home address\*  
7050 Orchard Drive

City or town\*      State\*      ZIP code\*  
Red Oak      GA      30272

3. Federal filing status\*  
 Single  
 Married  
 Married, but withhold at higher Single rate  
 Do not withhold (exempt)

4. Total number of allowances you are claiming ..... 4. 0

5. Additional amount, if any, you want withheld from each paycheck ..... 5. \$ 0.00

▼ Georgia state taxes  
Enter state withholding info from the state form that Bob filled out.

Filing status	Allowances	Additional amount
Married Filing Jointly with two spouses working	0	\$ 0.00

▼ Tax exemptions  
These are not common.  
Contact a payroll specialist to set up an exemption for Bob.

Cancel      Done

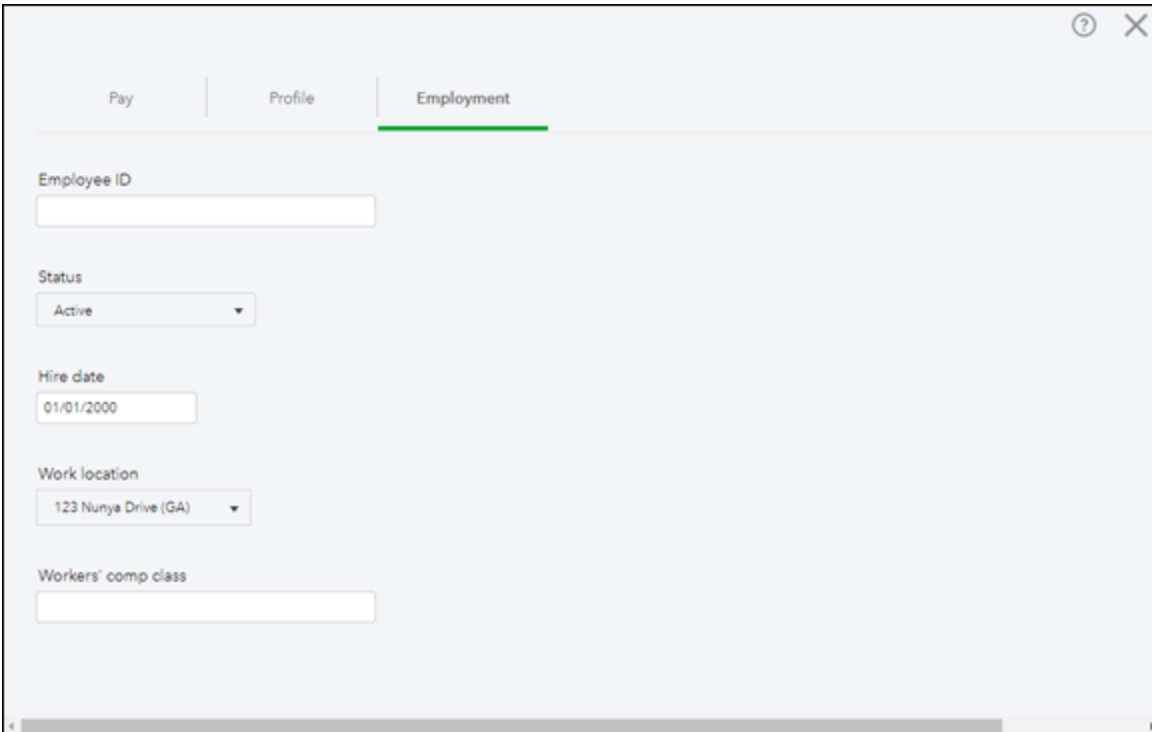
Click to display exemptions.

**FIGURE 9-16:** Click Tax Exemptions to determine whether you can manage an employee’s exemption on your own.

As shown in [Figure 9-17](#), the Employee Setup screen has the Pay tab, which we’ve worked through, as well as two human resources-related tabs: Profile and Employment. The Profile tab allows you to store an employee’s home address, email, and phone numbers, along with their gender (Female, Male, or Non-binary/Other), birth date, and a free-form notes field that displays about 90 characters. You can write more in this field, but you’ll only be able to view the first 90 characters. The Employment tab shown in [Figure 9-17](#) allows you to specify an internal employee ID, status (Active, Paid Leave of Absence, Unpaid Leave of Absence, Not on Payroll, Terminated, or Deceased). Other fields include Hire date, Work Location (the drop-down list allows you

to add new locations as needed) and Workers Comp Class.

Click Done once you've finished editing the employee.

A screenshot of a web application interface for editing an employee. The interface has three tabs: 'Pay', 'Profile', and 'Employment'. The 'Employment' tab is selected and highlighted with a green underline. Below the tabs, there are several form fields: 'Employee ID' (text input), 'Status' (dropdown menu with 'Active' selected), 'Hire date' (text input with '01/01/2000'), 'Work location' (dropdown menu with '123 Nunya Drive (GA)' selected), and 'Workers' comp class' (text input). The interface is clean and modern, with a light gray background and white form elements.

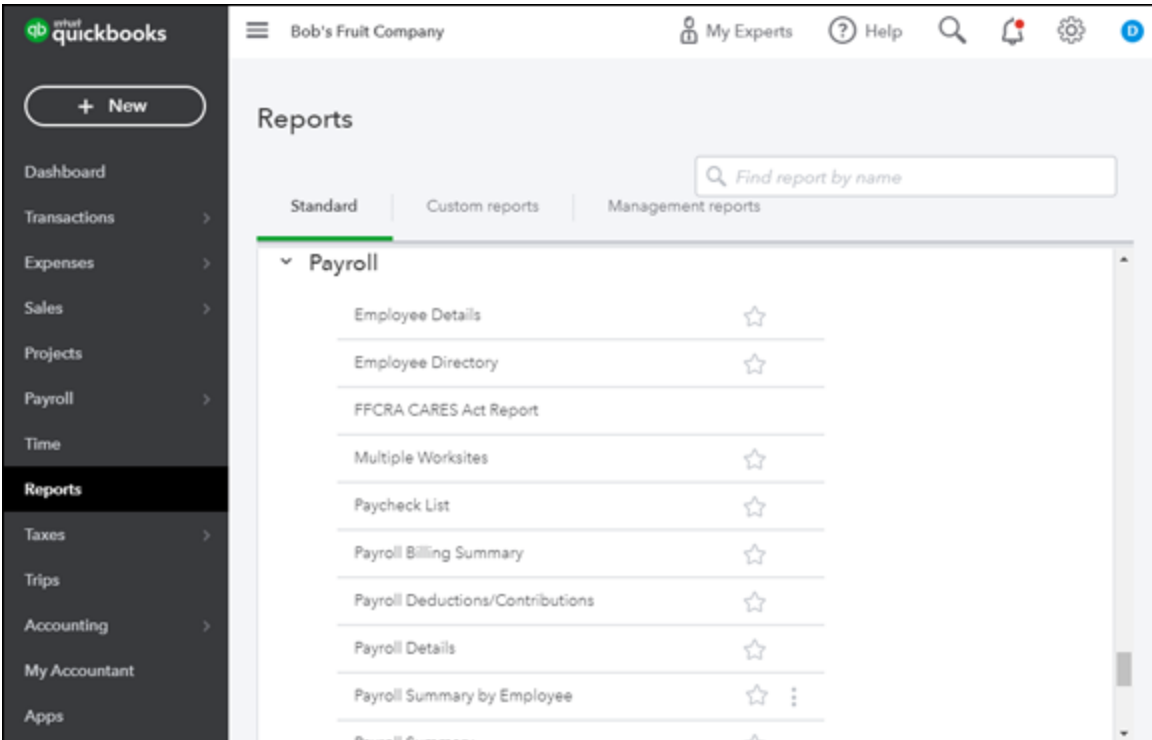
**FIGURE 9-17:** QBOP offers two tabs of human resource–related information.



**TIP** Do you need to void or delete a paycheck? Display the list of paychecks you've issued by clicking Paycheck List in the upper-right corner of the Employee page, just below the Run Payroll button (click Employees in the Navigation pane). Select the paycheck you need to void or delete and click the Void or Delete button above the list. QBO will walk you through a series of questions that helps you get the job done.

## ***Printing payroll reports***

Once you complete payroll, you might want to print payroll-related reports. Click the Reports link in the Navigation bar to display the Reports page. Scroll down the page listing Standard Reports to find the Payroll reports (see [Figure 9-18](#)).



**FIGURE 9-18:** From the Reports page, scroll down to locate Payroll reports.

You can click any payroll report to print it to the screen and, subsequently, to your printer. To customize reports, see [Chapter 10](#).

## ***Managing Payroll Taxes***

As we mentioned at the beginning of this chapter, the payroll process doesn't end with preparing and producing paychecks. On a schedule determined by the IRS, you need to remit payroll taxes and file payroll tax returns, not to mention state, and in some cases local, payroll tax returns.

## ***Paying payroll taxes***

Using rules established by the IRS, most QBO users pay payroll taxes semi-weekly or monthly, depending on the amount you owe (called your *payroll tax liability*). All versions of QBO now include automated tax deposits and forms. This means that your payroll tax compliance is completely automated. It also means that you must either let QBO completely manage your payroll tax deposits and filings, or you must complete the forms by hand. You cannot use QBO to generate paper forms that you print. Payroll Premium and Elite handle local taxes where applicable.

### **PAYROLL-RELATED DUE DATES**

Payroll and unemployment tax payments are due on a different schedule than the corresponding tax forms. To summarize, payroll tax payments for most QBO users are due semi-weekly or monthly, depending on the size of your payroll tax liability. The payroll tax form (Federal Form 941) is due quarterly.

Federal unemployment tax payments are typically due quarterly, but the federal unemployment tax return (Federal Form 940) is typically due annually.

If you do business in a state that imposes a personal income tax, then you also have state payroll tax obligations. In addition, most states impose an unemployment tax.

And, localities within any given state might also impose payroll tax obligations.

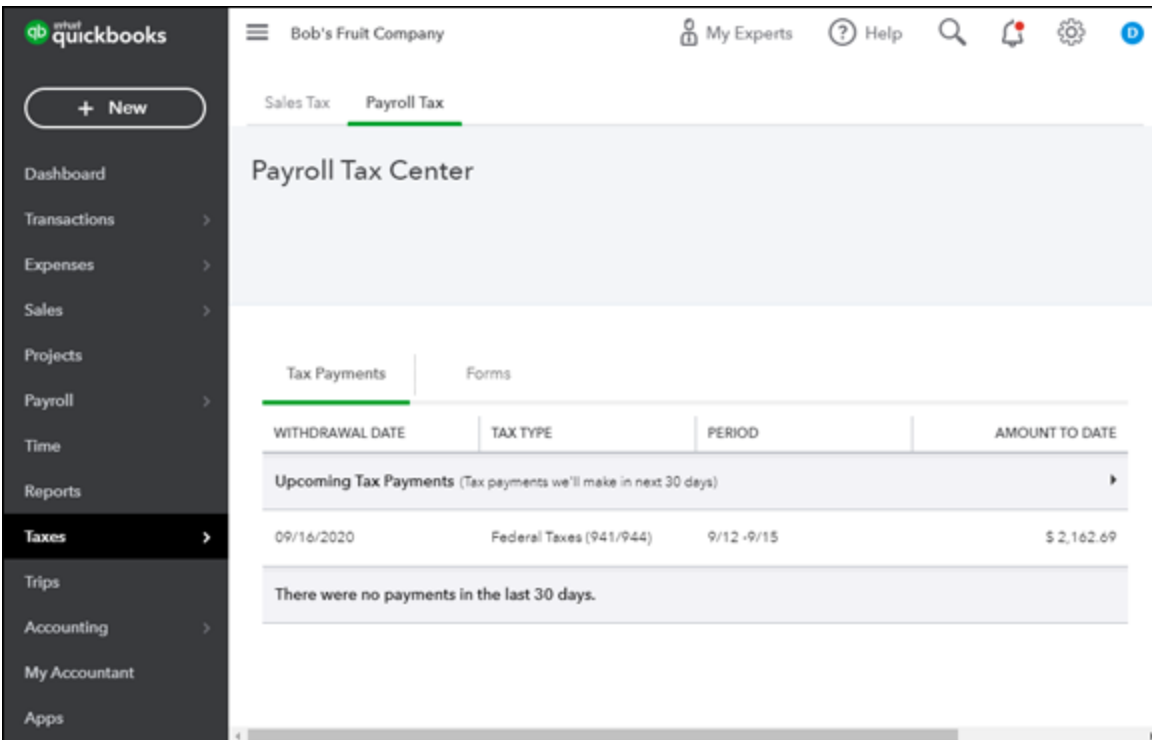
The due dates for these state and local payments and their corresponding returns vary from jurisdiction to jurisdiction; to determine the due dates for your state and locality, check at the jurisdiction's website.

Last, but not least, the listed due dates in QBO might be earlier than the actual due dates to accommodate E-file and E-pay processing.

You must make federal tax deposits by electronic funds transfer by connecting your bank account to QBO. If you opt out of this in Payroll Core, then you'll need to instead

make federal tax deposits using the Electronic Federal Tax Payment System (EFTPS), a free service provided by the United States Department of Treasury. QBOP does not make use of the EFTPS; instead, QBOP pays directly on your behalf. For this reason, you need to complete and sign IRS Form 8655, Reporting Agent Authorization, before your tax deposits and form can be filed on your behalf. You cannot opt out of the EFTPS service in Payroll Premium or Elite.

To see your payroll taxes that will be paid, choose Taxes ⇒ Payroll Tax to display the Payroll Tax Center (shown in [Figure 9-19](#)). Once you've paid employees, the Payroll Tax Center displays taxes that are due, along with their due dates and e-payment cutoff dates. You can preview how much you owe by printing the Payroll Tax Liability report; click the View Your Tax Liability Report link on the Payroll Tax Center page.



**FIGURE 9-19:** The Payroll Tax Center after you have recorded payroll information.

## ***Viewing payroll tax forms***

Quarterly, you must complete and submit a federal payroll tax return using Federal Form 941, which identifies the total wages you paid, when you paid them, and the total taxes you withheld and deposited with appropriate taxing authorities throughout the quarter. The IRS permits you to file the form electronically or to mail the form. If you connect your bank account, QBOP will automatically file these returns for you.

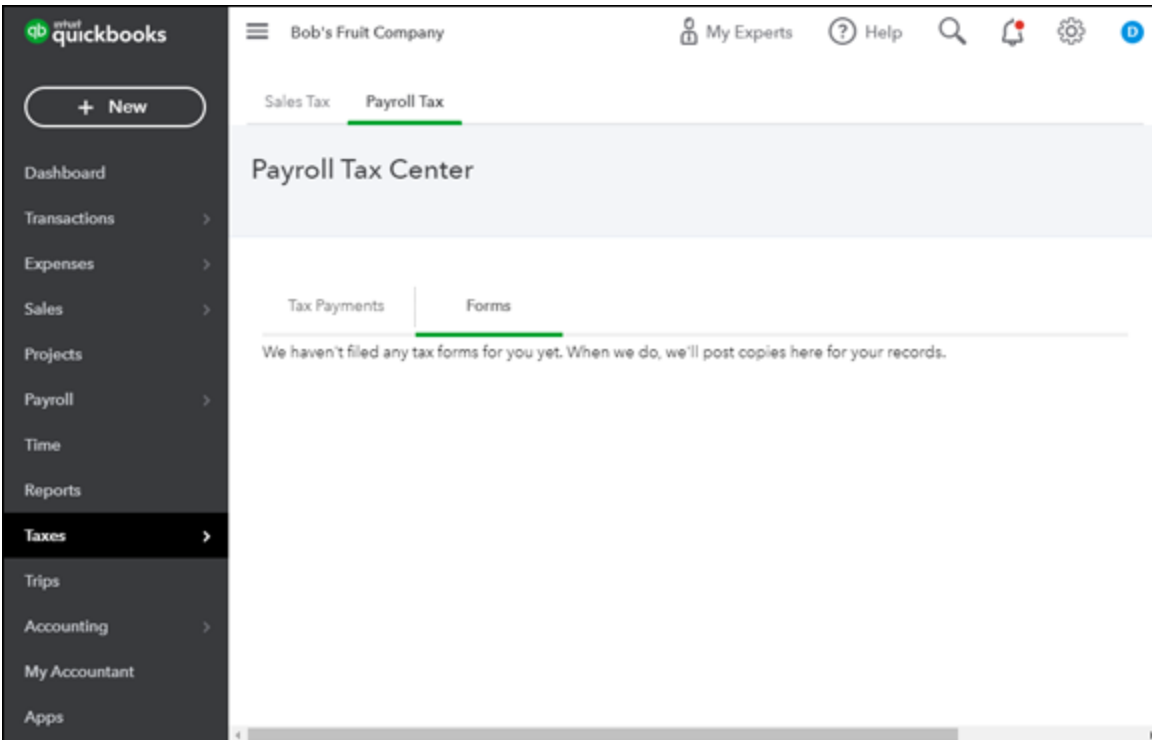


**TIP**

If you live in a state that imposes a personal income tax, then you typically must also file a similar form for your state; check your state's website for the rules you need to follow for payroll tax reporting. Your state probably has a state unemployment form you need to prepare and submit as well.

When you click Forms on the Payroll Tax Center page (refer to [Figure 9-19](#)), QBOP displays the reports you need to prepare and submit (see [Figure 9-20](#)). This is a sample company, so of course we didn't allow QBO to file any returns on our behalf.





**FIGURE 9-20:** The payroll tax returns QBO files on your behalf appear on the Forms page.

## *Paying Contractors*

Paying contractors is pretty much a straightforward experience. You can wait until you receive a bill from a contractor, enter it, and subsequently pay it as described in [Chapter 5](#).

But, to ensure that you can accurately report payments you made to contractors, you need to ensure that they are set up as vendors who will receive Form 1099-NEC; we'll call these people "1099-eligible contractors" going forward.



TIP

The Internal Revenue Service has reactivated Form 1099-NEC as a reporting vehicle for compensation paid to contractors. Previously nonemployee compensation was reported in Box 7 of Form 1099-MISC. From now on, you'll report these amounts on Form 1099-NEC.



REMEMBER

We use the term “1099-eligible” because, while you might hire someone as a contractor, if you don't pay that person at least \$600.00 — the threshold established by the IRS — then technically, you don't have to produce a 1099 for that contractor. Further, if you don't pay a contractor more than \$600.00, QBO does not show payments to that contractor on certain reports.

1099-eligible contractors are people who work for you but who are not your employees. Specifically, the IRS distinguishes between 1099-eligible contractors and employees based on whether you, the employer, have the means and methods of accomplishing the work or if you simply have the right to control and direct the result of the work. If you have the means and methods to accomplish the work, the person working for you is an employee, not an independent, 1099-eligible contractor. If you're at all uncertain, ask your accountant.

In this section, we focus on setting up 1099-eligible contractors, paying them (without using direct deposit), reporting on 1099 payments you've made, and preparing 1099s for those of your contractors who need them.



TIP

If you use QBOP, you can pay contractors (as well as employees) via Direct Deposit. You must first turn on and complete Direct Deposit setup for your company's payroll subscription, which involves you supplying your banking (routing and account) information from which contractors and employees will be paid. Then, to set up a contractor as a Direct Deposit recipient, click Worker ⇒ Contractors. On the page that appears, click the Check It Out button and follow the onscreen directions to add a contractor's banking information and initiate payment within QBO the same way you would for employees. Direct Deposit for Contractors costs you a per-month fee to issue as many direct deposit checks as you want.

## ***Setting up 1099 contractors***

You can set up 1099-eligible contractors in two different ways, and the end result is the same:

- » You can use the information in [Chapter 4](#) to set up a new vendor and make sure that you check the Track Payments for 1099 box.
- » You can use the Contractors page to set up a contractor; QBO automatically sets up any contractor you add from this page as a 1099-eligible contractor.

Because you saw how to set up new people in [Chapter 4](#), we'll focus on using the Contractors page to create a new contractor; follow these steps:

1. **Click Workers ⇒ Contractors.**

QBO displays the Contractors page, which lists currently established contractors.

**2. Click the Add a Contractor button.**

QBO displays the dialog box shown in [Figure 9-21](#).

**3. Provide the contractor's name and, if you want the contractor to complete his or her profile, you can provide an email address.**



**TIP**

If you provide the contractor's email address, Intuit contacts the contractor and get the contractor's 1099 information for you, including the contractor's signature on the W-9 form the IRS requires you to keep on file. Intuit uses the form information to populate the contractor's record and leave a PDF of the W-9 form for you in the Contractors page, under Documents.

**4. Click Add Contractor.**

QBO adds the contractor and displays the contractor's details page, where you can click Add to provide details about the Contractor Type (see [Figure 9-22](#)). QBO uses this information when you prepare 1099s for the year.

**5. Click Save.**

QBO redisplay the contractor's details page showing the details you just provided.

**Add a contractor** ✕

Name \*

Tom Smith

Email

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

[Preview](#)

**Add contractor**

**FIGURE 9-21:** Setting up a new contractor.

## ***Paying contractors***

You pay contractors the same way you pay any other vendor; see [Chapter 5](#) for details on entering bills, expense transactions, and checks. If a contractor sends you a bill, you can enter it and pay it when appropriate. The most important point to remember about paying contractors is to categorize them using the appropriate account on your Chart of Accounts. In my examples in this section, I've assigned all contractor payments to an expense account named *Contractors*.

## ***Reporting on 1099 vendor payments***

Here comes the tricky part. QBO contains a 1099 Contractor Summary and 1099 Contractor Detail report, but both reports show information only on outstanding

bills — *not* on bills you have paid. You can think of these reports as Accounts Payable reports for contractors.

The image shows a screenshot of a web form for entering contractor information. The form is titled "Contractor type \*" and has a close button (X) in the top right corner. It contains several input fields and radio buttons. The "Contractor type" section has two radio buttons: "Individual - files taxes using a Social Security number (most common)." (which is selected) and "Business - files taxes using an Employer Identification Number (EIN)". Below this are fields for "Title", "First \*", and "Middle". Further down are fields for "Last \*" and "Suffix". The "Display name \*" field contains the text "Tom Smith". The "Social Security number \*" field contains "123-45-6789". There are empty fields for "Email" and "Address \*". At the bottom of the form, there are partially visible fields for "City \*", "State \*", and "ZIP + 4 \*". A green "Save" button is located at the bottom center of the form.

**FIGURE 9-22:** Provide the Contractor Type information QBO needs to eventually prepare 1099s.

To view payments you have made to 1099-eligible contractors, you need to

- » Make sure that you have set up your company to be ready to prepare 1099s.
- » Prepare the 1099 Transaction Detail report, which shows contractors to whom you have paid more than \$600.00, the IRS-specified threshold for reporting payments to contractors.



**REMEMBER** The report excludes payments you make to contractors using a credit card because you aren't responsible for providing a 1099-NEC for credit card payments; instead, the contractor's payment processor will provide the contractor with a 1099-K.

To make sure that you have set up your company to prepare 1099s, you walk through most of the process of, well, preparing 1099s. Follow these steps:

**1. Choose Payroll ⇒ Contractors.**

QBO displays the Contractors page, listing the 1099-eligible contractors you have set up.

**2. Click the Prepare 1099s button in the middle of the page.**

QBO displays a page explaining what will happen as it walks you through this process.

**3. Click Let's Get Started.**

QBO asks you to review, and, if necessary, edit your company's name, address, and tax ID number.

**4. Click Next.**

QBO asks you to categorize payments you made to your contractors (see [Figure 9-23](#)).



**TIP**

In most cases, you'll check Box 7, Nonemployee Compensation, and then select an account from your Chart of Accounts list where you assigned your 1099-eligible contractor payments; in my example, we chose the Contractors account.

**5. Click Next.**

QBO displays a page where you can review information about the contractors you've set up; only contractors who meet the \$600.00 minimum threshold appear on this page. You review the contractor's address, tax ID, and email if provided, and you can click Edit in the Action column if you need to make changes.

**6. When you finish reviewing contractor information, click Next.**

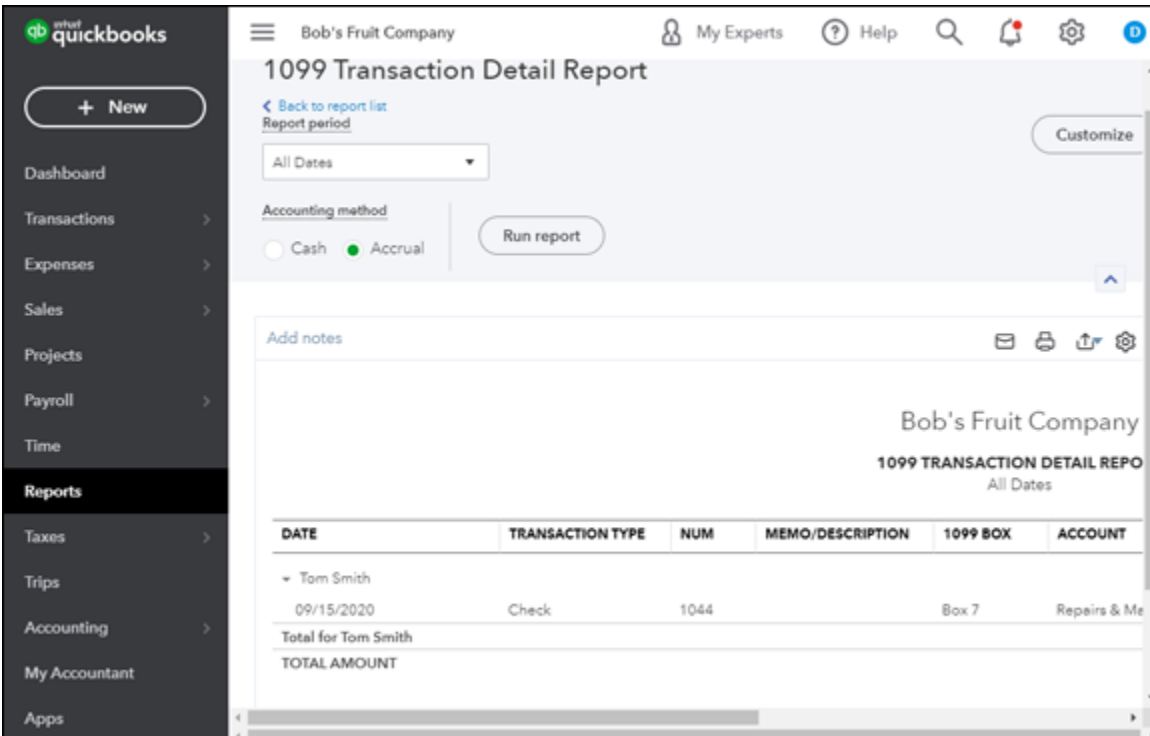
QBO next displays the total of payments you've made to each contractor for you to review; you can print the information shown on the page, but you don't need to do so because you can print a report of the information.



**FIGURE 9-23:** Select the boxes on the Form 1099 that apply to the payments you made to your 1099-eligible vendors.

- 7. You've now set up your company sufficiently to view reports on 1099 information; assuming that you are not ready to prepare 1099 forms, click Save and Finish Later.**

At any time, you can now print the 1099 Transaction Detail report shown in [Figure 9-24](#). This report gives you detailed information about the amounts you've paid to 1099-eligible vendors who have met the IRS's \$600.00 threshold. Choose Reports in the Navigation bar and, on the Reports page, scroll down to find the 1099 Transaction Detail report.



**FIGURE 9-24:** The 1099 Transaction Detail report shows information for 1099-eligible vendors to whom you paid at least \$600.00, the IRS’s threshold.



**REMEMBER** If you paid any of your 1099-eligible vendors by credit card, those payments won’t appear on the 1099 Transaction Detail report because payments made by credit card are reported to the IRS by the credit card company.

## *Preparing 1099s*

There’s really not much to say here; you follow the steps in the preceding section except Step 7, where you don’t click Save and Finish Later. Instead, you click Finish Preparing 1099s and then follow the onscreen instructions to print Form 1099s for you and for your contractors who qualify to receive a Form 1099.

## Chapter 10

# How's the Business Doing?

---

### IN THIS CHAPTER

- » **Understanding the Reports page**
- » **Finding reports**
- » **Printing and saving reports**

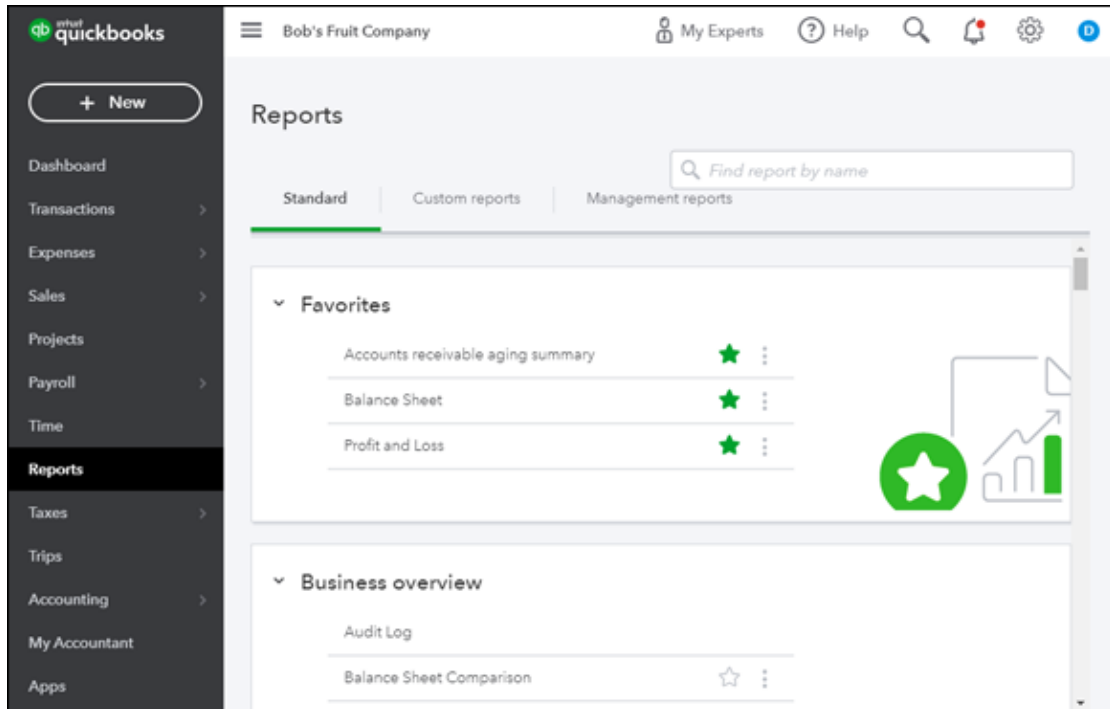
No big surprise here: To help you measure and evaluate your business's health, you use reports. The reports reflect the information in QBO, so, keeping QBO up to date with your daily activities helps ensure that accurate information appears on the reports you run.

## *Quickly Review Income and Expenses*

When you click Reports on the Navigation bar, you see a page like the one shown in [Figure 10-1](#).

Reports are organized into three tabs (more about that in the next section) and you see the Standard tab by default. As you scroll down the Reports page, you'll find reports organized in the following categories:

- » Favorites
- » Business Overview
- » Who Owes You



**FIGURE 10-1:** The Reports page.

- » Sales and Customers
- » What You Owe
- » Expenses and Vendors
- » Sales Tax
- » Employees
- » For My Accountant
- » Payroll



**REMEMBER** The list of available payroll reports depends on whether you have a payroll subscription. If you don't, you'll see a much shorter list of available payroll reports: an Employee Contact List and two reports related to time tracking.

# ***Finding the Report You Want***

Reports in QBO are organized into three categories:

- » Standard
- » Custom Reports
- » Management Reports

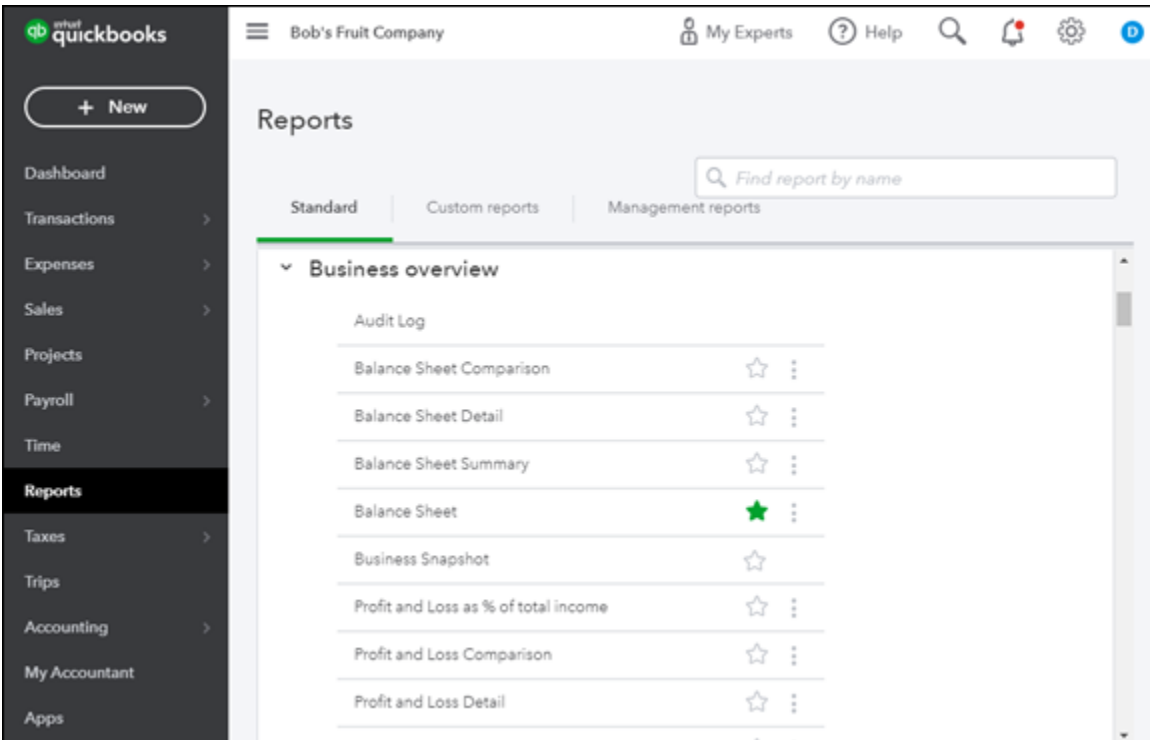
These categories appear on the Reports page and function as tabs; that is, as shown in [Figure 10-1](#), you click a tab to see the reports in that category.

## ***Examining standard reports***

QBO lists all reports available to you on the Standard tab of the Reports page based on your QBO subscription level, the features you use in QBO, preferences, and add-ons.



**TIP** Simple Start subscriptions now have a Trial Balance and General Ledger report. In [Figure 10-2](#), we've scrolled down the Standard tab to show you many of the reports in the Business Overview section of the tab. Remember, the reports we display in the figure might differ from the ones you see when you review standard reports.



**FIGURE 10-2:** Business Overview reports.

Notice the filled-in star beside the Balance Sheet report. On your screen (and our screen, too) the star is green; in your black and white book, the star appears gray, at best. The filled-in star indicates a report marked as a *favorite* and, if you refer to [Figure 10-1](#), you'll see the Balance Sheet report appears in the Favorites section of the Standard tab.

Use the Favorites section to bring reports you use most often to the top of the default page that appears when you click Reports in the Navigation bar. To make a report into a favorite, simply click the empty star beside it; QBO automatically fills in the star and displays the starred report at the top of the Standard tab in the Favorites group. If you change your mind, click the star next to a report in the Favorites section; you then simply need to scroll down to find the report to run it in the future.

## ***Finding reports you customize***

The Custom Reports tab lists reports you have customized and saved, either as single reports or in a report group. The Custom Reports tab remains empty until you customize and save a report as described later in this chapter in the section “[Saving a customized report](#).” In that section, we’ll also show you how to place a customized report into a group, and you’ll get a look at the Custom Reports page after it contains a report saved to a group.



**TIP** In QuickBooks Desktop vernacular, saving an individual report in QBO is the equivalent of memorizing a report. Saving a report to a group in QBO is conceptually the same as creating a memorized report group in the QuickBooks Desktop product.

## ***Taking a look at management reports***

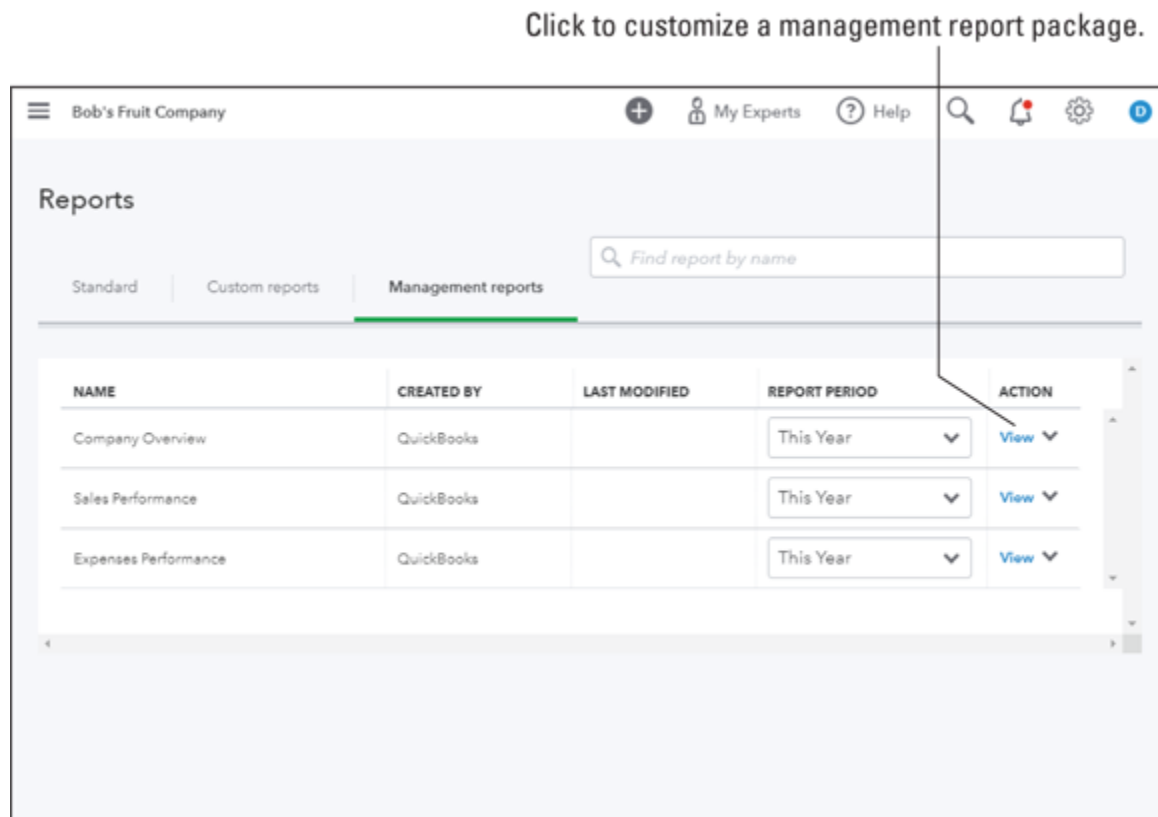
The Management Reports tab, shown in [Figure 10-3](#), lists three predefined management report packages you can prepare and print by clicking the View link in the Action column.

These report packages are really quite elegant; each package contains a professional-looking cover page, a table of contents, and several reports that relate to the report package’s name:

- » The Company Overview management report contains the Profit and Loss report and the Balance Sheet report.
- » The Sales Performance management report contains the Profit and Loss report, the A/R Aging Detail report,

and the Sales by Customer Summary report.

- » The Expenses Performance management report contains the Profit and Loss report, the A/P Aging Detail report, and the Expenses by Vendor Summary report.



**FIGURE 10-3:** The Management Reports page.

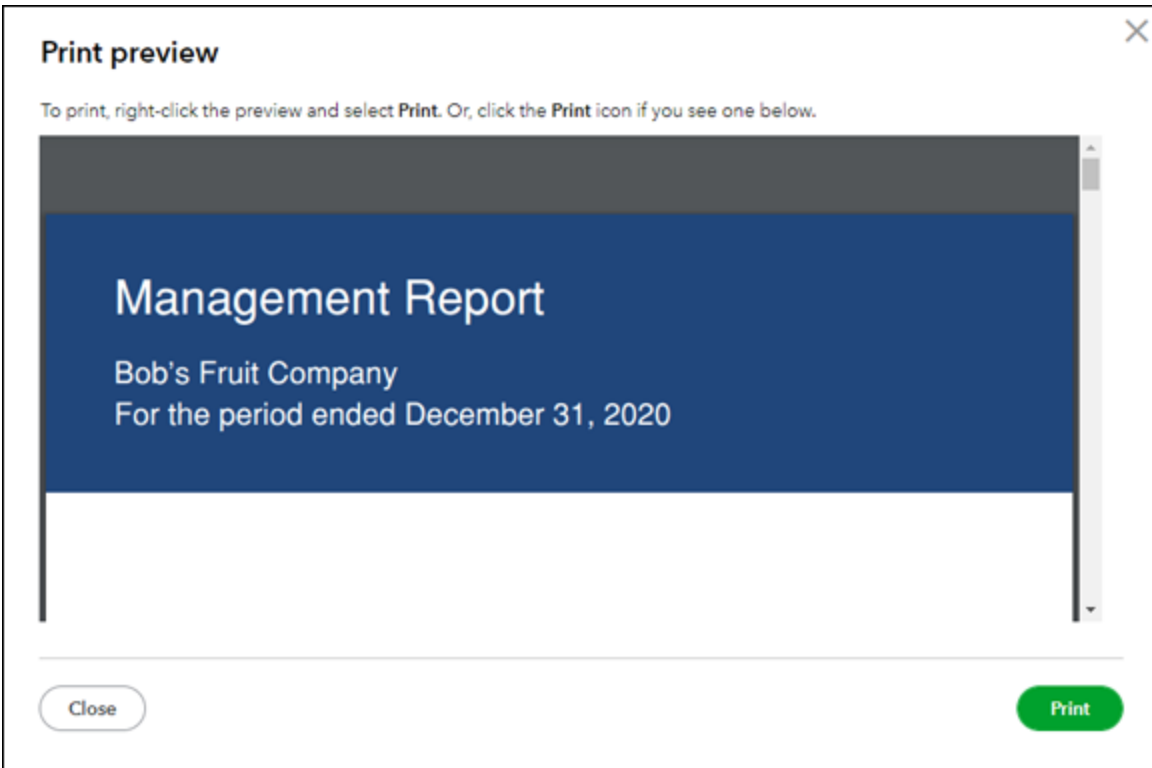
When you click View in the Action column beside a management report, QBO displays a Print Preview window, as shown in [Figure 10-4](#). You can click Print or, if you move your mouse into the preview area, you can click the Download button that appears in a toolbar to save the report in PDF format. Alternatively, if you click the arrow next to View in the Action column, you have some additional choices:

- » Edit allows you to add your logo to the cover page, add more reports to the package, include an executive



summary, and add end notes to the package.

- » Send allows you to email the report package as a PDF file.
- » Export as PDF allows you to bypass the Print Preview window and save your report package as a PDF file directly.
- » Export as DOCX to save your report package in a format compatible with Microsoft Word and other word processing programs, such as Google Docs.
- » Copy creates a duplicate version of the report package, allowing you to keep the original intact. QuickBooks adds -1 to the report name, such as Company Overview-1, but you can always edit the name.
- » Delete allows you to duplicate report packages that you've copied. Delete will not appear for any management reports that reflect being created by QuickBooks.



**FIGURE 10-4:** Print Preview of a management report.

You can also customize these reports; click the downward-pointing arrow beside a report to see your choices. If you opt to edit a report package, you can add your logo to the cover page, add more reports to the package, include an executive summary, and add end notes to the package.



**TIP**

If you don't want to keep the original reports intact, click Copy from the drop-down menu; QBO automatically creates a "-1" version of the report, and you can modify it to your heart's delight.

## ***Searching for a report***

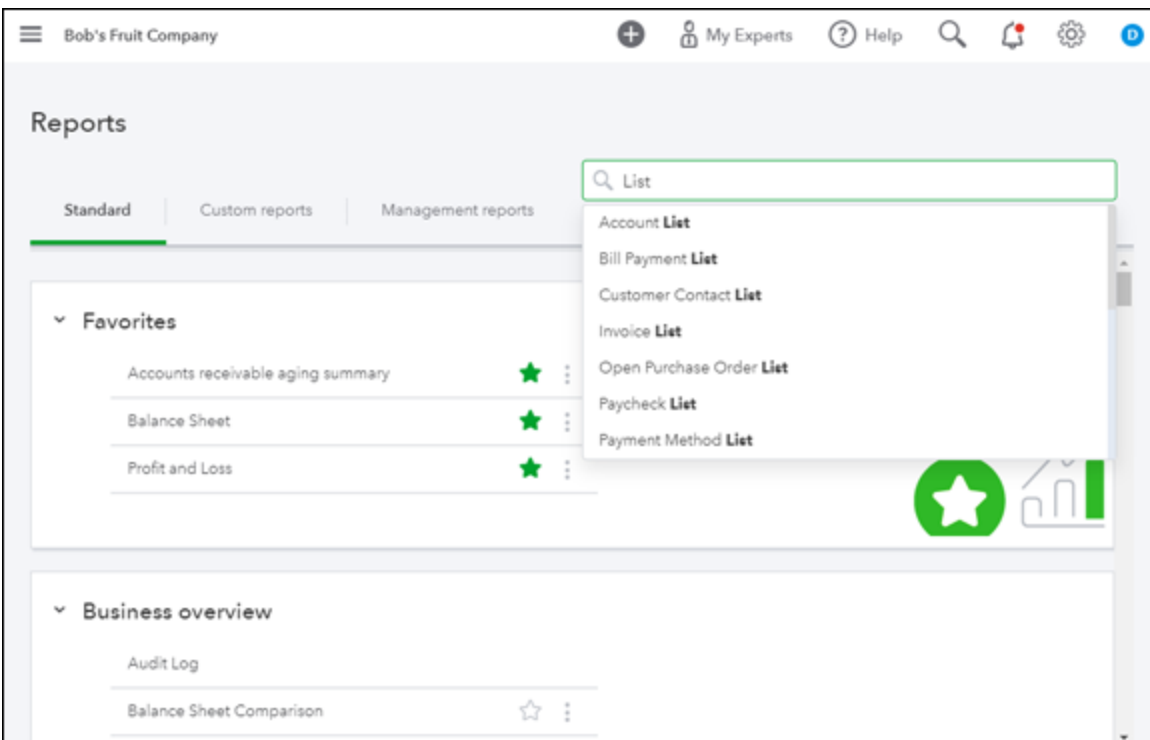
You don't need to use the tabs to find a report. Instead, you can click in the Find a Report by Name box at the top-right portion of the Reports page and type some

portion of the report you want to display; when you do, QBO displays all reports that meet the criteria you supplied, listed alphabetically, in a drop-down list (see [Figure 10-5](#)).

To display the report you want onscreen, simply click it within the list. If you don't see the report you want, you can change or add to the criteria in the Find Report by Name box.



**TIP** You're not limited to searching for reports after clicking Reports in the Navigation bar. You also can use the Search tool at the top of the QBO screen (next to the Gear menu) to search for a report regardless of the page you are viewing.



**FIGURE 10-5:** Searching for a report.

# Printing a Report

To generate any report, simply click the report's title. QBO automatically displays the report using standard settings. To return to the Reports page, click the Back to Report List link above the report's settings or click Reports in the Navigation bar.

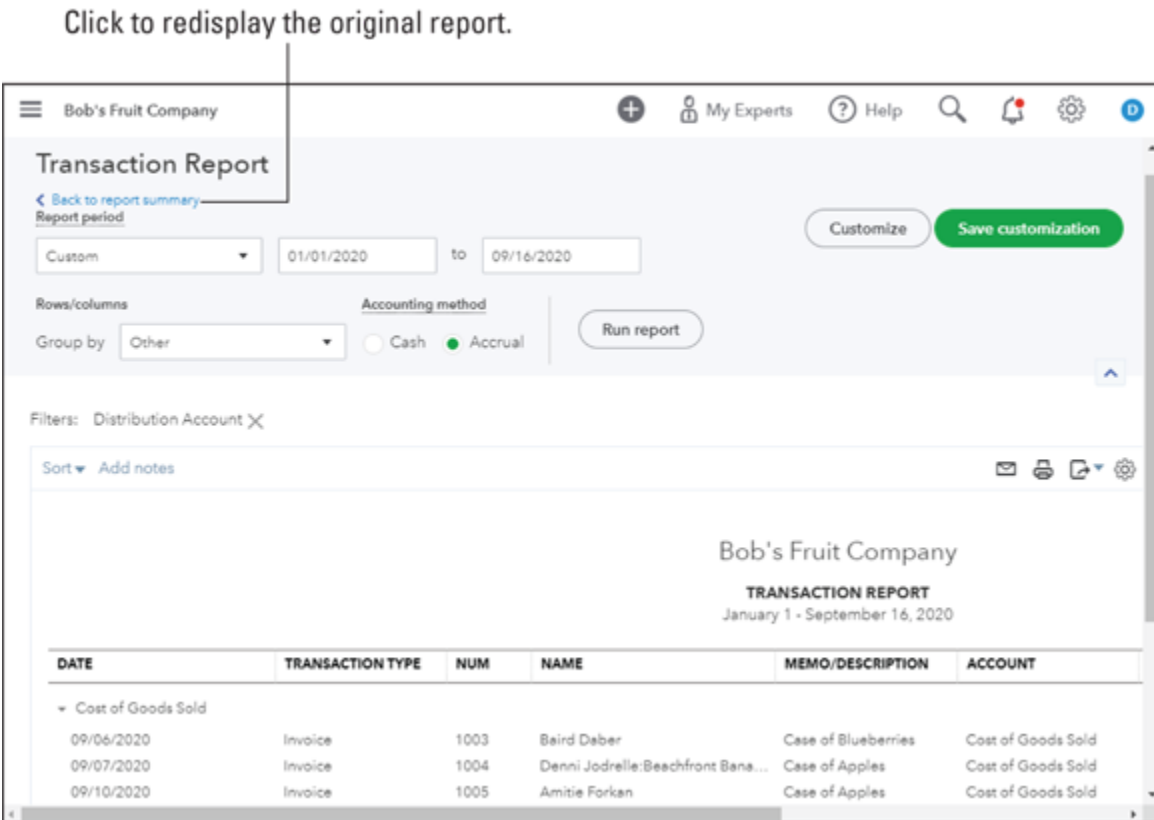
On most reports, you can *drill down* to view the details behind the report's numbers. For example, from the Profit and Loss report, you can click any Income or Expense account value, and QBO displays the transactions that make up the number on the Profit and Loss report. We clicked the dollar amount for Cost of Goods Sold, and QBO displayed the Transaction report shown in [Figure 10-6](#).

To redisplay the original report — in this case, the Profit and Loss Report — you can click the Back to Summary Report link at the top of the report page.



TIP

If you want to keep the original summary version of the report open and also view the details from drilling down, duplicate the browser tab containing the summary version of the report before you drill down to view details. When you finish working with the details, you can close the tab containing them. To duplicate a tab in Chrome, right-click the tab and select Duplicate, or in Firefox, right-click the tab and select Duplicate Tab, or hold down the Ctrl key as you click the refresh button at the left edge of the address bar.



**FIGURE 10-6:** The Transaction report that appears after clicking an income account on the Profit and Loss report.

## *Customizing a report*

You can customize most reports in a variety of ways. For most financial-based reports, you can choose between the Cash or Accrual basis accounting methods; you won't see an option to change the accounting method on list reports.

For many reports, you can change the date range covered by the report by opening the Transaction Date list box and making a selection, or by setting specific dates in the From and To boxes. After you make your selection, click the Run Report button to refresh the report and display information only in the date range (or other criteria) you selected.

You can establish more detailed custom settings for any report; throughout this section, we discuss the available

customization options in relation to the Profit and Loss Report.

Click the Customize button at the top of the report. QBO displays the Customize panel for the selected report. It's important to understand that the settings that appear in the Customize Report panel vary, depending on the report you are customizing.

The Customize Report panel contains several sections; in [Figure 10-7](#), you see the details of the General section, from which you can, for example, opt to display the report using the accrual rather than the cash basis of accounting.

### Customize report ✕

▼ General

**Report period**

This Year-to-date ▼ 01/01/2020 to 09/16/2020

**Accounting method**

Cash  Accrual

**Number format** **Negative numbers**

Divide by 1000 -100 ▼

Without cents  Show in red

Except zero amount

**Unrealized gain or loss**

Show unrealized gain or loss

▼ Rows/Columns

**Columns** **Show non-zero or active only**

Total Only ▼ Active rows/active c... ▼

[Change columns](#)

▶ Filter

[Run report](#)

**FIGURE 10-7:** The General section of the panel you use to customize a report in greater detail.

To view the settings available in the Rows/Columns section, click the right-pointing carat beside the section name. From the Rows/Columns section (see [Figure 10-8](#)), you can click Change Columns to control the columns

and rows that appear on the report, such as adding a variety of comparison columns.

▼ Rows/Columns

Columns      Show non-zero or active only

Total Only      Active rows/active c...

Select and reorder columns

- Previous period (PP)
  - \$ change     % change
- Previous year (PY)
  - \$ change     % change
- Year-to-date (YTD)
  - % of YTD
- Previous year-to-date (PY YTD)
- % of Row
- % of Column
- % of Income
- % of Expense

[Hide change columns](#)

► Filter

► Header/Footer

Run report

**FIGURE 10-8:** Use these settings to control the rows and columns that appear on the report.





TIP

When you choose columns to add to your report, the field names move above the list of available columns underneath Select and Reorder Columns. This separate section lets you easily see the columns you've added, and change their order by using the waffle buttons adjacent to each column name.

From the Filter section, shown in [Figure 10-9](#), you can control the entries from the Account, Customer, Vendor, Employee, and Product/Service list that QBO includes on the Profit and Loss report.

Show unrealized gain or loss ✕

▼ Rows/Columns

Columns Show non-zero or active only

Total Only Active rows/active c

[Change columns](#)

▼ Filter

Distribution Account All Income/Expense A

Customer All

Vendor All

Employee All

Product/Service All

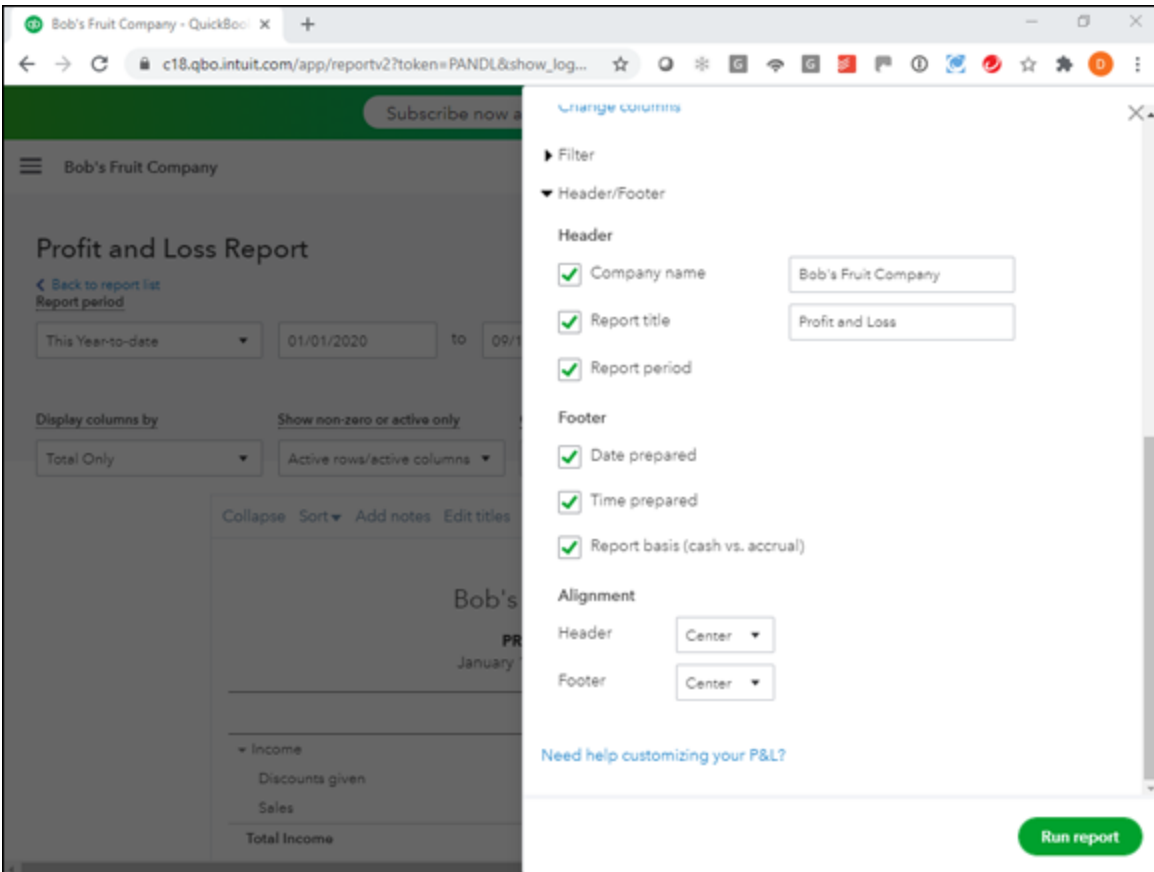
▶ Header/Footer

[Need help customizing your P&L?](#)

[Run report](#)

**FIGURE 10-9:** The filtering options you can control on the Profit and Loss report.

[Figure 10-10](#) shows the settings you can control in the Header and Footer sections of the report as well as the report alignment.



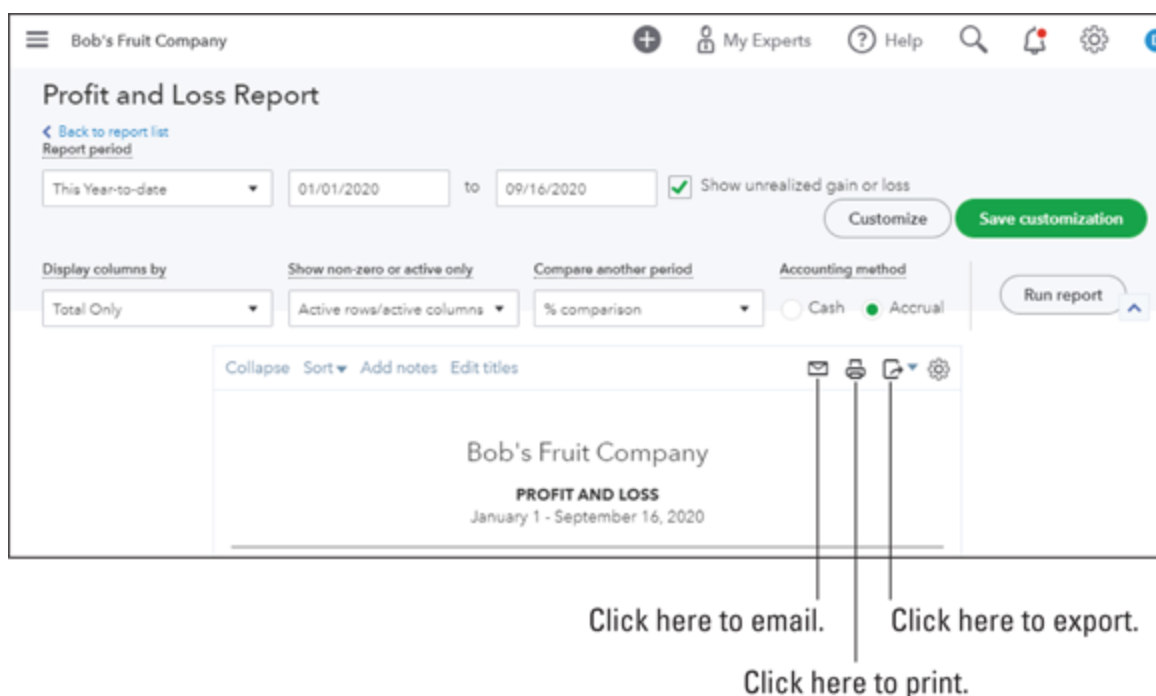
**FIGURE 10-10:** The Header/Footer settings you can customize on the Profit and Loss report.

When you're finished customizing the report, click Run Report in the lower-right corner of the Customize Report panel, and QBO displays the report onscreen using your customized settings (see [Figure 10-11](#)). With the report onscreen, you can click the Print button to print the report to paper or to a PDF file. Or, you can click the Email button to email the report or the Export button to export the report to Excel or to a PDF file.

## ***Exporting to Excel***

When you export a report to Excel, a button with the report title followed by "xlsx" appears in the bottom-left corner of the screen; click that button to open the report in Excel. Be aware, too, that QBO automatically saves a copy of the report to your local hard drive; ours appear

in the Downloads folder. If you don't delete the reports, QBO increments the report name for subsequent reports you export to Excel. Alternatively, you can instruct your browser to ask you where to save your reports. In Chrome, click the Customize and Control Google Chrome menu represented by three vertical dots at the top-right corner, and then choose Settings. Scroll down and click Advanced, and then in the Downloads section turn on Ask Where to Save Each File before Downloading. You can also use this section to specify a new default location for downloads, but keep in mind this will affect all downloads, not just those from QBO.



**FIGURE 10-11:** The report after customizing to include % of Income and % of Expense columns

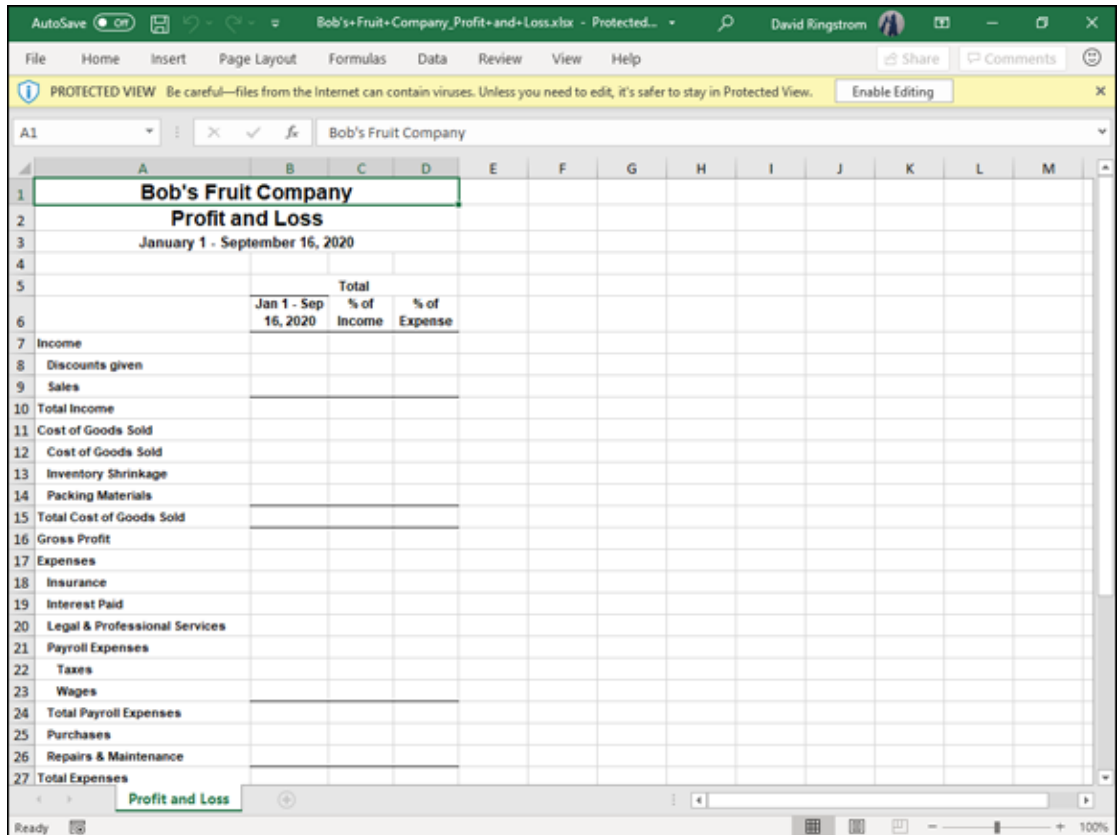


TIP

To find the folder where QBO stores the report, click the up arrow on the right side of the report's button in the lower-left corner of the QBO screen and choose Show in Folder.

As shown in [Figure 10-12](#), you may find yourself needing to click Enable Content each time you open a report. If you don't click Enable Content, you won't be able to make any changes to the report, such as deleting rows or performing calculations on the side. As shown in [Figure 10-12](#), Protected View may also hide the numbers on your report. This is the Protected View feature in Excel responding to a perceived threat because the report was downloaded from the Internet. You should certainly be careful when opening unfamiliar attachments, but for many users clicking Enable Content each time they open a report exported from QBO simply serves a repeated speed bump. Fortunately, you can disable Protected View in Excel:

- 1. Choose File, and then Options.**
- 2. Choose Trust Center from the left-hand column of the Excel Options dialog box, and then click Trust Center Settings to the right.**



**FIGURE 10-12:** Protected View in Microsoft Excel requires you to click Enable Editing before you can modify or view numbers on reports exported from QBO.

- 3. Click Protected View from the left-hand column of the Trust Center dialog box, and then clear the check box for Enable Protected View for Files Originating From the Internet.**

You can optionally clear the check box for Enable Protected View for Outlook Attachments as well, but leave the choice for Enable Protected View for Files Located in Potentially Unsafe Locations turned on.

- 4. Click OK twice to close the Trust Center and then Excel Option dialog boxes.**

Now you'll no longer have to click Enable Content whenever you open a QuickBooks report in Excel. You can take things one step further by having files open

automatically in Excel from QBO. To do so, export any report to Excel, and then click the arrow along the right edge of the XLSX button at the bottom-left corner of your screen, and then choose Open Files of This Type Automatically. You'll now have a seamless integration between QBO and Microsoft Excel.

## ***Saving a customized report***

Once the report looks the way you want, you might want to save it so that you don't need to apply the same customizations each time you run the report. Click the Save Customization button at the top of the report page to display a panel like the one shown in [Figure 10-13](#).

The screenshot shows the 'Profit and Loss Report' customization interface. At the top left, there is a link to 'Back to report list'. The 'Report period' section includes a dropdown menu currently set to 'This Year-to-date', followed by two date input fields: '01/01/2020' and '09/16/2020'. To the right of these fields is a checked checkbox labeled 'Show unrealized gain or loss'. Below the date fields are two buttons: 'Customize' and 'Save customization'. The 'Display columns by' section has a dropdown menu set to 'Total Only'. The 'Show non-zero or active only' section has a dropdown menu set to 'Active rows/active columns'. The 'Compare another period' section has a dropdown menu set to '% comparison'. The 'Accounting method' section has two radio buttons: 'Cash' (unselected) and 'Accrual' (selected). At the bottom right, there is a 'Run report' button with an upward-pointing arrow.

**FIGURE 10-13:** Use this panel to save a customized report.

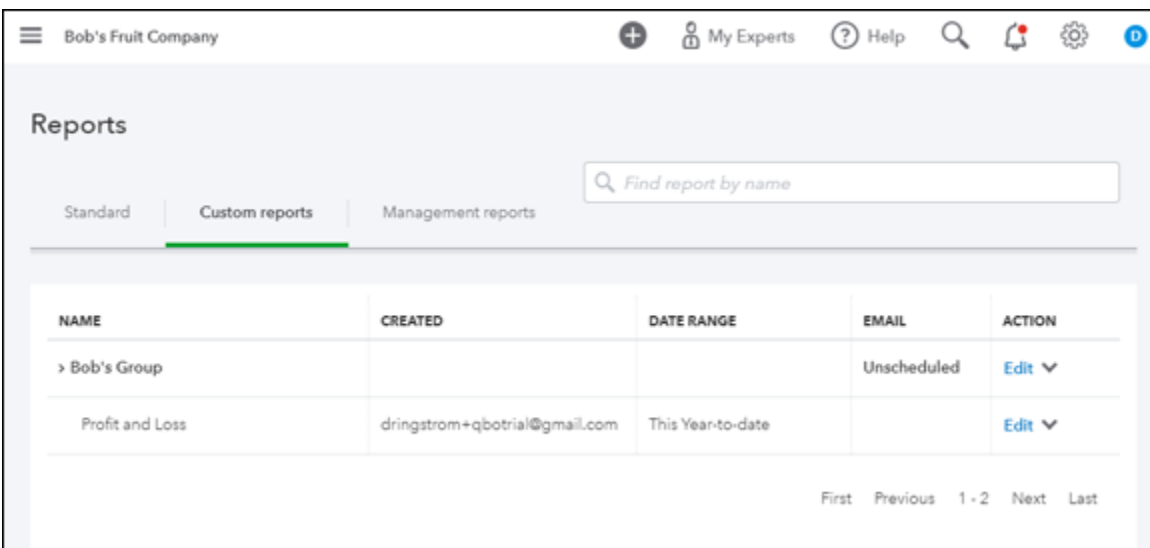
Supply a name for the customized report; you can use the QBO name for the report, but you'd be better off including some information in the name that helps you remember the customizations — unlike the one we used in the figure, which really doesn't tell us much other than the report isn't the standard Profit and Loss report.

You can add the report to a group you create; creating a group is useful if you want to email several reports simultaneously. To add a group, click the Add New Group link, which displays the New Group Name box. Then, type the group's name in the New Group Name box and click the Add button. The next time you want to add a report to the group you created, simply select the group

name from the Add This Report to a Group list box in the panel.

You also can opt to share the customized report if you have other QBO users in your company, while accountants can share with users in their firm. To control sharing, click the Share With list box and select All or choose None to prevent others from seeing your customization. Click Save to preserve your customizations.

Once you save your settings in the Save Customizations dialog box, the saved report appears on the Custom Reports tab of the Reports page. And, if you created a group, the report appears in that group. In [Figure 10-14](#), our customized version of the Profit and Loss report appears in a group called (uninspiringly) Bob's Group.



**FIGURE 10-14:** The My Custom Reports page after creating a custom report.

To print any custom report, click its title, and the report appears onscreen. You also can take any of the following actions if you click the down arrow in the Action column beside the report:



- » Create a PDF version of the report by clicking Export as PDF.
- » Export the report to Excel by clicking Export as Excel.
- » Delete the customized report by clicking Delete.

To change a custom report's name or group, click the Edit link beside the report.

If you click the down arrow in the Action column beside a report group name, you can

- » Export the group in PDF format.
- » Delete the group.



**WARNING** Be aware that deleting a group has more consequence than just removing a named group from the Custom Reports page. If you click Delete in the drop-down list in Action column beside a report group name, you delete the report group and all custom reports the group contains.

If you select the Edit link in the Action column beside a report group name, you can change a report group's name or set an email schedule for the report group; QBO displays the report group's settings page shown in [Figure 10-15](#). Toggle the Set Email Schedule button to the On position to display and edit scheduling information.

By default, QBO chooses Daily as the email interval, but you can customize the email schedule. Fill in the Email information, separating each email address with a comma (,); QBO uses the same subject each time it emails the report group.

At the bottom of the page, not visible in [Figure 10-15](#), if you select the Attach the Report as an Excel File check box, QBO sends the reports in Excel format; if you don't select this check box, QBO sends the reports in PDF format.



**TIP** QuickBooks Online Accountant users can access the Business Performance Dashboard which enables accountants to tap in to metrics that show at a glance how a client is doing, as well as to track trends. You can take this further by making industry comparisons. QBOA compares anonymized, aggregated data that offers peer comparisons based upon comparable revenue. In addition, the Fathom add-on ([fathomhq.com](http://fathomhq.com)) for QBO enables any user to easily track KPIs (key performance indicators), trends, and other analysis.

**Custom Report** ✕

Group name

Set email schedule  
 ON

SET RECURRENCE

Repeats:  Every:  day(s)  
Next Date: 09/16/2020 End:   
End Date: -

EMAIL INFORMATION

To:  Cc  
  
Hello,  
Attached is the set of financial reports for Bob's Fruit Company.

**FIGURE 10-15:** Set an email schedule for a report group.

## Part 3

# Managing the Books for the Accountant

## **IN THIS PART ...**

Examine the QBOA interface, set up QBOA users, and work with the QBOA client list, free company, and sample company.

Learn how to add clients to the Client List, including importing desktop QuickBooks companies.

Become familiar with working with a client QBO company from QBOA.

Learn how to keep track of things you need to accomplish and how to communicate with clients from within their QBO companies.

Use tools available to accountants to manage client QBO companies.

# Chapter 11

## Setting Up Shop in QBOA

---

### IN THIS CHAPTER

- » **Signing up for QBOA**
- » **Signing in to and out of QBOA**
- » **Understanding the QBOA front-end interface**
- » **Setting up multiple users in a QBOA account**
- » **Using the Client List page**
- » **Working with the free QBOA company and the sample company**
- » **Managing your Wholesale Billing subscription**

[Part 1](#) of this book covers the details of QBO, and QBO is the product you use to enter transactions into a company.

Accountants' needs differ from those of a client — for example, accountants need to work in multiple QBO companies, and clients often work in only one company. Further, accountants have work they need to do in a client's company that the client doesn't need to do — such as using journal entries to correctly classify income or expenses and to write off bad debts.

To accommodate the needs of accountants, they use QuickBooks Online for Accountants (QBOA). QBOA provides a front-end interface that acts as a portal you, the accountant, use to open client QBO companies. When you open any particular client's company, you have available to you the features for the client's subscription

level: Simple Start, Self-Employed, Essentials, Plus, or Advanced.

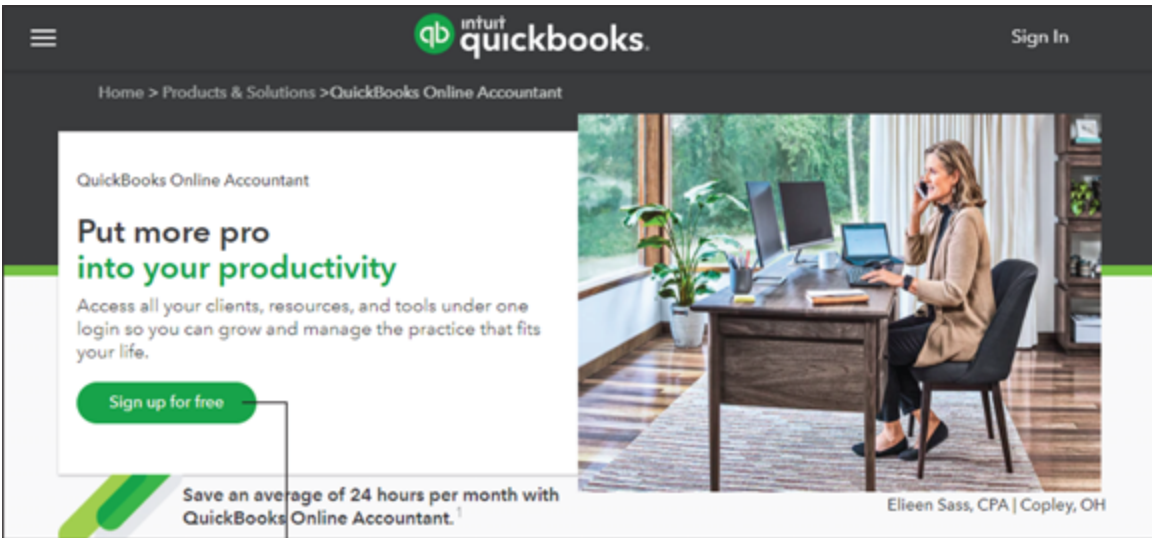


**REMEMBER** As you see in this chapter, the interface for a client QBO company opened in QBOA varies slightly from the interface your client sees when opening the company.

## ***Signing Up for and into QBOA***

Setting up a QBOA subscription account is free, and your QBOA subscription remains free for as long as you use it. You can sign up for the Intuit Wholesale Pricing program and receive discounted QBO rates for each client subscription you manage. For more information on the Wholesale Pricing program, see the section “[Working with Wholesale Billing](#),” later in this chapter. When you sign up for a QBOA subscription account, you get, as one of the perks, a free QBO company that you can use as your own QuickBooks company for keeping your books.

To create a QBOA account, open your browser and navigate to [quickbooks.intuit.com/accountant](http://quickbooks.intuit.com/accountant). On the web page that appears, click the Sign Up for Free link on the left side of the page (see [Figure 11-1](#)).



Click here.

**FIGURE 11-1:** Navigating to the QBOA sign-in page.

Once you click QuickBooks Online Accountant, the web page shown in [Figure 11-2](#) appears. Provide the requested information, including a password, and then click the Continue button (not visible in [Figure 11-2](#)) at the bottom of the page.

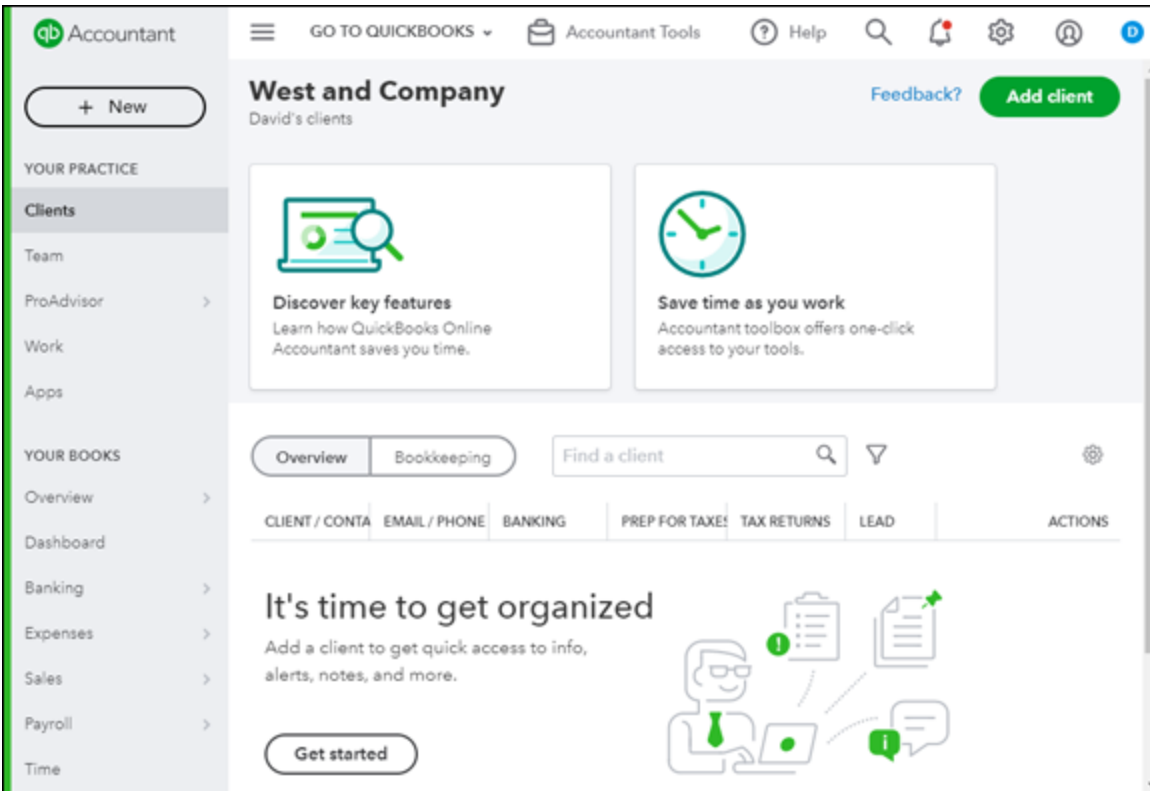
On the page that appears, enter your Accounting Firm Name and your firm’s zip code. QBOA uses the company name you provide to create the free company you can use to manage the books for your own business. You can read more about this company later in this chapter, in the section “[Understanding and Using the Free QBOA Company.](#)”



The image shows a web form for signing up for QuickBooks Online Accountant. At the top, the Intuit logo and QuickBooks logo are displayed. The main heading is "Sign Up for QuickBooks Online Accountant" with a sub-heading "You can use this for all Intuit products." The form includes several input fields: "Email address (User ID)", "First name", "Last name", "Phone" (with a country code dropdown set to the United States), and "Password". To the right of the form, there is a list of benefits: "Manage all your clients and work. All in one place.", "Keep your firm & clients on deadline", "Share documents securely", "Gain skills with free training", "Real-time access to all clients' QuickBooks Online files".

**FIGURE 11-2:** Provide requested information to create a QBOA account.

After supplying your firm name and zip code, click Finish. QBOA creates your account, signs you in, and starts a short tour of the QBOA interface. Once you complete the tour, your QBOA Home page looks similar to the one shown in [Figure 11-3](#).



**FIGURE 11-3:** A typical QBOA Home page after creating a QBOA account.

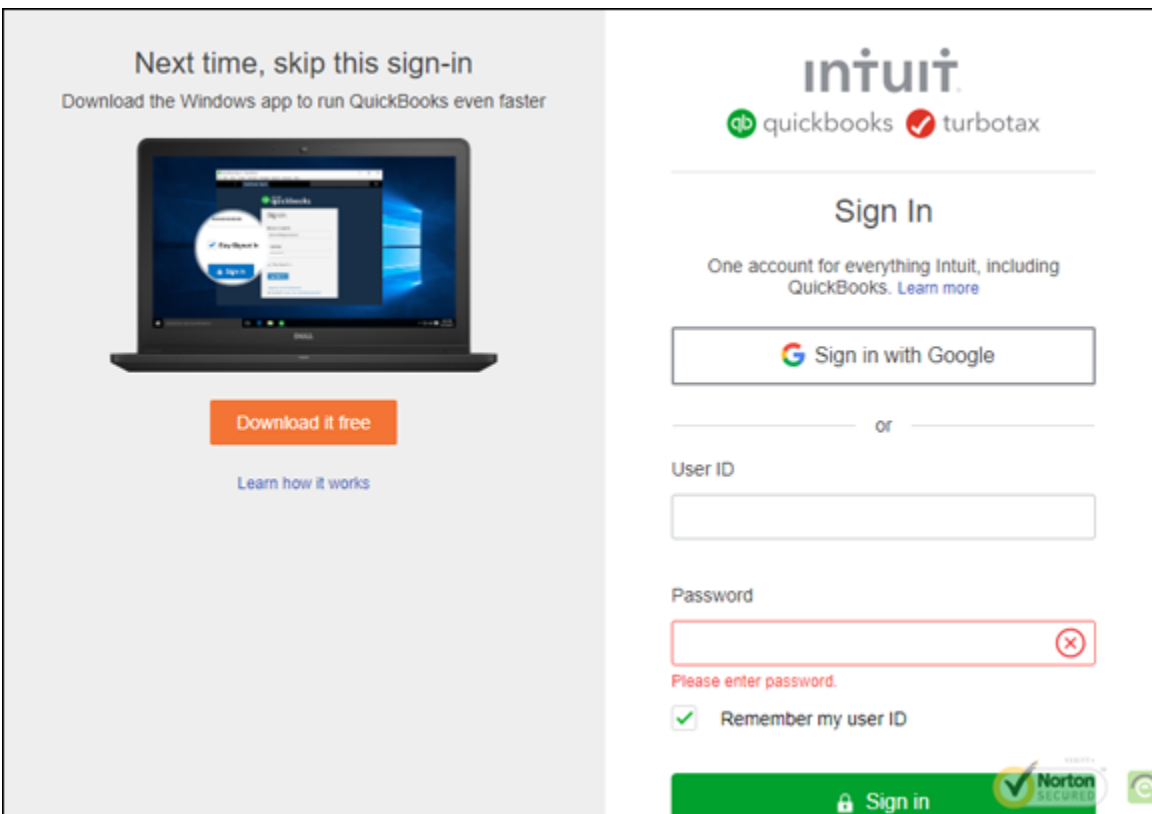


**REMEMBER** Just as you'd expect, by clicking the Finish button, you're agreeing to Intuit's Terms of Service, the End-User License Agreement, and the Privacy Policy for QBOA.

In addition, the "Discover Key Features" video, a tour of QBOA that lasts about two-and-a-half minutes, provides some tips to get you started. In addition to the video, you'll see some cards you can click to get more information on the subjects printed on the cards, such as saving time while you work. If you don't want to see a particular card, slide your cursor over the card and then click the X that appears in its upper-right corner. After you add clients, they appear at the bottom of the QBOA

Home page; see [Chapter 12](#) for details on adding clients to QBOA.

Once you've created a QBOA account, you use the same page to log in to your QBOA account that your client uses to log in to QBO. Navigate to <https://qbo.intuit.com> to view the web page shown in [Figure 11-4](#) and supply your login credentials.



**FIGURE 11-4:** The page you use to sign in to QBOA after you set up a QBOA account.

## *Examining the QBOA Interface*

The QBOA interface focuses on giving accountants access to tools they need to manage multiple clients. Although the view in the QBOA interface changes,

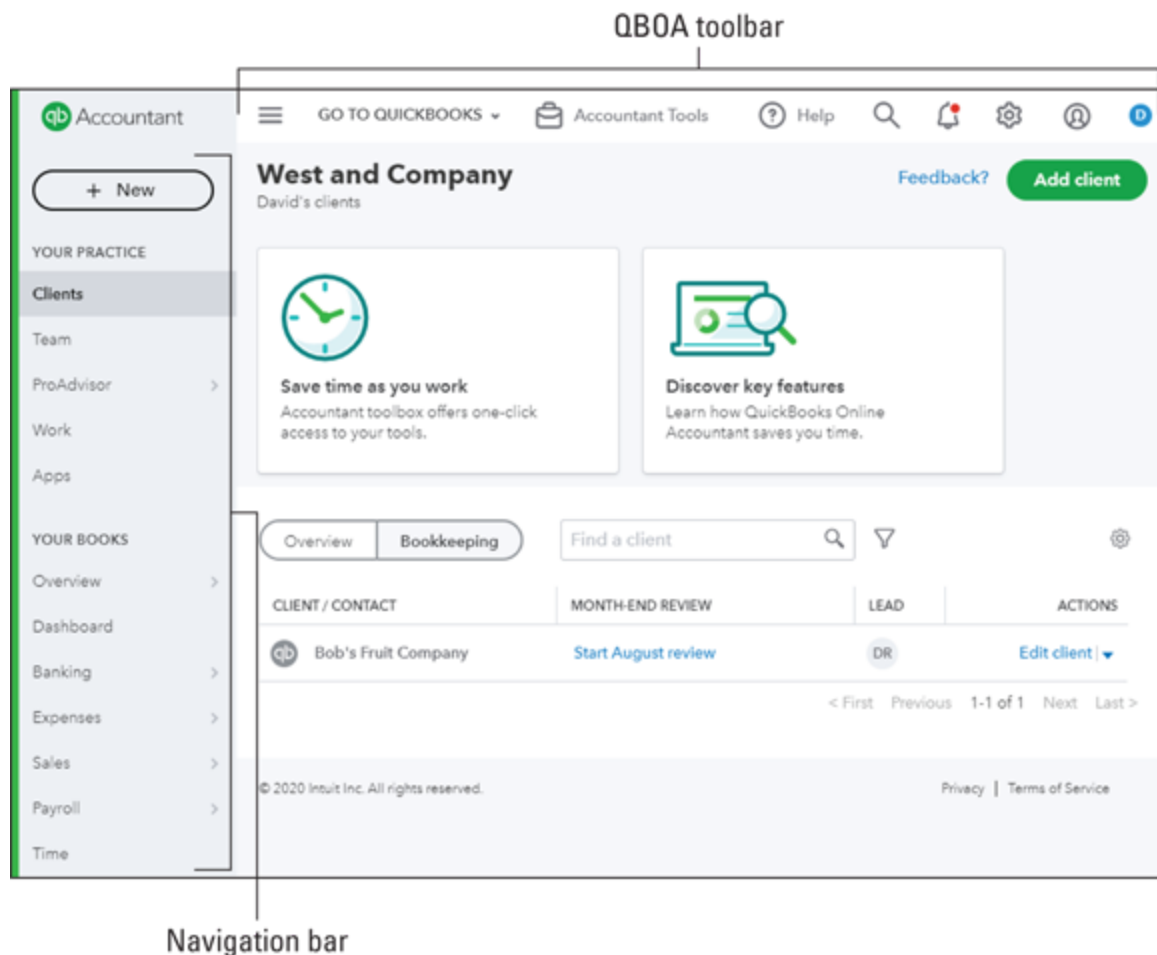
depending on where you're working, two common elements appear:

- » The Navigation bar runs down the left side of the page.
- » The green QBOA toolbar runs across the top of the page and contains tools on its left and right sides. When you work in a client QBO company, the toolbar across the top of the page is black.

You use the Navigation bar to display the various pages in QBOA. The Navigation bar contains two choices that display different views and affect the choices in the QBOA toolbar: the Your Practice and Your Books views. The following two sections explore the Navigation bar and the QBOA toolbar in each of these views.

### ***Working with the Your Practice view***

By default, when you log in to QBOA, the QBOA Home page displays the Clients page of the Your Practice view, as you see in [Figure 11-5](#). The Clients page displays ... well, a list of your clients. If you wanted to navigate to this page (because you viewed another portion of QBOA and now want to return to the list of your clients), you'd use the Navigation bar to click Clients under Your Practice.



**FIGURE 11-5:** The Clients page of the Your Practice view in QBOA.

On the Clients page, you can search for a client, see overview information about each client, and open a client’s QBO company. You can also control the appearance of the Clients page. See the section [“Controlling the Appearance of the Client List,”](#) later in this chapter, for details on working with the Clients page.

When you click Team in the Navigation bar, you can set up the users in your firm that will have access to various client companies. For more information, see the section [“Setting Up Your Team.”](#)

When you click ProAdvisor, you see options you can click that provide information about the benefits and training

offered through the Intuit ProAdvisor program. If you weren't previously a member of the ProAdvisor program, QBOA automatically establishes a free Silver membership for you; for details on what that means, visit <https://quickbooks.intuit.com/accountants/tools-proadvisor>.

When you click Work, you display the area of QBOA that provides practice management support; see [Chapter 15](#) for details on the practice management tools QBOA offers.

And, when you click Apps, you visit the App Center, where you can search for apps that extend the capabilities of QBO and QBOA. You also can view the apps you've already installed.

Across the top of the interface, you find a toolbar with the following buttons, from left to right:

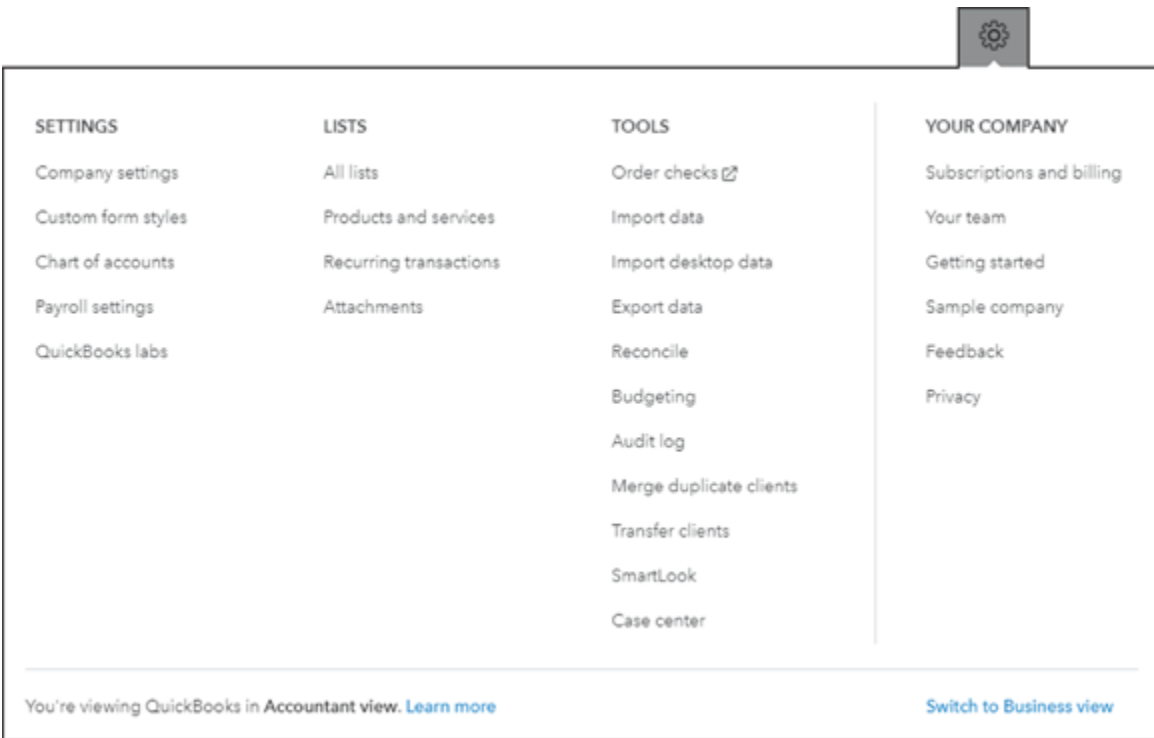
- » **The QB Accountant button:** This button is comprised of the QuickBooks logo and offers you another way to display the Client List shown in [Figure 11-5](#).
- » **The Menu button:** This button (containing three horizontal lines) acts as a toggle to hide and display the Navigation bar in the same fashion as within QBO.
- » **The Go QuickBooks drop-down button:** You can use this list box to display a list of your clients; clicking a client name in the list opens the client's company.
- » **The Accountant Tools button:** Think of this as an accountant-specific version of the New button, which offers quick links and tools frequently used by accountants when working in a client's books. (See [Figure 11-7](#).) See [Chapter 15](#) for details on these tools and on practice management tools available in QBOA.

- » **The Help button:** The help documentation for QBO and QBOA.
- » **The Search button:** This works the same as in QBO to provide a list of recent transactions or reports.
- » **Notifications:** Messages from Intuit about new features in QuickBooks, webinars for accountants, and other information.
- » **The Gear button:** Click this button to display the Gear menu (see [Figure 11-6](#)). The Gear menu shows the settings you can establish for your own company, your client's company, and your QBOA account.



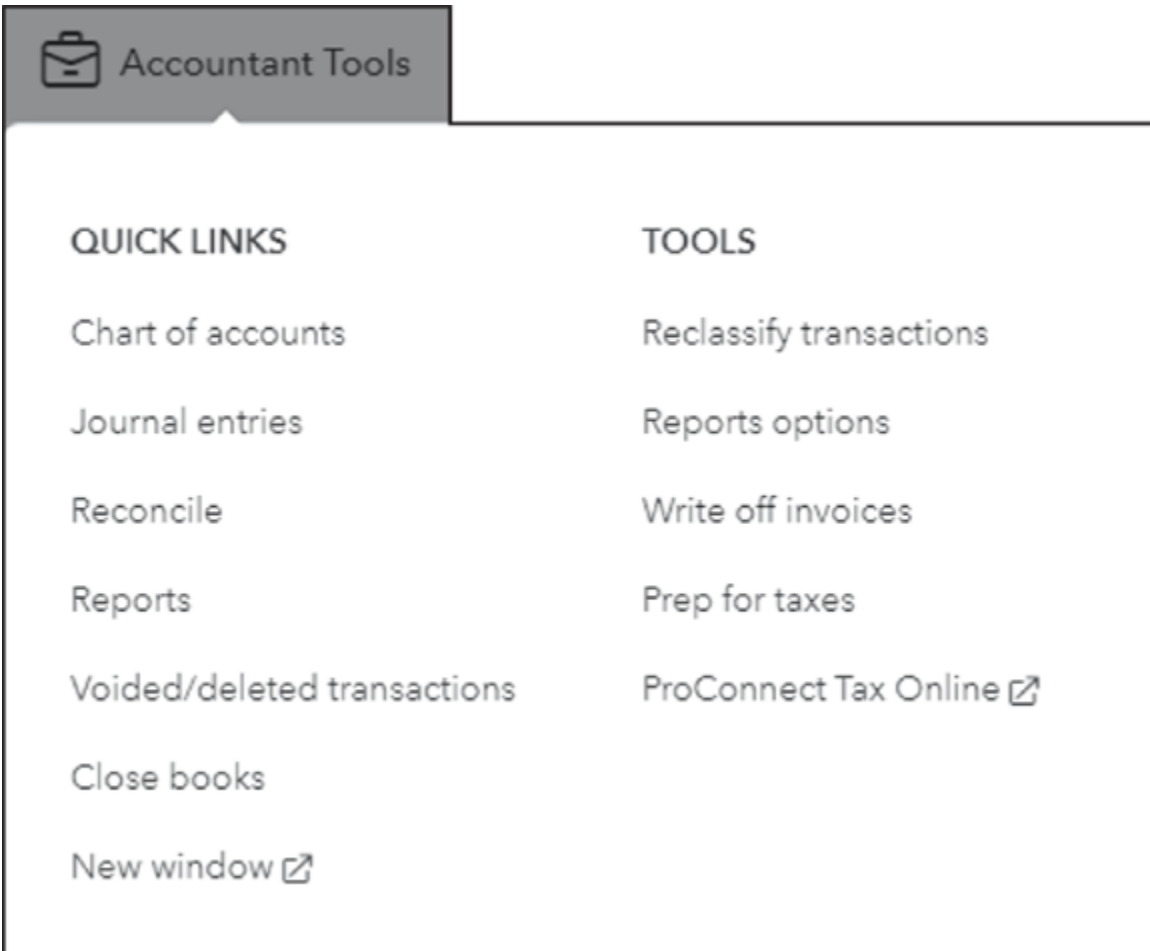
**REMEMBER** You also can open the QBO sample company from the Gear menu; read more about opening and working in the sample company later in this chapter, in the section “[Working with the Sample Company.](#)”

**The ProAdvisor Profile button:** This button looks like a person's head and allows you to view your ProAdvisor profile (once established) as well as any leads from potential clients. These features require you to complete the QuickBooks Online Certification program.



**FIGURE 11-6:** The choices available from the Gear menu.





**FIGURE 11-7:** The tools available to accountants while working in a client company.



TIP

Certified Public Accountants (CPAs) can earn continuing education credit for completing one or more QuickBooks Online certification programs, in addition to unlocking marketing tools such as potential client leads from QuickBooks.

The Navigation bar also has the following commands:

- » **The New button:** This button displays the New menu, which you use to create a client or a user from the QBOA Home page. While working in a client's or your

own QBO company, you use the Create menu to create transactions and more.

- » **The Clients button:** This button is the first of several tools in the Your Practice section that enables you to display your client list.
- » **The Team button:** This button enables you to manage team members in your firm, as we discuss in the section, "[Setting Up Your Team](#)," later in this chapter.
- » **The ProAdvisor button:** This button provides links to benefits and training offered by Intuit's ProAdvisor program.
- » **The Work button:** This button unlocks a To Do list of items to be completed in client's accounting records. In addition you can create client requests that post to your client's books, as well as create projects that are collections of tasks to be completed by your team.
- » **The Apps button:** This button provides access to the QuickBooks App store that includes apps that may benefit your clients as well as your accounting firm.

## ***Working with Your Books***

When you click Overview within the Your Books section of the Navigation bar, you open the Dashboard page of your own QBO company. The links in the Your Books portion of the Navigation bar match the same links that your client sees when he opens his QBO company.

The view when you open your own company's books in QBOA matches the view you see when you open any client's QBO company from QBOA; the only difference onscreen is the name of the company that appears on the QBOA toolbar.

The Dashboard screen of a QBO company displays outstanding invoice and expense information, a list of your bank account balances, profit and loss information, and sales in interactive filters; you can click part of any graphic on this page to display the details that make up that part of the graphic. In the figure, we haven't entered any data into our company, so there's no reason to click anything.



**REMEMBER** While any company is open, you can use the Go to QuickBooks button to switch to a different client company. Also, you can redisplay the Clients page at any time by clicking the QB Accountant button on the QBOA toolbar.

## *Setting Up Your Team*

If your accounting firm has more than one person who needs access to client QBO companies, the person who creates the QBOA account — called, in QBOA parlance, the *master administrator* — can set up the other users — as many as you need. The other users get their own login credentials and access to those clients that the master administrator specifies; for those clients, the QBOA user can access the Accountant tools described in [Chapter 15](#). The master administrator also specifies the user's level of access to the firm's information; a user can have Basic, Full, or Custom access.



TIP

Using separate QBOA login information helps maintain security in QBOA, because a lot of financial information (product subscriptions and billing information, for example) is tied to login information.

So, what's the difference, status-wise, between basic, full, and custom access?

- » Those users with full access can open and work in the firm's books as well as in client QBO companies and can access the Team page and make changes to any user's privileges.
- » Those users with basic access can access only client QBO companies.
- » Those users with custom access have either basic or full access with at least one privilege set differently from QBOA's defaults for basic or full access.

To set up multiple users in a QBOA account, the master administrator or any firm member with full access privileges to QBOA sets up other members of the firm; during the process, QBOA sends an email to the other firm members whom, for this discussion, we'll call *invitees*. Once an invitee accepts the invitation, QBOA prompts the invitee to set up his own QBOA login credentials. Follow these steps to set up a new user in a QBOA account:

1. **Log in to QBOA.**
2. **Click Team in the Navigation bar.**  
The Team page appears (see [Figure 11-8](#)).
3. **Click the Add User button.**

The three-step Add User wizard begins.

- 4. On the first page of the Add User wizard, fill in the name, email address, and title of the team member you want to add.**

The team member's title is optional.

- 5. Click Next.**

The second page of the Add User wizard appears (see [Figure 11-9](#)). On this page, you identify the privileges related to your firm that you want to provide to the team member. In this example, we set up a team member with custom access; this team member has access to the books of certain clients but doesn't have access to the firm's books or to firm administration functions.

- 6. Select the type of access you want to give to the team member.**

You can assign Basic, Full, or Custom access; a description of each type of access appears on the right side of the page. Assign Full access to those team members who should have access to your own company's books. Assign Basic access to give a team member access to QBO client companies only.



**TIP**

You can make changes to individual settings; if you do, QBOA sets the team member's access to Custom by default.

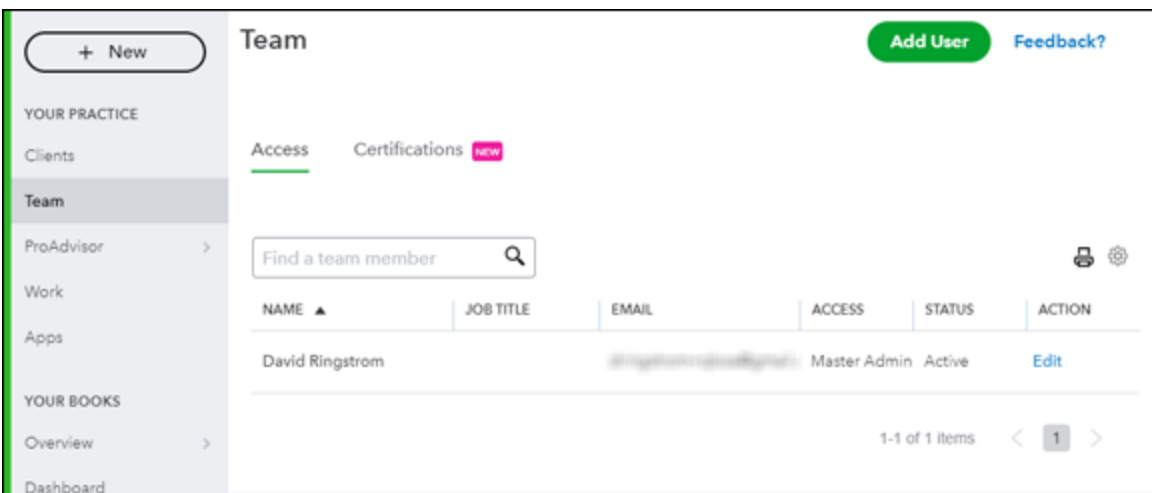
- 7. Click Next in the lower-right corner of the page.**

The last screen of the Add User wizard appears (see [Figure 11-10](#)). On this page, you identify the clients for whom the team member should be able to perform work.

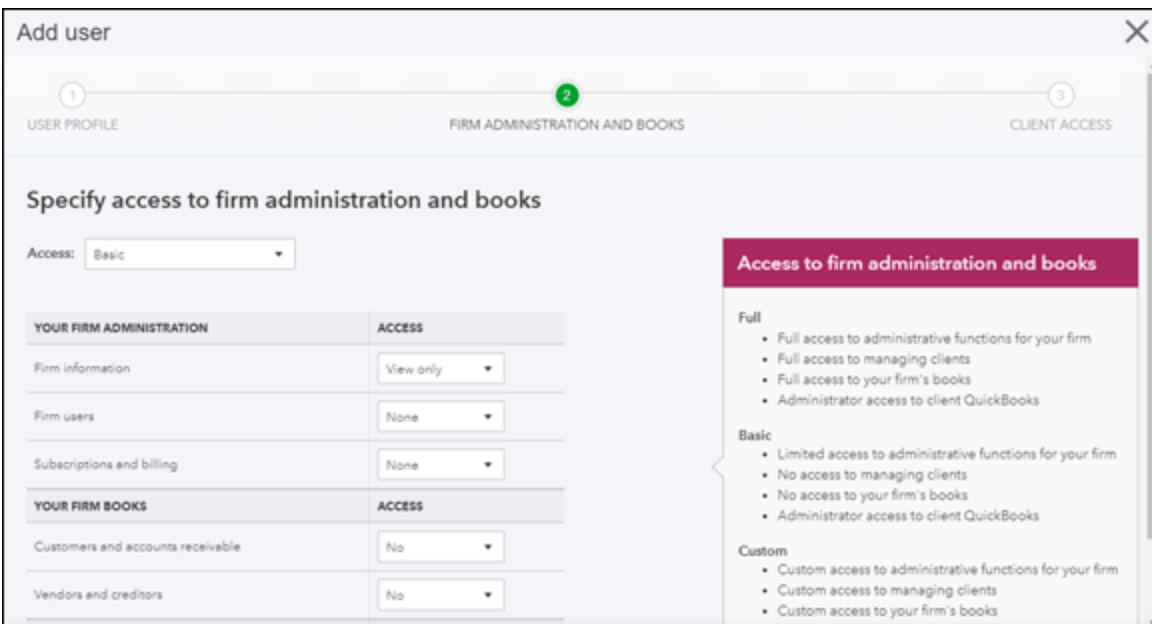
## 8. Deselect clients as needed.

## 9. Click Save.

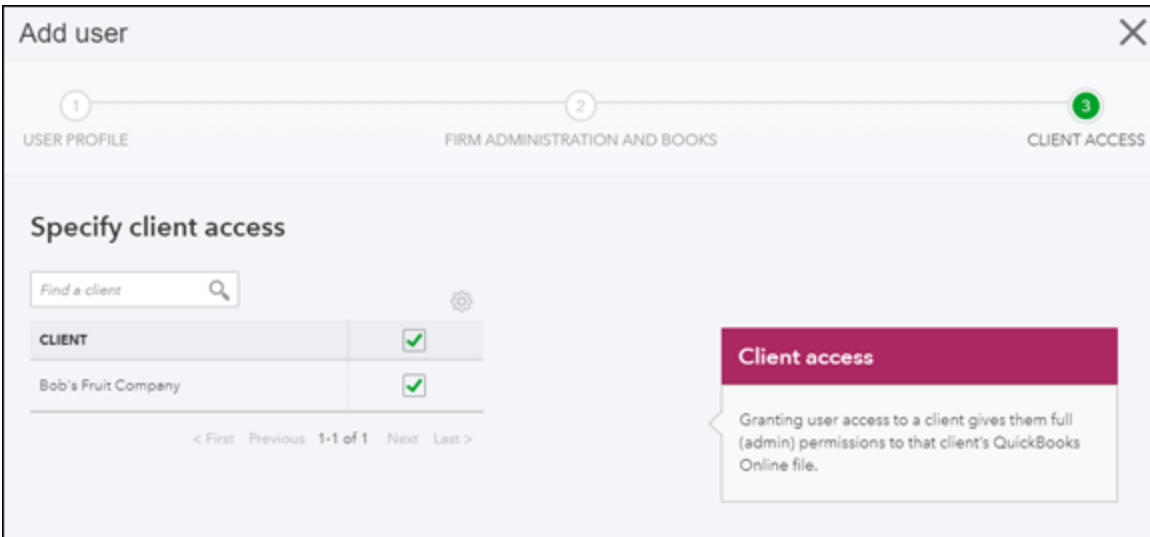
QBOA adds the new user to your team and assigns a status of Invited to the user. In addition, the Status column on the Team screen indicates that QBOA sent an email invitation to the user, inviting the user to join your team. After the user responds to the QBOA invitation, the user's status changes to Active on the Team page in QBOA.



**FIGURE 11-8:** View, edit, and add members to your QBOA team.

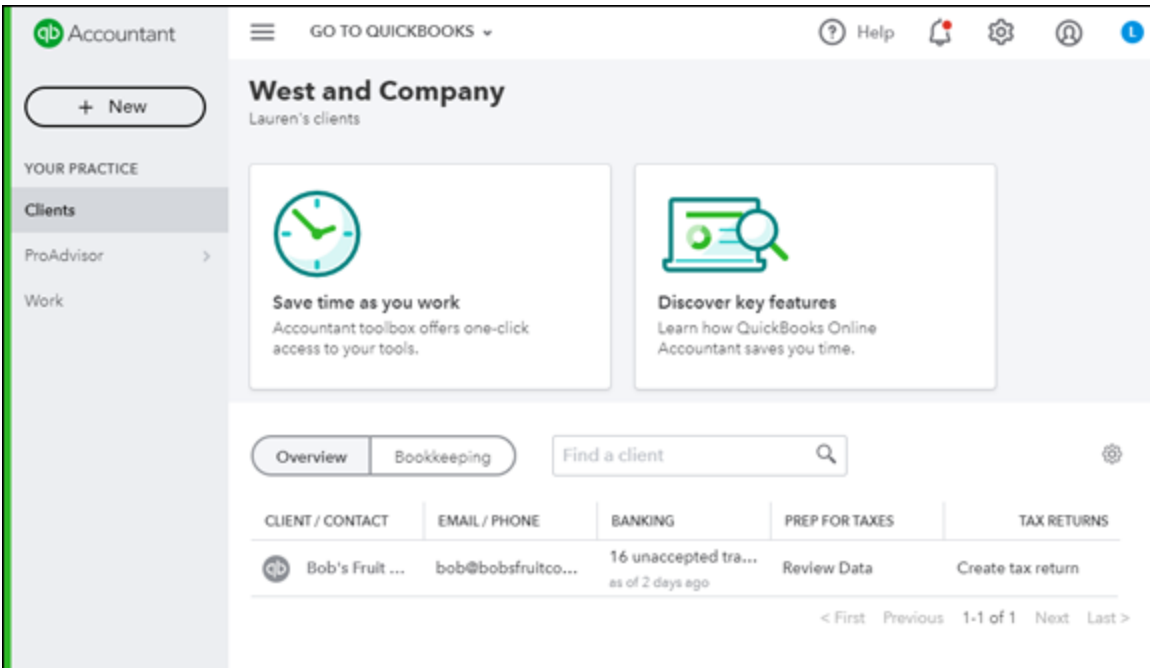


**FIGURE 11-9:** Specify the new user’s access level to your firm’s administration and books.



**FIGURE 11-10:** You can provide a team member access to your firm’s clients on a selective basis.

The recipient uses the email invitation that QBOA sends to click the Accept Invite button, and QBOA displays a page that shows the invitee’s user ID or email address and prompts the invitee to establish a password — and, if being granted full privileges, a security question and answer. Once the invitee supplies the information and clicks Create Account, QBOA sets up the login information and displays a Success message, where the invitee clicks Continue. QBOA then logs in the team member with his assigned privileges and clients; the Home page of a team member with no access to the firm’s books looks like the one shown in [Figure 11-11](#).



**FIGURE 11-11:** The Home page of an invited team member who has limited privileges in QBOA.

To log in to QBOA in the future, the team member navigates to [qbo.intuit.com](http://qbo.intuit.com) and supplies her login credentials.



**TIP** If the team member already has a QBO or QBOA login, he clicks the Accept Invitation button. If the team member has no account, he clicks the Create Account button.

## LEAD ACCOUNTANTS

As you would expect, you add clients using QBO to your QBOA account so that you can work easily with your clients' accounting data (you can read about adding clients to your QBOA account in [Chapter 12](#)). For most firms, part of managing clients involves establishing responsibility among firm team members for various clients. To address this need, QBOA uses the "lead accountant" role — the firm member through whom a client has provided access to a QBO subscription.



QBOA assigns the Lead Accountant role when:

- A client invites an accountant: The invited accountant goes through the process of accepting the client invitation and selecting the firm under which the client is assigned. Once the accountant accepts the invitation, the accounting firm has access to the client and the invited accountant — who is a member of the firm — is assigned the Lead Accountant role.
- A firm member creates a client company: When a team member within the firm creates a client company in QBOA, QBOA assigns the Lead Accountant to the team member. [Chapter 12](#) describes how to add clients to your QBOA account.

But, things happen, and a team member with a Lead Accountant role for one or more clients might leave the firm. In this case, you can make the team member inactive (you can't delete users in QBOA) and QBOA will prompt you to assign a new Lead Accountant to the client(s) associated with the (now inactive) team member.

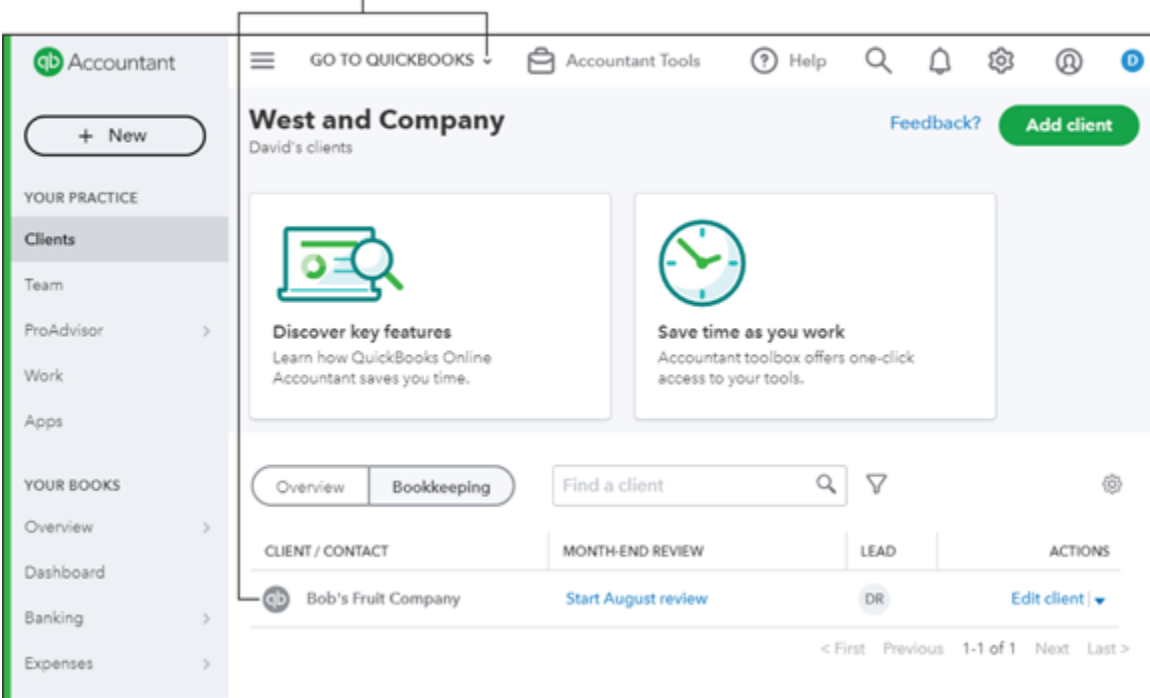
To make the team member inactive, click the Team page (refer to [Figure 11-8](#)) and click the team member. QBOA opens the Edit User dialog box; from the Status list box, choose Inactive and save your changes.

## ***Controlling the Appearance of the Client List***

You can use the Clients page to open any client's QBO company, and you can control the appearance of the Clients page, shown in [Figure 11-12](#).

To open any client's QBO company, click the QuickBooks logo in the Status column of the Client List page. Or, if you prefer, open the Go to Client's QuickBooks list box on the QBOA toolbar to select the QBO company you want to open.

Click here to open a client QBO company.



**FIGURE 11-12:** Click a QuickBooks logo or use the Go to QuickBooks list to open a client QBO company.



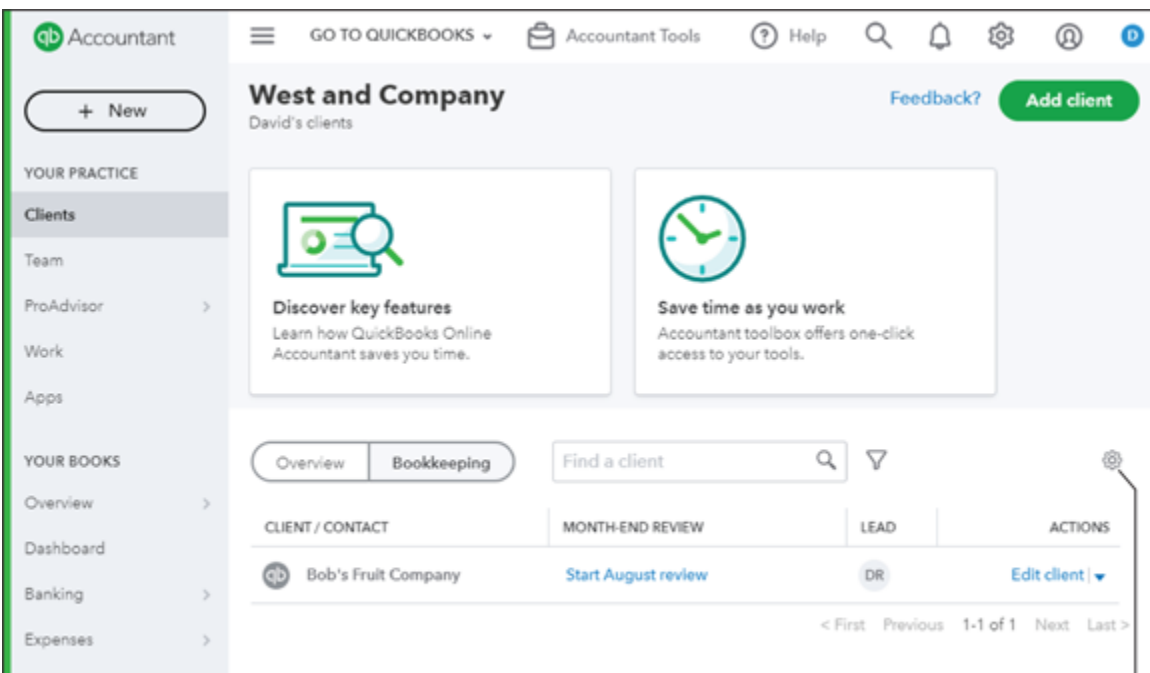
**REMEMBER** If you click a client's name — rather than the QuickBooks logo — you don't open the client's company. Instead, you see overview details about the client that includes information such as tasks to complete in the client's books, the account watch list, or payroll alerts. To open a client's company, remember to use the QuickBooks logo or the Go to QuickBooks list.

You can control the appearance of the Client List page. For example, you can use the list box above the table to filter the list to show all clients or only the QBOP clients in your list. And, you can control the columns of information that appear on the Client List page. And, you can opt to hide or display inactive clients; for more

information on making a client inactive, see the section “[Removing clients from your Wholesale Billing subscription](#)” later in this chapter. Click the Gear button on the right that appears just above the list of clients and make choices from the list that appears (see [Figure 11-13](#)).



**REMEMBER** QBOA actually contains multiple Gear menus. One of them appears on the QBOA toolbar and is visible from most QBOA pages, even while you work in a client’s QBO company; you use that Gear menu to provide information about your QBOA account, establish settings, view lists, and access tools to, for example, import data. On the QBOA Clients page, the other Gear menu appears on the right side just above the list of clients, and you use it to control the information that appears on the page.



Click here to control the appearance of the QBOA Client List page.

**FIGURE 11-13:** Control the appearance of the Client List page.

## *Understanding and Using the Free QBOA Company*

As we mention at the beginning of this chapter, QBOA users get one free company to use for their own books. To open the company reserved for you, click — yep, you guessed it — any choice within the Your Books section in the Navigation bar, and QBOA opens your company. As of this writing, clicking Your Books doesn't activate anything, although clicking Your Practice does display your team list. The interface you see when you open your company looks just like the interface you see when you open any client's QBO company; remember, this interface varies slightly from what a client using QBO sees.

You can use the free QBOA company to enter your own company's information using transactions, or if you've been tracking your business in QuickBooks Desktop, you can, with some limitations, import information from your QuickBooks Desktop company. To enter information using transactions, you can read the chapters in [Part 1](#) of this book, because you as a QBOA user and your clients as QBO users enter transactions in the same way.



**TIP** You can import QuickBooks Desktop information, or you can import list information. For details on importing lists, see [Chapter 4](#). If you want to try importing a QuickBooks Desktop company, see [Chapter 12](#) for details as well as [Appendix A](#), which describe the limitations associated with importing

information. Please note that importing into a regular QBO company has time limits, but importing into the QBOA free company doesn't.



**REMEMBER** Be aware that the Your Books company is intended to house the firm's data, not a client's data or the data of some other business owned by the QBOA owner. The Your Books company ties into QBOA and updates as clients are added to QBOA. So, if you use it to store the wrong kind of data, that data will be messed up as you add other clients. For instance, each client you add in QBOA is automatically set up as a customer in the Your Books company, although team members are not set up as employees.

## ***Working with the Sample Company***

If you've been a QuickBooks Desktop user, you know that QuickBooks Desktop comes with a variety of sample companies that you can use to test company behavior. Like its desktop cousin, QBOA also comes with a sample company.

To open the sample company, follow these steps:

- 1. Click the Gear button on the QBOA toolbar.**  
QBOA opens the Gear menu.
- 2. In the Your Company section, click Sample Company.**

QBOA displays a warning message that you will be logged out of QBOA if you continue.

### 3. Click Continue.

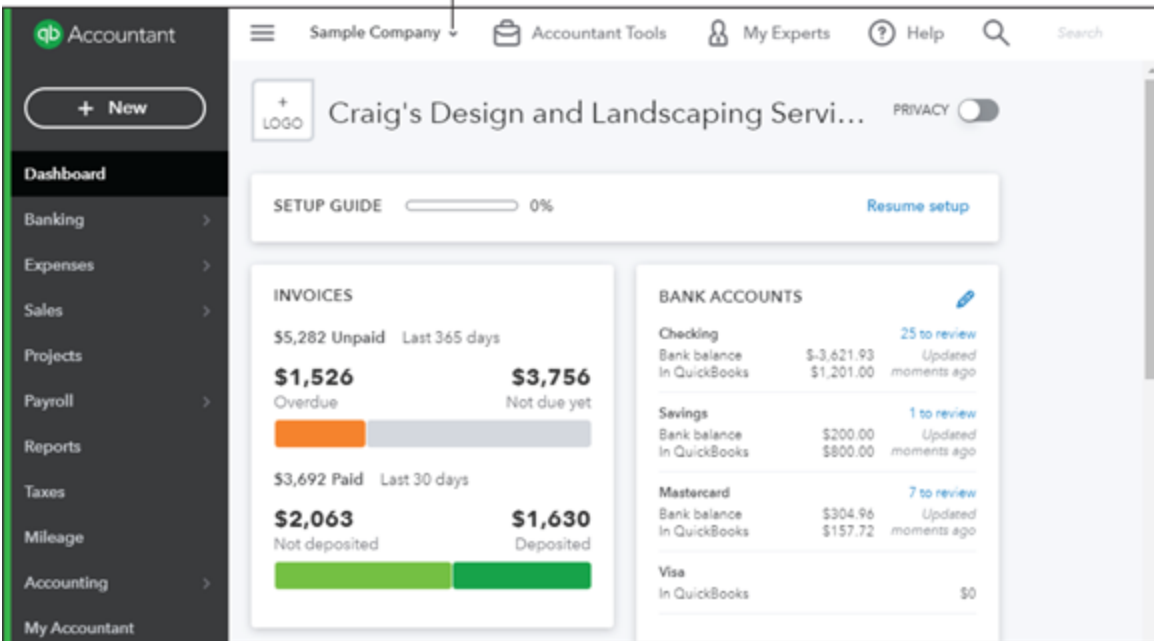
QBOA signs you out of your company and opens the sample company, Craig's Design and Landscaping Services (see [Figure 11-14](#)). The interface looks like the QBOA interface you see when you open a client's company. For example, you see the Accountant button in the upper-left corner and the QBOA toolbar to the right of the Accountant button. The QBOA toolbar contains the same tools you see while working in a client QBO company.



**TIP** To redisplay your QBOA account interface (similar to the one shown previously in [Figure 11-12](#)), click the QBOA Go QuickBooks button, which currently displays Sample Company, and then choose Back to Practice. You'll need to sign back in to your QBOA company.

End users (your clients) also have access to this sample company, but opening won't be quite as easy for them as it is for you. Direct your clients to <https://accounting.quickbooks.com/redirect/testdrive>.

Click here to switch QBO companies to redisplay the QBOA Home page.



**FIGURE 11-14:** Craig's Design and Landscaping Services, the QBO and QBOA sample company.

## *Closing Companies and QBOA*

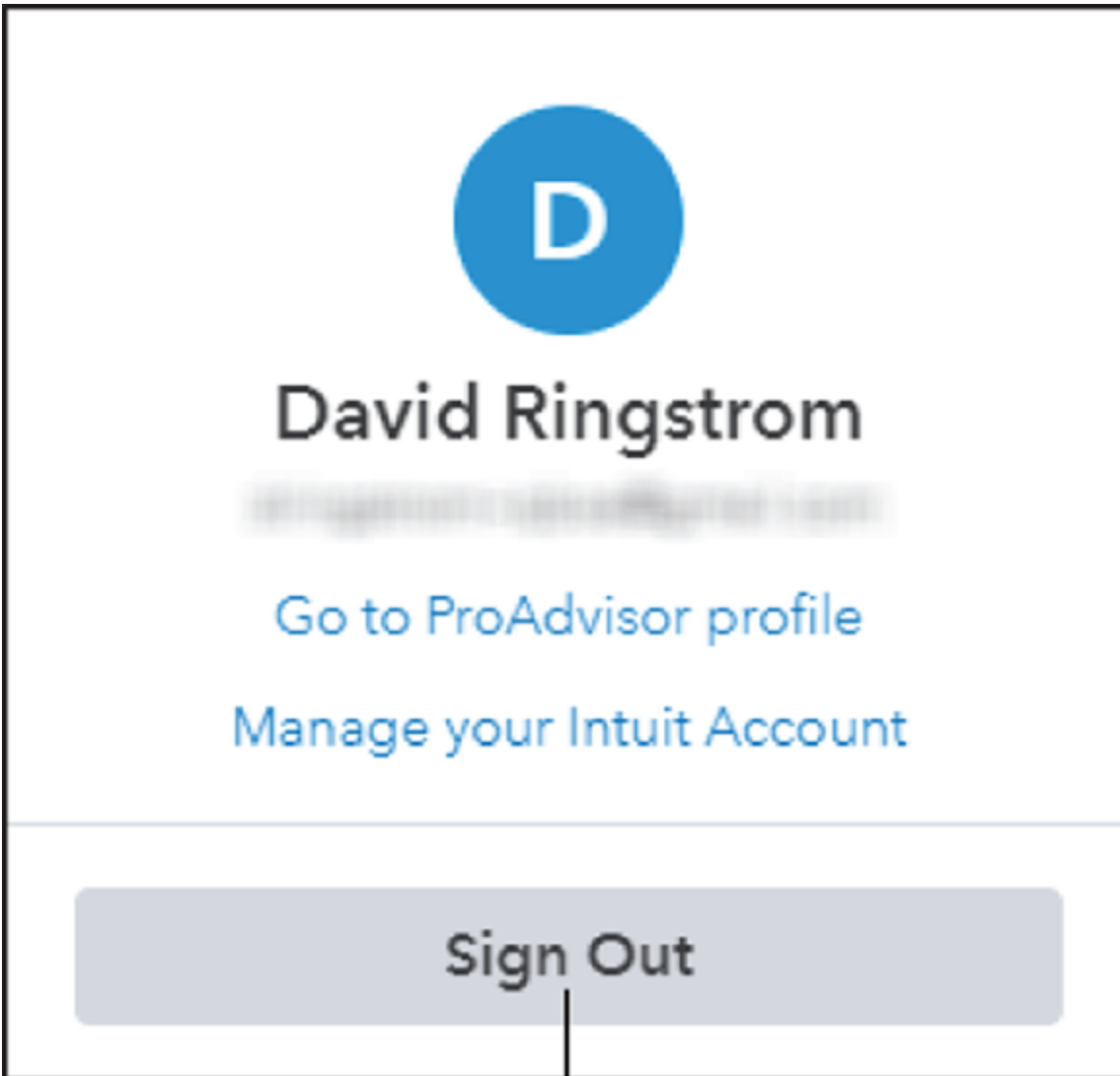
When you finish working in a company, you don't close it in QBOA the way you might using QuickBooks Desktop. When you switch from one client QBO company to another, QBOA automatically closes the first client's company.



**TIP** To work in two client QBO companies simultaneously, you can use two different browsers, two instances of a single browser, or Chrome's User feature (if you're using Chrome). For more information on working with QBOA in multiple

windows, see [Chapter 14](#). For details on using Chrome, see [Chapter 17](#).

Although you don't close QBO companies while working in QBOA, you do close QBOA by clicking the last button on the QBOA toolbar (most likely it will have your first initial), and then choosing Sign Out (see [Figure 11-15](#)).



**Click to sign out.**



**FIGURE 11-15:** Exit from QBOA by signing out.

## *Working with Wholesale Billing*

As we mention in [Chapter 2](#), if you are an accounting professional, you can sign up for the free Wholesale Pricing program. If you manage a client's subscription as part of the Wholesale Pricing program, Intuit sends you the bill for the client's subscription, charging you a reduced rate for the QBO subscription. It is your responsibility to bill the client for the QBO subscription — and QBOA makes that easy for you by providing invoice templates and the ability to bill from within QBOA. The bill you receive from Intuit is a single consolidated bill for all the QBO subscriptions you manage. We'm going to provide only some basic details on the Wholesale Pricing program here; we don't intend to provide detailed information on the ins and outs of the program. If you need more information than we provide here, contact Intuit.



**REMEMBER** You don't have to enroll clients as part of the Wholesale Pricing program, but if you do, you can pass the QBO subscription pricing reductions along to your clients, saving them money and making you a hero. The Wholesale Pricing program is often referred to as the Wholesale Billing program; for this discussion, the two terms are interchangeable.

### *Signing up for Wholesale Billing*

Accounting professionals are automatically signed up for the free Wholesale Billing program when they log in to

QBOA for the first time. But, the Wholesale Billing program doesn't become active until the accounting professional enters billing information into the Billing Profile in QBOA.

To enter information in the QBOA Billing Profile, follow these steps:

1. **Click the Gear button in the QBOA toolbar to display the Gear menu.**
2. **In the Your Company column, select Subscriptions and Billing.**

The Subscriptions and Billing page appears, displaying two tabs:

- The Your Subscriptions tab lists exactly what you'd expect: clients whose subscriptions you are managing, the QBO product (Essentials, Plus, and so on), the subscription price and status.
- Initially, the Billing Details tab displays payment information you can provide to subscribe to the Wholesale Billing program. Once you have subscribed to the Wholesale Billing program, the Billing Details tab provides key details such as total number of subscriptions, amount you currently owe, and past monthly charges.



TIP

If you subscribe to the Wholesale Billing program, then, from the Billing Details tab, you can view the details you need to bill clients who are part of your subscription for the portion they owe. No more hand calculations.

3. **Click the Billing Details tab.**
4. **Fill in all Payment Information fields.**

## 5. Click **Subscribe**.

The Your Account page reappears, and the Wholesale Billing status will be active.

Each month, you receive a bill from Intuit that covers the subscription costs of the clients you add to your Wholesale Billing subscription. You'll find the details associated with this bill on the Billing Details tab. Your bank account or credit card will be charged automatically.

### **LIMITATIONS ASSOCIATED WITH THE WHOLESALE BILLING PROGRAM**

You don't have to add a client to your Wholesale Billing subscription; you can still work with clients who pay their own QBO subscription costs. Enrolling a client into Wholesale Billing can save the client money on the cost of the QBO subscription but also makes you responsible for collecting subscription costs. And, the Wholesale Billing program might not be right for all QBO clients. In particular,

- If your client uses QuickBooks Online with Intuit Full Service Payroll (IFSP), no bundle for this combination of products is presently available through the Wholesale Billing program. QBOA is compatible with Intuit Online Payroll (IOP) and QuickBooks Online Payroll (QBOP), so if your QBO clients can use either of those products, those clients can take advantage of any price breaks you might offer for their QBO subscriptions.
- Companies created through the Wholesale Billing program have the ability to transfer master administrator rights. However, *no* accountant can be removed from the company as long as that company is part of your Wholesale Billing subscription, including an accountant who is not associated with the firm housing the company in the Wholesale Billing program.
- If an accounting professional creates a QBO company through QBOA, the company does not come with a 30-day free trial. Instead, at the time the accounting professional creates the company, he must provide a payment method to ensure uninterrupted service.

## ***Adding existing clients to your Wholesale Billing subscription***

As we discuss in [Chapter 12](#), you can add clients to your QBOA account without using the Wholesale Billing program. That is, you can opt to add retail clients who manage their own QBO subscriptions to your QBOA account. “Why,” you ask, “would I have added clients to my QBOA account without adding them to my Wholesale Billing subscription?” Well, to name just two possible examples:

- » You might have added clients to your QBOA account before you joined the Wholesale Billing program.
- » You might have added clients to your QBOA account who wanted to manage their own subscriptions.

[Chapter 12](#) shows you how to add clients to your QBOA account either as retail clients or as part of your Wholesale Billing subscription.

Before you can move an existing client to your Wholesale Billing subscription, you must enter billing information for your Wholesale Billing account in QBOA as described in the preceding section.

Further, the client’s subscription must be eligible for the Wholesale Billing program. Use the following criteria to determine eligibility:

- » You cannot move clients to your Wholesale Billing subscription on the Wholesale Billing date, which appears on the Your Account page in the Next Bill Date field.
- » The client company’s Next Payment Date must be within 33 days of the day you attempt to add the company to the Wholesale subscription. Note: You can

find this date in the client company by choosing Gear  
⇒ Account and Settings ⇒ Billing & Subscription.

- » Clients must have an active monthly billing subscription and be listed on your the QBOA Clients page. See [Chapter 12](#) for details on adding clients to your Clients page.



**REMEMBER** You cannot add annually paid QBO subscriptions to the Wholesale Billing program; the QBO subscriptions must be paid monthly. Further, annual billing subscriptions can be changed to monthly billing subscriptions 30 days before the next annual billing date.

- » Clients must be in the region of QBO that corresponds with your region of QBOA (US, UK, AU, FR, or CA).
- » Clients must be using QuickBooks Online Essentials or QuickBooks Online Plus. QuickBooks Online Simple Start subscriptions CANNOT be added to Wholesale Billing.
- » QBOA users in the United States can add QuickBooks Self-Employed companies to Wholesale Billing subscriptions if the client is subscribed to the Standalone plan.



**REMEMBER** Note that Wholesale Billing is not available to QBSE/Turbo Tax bundle users because QBOA has its own default tax software. And, turnaround time for the client to be moved to Wholesale Billing is 24 hours.

So, just how do you go about adding a client to your Wholesale Billing subscription? As mentioned in the preceding set of bullets, you must first add the client to your Client List in QBOA; for details on adding a client to your Client List, see [Chapter 12](#).

Once a client appears on the Clients page, you can add the client to your Wholesale Billing subscription by following these steps:

1. **Click Clients in the Navigation bar.**
2. **Click the Gear in the top-right corner of the QBOA toolbar.**
3. **From the drop-down menu, under Your Company, select Subscriptions and Billing.**

The Subscriptions and Billing window appears.

4. **In the Wholesale Clients section, click the Add Existing Clients button in the Actions column; this button is available only if you have filled in the Billing Details tab.**

The Add Existing Clients to your Subscriptions page appears, displaying only those clients not currently part of your Wholesale Billing subscription. The Client Eligible to Add column indicates whether or not you can migrate a client to wholesale billing. If you find you cannot select a particular client to add to your Wholesale Billing subscription, see the sidebar "[Why can't I migrate a client?](#)"

5. **Click the check box beside each client you want to move and click Add Clients.**
6. **Review your selections and, when you're satisfied they are correct, click Add Clients.**

A page appears that identifies clients that migrated correctly and clients whose migration failed.

## WHY CAN'T I MIGRATE A CLIENT?

You might not be able to move a particular client to your Wholesale Billing subscription for a variety of reasons. For example, your client must have an active monthly billing subscription and must appear on your QBOA Client List.

In addition,

- The client QBO company's Next Payment Date must be within 33 days of the day you attempt to add the company to your Wholesale Billing subscription.
- Clients must have an active *monthly* billing subscription and be listed within the QBOA Client List.  
You can change a yearly billing subscription to a monthly billing subscription, but only 30 days before the next annual billing date.
- The QBO client's region (US, UK, AU, FR, or Canada) must match your QBOA region.
- The QBO client must be using QBO Essentials, Plus, or Advanced. You cannot add QBO Simple Start or QBO Self-Employed companies to a Wholesale Billing subscription.



TIP

In the Wholesale Clients section, QBOA divides your clients into two sections: The Pending Client Companies section shows clients you have moved to your Wholesale Billing subscription, but which have not yet become active on your Wholesale subscription. The Wholesale Clients section shows clients who have already been fully added to your Wholesale Billing subscription; those are the companies who appear on your Wholesale Billing subscription bill.

A client QBO Wholesale Billing subscription stays active for as long as you maintain a valid form of payment in

the QuickBooks Billing Profile. Wholesale QBO companies do not expire.

## ***Removing clients from your Wholesale Billing subscription***

Sometimes you and a client need to part ways. If you have previously added that client's QBO company to your Wholesale Billing subscription and you need to move on, you'll want to remove the client from your subscription. Follow these steps:

- 1. Click the Gear in the QBOA toolbar.**
- 2. From the drop-down menu, under Your Company, select Subscriptions and Billing.**  
The Subscriptions and Billing page appears.
- 3. Find the company you want to remove from your Wholesale Billing subscription.**
- 4. In the Actions column, click Transfer Billing to Client.**



**REMEMBER** Once you remove a QBO company from your Wholesale Billing subscription, that QBO company is no longer eligible for the wholesale discount, and all previous discounts are removed as well. The client QBO subscriber will be billed the standard rate for his subscription as of the date the subscription is removed unless the client establishes a relationship with another QBOA user. In this case, the client regains the discounts starting from the Wholesale Billing activation date.

Be aware that removing a client from your Wholesale Billing subscription doesn't remove the client from your



Client List. And, you can't delete QBO clients. But you can make them inactive, using these steps:

1. **Click Clients in QBOA to display your Client List.**
2. **In the Actions column, click the down arrow beside the name of the client you want to make inactive.**

3. **Click Make Inactive.**

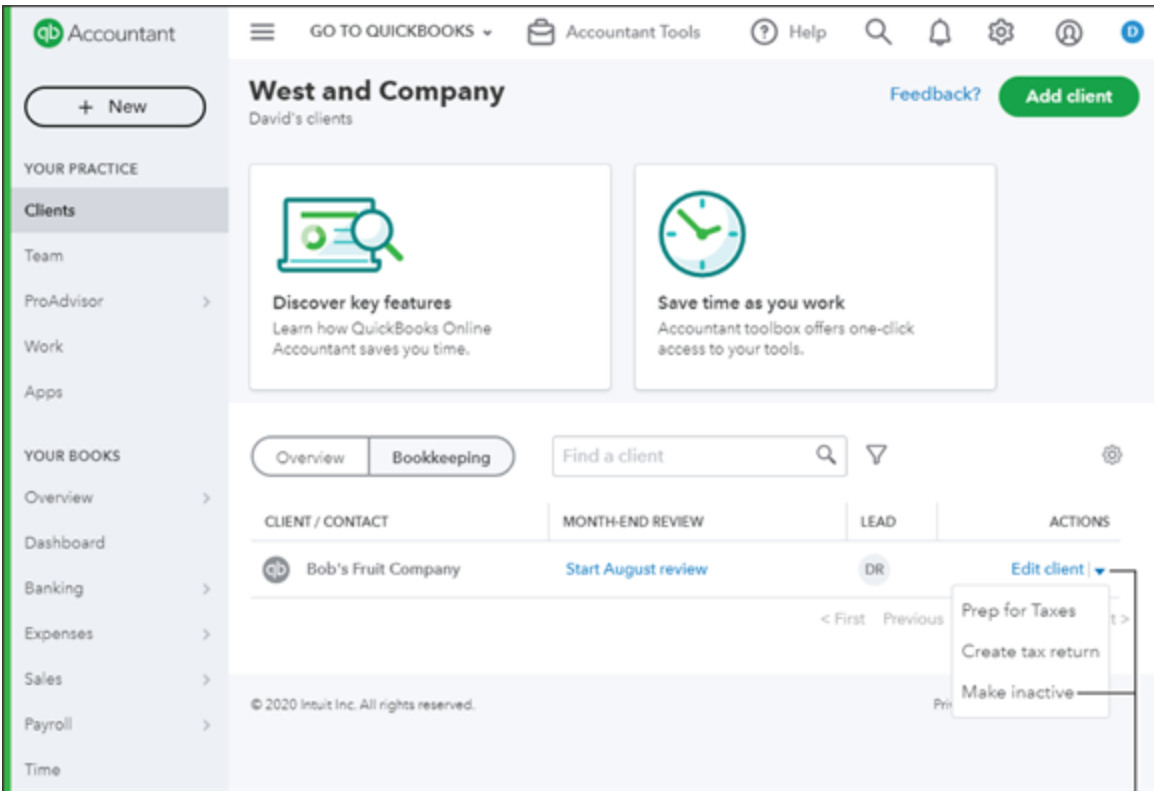
QBO asks if you're sure you want to make the client inactive.

4. **Click Yes.**

QBO redisplay the page shown previously in [Figure 11-16](#), but the client no longer appears in the Client list.



**TIP** You can change the client's status back to Active if you opt to display inactive clients on the Clients page. Click the Gear button above the Actions column in the table on the Clients page and select the Include Inactive option (refer to [Figure 11-13](#) to see the list). QBO displays all your clients, both active and inactive. To make an inactive client active again, click the Make Active link in the Actions column beside the client's name.



Click here to deactivate.

**FIGURE 11-16:** Use the Actions column to make a client inactive.

## *Working with your Wholesale Billing history*

You can view and, if you want, download your Wholesale Billing subscription history. Two separate statements are available: one for the QBO subscriptions and one for the Payroll subscriptions. The billing history includes the last six months of bills.



**REMEMBER** Be aware that billing statements are available the day after the billing date, not the same day.

Your Wholesale Billing history shows two separate charges for each client: one for the QBO company

subscription and one for the Payroll subscription. These charges happen on different dates:

- » Charges for QBO company subscriptions occur on the same date every month, based on when you first entered your billing information.
- » Charges for Payroll occur on the fifth of each month.

Follow these steps to view subscription history:

1. **Click the Gear in the QBOA toolbar.**
2. **From the drop-down menu, under Your Company, select Subscriptions and Billing.**  
The Subscriptions and Billing window appears.
3. **Click the Billing Details tab.**
4. **Click the link for the type of statement you want to see: View QuickBooks Billing History or View Payroll Billing History.**



TIP

You'll also find the option to download your billing history to a comma-separated file that you can view in Excel on this page.

## ***Stop using Wholesale Billing***

So, you've decided that you really don't want to participate in the Wholesale Billing program and manage QBO subscriptions for your clients. Although you can't cancel your Wholesale Billing subscription, you can stop using it. There's nothing stopping you from working with clients who manage their own QBO subscriptions.



**REMEMBER** You can't cancel your Wholesale Billing subscription because that action would also cancel the QBO subscriptions of the clients assigned to your Wholesale Billing subscription.

To stop using the Wholesale Billing program, you need to remove all the clients currently in your subscription using the steps in the section "[Removing clients from your Wholesale Billing subscription.](#)"

After you have removed all companies from your Billing Profile, Intuit will no longer bill you because you won't have any QBO clients in your Wholesale Billing subscription.

## Chapter 12

# Adding Companies to the QBOA Client List

---

### IN THIS CHAPTER

- » Adding client QBO companies to the QBOA Client list
- » Importing company data from QuickBooks Desktop to QBO
- » Switching between client QBO company files in QBOA

After signing up for QBOA and logging in, the next step for the accountant is to populate the Client list with QBO clients, which can happen in a couple of ways. In addition, you might be helping a client set up a QBO company either by creating a new company or by importing information into the QBO company.

This chapter shows you how to add client companies to the Client list and how to import company information from the QuickBooks Desktop product.



**TIP** Need to remove a client from your Client list? See [Chapter 11](#) for details on making a client inactive.

## *Adding a Client's Company to the Client List*

You can add a client company to the Client list in two ways:

- » By letting your client create his company and then invite you to access it
- » By creating a client's company for the client

If you participate in the Wholesale Billing program (also called the Intuit Wholesale Pricing program), you can opt to manage a client's subscription for him. In this case, Intuit bills you for the client's subscription and you then bill your client (see [Chapter 11](#) for more information on the Wholesale Billing program). Alternatively, the client can opt to manage his own QBO subscription but still give you access to his books. At the time this book was written, Intuit was running specials on QBO through its main website. In addition, Intuit was offering discounts for QBO companies managed by accountants using QBOA regardless of whether the accountant or the client created the client's QBO account.



**TIP**

You're not bound by one choice or the other — that is, managing the client's subscription or not managing the client's subscription. If you participate in the Wholesale Billing program, you can change subscription management at any time.

For details on signing up for the Wholesale Billing program, contact Intuit.



**REMEMBER**

Once you add a new client to the list, you'll likely want to start examining their books — and the Client

Overview feature described in [Chapter 13](#) can help you sort through the information.

## ***Having a client invite you to be the accountant user***

When a client creates his own company, he accepts the responsibility to pay for the company's QBO subscription. Even so, your client can invite you to access the company using the Invite Accountant process in QBO. You can manage any type of QBO subscription in QBOA, including Schedule C and ProConnect Tax Online clients.

Your client should follow these steps:

- 1. Have the client open her company in QBO and click the Gear button in the QBO toolbar.**

QBO displays the client's Gear menu in QBO (see [Figure 12-1](#)).

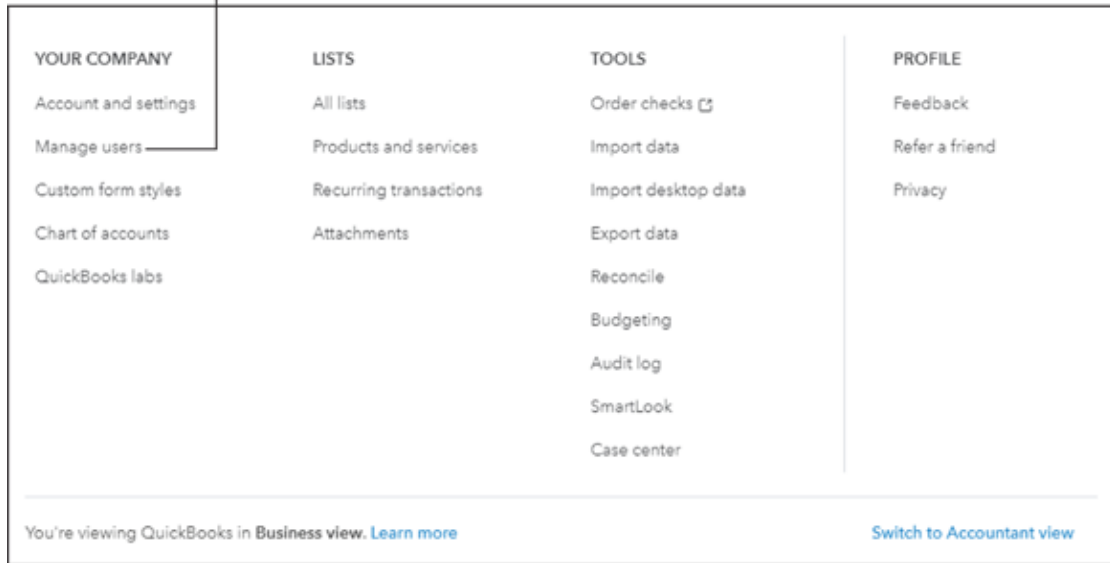
- 2. In the Your Company column, have your client click Manage Users.**

The Manage Users page appears. This page identifies the company's master administrator and enables the client to add users to the QBO subscription (assuming it is not a Simple Start subscription).

- 3. Have your client click the Accounting Firms tab (see [Figure 12-2](#)).**

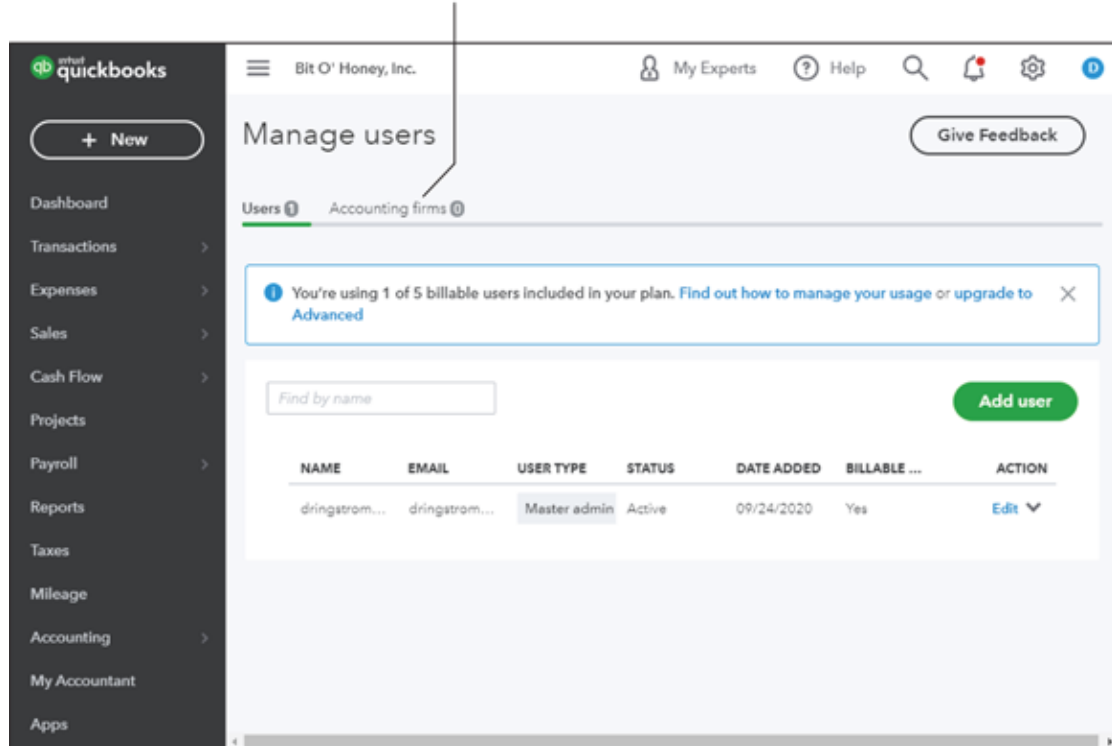
The window shown in [Figure 12-3](#) appears.

Click Manage Users.



**FIGURE 12-1:** The Gear menu in QBO.

Your client clicks here.



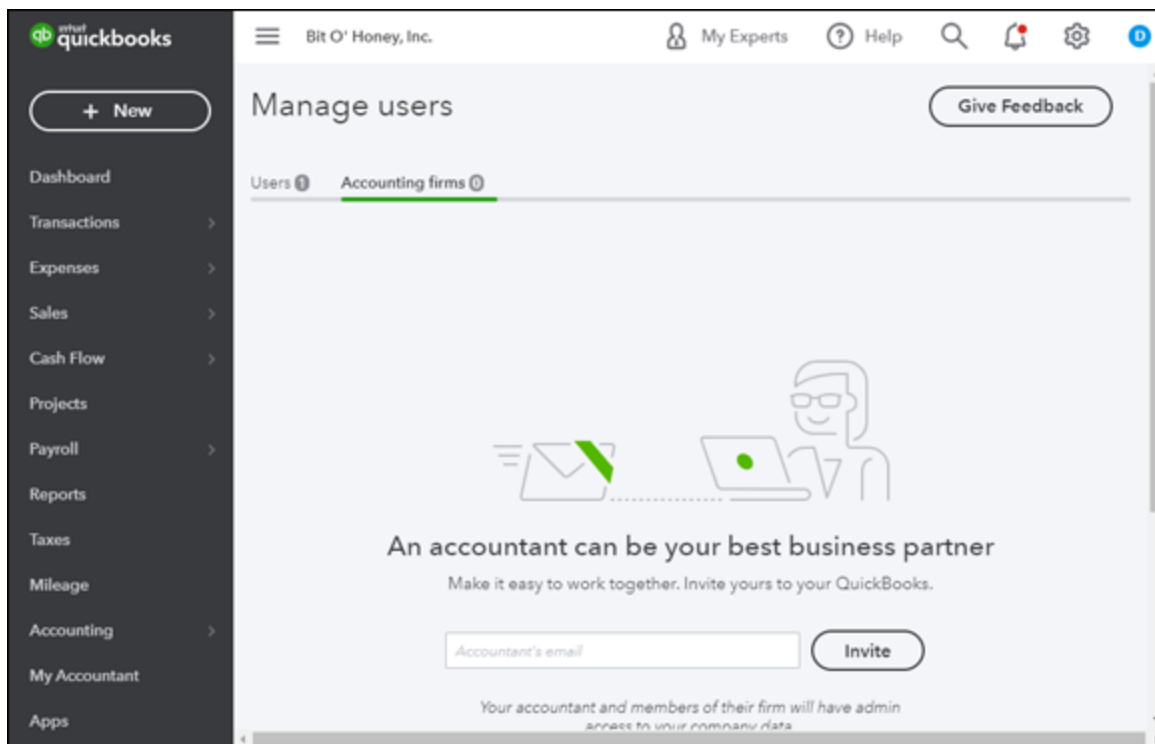
**FIGURE 12-2:** The Manage Users page has two tabs: Users and Accounting Firms.



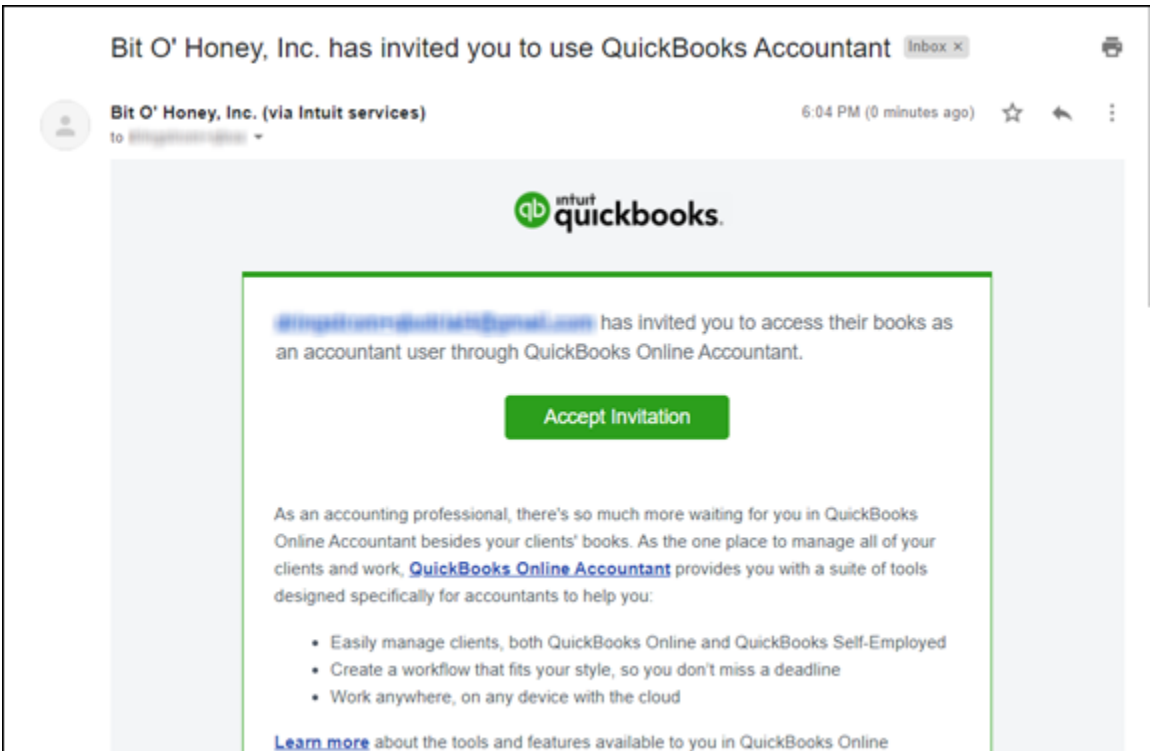
#### 4. Have your client provide your email address and click Invite.

The Accounting Firms tab of the Manage Users page reappears, showing the accountant's email with a status of Invited. QBO sends an email to the accountant that invites the accountant to sign in to the client's company. From this page, if necessary, the client can resend the invitation.

When you receive your client's email, it will look something like the one shown in [Figure 12-4](#).

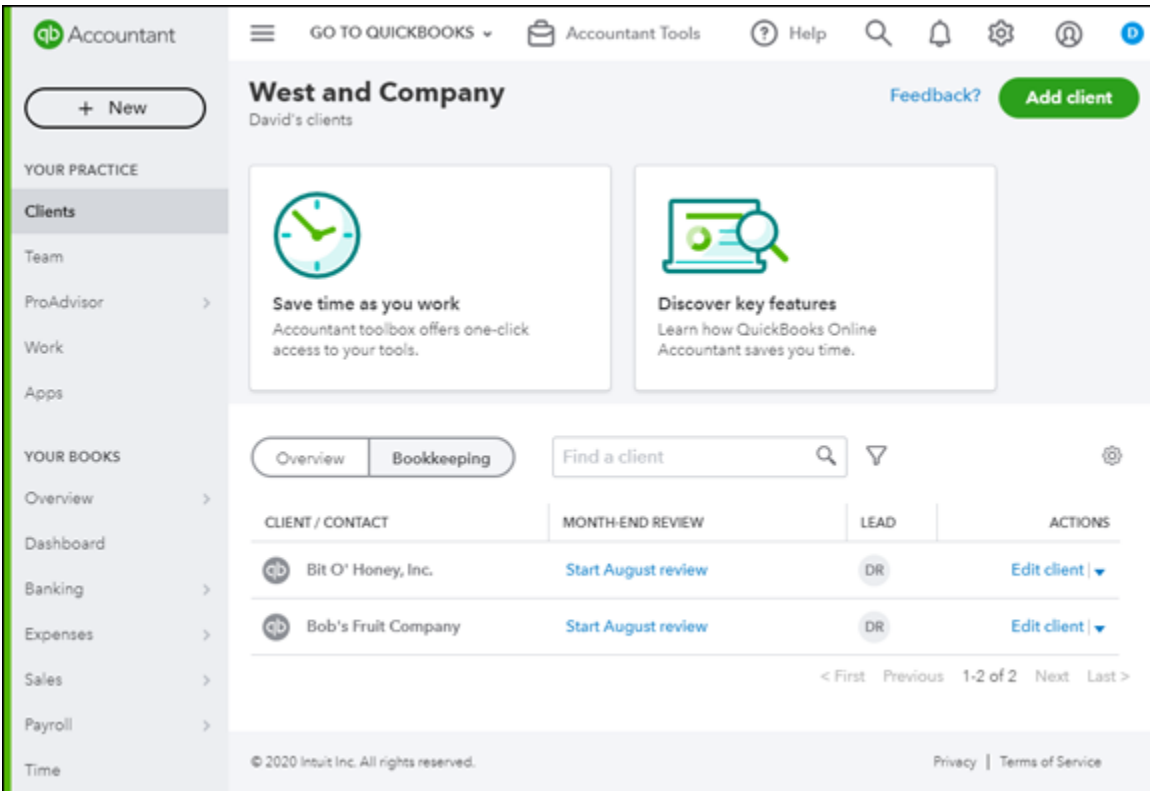


**FIGURE 12-3:** The client fills in the accountant's email information.



**FIGURE 12-4:** A sample email an accountant might receive when invited to access a client's QBO company.

Click the Accept Invitation button, and your default browser opens to the QBOA login page. Fill in your QBOA email or user ID and password, and Welcome Back screen appears. Choose the accounting firm you wish to use to accept the invitation, or click Don't See Your Firm? On the subsequent page, click Continue. QBOA opens and the new client appears in your list on the Client List page (see [Figure 12-5](#)). By default, QBOA gives access to the team member invited by your client and to your QBOA master administrator. You can use the Edit Client page to identify the additional people in your firm who should have access to the client's QBO books. To display the Edit Client page, click the client's name on the Clients page; on the page that appears, click Edit Client in the upper-right corner.



**FIGURE 12-5:** A QBOA Client List page after accepting an invitation from a client to be the accountant for their QBO company.

You'll also get an email confirmation telling you that the client has been added to your QBOA account.

### ***Inviting a client to your practice***

You don't have to wait for clients to invite you to be their accountant; you can issue the invitation.

When an accountant who participates in the Wholesale Billing program adds a client's company to QBOA, billing responsibility becomes a matter of choice:

- » You can pay for the client's subscription and then bill the client back for the cost of the subscription.
- » You can assign billing responsibility to the client.

Further, whether the client will be part of your Wholesale Billing subscription or the client will be

assuming billing responsibility, you can opt to be the master administrator or to assign that role to the client. For clients who want to be part of your Wholesale Billing subscription and assume the role of master administrator, you must be an invited accountant in the client's company.

If you retain the master administrator role, you can, at some later time, transfer master admin privileges back to the client. See the section "[Transferring master administrator rights back to your client.](#)"

At the present time (this could change in the future), if a QBO client wants to remove an accountant, the firm managing the client's Wholesale Billing subscription must first remove the client from Wholesale Billing, even if the accountant the QBO client wants to remove is not affiliated with the firm managing the client's QBO subscription.

To remove a client from your Wholesale Billing subscription, follow these steps:

- 1. In QBOA, click Gear ⇒ Your Account.  
Your Account appears in the Your Company column of the Gear menu.**
- 2. In the Your Accountant window, scroll down to the Wholesale clients section and click the company you want to remove from Wholesale Billing.**
- 3. From the Actions column drop-down, click Remove from Wholesale.**

You can invite any QBO user to your practice except a Simple Start user. Simple Start users must create their own companies and then invite you, the accountant, to their QBO company as described in the preceding

section, “[Having a client invite you to be the accountant user.](#)”

To invite a client to your practice, follow these steps:



**TIP** If your client hasn't yet created a QBO account, you can create it for him by using an email address the client supplies to you. Be aware that any QBO company created by an accountant does not get a 30-day trial period. However, ProAdvisor discounts can be applied to companies created through a trial period offer.

1. **Open QBOA.**
2. **Click Clients in the Navigation bar to make sure you're displaying the Client List page.**
3. **From the Client List page, click the Add Client button in the upper-right corner above the list.**

The Client Contact Information page appears (see [Figure 12-6](#)).

The screenshot shows a web form titled "Add client" with a "Feedback?" link. The main section is "Client contact information". It has two radio buttons: "Business" (selected) and "Individual". Below are four input fields: "Business name \*", "Email \*", "Display name as", and "Mobile" (with a "+1" prefix). A "+ Add more info" link is below the input fields. The "Team access" section has the instruction "Select which team members in your firm can access your client." and a checked checkbox for "David Ringstrom (Firm Master Admin)". A "+ Show all team members" link is at the bottom.

**FIGURE 12-6:** The Client Contact Information page of the Add Client wizard.

- 4. Select Business or Individual, depending on whether you're adding a business or a self-employed individual.**
- 5. Provide a name and an email address for the company.**

If you provide a name and an email address for which no QBO company exists, a new company will be created. Otherwise, QBOA adds any existing company that uses the name and email address you provide to your QBOA account. You can optionally click Add More Info to provide billing and shipping addresses, as well as the company phone number and website address.

- 6. Identify firm team members who should have access to the client QBO company.**

You can change access privileges later.

7. **In the Products section, choose whether the client is billed directly or whether you want to add the client to your Wholesale Billing subscription.**
8. **Select a type of QBO subscription (Advanced, Plus, Essentials, or Self-Employed) or Payroll Standalone Subscription (Payroll Elite, Payroll Premium, or Payroll Core).**



**REMEMBER** Your clients will receive your discount on payroll standalone subscriptions, but will be billed directly by Intuit. Only QBO subscriptions offer a choice between direct or wholesale billing.

9. **Specify whether you should become the client company's master administrator.**

If the client is the master administrator, he receives a link to QBO so that he can sign in. Only your client can be the master administrator of a QuickBooks Self-Employed company. You can decide to be the master administrator of a QBO Essentials, Plus, or Advanced company.

10. **Click Save.**

QBOA does some work and creates the company, which appears in the list of companies on the Clients page. If the new company doesn't appear, refresh your browser page or log out of QBOA and then log back in again.

## ***Transferring master administrator rights back to your client***

As described in the preceding section, when you add a client QBO company to your QBOA account, you have the

option to assign yourself as the master administrator; in this case, QBOA also assigns you as the accountant user for the company. But you can transfer the master administrator role back to your client without affecting your status as the accountant user.

To transfer the role of master administrator to your client, you follow a two-part process:

- » You add the client to the company as a user and, in the process, invite the client to become a company administrator.
- » After the client accepts the invitation to become a company administrator, you transfer the master administrator role to the client — again, using an invitation process.

### ***Inviting the client to become a company administrator***

As the first part of the process, create a company administrator for the new company you created when you added the client to your Client list. Follow these steps:

- 1. Open the client company using the Go to Client's QuickBooks list on the QBOA toolbar.**
- 2. Click the Gear button on the QBOA toolbar and choose Manage Users in the Your Company column.**

QBO displays the Manage Users page, which initially shows only the accountant user who created the company.

- 3. Click Add User.**

The Add a New User wizard starts.



4. **On the Select User Type page, shown in [Figure 12-7](#), select Company Admin and click Next.**

Click this option.

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.

Time tracking only  
They can add their own time sheets.

Next

**FIGURE 12-7:** Select Company Admin.

5. **On the Enter User's Email Address page, provide the client's email address (and optionally, name) and click Save.**

QBO adds the user to the Manage Users page and a message appears briefly, explaining that QBO will send an email invitation to the user to sign in to the company. The email explains that she must create a QBO user ID unless she already has one. In most cases, if you set up a company for a client, the client doesn't yet have a QBO login.

6. **Click Save.**

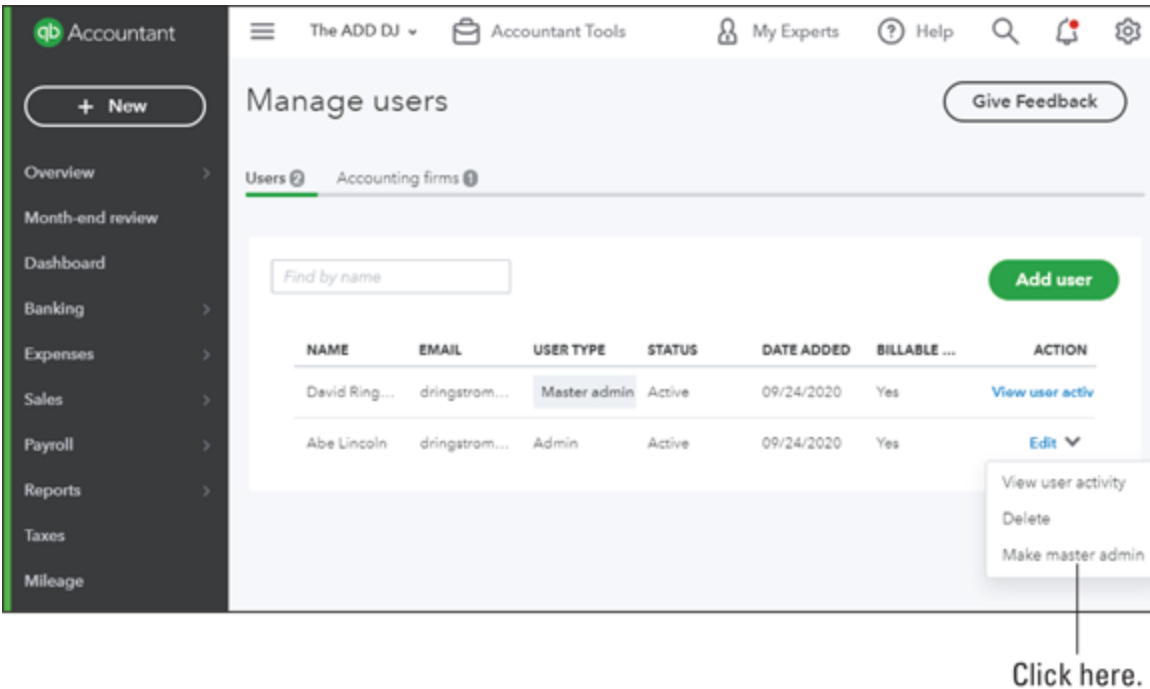
The new user appears on the Manage Users page with an Invited status.

When the client receives the email invitation to become the company administrator, the invitation contains a Let's Go! link.

When the client clicks the link, a QBO login screen appears containing the user's email address filled in — and prompting the user for a password. Typically, the client doesn't have a QBO login yet and so goes through the process of creating a new one; when she finishes filling in the password, she clicks Accept Invitation and she's logged in to QBO. She then receives a message indicating that she successfully accepted the invitation and can access her QBO company.

### ***Transferring the master administrator role to the client***

Once the client accepts the invitation to become a company administrator, you're ready to transfer master admin rights to the client. Use QBOA to open the client's QBO company and display the Manage Users page by clicking Gear ⇒ Manage Users. You appear as the master admin, and the client user's status is Active and has a User Type of admin (see [Figure 12-8](#)). To transfer the role of master admin to the client, click the down arrow beside Edit in the Action column and choose Make Master Admin.



**FIGURE 12-8:** Assigning the role of master administrator to the client.



**REMEMBER** Click the arrow next to Edit if you want to make your client the Master Admin. If you click the Edit link, you'll be able to choose between Standard User and Admin. A distinction between Admin and Master Admin is that the Master Admin is a super-user with rights that cannot be changed by other admins. The Master Admin can relinquish its role, but the Master Admin rights cannot be changed or altered by other users.

QBOA displays a message explaining that only one user can serve as the master admin and, by transferring that role to your client, your access changes to admin — you will no longer be the master admin.

QBOA sends an email invitation to your client to become the master administrator, and the client can accept or decline. Assuming the client accepts, he's prompted to

log in to QBO. Once he does, he sees a page that explains that the master admin role has been successfully transferred to him and that an email explaining such has been sent to the former master administrator — and that's you.

If you once again use QBOA to open the client's company and view the Manage Users page, you'll notice that you no longer appear in the Manage Users section and your client is the master administrator for the company. You become a company administrator.

## ***Importing QuickBooks Desktop Information into QBO***

If you've been using QuickBooks for Mac 2013 and higher, QuickBooks Desktop for Windows Pro or Premier 2008 or later in the United States and Canada, and your QBO subscription is less than 60 days old, you can import your desktop company's information into a QBO company. Accountants also can help clients import their QuickBooks Desktop companies into QBO companies. During the conversion process, QBO makes a copy of your QuickBooks Desktop company file and imports it into your QBO company. Your QuickBooks Desktop data remains available for you to use as you need.



TIP

Users in countries other than the U.S., Canada, and the UK might be able to import desktop QuickBooks information into QBO with the help of an outside service; contact Intuit for more information. Users of QuickBooks Desktop for Windows 2007 and earlier, QuickBooks for the Mac, and QuickBooks Enterprise should contact Intuit for details on importing their data into QBO. And, accountants importing their own data into the free QBOA company have considerably more time to import: up to 1,060 days of creating the QBOA account.

Assuming that you meet the criteria previously outlined, read on and learn about these five parts of the conversion process:

- » Review general conversion considerations.
- » Examine what won't convert.
- » Update your QuickBooks Desktop software.
- » Perform the steps to export a copy of your QuickBooks Desktop data that QBO uses for importing.
- » Review the tasks you need to complete after converting.

## ***General conversion considerations***

It's important to understand several facts about converting QuickBooks Desktop data for use in QBO:

- » As we just mentioned, you can import QuickBooks Desktop data only in the first 60 days you use QBO. Be aware that converting QuickBooks Desktop data does not affect the data in the QuickBooks Desktop product

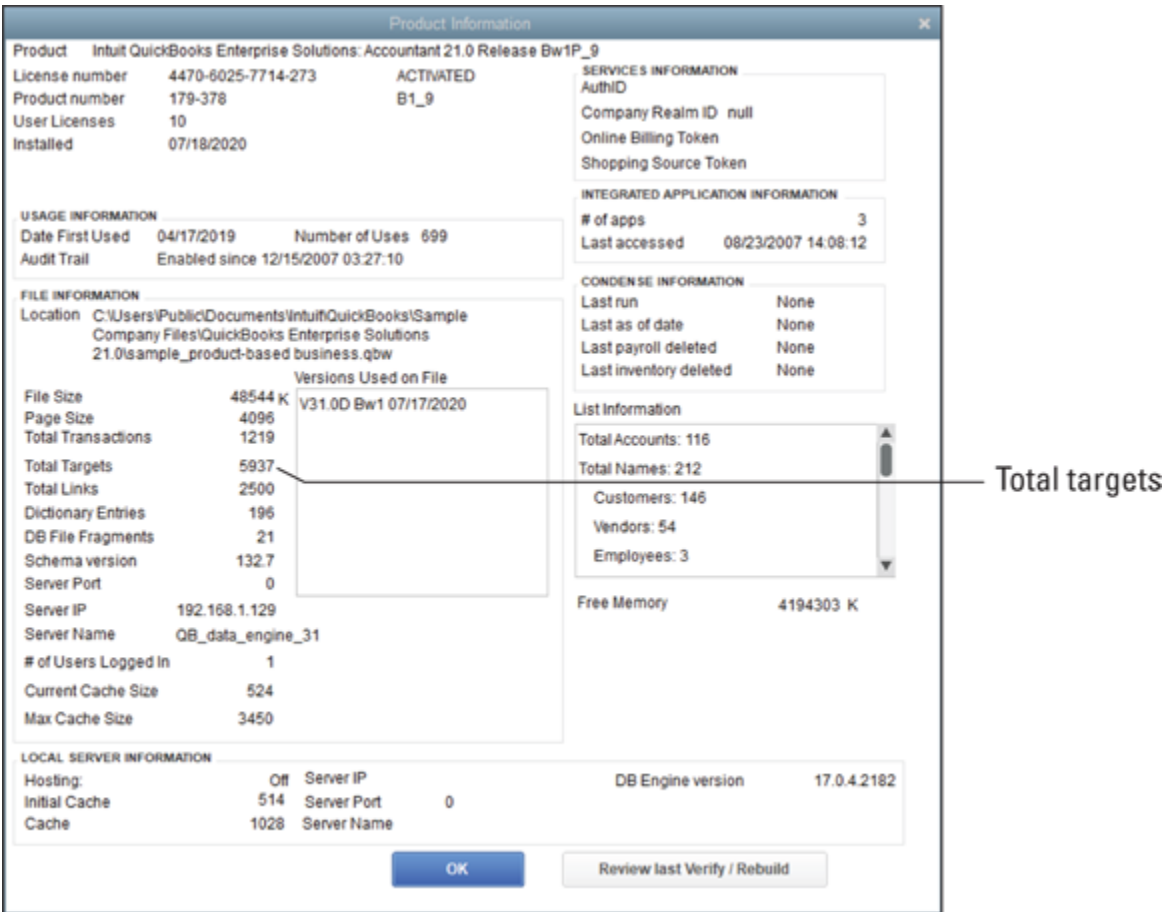
and that you can (and should, at least long enough to confirm that QBO will work for you) continue to use QuickBooks Desktop.

- » Be aware that the process of importing QuickBooks Desktop data into an existing QBO company completely overwrites any list and transaction data already stored in that QBO company.
- » Some information may not be imported when you move your file; see the next section, “[An overview of what won’t import](#),” for general information and [Appendix A](#) for more detailed information. Take the time to familiarize yourself with these import limitations and with the feature differences between QuickBooks Desktop and QuickBooks Online.
- » QBO supports Intuit Online Payroll and QuickBooks Online Payroll (QBOP) to manage payroll. In some cases, your QuickBooks Desktop payroll data will automatically update your year-to-date totals. But, if that data doesn’t migrate, and you intend to use QBOP, you will need to enter payroll totals as described in [Chapter 9](#). Don’t turn on or set up QuickBooks Online Payroll until after you convert your desktop data. If you’ve already turned on payroll in your QuickBooks Online company, see the sidebar “[Payroll and Desktop Data Conversion](#).”
- » Make sure all your sales tax filings are current before you export your QuickBooks Desktop data. You might need to make adjustment entries to sales tax filings in QBO after you import the information.
- » Make sure that you are using QuickBooks Desktop 2016 or later; more information on that in the sidebar “[Using a QuickBooks Desktop Trial for Conversion](#).”

## **PAYROLL AND DESKTOP DATA CONVERSION**

If you've already turned on payroll in your QuickBooks Online company, don't attempt to import your QuickBooks Desktop file into that QBO company. Instead, you can set up a new empty QBO company file and cancel the subscription for the QBO company in which you turned on payroll; if the QBO company in which you've been working is a trial, you can simply let the trial run out instead of cancelling. The theory here is that you set up the original QBO company (with Payroll) to see how things work, and you'll be fine if you start over and import your QuickBooks Desktop data. If you need to cancel a subscription, do so from the Billing and Subscription tab of the client QBO Account and Settings dialog box (choose Gear ⇒ Account and Settings ⇒ Billing & Subscription).

Before you dive into converting your data, stack the odds for success in your favor by doing some homework. First, examine your QuickBooks Desktop data file to make sure that it will convert. In your QuickBooks Desktop product, open your company and press F2 to display the Product Information dialog box shown in [Figure 12-9](#). In particular, take note of Total Targets figure listed in the File Information section. If your data file's number of targets falls below 350,000, you can proceed.



**FIGURE 12-9:** Check the number of targets in your QuickBooks Desktop company.



**REMEMBER** If your data file's number of targets exceeds 350,000, condense your data. If your company's targets still exceed 350,000, consider importing lists only, as described in [Chapter 4](#); QBO offers the option to import lists only. "What's a target?" you ask. Trust me on this; you really don't care. But, if you're dying to know, see <https://quickbooks.intuit.com/community/Help-Articles/Targets-vs-Sources-overview/m-p/193286>.

Next, using the version of the QuickBooks Desktop product for your country (U.S., Canada, or UK), verify



your data file and then condense it so that it includes approximately one year's data. Condensing reduces the size of your data file and removes inactive list entries, and smaller data files tend to convert better. On the File menu, choose Utilities ⇒ Condense Data.



**WARNING** Before you condense your data, make sure that you back-up your data and put the backup in a safe place. That way, you're covered in case something strange happens, which isn't likely, but it's always better to be safe than sorry. Also follow this advice and create an additional backup before you export your data to QBO.

If you suspect the QuickBooks Desktop company data isn't in good shape — for example, you get errors while verifying or condensing — you can try rebuilding the data and then rerunning the Condense Data function. If you still get errors, consider importing lists only as described in [Chapter 4](#).



**REMEMBER** You should plan to keep your QuickBooks Desktop data file around, if for no other reason than to refer to it for historical data as needed. Many people opt to run QuickBooks Desktop and QBO simultaneously for a month or two to make sure QBO is performing as they expect. This is referred to as running the system parallel.

## ***An overview of what won't import***

As we mention in the section "[General conversion considerations](#)," when you convert a QuickBooks

Desktop company to QBO, some data fully converts, some partially converts, and some doesn't convert at all. In addition, QBO contains comparable alternatives for some desktop QuickBooks features and doesn't contain alternatives for others. See [Appendix A](#) for details on data conversion considerations.

You can import any QuickBooks Desktop for Windows company or any QuickBooks for Mac company using QuickBooks U.S., including companies with the Multicurrency feature turned on, as long as the company falls within the limitation of 350,000 targets. You also can import QuickBooks Desktop companies using UK and Canadian versions, again including companies that have Multicurrency turned on.

In general, the following types of files won't convert and therefore can't be imported:

- » You cannot import QuickBooks Desktop data into any QBO company that was created more than 60 days ago, except for accountant company files. You can import QuickBooks Desktop companies into a QBOA company within 1,060 days of creating the QBOA account.



**REMEMBER** When we say “accountant company files,” we’re talking about importing a QuickBooks Desktop company file into the Your Books company available in QBOA.

- » You cannot import a QuickBooks Desktop company into QBO subscriptions using international versions of QBO other than UK and Canadian.
- » You cannot import non-Intuit accounting software company files. If you need to import company data

from a non-Intuit product, you'll need to work with Intuit's full-service team.

- » You cannot directly import accounting data stored in spreadsheet files. You can import these via a third-party app called Transaction Pro Importer, available at <http://appcenter.intuit.com/transactionproimporter>.

In addition, [Appendix A](#) describes the limitations you'll encounter if you import a QuickBooks Desktop company. We suggest you review [Appendix A](#) carefully so that you know what to expect. After you've reviewed the general considerations in the preceding section and the limitations for importing found [Appendix A](#), you're ready to import your QuickBooks Desktop company into QBO.

It's important to understand that, even if your company data meets the preceding criteria, some data still won't convert when you import; the list below identifies some of the more visible things that don't convert. For details, see [Appendix A](#):

- » Reconciliation reports: Save your Reconciliation reports in QuickBooks Desktop or as PDF files to access them later. In QBO, continue reconciling where you left off. See [Chapter 8](#) for details on reconciling accounts.
- » Recurring credit card charges: At your Merchant Center, cancel each existing automatic credit card recurring charge and re-create it in QBO as a recurring sales receipt. All other recurring transactions convert and import.



TIP

On the good news side, QBO imports sub-accounts it finds in your QuickBooks Desktop Chart of Accounts. Previous versions of QBO didn't support this capability.

- » Reports: Find a similar report in QBO and customize it to your preference. See [Chapter 10](#), and you can check out QBO's App Center or the app store at [www.Apps.com](http://www.Apps.com) for a list of reporting apps that can help your business.
- » Audit trail: Your desktop audit trail won't come over, but all changes going forward will be captured in the Audit Log within QBO.
- » Non-posting transactions or accounts won't convert except for estimates and purchase orders.

## *Updating your edition of QuickBooks Desktop*

Intuit recommends using the 2016 version of QuickBooks Desktop or later to convert your data to QBO. If you are using a version of QuickBooks Desktop older than 2016, see the sidebar "[Using a QuickBooks Desktop Trial for Conversion.](#)"

### **USING A QuickBooks DESKTOP TRIAL FOR CONVERSION**

If you're using a version of QuickBooks Desktop older than 2016, you shouldn't use your version to export your data to QBO. But, never fear; you can download a free 30-day trial version of the latest edition of QuickBooks available — 2021 at the time we wrote this — and use it to export your data to QBO. Make sure that you pick the right country version of QuickBooks Desktop (U.S., Canada, or UK). And, if you've been using the U.S. QuickBooks Premier Desktop edition, download the trial for U.S. QuickBooks Pro Desktop;

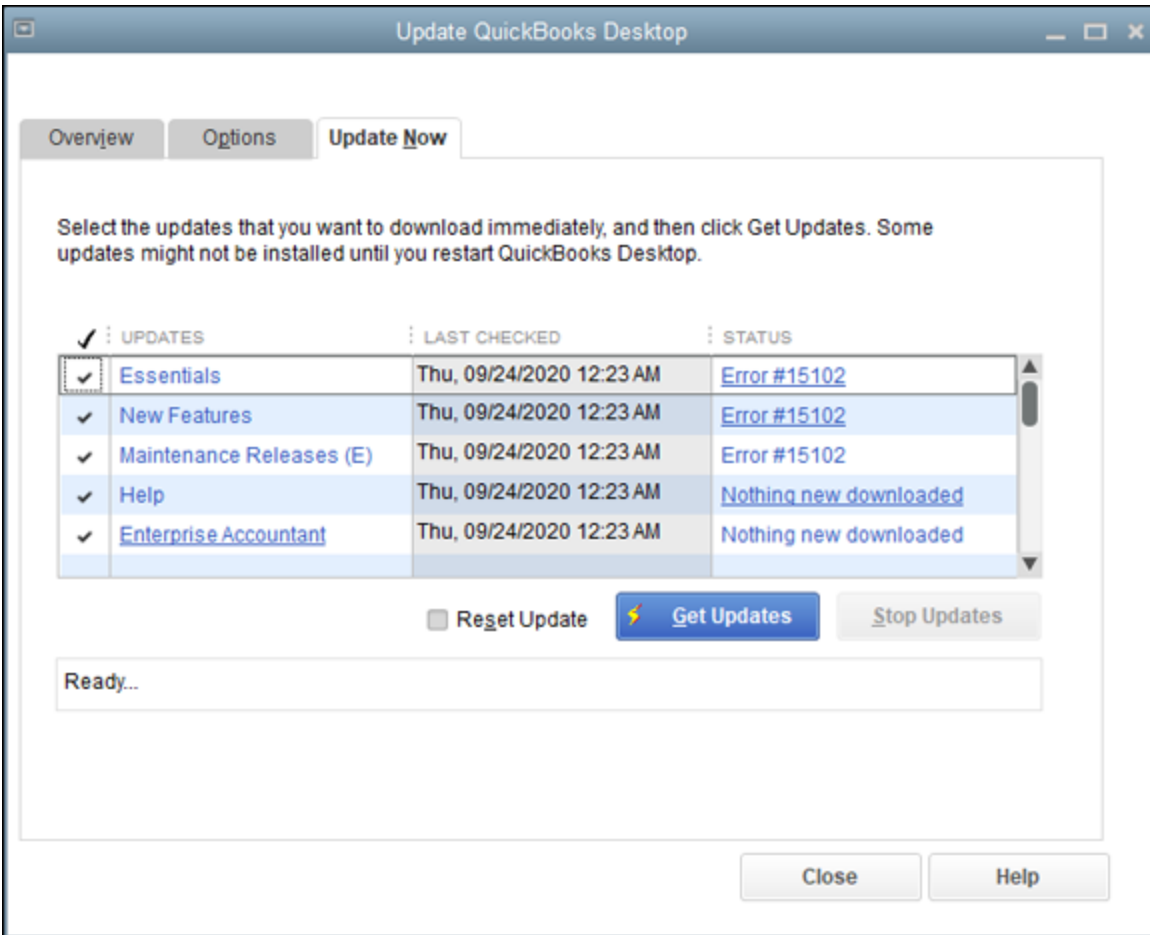
you'll be able to open your company in it for the purposes of exporting your data to QBO.

Before you download and install a trial version, remember to open your current version of QuickBooks Desktop, back-up your data, and put the backup in a safe place before you install the trial version. Then, download and install a trial version of the latest available QuickBooks Desktop.

Be aware that the trial is good for only 30 days and that you'll be using the trial *only* for the purpose of exporting your QuickBooks Desktop data to QBO. You'll want to keep your older version of QuickBooks Desktop installed so that you can refer to your QuickBooks Desktop data if necessary; the trial installation process gives you the option to keep your older version of QuickBooks and, effectively, install the trial alongside your existing version. To ensure that you retain access to your data, *do not* register or activate the trial version of QuickBooks Desktop. If you try to register or activate the trial, the validation will fail and you'll be locked out. (We resisted the urge to type those last two sentences in ALL CAPS...).

The first step you should take in the process of importing data from a desktop QuickBooks company is to back-up your current data and put the backup in a safe place. Then, make sure that your edition of QuickBooks Desktop is up to date. And yes, even if you use a trial version of QuickBooks, you should make sure it's up to date. Follow these steps:

1. **Open the desktop edition of QuickBooks.**
2. **Choose Help ⇒ Update QuickBooks Desktop.**  
The Update QuickBooks window appears.
3. **Click the Update Now tab (see [Figure 12-10](#)) and select all updates.**
4. **Click the Get Updates button.**  
QuickBooks goes through the process of downloading updates.
5. **Once the updating process finishes, click Close.**



**FIGURE 12-10:** Select all update areas.

Next, exit from QuickBooks and restart it; if QuickBooks downloaded updates, it prompts you to allow the updates to be installed; make sure you install the updates.

Now, check the following in the QuickBooks Desktop product to help you avoid errors during the export/import process:

- » Make sure you're working in Single User mode: Click the File menu and make sure you see the Switch to Multi-user Mode command. Don't click it; just make sure you see it, because its availability lets you know you're working in Single User mode.

- » Make sure you're logged in to the QuickBooks Desktop data file as the administrator. And, when you log in to QBO to import the data, you'll need to log in as a user with administrator privileges.
- » To eliminate errors that might be introduced by working over a network, move the company file to your local drive.

Okay. You're ready to start the process of exporting a desktop QuickBooks company data and then importing it into a QBO company.



**REMEMBER** You can import a QuickBooks Desktop company only during the first 60 days of a subscription with one exception: Accountants can import their own data into the free company that comes with QBOA for up to 1,060 days.

## ***Transferring data from a desktop company into QBO***

Before you start the transfer process, don't forget to back-up your data and put the backup in a safe place. And, remember, if you turned on payroll in your QBO company, do *not* import into that company. See the sidebar "[Payroll and Desktop Data Conversion](#)" for details and suggestions.

During the transfer process, you're given the option to overwrite an existing QBO company or create a new one. In the steps that follow, we set up an empty QBO company before we started and allowed the process to overwrite it. Follow these steps to transfer data from a desktop QuickBooks company into a QBO company:

**1. In QuickBooks Desktop, choose Company ⇒ Export Company File to QuickBooks Online.**

QuickBooks Enterprise users should press Ctrl+1 to open the Product Information window and then press Ctrl+B+Q. Then, click OK to close the Product Information window. QuickBooks Pro/Premier users can also use the keyboard combination if, for some reason, the menu option isn't available.

A wizard starts to walk you through the process of exporting the data.

**2. On the first page of the export wizard, click Get Started.**

**3. On the page that appears, sign in to your QBO account as a user with administrative privileges.**

If you don't have a QBO account yet, you can click Create an Account and walk through the process of supplying a user ID — typically an email address — and a password.



**REMEMBER** Because you're not signing in from your browser, you might be prompted to authenticate yourself; in this case, Intuit sends a code to your email address and you must check email to be able to supply the code onscreen.

**4. On the page where QuickBooks Desktop displays the Moving-Day Checklist, click Continue.**

**5. Select the appropriate choice for turning on inventory, and then click Continue.**

If you opt to turn on inventory, select the date you want to use to calculate inventory value using the FIFO method. Intuit recommends that you use the



first day following your company's last tax filing period.



**REMEMBER** Only QBO Plus and Advanced support inventory. If you opt to import inventory, your accounting method changes to FIFO and you need to file Form 3115 with the IRS. If QBO identifies any errors with inventory during the importing process, the process fails and you'll receive an email with instructions on how to fix the items causing the problem. Also be aware that, due to recalculations to FIFO, your Accrual Basis reports and Cash Basis reports will not match. QuickBooks flags any errors with inventory if they appear during import.

**6. Select your QBO company (see [Figure 12-11](#)).**

We selected an existing empty company; choosing an existing company — empty or not — makes QBO overwrite any data already in that company.

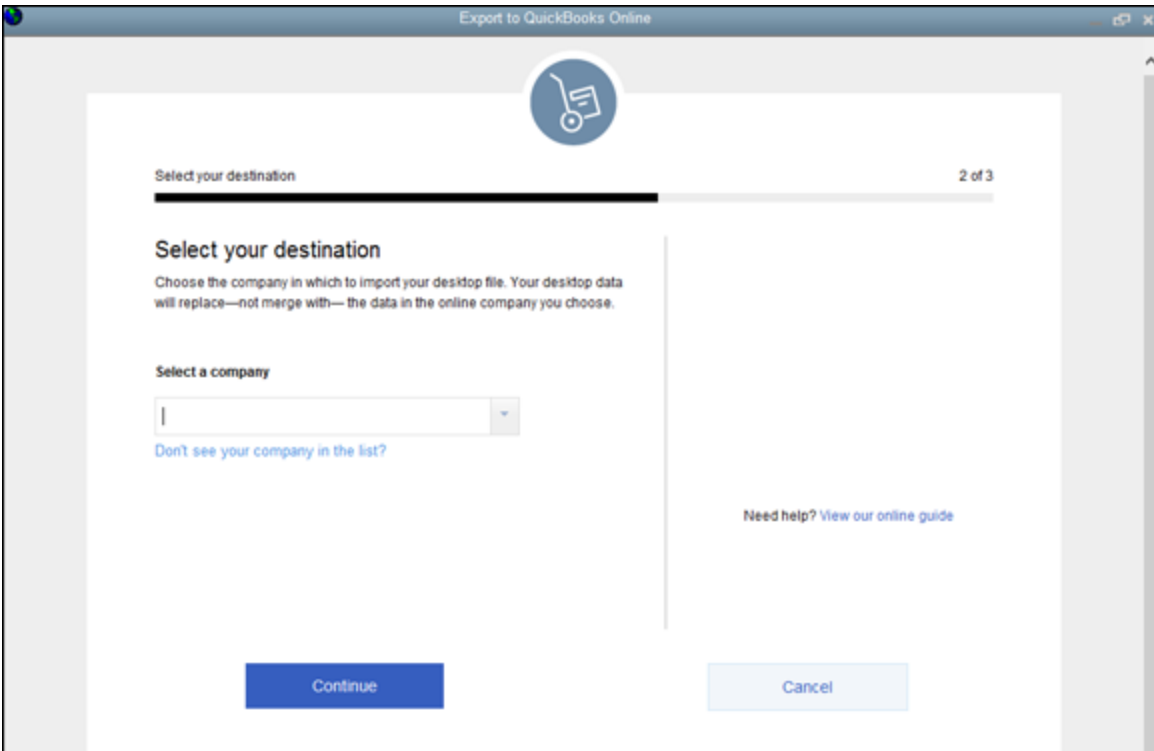
**7. Click Continue.**

**8. Type the word *agree* and then click **Replace to confirm that you want to replace all of your QBO data for this company with data from the QuickBooks Desktop company.****

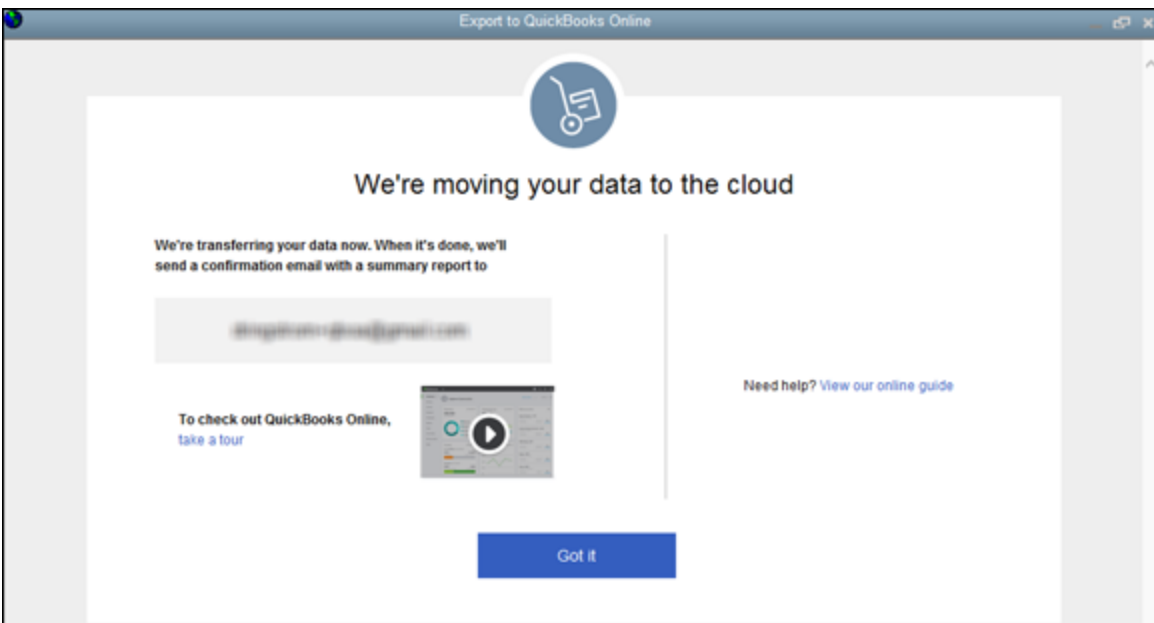
QBO makes a copy of your QuickBooks Desktop company file and goes to work creating a file to import into your QBO company. During this process, which may take some time, you really can't use QuickBooks Desktop. Eventually, a message appears, letting you know that you'll receive an email when the process finishes (see [Figure 12-12](#)).

**9. Click OK, Got It.**

**10. You can close the QuickBooks Desktop product.**



**FIGURE 12-11:** Select whether you want to overwrite an existing QBO company or create a new one for your desktop QuickBooks company data.



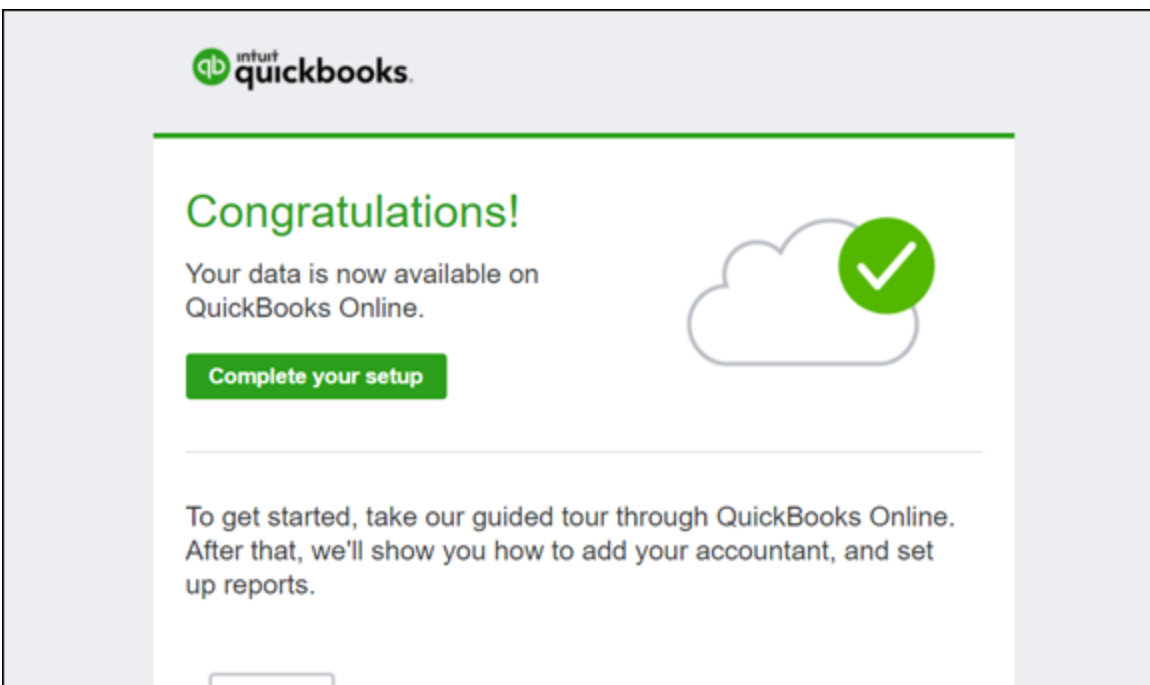
**FIGURE 12-12:** This message appears after you finish your part of the export/import process.

When the email arrives, the message will resemble the one shown in [Figure 12-13](#). You can click the Complete

Your Setup button to log in to the QBO company, or you can use the QBO interface.



**TIP** If you click the Complete Your Setup button in the email, a new browser tab appears displaying the QBO sign-in page.



**FIGURE 12-13:** A sample of the email message you receive after exporting a desktop QuickBooks company to QBO.

If the unthinkable happens and your data doesn't convert, you'll receive an email telling you there was a problem and attaching a report for you to review to resolve the issues.

### ***After converting ...***

After conversion finishes, you need to double-check things to make sure that the data looks the way you expected. At this point, we suggest you run and compare the Profit & Loss, Balance Sheet, Accounts Receivable,

Accounts Payable, sales tax liability, and, if appropriate, payroll liability reports for both the QuickBooks Desktop company and the QBO company. Be sure you run these reports using the Accrual basis with the dates set to All. Use the Accrual basis because reports run in both products using the Cash basis might not match.



**TIP** Need a do-over? During the first 60 days of a subscription, you get a “do-over” on importing data into a QBO company, which can be useful if things don’t import as you expect. Just go through the process of importing again.

And, here’s a checklist of things you probably need to do to make the imported QBO company ready for use:

- » Set up company users.
- » Set up sales tax items.
- » Set up payroll, either through Intuit Online Payroll or QBOP.
- » Reconcile accounts as needed.
- » Review lists and make appropriate entries inactive as necessary.
- » Set up recurring transactions to replace desktop QuickBooks memorized transactions.
- » Re-create any necessary non-posting transactions, such as purchase orders.
- » Review inventory.
- » Customize forms and reports and, if appropriate, memorize reports.
- » Set up a closing date password.

See [Chapter 13](#) for a discussion of the Client Overview in QBOA, which helps you identify the tasks you need to complete to bring any client QBO company up to snuff.

## WANT TO “UNDO” AN IMPORT?

Suppose you’re not happy with the results of importing and you decide that you simply want to enter data manually into the QBO company. If the client uses Essentials, Plus, or Advanced and the subscription is 60 days old or less, you can clear the data from the QBO company by purging it. Open the company and click Dashboard so that you’re viewing the QBO company Home page.

In the browser address bar, change the address to <https://qbo.intuit.com/app/purgecompany> and press Enter or refresh the page. A page appears that describes what will be deleted (everything), how many days you still have to completely remove the data in the company, and asks if you’re sure. Type **yes** in the lower-right corner and click OK, and QBO purges the data from your company. If you change your mind and don’t want to purge, click Cancel in the lower-right corner. Be aware that you can’t undo a data purge; once it starts, you must simply wait until it finishes and then you can start using the now-empty company.

Don’t try this with the Your Books company; you’ll probably cause irreparable damage. If you need to clear data from the Your Books company, contact Intuit Technical Support for help.

## *Switching between Client QBO Companies*

If you’ve worked through [Chapters 11](#) and [12](#), you might have noticed that client QBO companies don’t, by default, open in a separate tab in your browser. So, what do you do when you want to stop working in one client’s books and start working in another client’s books?

Well, you can click the Accountant button on the QBOA toolbar at any time to redisplay the QBOA interface and your list of clients. From there, you can click the

QuickBooks logo beside any client's name to open that client QBO company.

But you really don't need to take two steps to switch between client QBO companies; instead, take advantage of the Go to Client's QuickBooks list box on the QBOA toolbar.

When you're working in a client QBO company, the name of that company appears in the Go to Client's QuickBooks list box; if you click the company name, QBOA displays a list of all your client QBO companies. Just click the name of the company you want to open. No need to worry about saving work; QBO and QBOA do that for you.

## Chapter 13

# Exploring a Client's Company from QBOA

---

### IN THIS CHAPTER

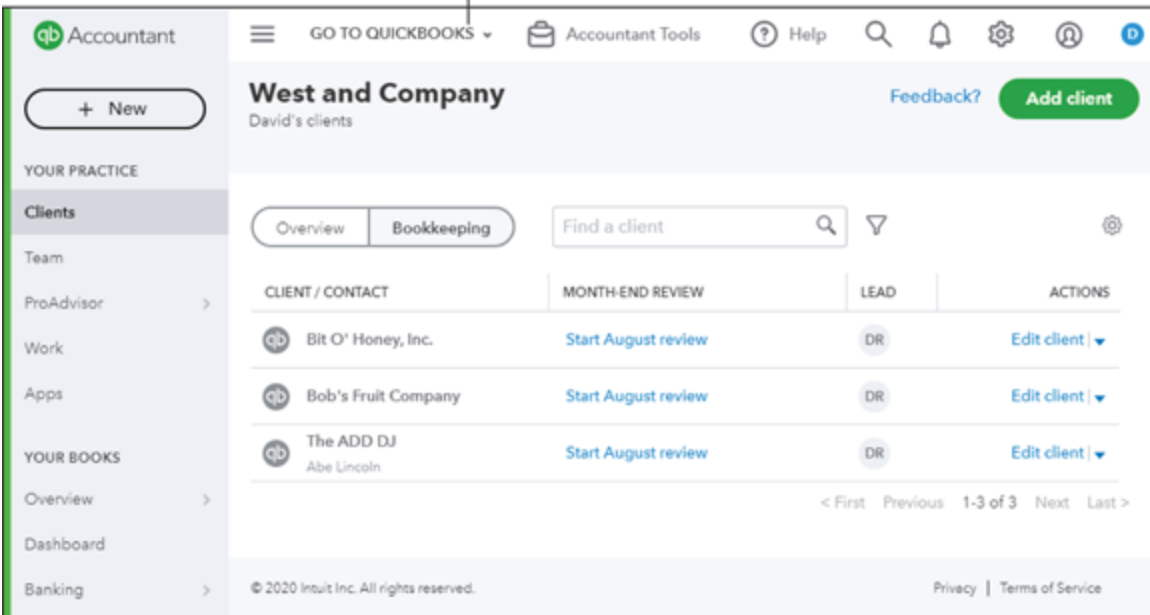
- » Opening a client QBO company from QBOA
- » Reviewing client QBO company settings

A client's QBO company looks a little different when viewed using QBOA. This chapter explores the interface you see when you open a client QBO company from QBOA. It also covers some facets of a client QBO company you might want to review for your client to make sure things flow smoothly for both of you.

## *Opening a Client's Company*

You can open a client's company in QBOA from the Clients page: On the client's line in the list, click the QuickBooks logo (the circle with the letters *q* and *b* in it) to the left of the client name. If you click the client's name you'll display the Notes page, whereas clicking their email address launches a blank email. Alternatively, you can use the Go to QuickBooks list on the QBOA toolbar, which remains visible at all times, making it easy for you to switch from one client QBO company to another. Simply open the list and select the name of the company you want to open (see [Figure 13-1](#)).

Click this to open a client's QBO company.



**FIGURE 13-1:** You can click the QuickBooks logo to the left of the client's name or the Go To QuickBooks button to open a client's QBO company.

You don't need to take any special action to close a client QBO company; you can simply open another client QBO company. If you wish to sign out of QBOA, use the Gear menu on the QBOA toolbar.

## *Reviewing a Client QBO Company*

You'll probably want to review the company setup information for client QBO companies to make sure that things are set up properly for your client. You can take advantage of the Client Overview, which provides, well, an overview of the state of the client's QBO company. And, you'll want to review the settings, the Chart of Accounts, and the lists within each client's QBO companies.



## ***Taking a look at the Client Overview page***

This page can help you get a sense of where things stand in your client's QBO company. To display the Client Overview, open the client QBO company using the Go to Client's QuickBooks list box on the QBOA toolbar. Then, click the Overview tab in the Navigation bar. At the top of the Client Overview page (see [Figure 13-2](#)), you see information on the client's subscriptions and connected apps.

### **WORKING IN MULTIPLE WINDOWS**

While working in one client QBO company, you can open different QBO pages. Click the Accountant Tools button and, toward the bottom of the list, click New Window. QBOA duplicates the page you are viewing in another browser tab. Using the new tab, navigate to another page in the client QBO company.

All the major browsers let you duplicate tabs; you don't have to use QBOA's New Window command, but it's convenient. To use the browser's duplication capability, right-click any tab and look for a command containing the word "duplicate."



## Accountant Tools

### QUICK LINKS

Chart of accounts

Journal entries

Reconcile

Reports

Voided/deleted transactions

Close books

New window [↗](#)

### TOOLS

Reclassify transactions

Reports options

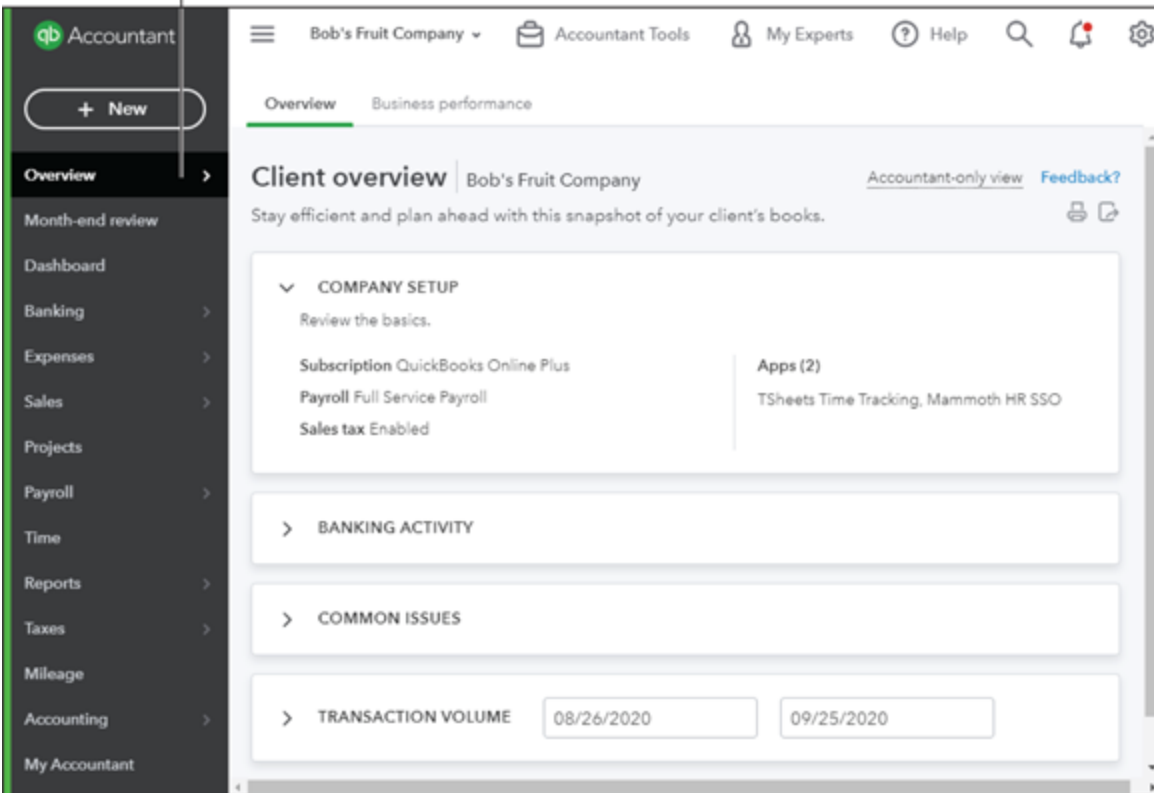
Write off invoices

Prep for taxes

ProConnect Tax Online [↗](#)

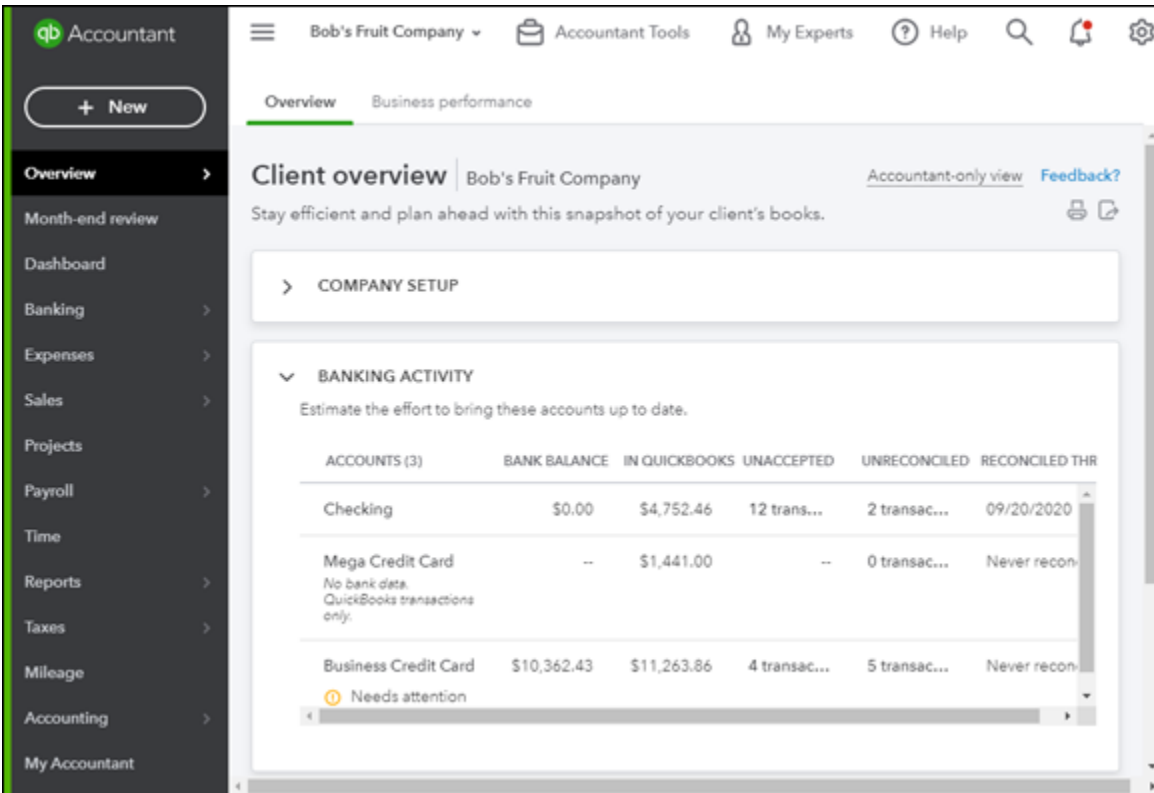
To access two different client companies simultaneously, you can't just open another browser tab. Instead, you need to use separate browsers. Or, if you're using Chrome, you can sign in to Chrome as a different user. See [Chapter 17](#) for details on Chrome users.

Click here to display the Client Overview page.



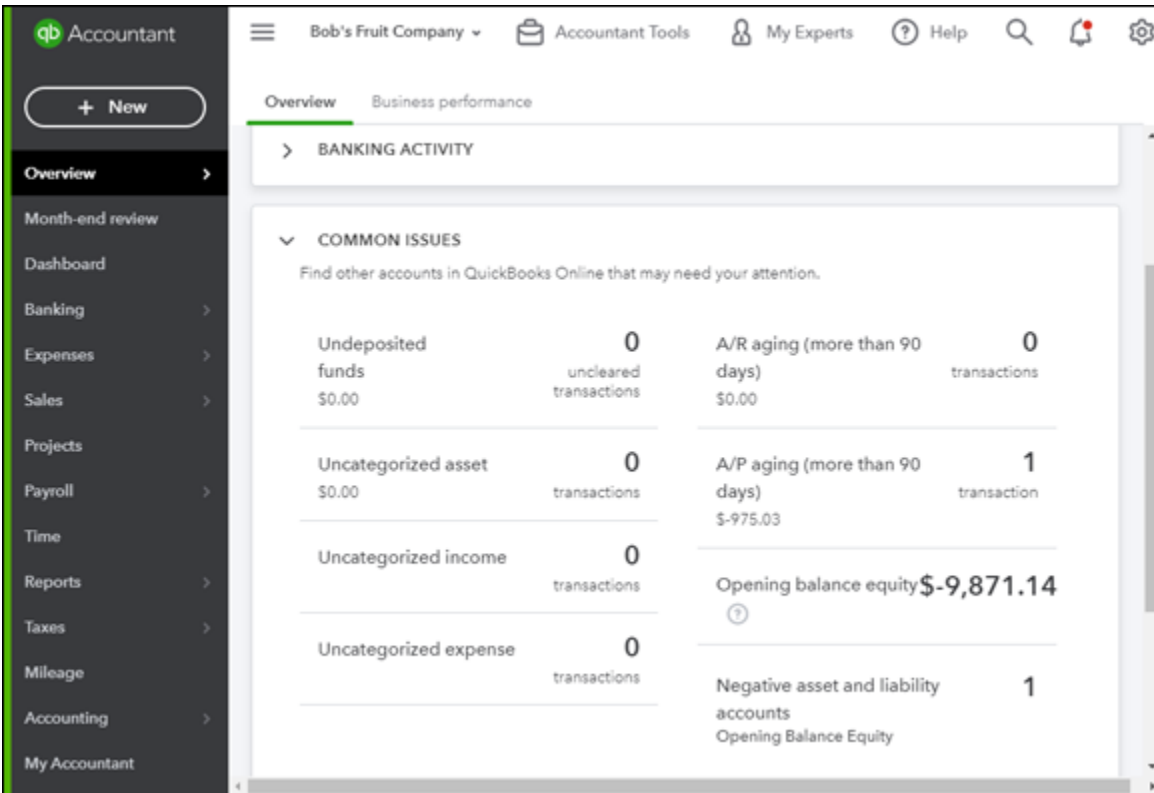
**FIGURE 13-2:** In a QBO client company, the top of the Client Overview page shows details of the client’s subscriptions and connected apps.

In the second section of the Client Overview page, shown in [Figure 13-3](#), you see information on the client’s banking activity; the accounts in the list are set up either as bank accounts or as credit card accounts.



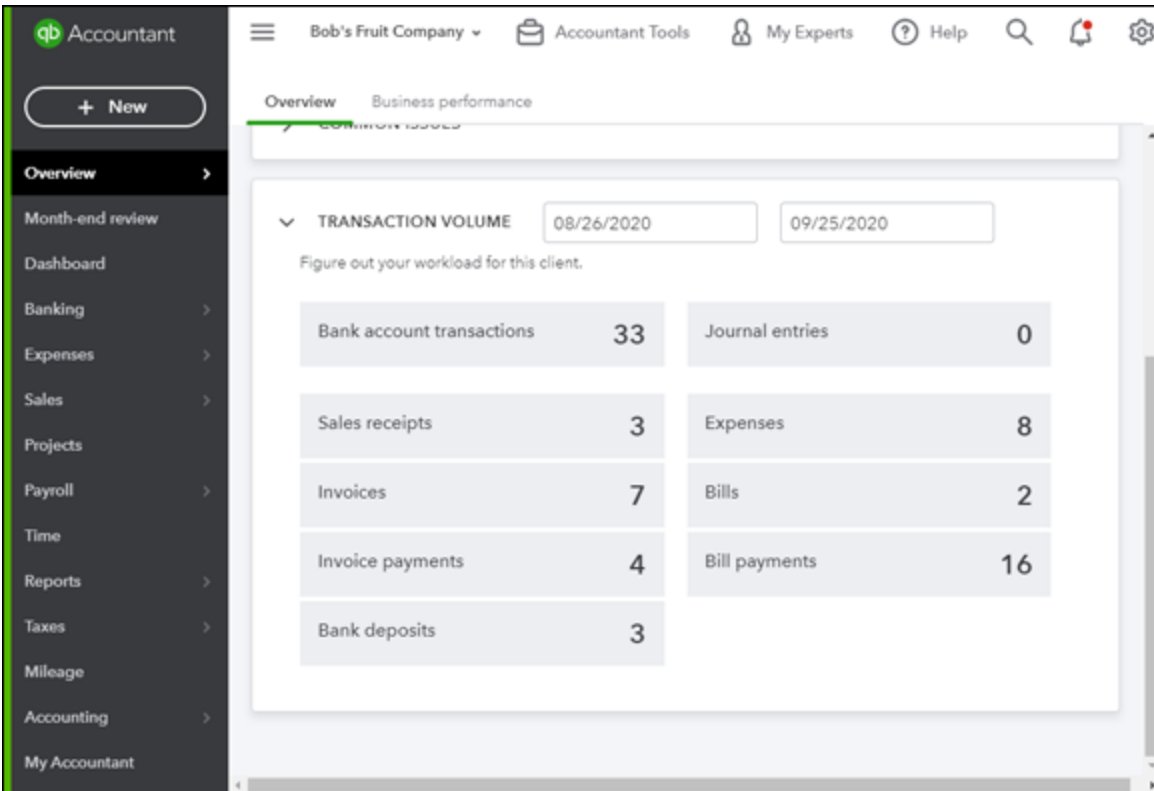
**FIGURE 13-3:** The Banking Activity section of the Client Overview page.

The third section of the Client Overview page shows the status of the client QBO company related to issues you commonly find as problems in client QBO companies (see [Figure 13-4](#)), giving you leads on information you may need to examine in the client QBO company.



**FIGURE 13-4:** The Common Issues section of the Client Overview page.

The final section of the Client Overview page shows the transaction volume for a given date range. As you can see in [Figure 13-5](#), it's designed to help you determine how much time you'll need to spend on a given client's books.



**FIGURE 13-5:** The Transactions section of the Client Overview page.

Be aware that there are no links on the Client Overview page except at the bottom of the Client Issues section, where you can click View Chart of Accounts. However, before clicking on that link, you may first want to review the company setup information.

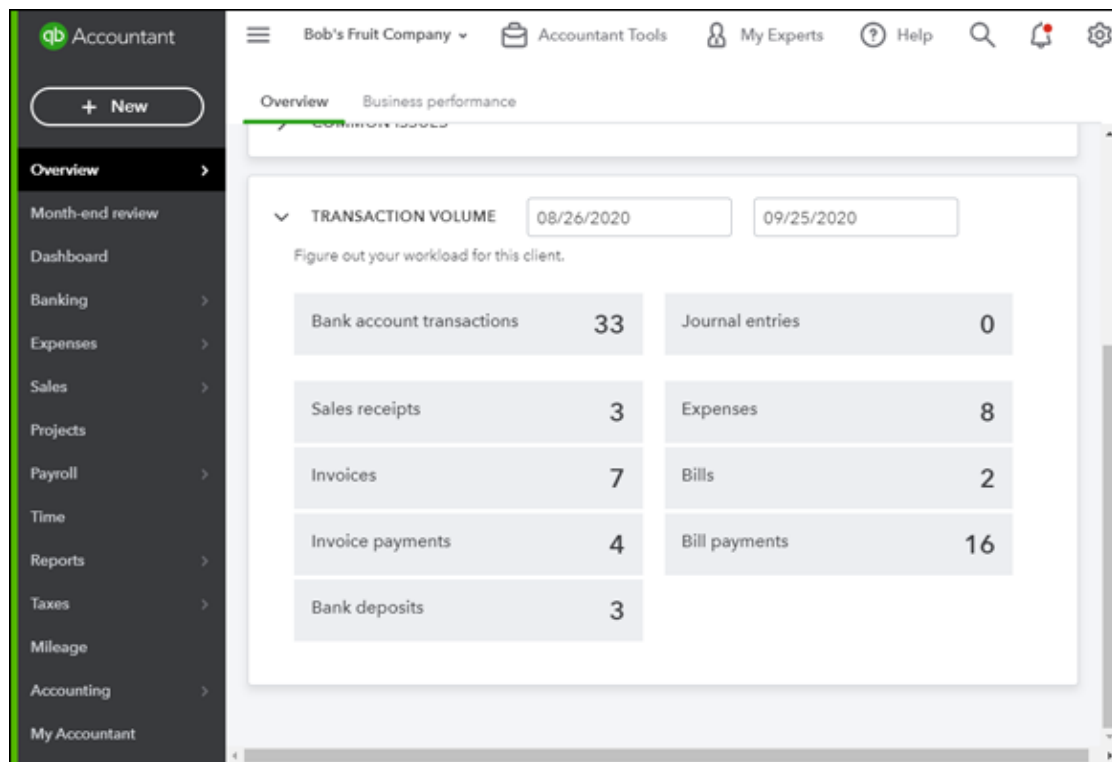
## ***Examining company setup information***

You review company setup information to make sure that the client QBO company uses the correct accounting method, employer EIN, and legal business organization. You also can turn on (or off, but we've never met an accountant who wanted to turn off this option) the option to use account numbers in the Chart of Accounts. To review company settings, follow these steps:

**1. Open the client QBO company you want to review.**

You can click the QuickBooks logo to the left of the client's name on the Clients page of QBOA, or you can use the list of clients in the QBOA toolbar under Go to QuickBooks

**2. Click the Gear button on the right side of the QBOA toolbar to display the Gear menu (see [Figure 13-6](#)).**



**FIGURE 13-6:** The Gear menu.

**3. From the Your Company group on the left side of the Gear menu, click Account and Settings.**

The Company tab (selected on the left side of the Account and Settings dialog box) appears (see [Figure 13-7](#)).



TIP

If you set up the company for your client, QBO displays the Company Profile dialog box, requesting the company email, company address, city, state, and zip be filled in. All the fields are required, but you can bypass the dialog box by clicking the X in the upper-right corner.

Category	Field	Value	Action
Company	Company name	Bob's Fruit Company	edit
	Legal name	Bob Jones	
	EIN	123-4567890	
Company type	Tax form	Sole proprietor (Form 1040)	edit
	Industry	-	
Contact info	Company email	bob@bobsfruitcompany.com	edit
	Customer-facing email	Same as company email	
	Company phone	(555) 555-5555	
	Website	-	
Address	Company address	1234 Main Street, San Francisco, CA 94102	edit

**FIGURE 13-7:** The Account and Settings dialog box for a client QBO company.

#### 4. Review the settings.

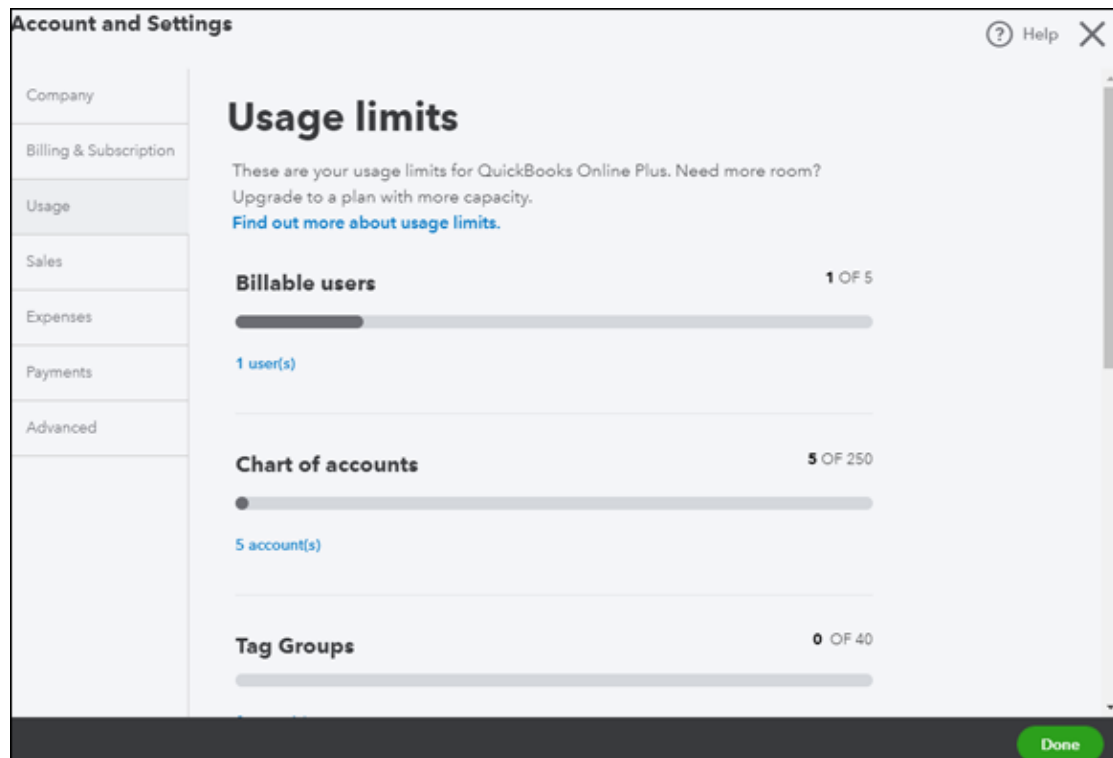
In particular, set or correct the Company Name, Legal Name, and Employer ID (EIN).

To make changes, click any setting or click the pencil that appears in the upper-right corner of the section of settings. QBO makes the setting options available; make your changes and click Save.



5. **Click Usage on the left side of the Account and Settings dialog box.**

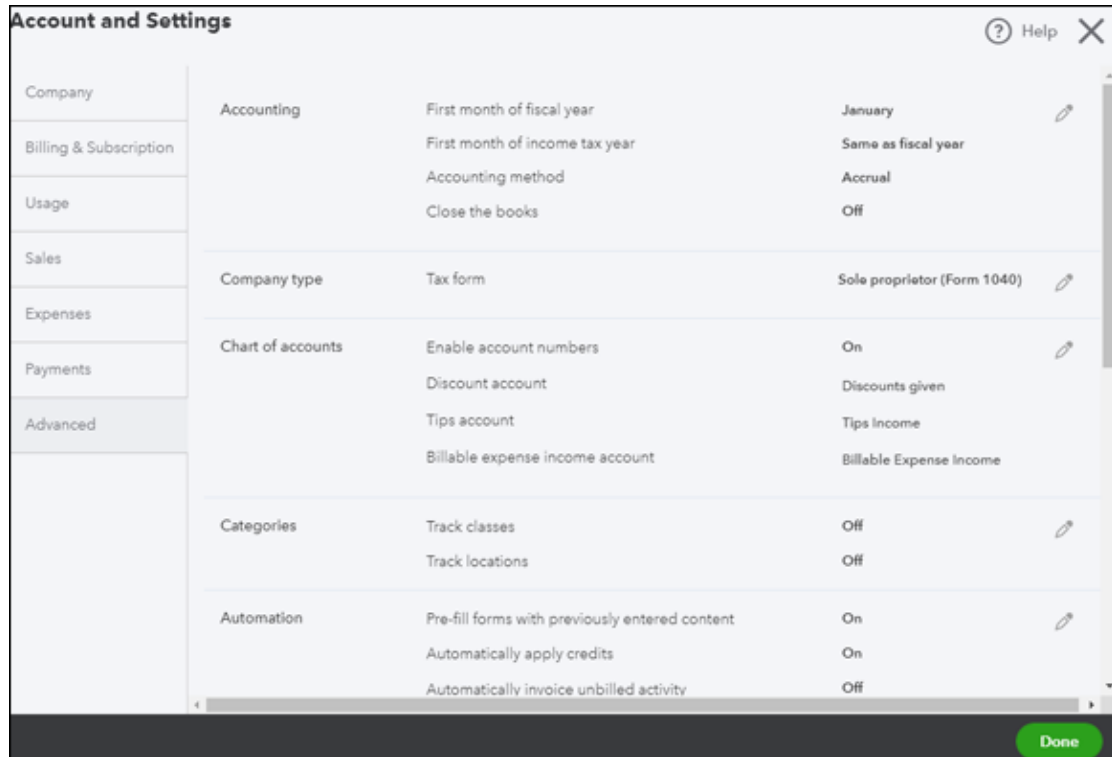
QBO displays the Usage Limits tab shown in [Figure 13-8](#), where you can review how the client QBO subscription fits within the usage limits Intuit applies to the chosen subscription. We discuss usage limits in [Chapter 2](#).



**FIGURE 13-8:** Usage limits go into effect in April, 2019.

6. **Click Advanced on the left side of the Account and Settings dialog box.**

The settings on the Advanced page of the Account and Settings dialog box appear (see [Figure 13-9](#)).



**FIGURE 13-9:** Review and, if necessary, make changes to settings on the Advanced tab of the Account and Settings dialog box.

## 7. Review the settings.

In particular, set or correct the following:

- The settings in the Accounting section, which include fiscal and tax year information as well as the QBO company's accounting method.
- In the Company Type section, the tax form setting.
- The settings in the Chart of Accounts section; this is where you control the use of numbers in the Chart of Accounts.
- The settings in the Other Preferences section, which isn't shown in [Figure 13-9](#) but includes displaying warnings when duplicate check numbers and bill numbers are used.

8. **Review any other settings on any of the pages in the Account and Settings dialog box that you feel might need your attention.**
9. **Click Done to save your changes.**  
QBO displays a message at the top of the screen indicating that your changes were saved.

## ***Taking a look at the Chart of Accounts***

In addition to checking company settings, you'll probably want to review your client's Chart of Accounts to make sure it looks the way you want. You can click the link at the bottom of the Client Overview page to display your client's Chart of Accounts. Or, you can use the Navigation bar: In the client QBO company Navigation bar, click Accounting ⇒ Chart of Accounts. The Chart of Accounts page appears (see [Figure 13-10](#)).



**TIP**

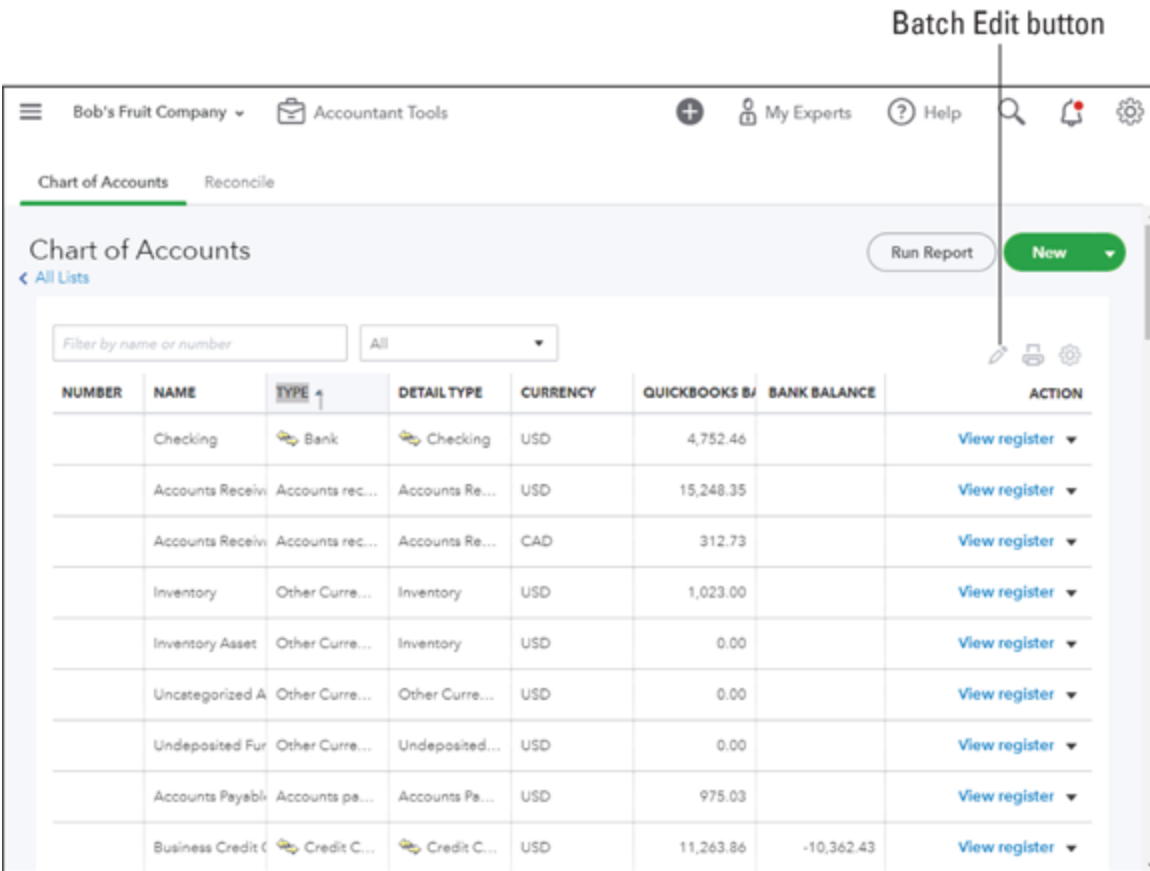
You also can open the Chart of Accounts from the Accountant Tools button. All roads lead to Rome.

If you chose to enable the option to use account numbers while you were reviewing company settings (refer to [Figure 13-9](#)), the Chart of Accounts page displays a column for account numbers at the left edge of the page and the Batch Edit button in the upper-right corner — it looks like a pencil. You can use the Batch Edit button to add account numbers, as described later in this chapter in the section “[Adding account numbers](#).”

### ***Importing a Chart of Accounts***

When you create a new company, QBO automatically sets up the Chart of Accounts it thinks you'll need. But you

don't need to use it. Instead, you can replace it by importing a Chart of Accounts that you've set up in Excel or as a CSV file that can include sub-accounts along with their parent accounts, if your client's company needs sub-accounts.

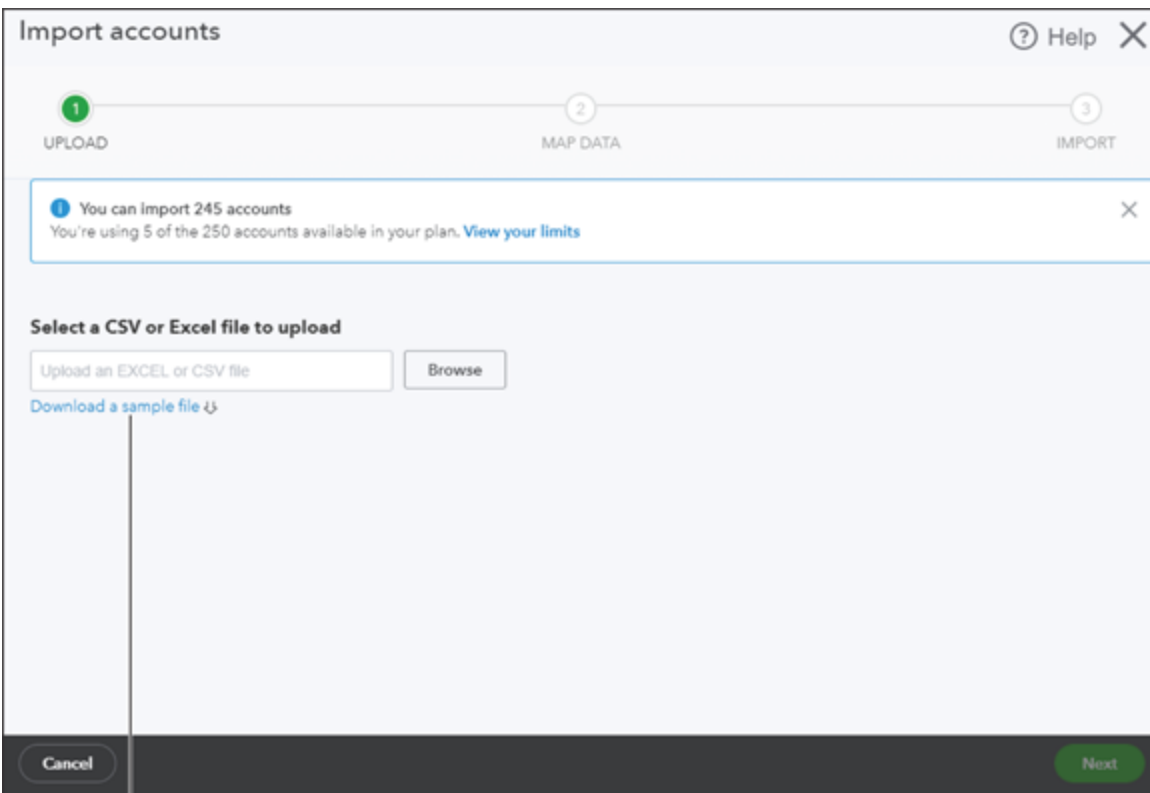


**FIGURE 13-10:** From the Chart of Accounts page, you can add and edit accounts.



**REMEMBER** To import sub-accounts, use the convention of *Account: Subaccount*, meaning you'll list the parent account first, followed by a colon, and then list the sub-account. The file you import needs to follow a particular format, and you can download a sample file to get the hang of the layout before you set up

your file. On the Chart of Accounts page, click the arrow beside the New button and then click Import (refer to [Figure 13-10](#)). QBO displays the Import Accounts page shown in [Figure 13-11](#). Click the Download a Sample File link and open the file in Excel to see the format your file should follow.



Click here.

**FIGURE 13-11:** The Import Accounts page.

Once you set up your Chart of Accounts file, you return to the Import Accounts page; click the Browse button to select your file and click Next in the lower-right corner of the Import Accounts page. On the page that appears, shown in [Figure 13-12](#), you map the headings in your file to the fields in QBO by selecting your field names from the list boxes in the Your Field column of the table; then, click Next.

Import accounts

1 UPLOAD 2 MAP DATA 3 IMPORT

Map your fields to QuickBooks fields

QUICKBOOKS ONLINE FIELD	YOUR FIELD
Detail Type	Detail Type ✓
Account Name	Account Name ✓
Account number	No Match
Type	Type ✓
Currency	No Match

Back Next

**FIGURE 13-12:** Map the fields in your file to the fields in QBO.

QBO displays the accounts it expects to import; if all looks well, click Import and QBO imports your Chart of Accounts.

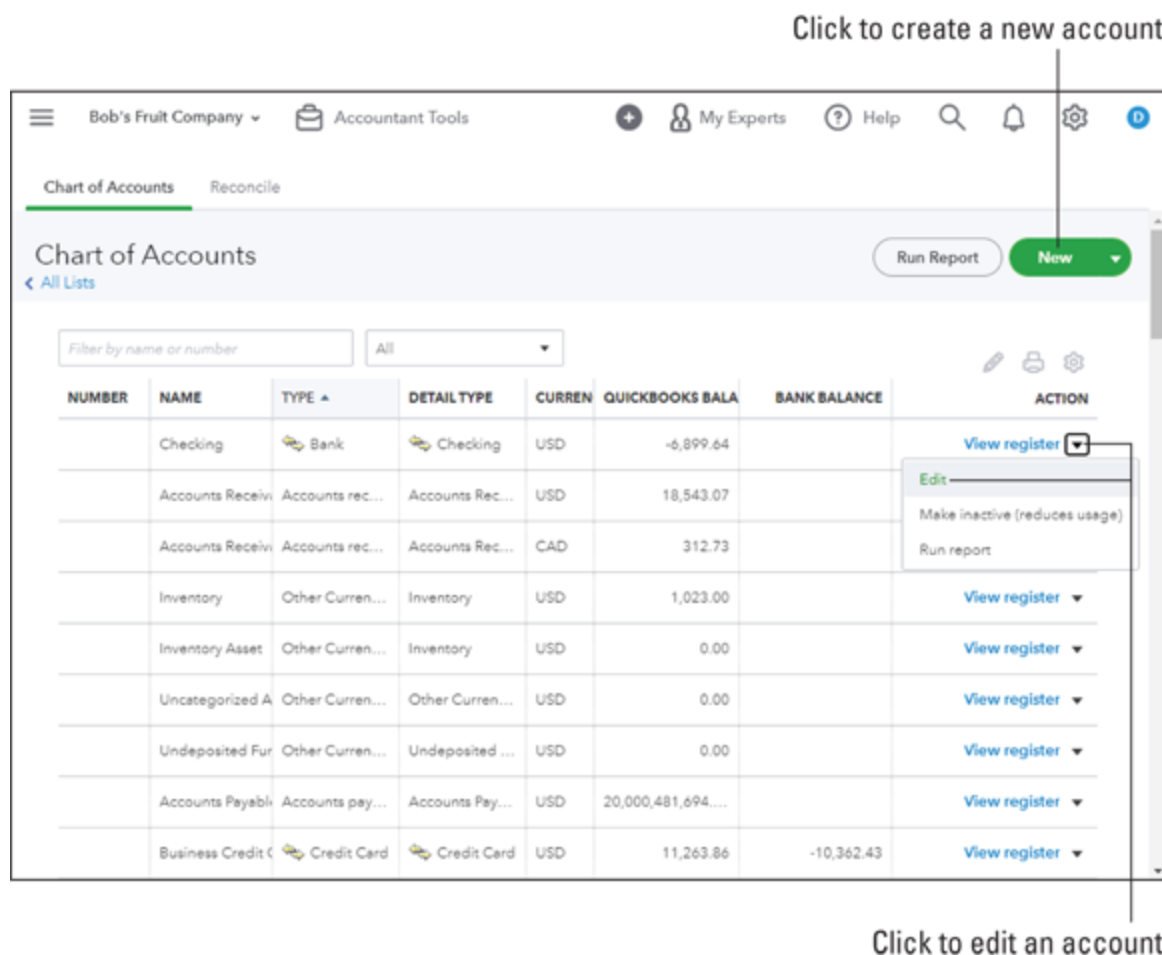
### ***Editing or adding accounts***

You might need to edit an account to change an account's Category Type or its name, and you use the Account window to make the change.



**TIP** If you decide to add account numbers to the Chart of Accounts, you can add an account number in the Account window, but there's a much easier way, which we show you in the next section, "[Adding account numbers](#)."

To display the Account window, click the down arrow in the Action column at the right side of the account and, from the menu that appears, click Edit (see [Figure 13-13](#)).



**FIGURE 13-13:** To edit an account, use the down arrow in the Action column.

Or, if you need to create a new account, click the New button above the list. The window you see when creating a new account looks just like the one you see when you edit an existing account.



TIP

You can click View Register beside any Asset, Liability, or Equity account to display the account's register. Retained Earnings is the exception; it functions like Income and Expense accounts. You can click Run Report to the right of Income or Expense account, to display a QuickReport for the account.

### ***Adding account numbers***

We promised we'd show you an easy way to add account numbers to a QBO company Chart of Accounts. First, make sure you enable the setting on the Advanced tab of the Settings dialog box (in the Chart of Accounts section) shown previously in [Figure 13-8](#).

Then, on the Chart of Accounts page, click the Batch Edit button (the one that looks like a pencil on the right side of the table above the table headings) to display the page shown in [Figure 13-14](#).



NUMBER	NAME	TYPE	DETAIL TYPE	CURRENCY	QUICKBOOKS B/	BANK BALANCE
	Checking	Bank	Checking	USD	4,752.46	
	Accounts Receivable (A/R)	Accounts rec...	Accounts Re...	USD	15,248.35	
	Accounts Receivable (A/R)	Accounts rec...	Accounts Re...	CAD	312.73	
	Inventory	Other Curre...	Inventory	USD	1,023.00	
	Inventory Asset	Other Curre...	Inventory	USD	0.00	
	Uncategorized Asset	Other Curre...	Other Curre...	USD	0.00	
	Undeposited Funds	Other Curre...	Undeposite...	USD	0.00	
	Accounts Payable (A/P)	Accounts pa...	Accounts Pa...	USD	975.03	

**FIGURE 13-14:** Use this page to set up account numbers for the Chart of Accounts.

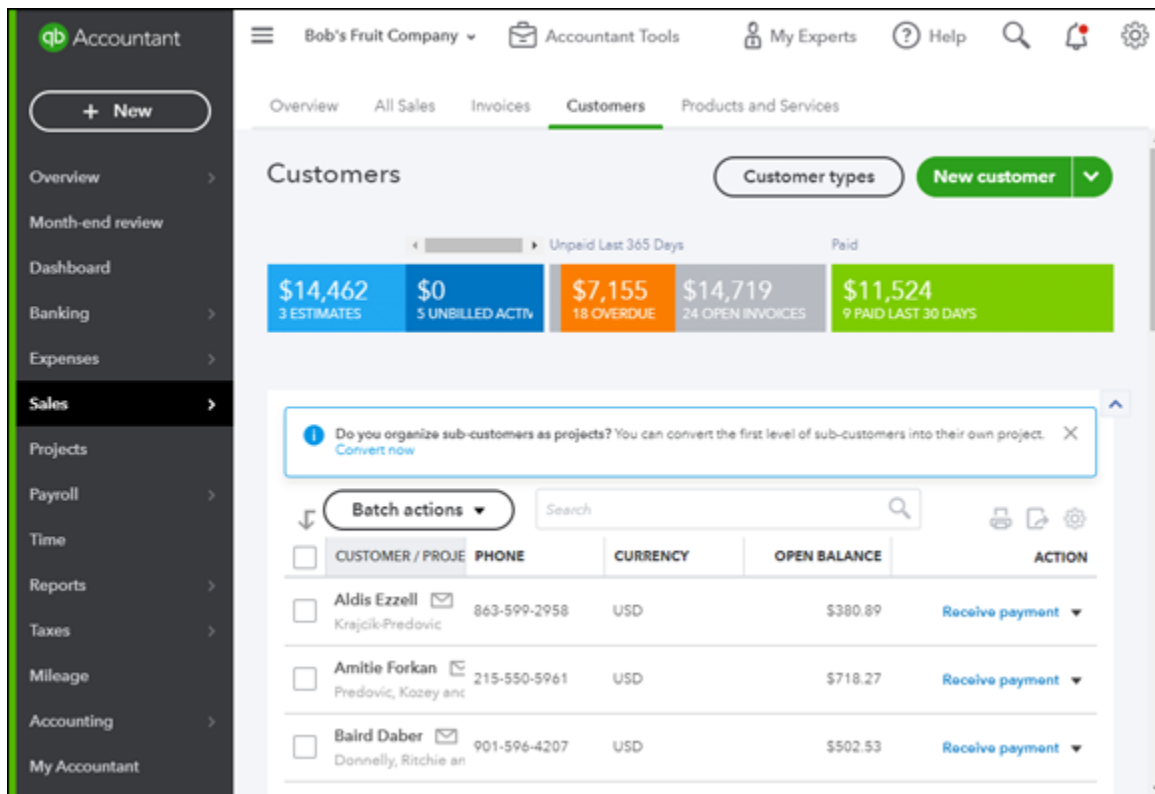
Type account numbers in the Number column. Save buttons appear at the top-and bottom-right corners of the page (you can't see the bottom of the page in [Figure 13-13](#)); click either button after you finish entering the account numbers.



**TIP** Because a QBOA session times out by default after 60 minutes of inactivity, you might want to save periodically as you enter account numbers in case something unexpected pulls you away from your work. After you add account numbers you can sort the Chart of Accounts in account-number order by clicking Number in the column headings on the Chart of Accounts page.

## Reviewing list information

You also can review list information. Using the links in the Navigation bar, you can view overview information about customers, vendors, and employees. To view customers, as shown in [Figure 13-15](#), you click Sales in the Navigation bar (it might say Invoicing, depending on the choices made when creating the company) and then click Customers.



The screenshot shows the QBO interface for 'Bob's Fruit Company'. The left navigation bar has 'Sales' selected. The main area is titled 'Customers' and shows a summary of customer status: 3 ESTIMATES (\$14,462), 5 UNBILLED ACTIV (\$0), 18 OVERDUE (\$7,155), 24 OPEN INVOICES (\$14,719), and 9 PAID LAST 30 DAYS (\$11,524). Below this is a table of customers with columns for CUSTOMER / PROJE, PHONE, CURRENCY, OPEN BALANCE, and ACTION.

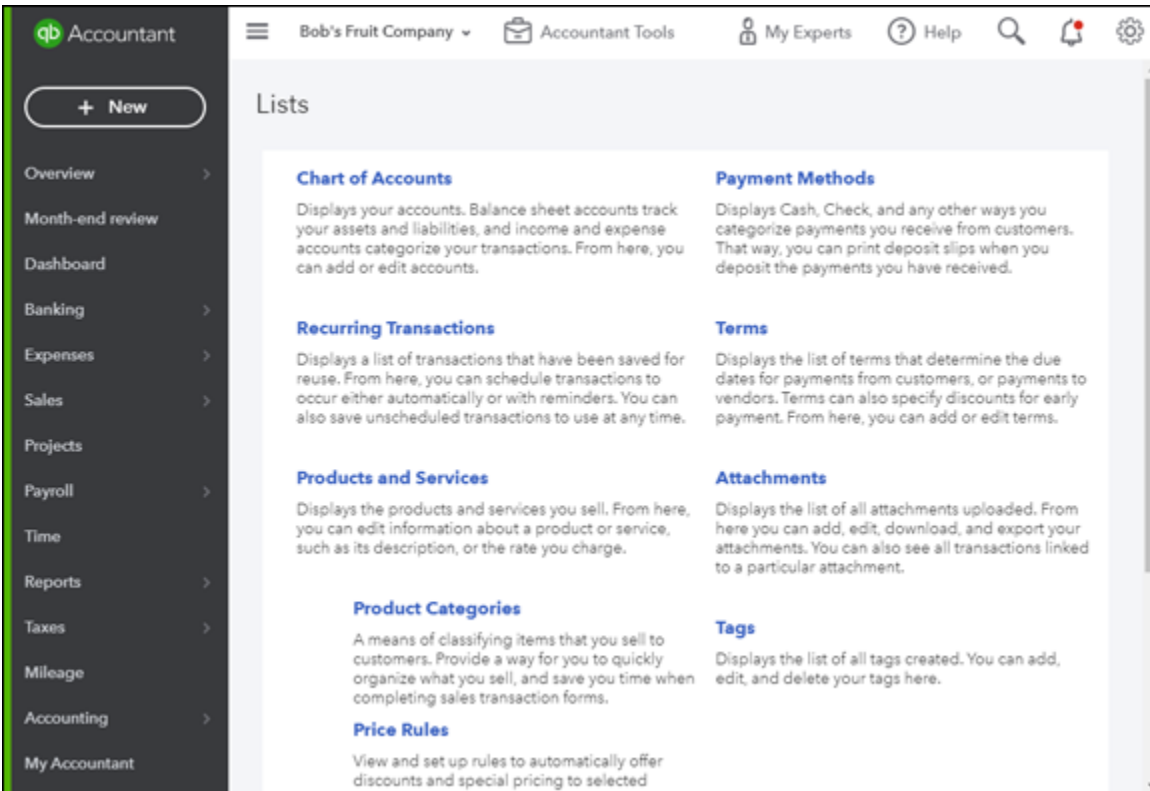
CUSTOMER / PROJE	PHONE	CURRENCY	OPEN BALANCE	ACTION
Aldis Ezzell Krajcik-Predovic	863-599-2958	USD	\$380.89	Receive payment
Amitie Forkan Predovic, Kozey anc	215-550-5961	USD	\$718.27	Receive payment
Baird Daber Donnelly, Ritchie an	901-596-4207	USD	\$502.53	Receive payment

**FIGURE 13-15:** The Customers page.

To view vendor information, click Expenses in the Navigation bar and then click Vendors. To review employee information, click Workers in the Navigation bar and then click Employees. When you click Workers ⇒ Contractors, QBO displays the 1099 vendors set up by the client.

On any of these pages except the Contractors page (and payroll needs to be set up before you can use its status bar), you can use the status bar at the top of the page to identify activity over the last year and, if you click one of the elements on the status bar, QBO filters the list to view that particular subset of the list. For example, you can filter the list of customers on the Customers page to view only those customers with overdue invoices or only those customers with unbilled activity. And you can use the Batch Actions button (just above the table) to perform, well, batch actions, such as emailing a batch of customers. If your list is long, use the text box beside the Batch Actions button to search for a particular list entry. You also can sort the list by name or by open balance; just click the appropriate heading below the Batch Actions button. Note that you can import names into a people list; for more information, see [Chapter 4](#).

To review other lists, click the Gear button in the QBOA toolbar. In the Lists section of the Gear menu that appears, you can opt to view any of three common lists (the Products and Services list, the Recurring Transactions list, or the Attachments list). Or, you can click All Lists at the top of the Lists section to display the Lists page shown in [Figure 13-16](#), which you can use to navigate to any list other than a people-oriented list.



**FIGURE 13-16:** Use this page to open any list other than the Customers, Vendors, or Employees list.

For more extensive details on working with lists, see [Chapter 4](#).

## ***Exporting and importing bank feed rules***

When your client takes advantage of bank feeds and downloads transactions from the bank to his QBO company, you can help ensure that the transactions post properly. In many cases, the rules used by one client can apply to another, so, rather than re-creating rules, export them from one client and import them to another.

When you export rules, QBO exports all the rules in the client's company. You can then selectively import rules using the Import Rules wizard.

To export rules from a client company, open that company and follow these steps:

1. **Choose Banking ⇒ Rules from the Navigation bar.**

QBO displays the Rules page (see [Figure 13-17](#)).

2. **Click the down arrow beside the New Rule button.**

3. **Click the down arrow beside the New Rule button and choose Export Rules.**

QBO creates an Excel file containing the rules and stores it in your Downloads folder. The name of the file includes the name of the client whose rules you exported and the words “Bank\_Feed\_Rules.”

QBO displays the directions for what you do next — which we outline in the following steps. Click Close in the QBO message.

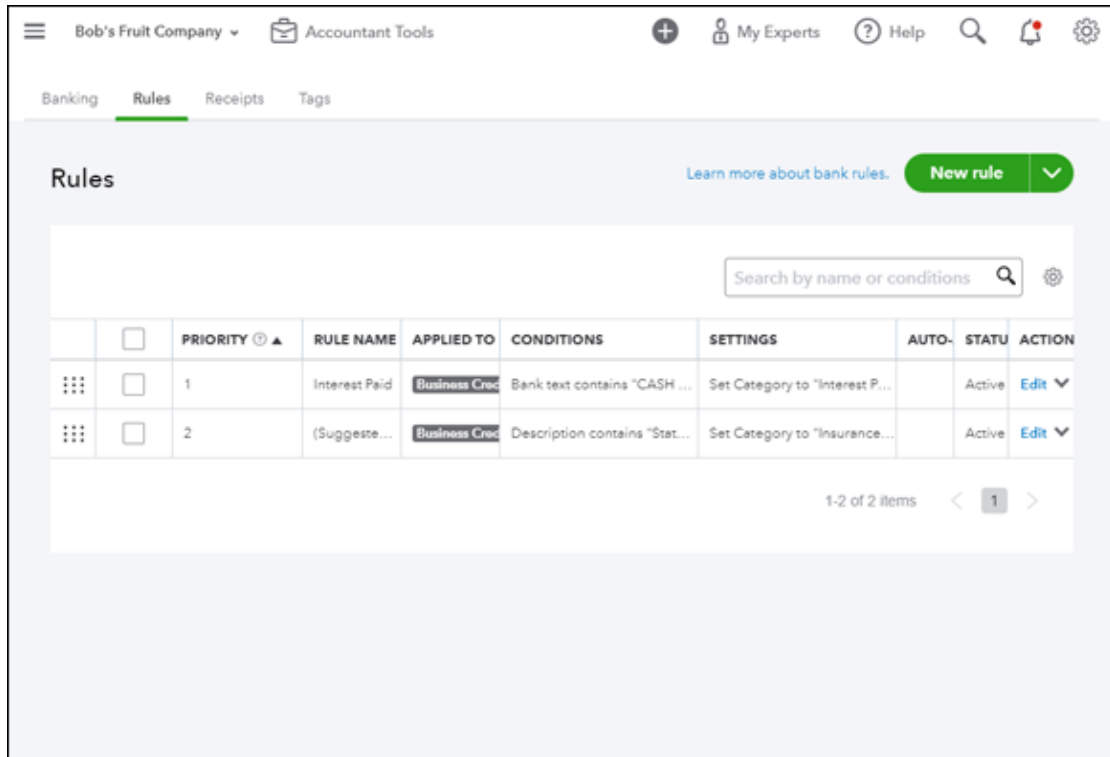
4. **Switch to the company to which you want to import these rules.**

5. **Repeat the preceding Steps 1 to 3; in Step 3, choose Import Rules.**

QBO starts a wizard that helps you import the rules.

6. **On the first Import Rules wizard screen, select the file you created in Step 3 and click Next.**

7. **On the second wizard screen, select the rules you want to import and click Next.**



**FIGURE 13-17:** Use this page to export rules from one client and import them into another.

8. **On the third wizard screen, you have the option to select categories for the rules that match the Chart of Accounts of the client to which you are importing the rules; make any changes and, when you finish, click Import.**

QBO tells you how many rules imported successfully.

9. **Click Finish.**

QBO redisplay the Rules page for the client you opened in Step 4, where you can verify that the rules you wanted to import appear.

For more detail on working with rules, see [Chapter 8](#).

# Chapter 14

## Working in a Client's Company

---

### IN THIS CHAPTER

- » Navigating with shortcuts
- » Working with transactions
- » Documenting miscellaneous client information
- » Communicating with clients

You work in a client's QBO company in much the same way your client does; see [Chapters 4](#) to [10](#) for detailed information. In this chapter, we focus on ways you can navigate easily, search for and review transactions, and communicate with clients.

## *Making Navigation Easy*

For the most part, navigating with a mouse is obvious with a click here and a click there. But, you can use a few not-so-obvious tricks to navigate easily, including some keyboard shortcuts. Some common navigation techniques are specific to Chrome; see [Chapters 16](#) and [17](#) for more information.

### *Using keyboard shortcuts*

Hidden away in QBO companies are keyboard shortcuts that you might want to use. We show them here in [Figure 14-1](#), and you also can find them on this book's Cheat Sheet.

To view these shortcuts within QBO, along with the current client QBO Company ID, press and hold Ctrl+Alt and then press the forward slash (/) key. Mac users, use Ctrl+Option here and in the next paragraph. If you press Ctrl+Alt+/ without opening a client QBO company, the Company ID you see is your own.

✕

## Additional information

You're viewing QuickBooks in **Accountant view**

Your Company ID is **9130 3491 3805 1826** Copy

### Keyboard shortcuts

To use a shortcut, press and hold **ctrl/control** and **alt/option** at the same time. Then press one of the keys below.

**On main pages, like the dashboard or customers**

SHORTCUT KEY	ACTION
i	Invoice
w	Check
e	Estimate
x	Expense
r	Receive payment
c	Customers
v	Vendors
a	Chart of Accounts
l	Lists
h	Help
f	Search Transactions
d	Focus the left menu
? or /	This dialog

**On transactions, like an invoice or expense**

SHORTCUT KEY	ACTION
x	Exit transaction view
c	Cancel out
s	Save and New
d	Save and Close
m	Save and Send
p	Print
? or /	This dialog

OK

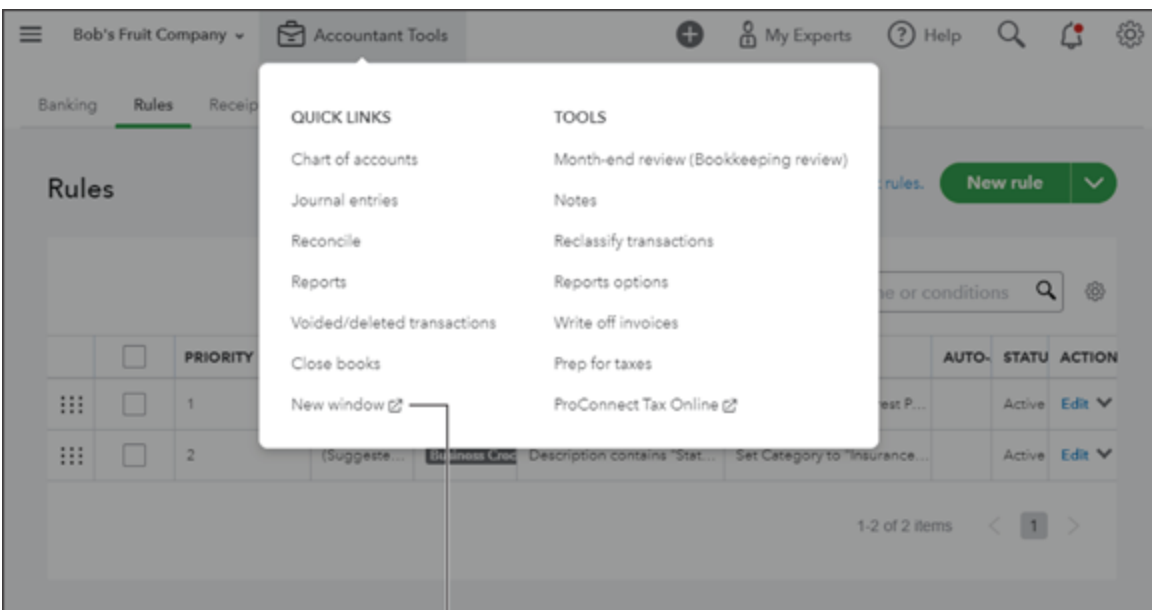
**FIGURE 14-1:** Keyboard shortcuts you can use while working in a client QBO company.



To use any of these shortcuts, press and hold Ctrl+Alt and then press the appropriate key to perform its associated action. For example, to open the Invoice window, press Ctrl+Alt+I.

## ***Opening multiple windows***

Many times, accountants want to work with multiple windows, and you can do that in QBO. Within the same QBO company, you can duplicate a browser tab using the New Window command on the Accountant Tools menu on the QBOA toolbar (see [Figure 14-2](#)). You can read more about the other commands on the Accountant Tools menu in [Chapter 15](#).



Click this option to duplicate the current browser tab.

**FIGURE 14-2:** Use the New Window command while working in a QBO company to duplicate the window you're viewing.



**TIP** If you're using Chrome, you also can duplicate a browser tab by right-clicking the tab and choosing

Duplicate or, if you're a keyboard person, press Alt+D followed by Alt+Enter (that would be the same as holding down the Alt key and pressing D followed by pressing Enter). In Firefox, you can duplicate a browser tab by clicking in the address bar and pressing Alt+Enter.

When you click the New Window command, QBO opens a new browser tab and displays the same information that appears in the original browser tab. But, from that point, you can display different information for the same company in each browser tab. And, if you're working in Chrome on multiple monitors, you can split the tabs onto different monitors. Drag the tab you want to place on a different monitor in a downward direction, and it splits away from the browser. You can immediately drag it to another monitor, or you can release the mouse button, in which case a second instance of Chrome appears. You can then drag either instance to a different monitor.



**TIP** The same technique works in Firefox; drag a Firefox tab downward and release the mouse button. The tab splits away and appears in a second instance of Firefox. You can then drag either instance to a different monitor.

If you're a fan of "split screen," you can use a Windows shortcut to display two tabs side by side. Follow these steps in either Chrome or Firefox:



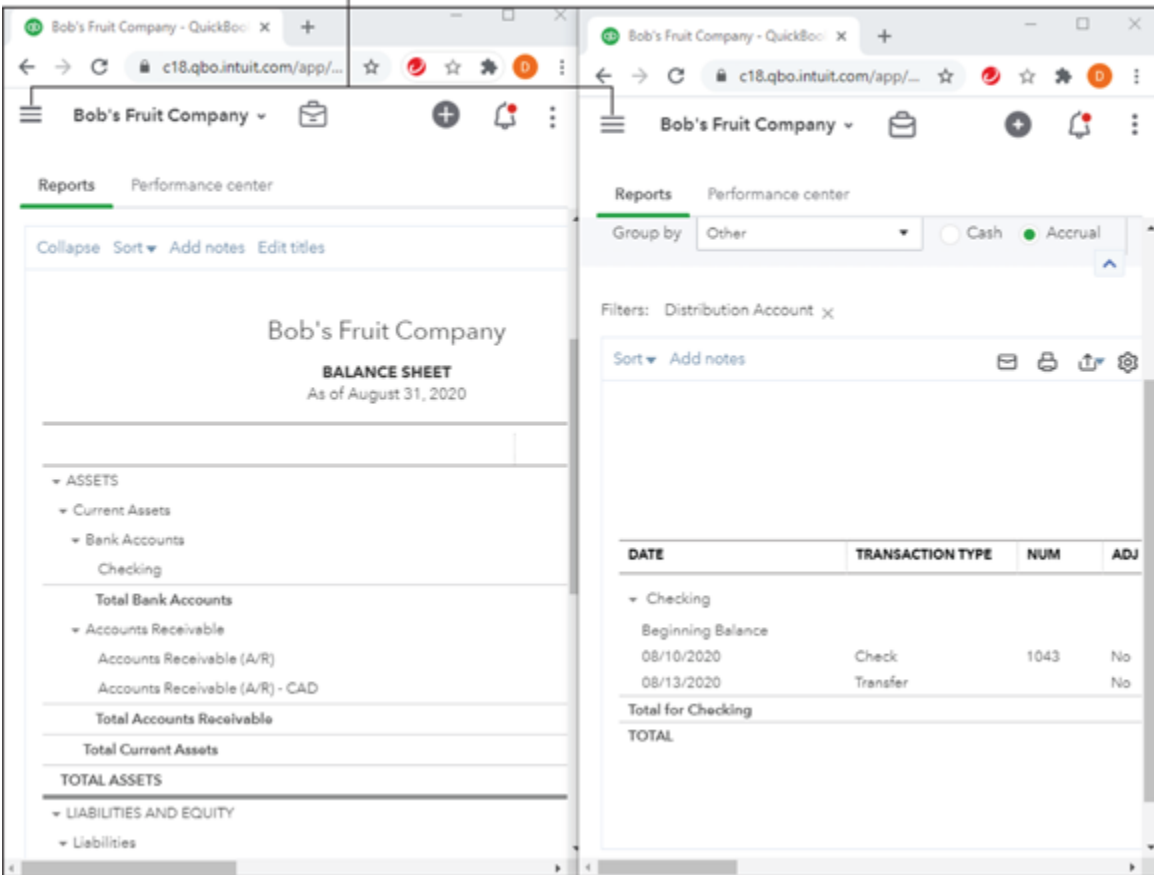
**TIP** There's no short, easy way to display two windows vertically one on top of the other. You'll have to

manually resize the windows and place them where you want them.

1. **Duplicate a browser tab using any technique already described.**
2. **Drag the current tab down.**  
The browser displays the tab you dragged in its own browser window.
3. **Press and hold the Windows key (the one that appears between the left Ctrl and the left Alt keys on the keyboard) and press an arrow key:**
  - Press the left arrow key to pin the active window to the left side of the monitor.
  - Press the right arrow key to pin the active window to the right side of the monitor.
4. **Click the other available window to make it the active window and repeat Step 3.**

In [Figure 14-3](#), we displayed the Balance Sheet (on the left) and then created a second browser window where we drilled down to display the transactions in the checking account. Then, we pinned the two windows side by side onscreen.

Click to hide the Navigation bar.



**FIGURE 14-3:** Two windows pinned side by side.



**TIP**

You can click the menu button in either or both windows to hide the Navigation bar (giving more screen real estate to the data as we did in [Figure 14-3](#)).

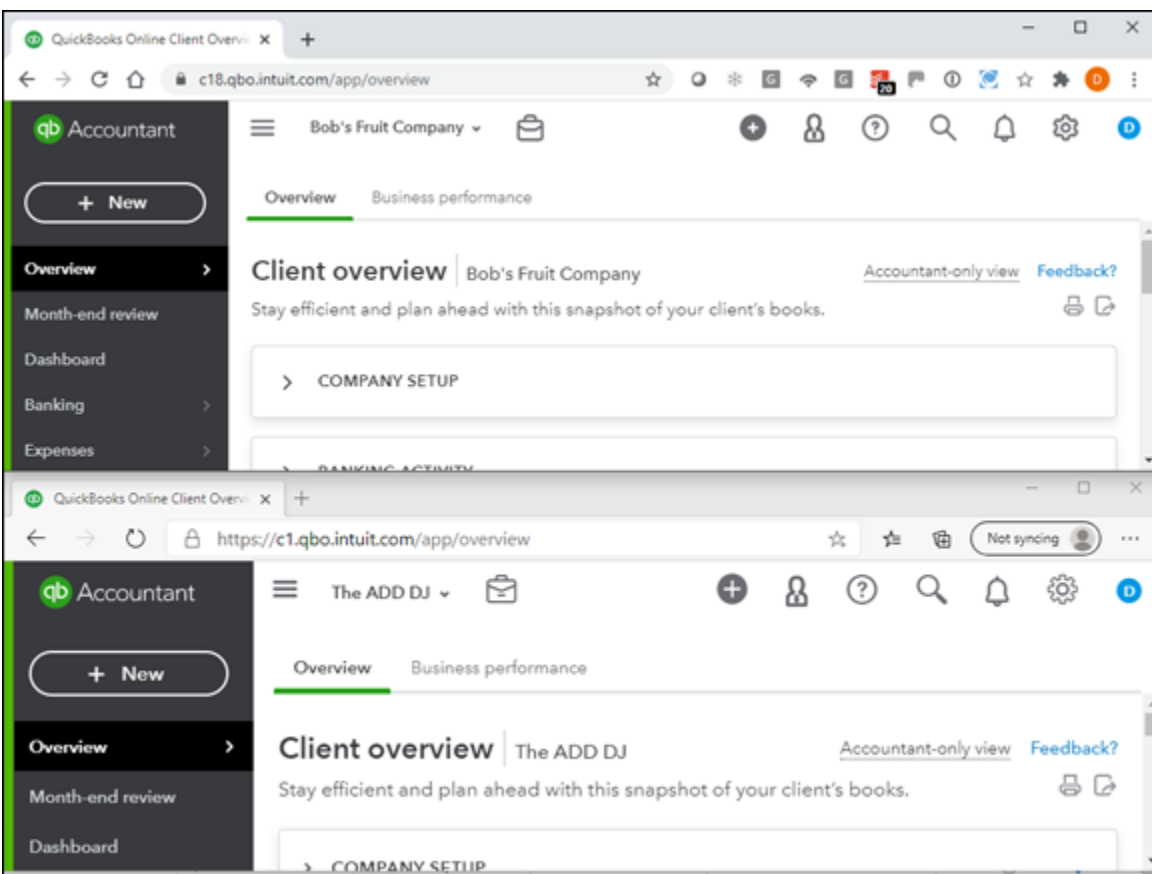
When you finish working in two windows, simply close one and maximize the other.

## ***Working in two companies simultaneously***

Suppose that you're done working with one client and want to open a different client. As described in [Chapter](#)

[12](#), you can click the Go to QuickBooks button on the QBOA toolbar and select a new client. Or, you can click the Accountant button in the upper-left corner of the QBOA interface to redisplay the Clients page and then click the QuickBooks icon to the left of the company name you now want to open. Either way, QBOA displays the information for the newly selected client.

That brings up the question, “How do I work in two different companies simultaneously?” Well, you can open a different browser, sign in to QBOA, and open a second client QBO company. For example, if you’re working in Chrome, you could open Windows Edge, Firefox, Safari, or another browser using the same QBOA login information. You can then open two different companies, as we did with Chrome and Microsoft Edge in [Figure 14-4](#).

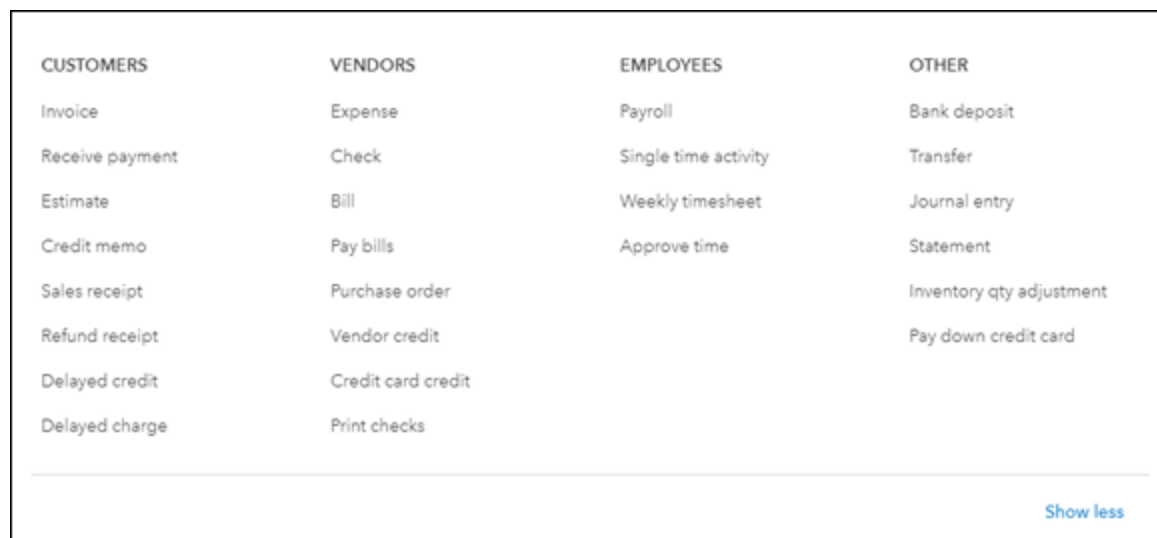


**FIGURE 14-4:** To work in two companies at the same time, you can use two browsers.

If you're working in Chrome, you also can take advantage of Chrome users and open Chrome as a different user. You'd have, effectively, two instances of Chrome running simultaneously. See [Chapter 17](#) for more information on Chrome users.

## *Examining Available Transaction Types*

In [Chapters 5](#) to [9](#), we cover transactions in a fair amount of detail, so we're not going to repeat that information here. But you can see the available transactions by opening a client QBO company and then clicking the New menu. [Figure 14-5](#) shows the New menu open.



CUSTOMERS	VENDORS	EMPLOYEES	OTHER
Invoice	Expense	Payroll	Bank deposit
Receive payment	Check	Single time activity	Transfer
Estimate	Bill	Weekly timesheet	Journal entry
Credit memo	Pay bills	Approve time	Statement
Sales receipt	Purchase order		Inventory qty adjustment
Refund receipt	Vendor credit		Pay down credit card
Delayed credit	Credit card credit		
Delayed charge	Print checks		

[Show less](#)

**FIGURE 14-5:** The transactions you can create while working in a QBO company.

Available transactions are organized on the menu by the type of people to which they pertain. And the Create

menu contains an “Other” category for transactions that don’t pertain to particular types of people — like bank deposits.

If you want to view only a few commonly used transactions, click the Show Less link at the bottom of the New menu. The link changes to the Show More link so that you can redisplay all types of transactions.

## *Searching for Transactions*

More often than not, you’ll be searching for transactions in a client QBO company rather than creating them. You can search for transactions using the Search box on the QBOA toolbar at the top of the client QBO company window (see [Figure 14-6](#)). When you click in the Search box, QBO displays a list of recent transactions, and possibly a Jump To list of tasks, contacts, reports, and accounts.

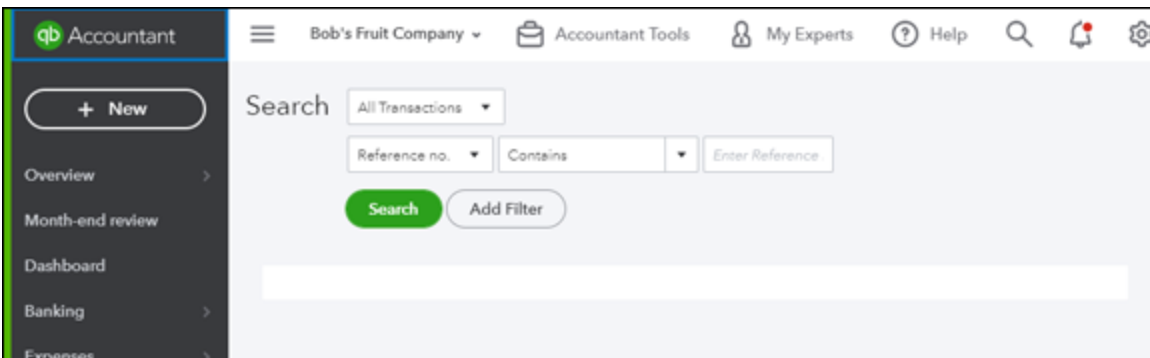


**REMEMBER** The search box allows you to search QBO from top to bottom, meaning a search term can enable you create transactions, access contact records, view reports, and access accounts.



**FIGURE 14-6:** Type any phrase you want to use as a search filter or click Advanced Search at the bottom of the Search list.

If you see what you want, click to open the appropriate window. If you *don't* see what you want, click Advanced Search in the lower-right corner of the menu, and QBO displays the Search page (see [Figure 14-7](#)).



**FIGURE 14-7:** Set criteria for a more specifically defined search.

You can limit the search to a particular transaction type, choose to search for any of several types of data, and specify whether the search should contain, not contain, be equal to, or not be equal to the search criteria.





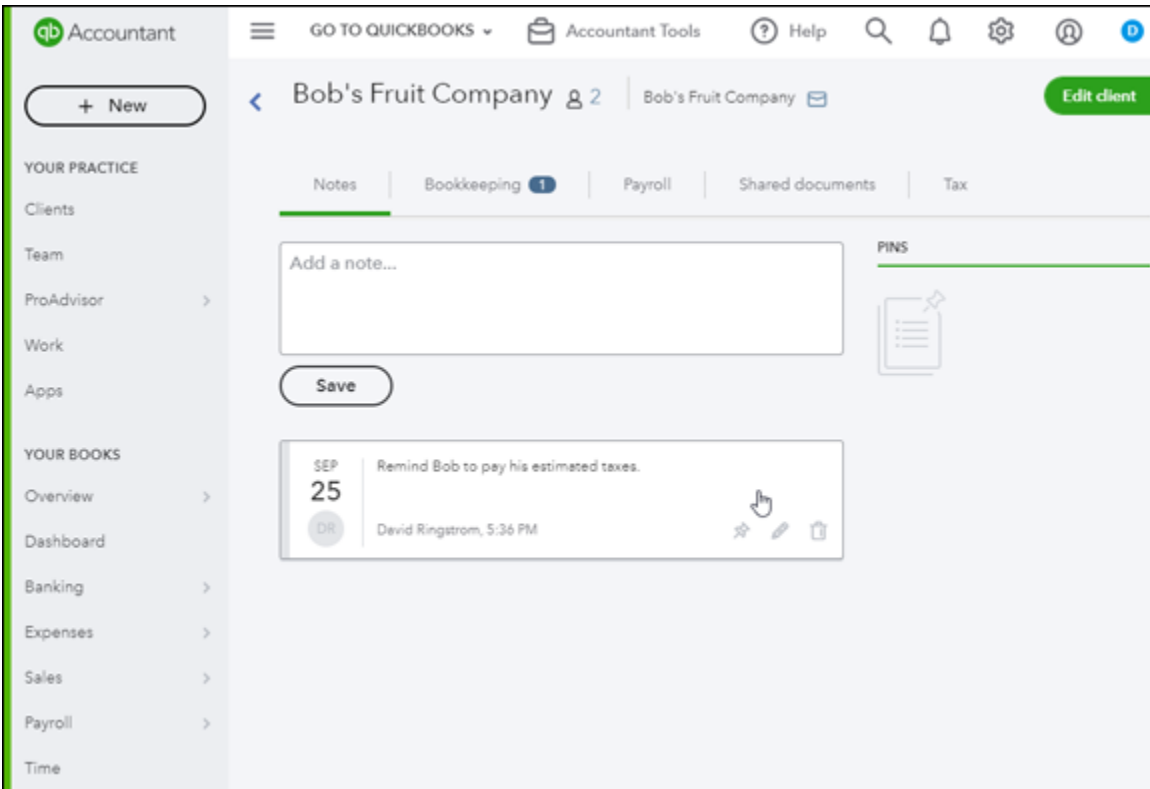
TIP

From any transaction window, you can view recent transactions of that type by clicking the button that appears in the transaction's title bar, immediately to the left of the name of the transaction type. The button image looks a bit like a clock.

## ***Making Client Notes***

You and your team members can use the Notes feature in QBOA to document any kind of information about any of your clients. For each note, QBOA automatically assigns the time the note was created and the team member who created the note. Team members who have access to the client can view and edit that client's notes. And, you can "pin" notes to make them easy to find. You can think of QBOA's Notes feature as a way to create electronic sticky notes.

To create a note, display your QBOA Home page (you can click the QB Accountant symbol in the upper-left corner of the QBOA interface) and then click Clients in the Navigation bar. In your Client list, click the name of the client for whom you want to create a note (not the QB symbol, but the client's name). QBOA displays the page shown in [Figure 14-8](#).



**FIGURE 14-8:** The page where you create a client note.

Type your note and click Save. After you save a note, you can pin it; move the mouse pointer over the note (the pointer appears as a hand) and options for the note appear in the lower-right corner:

- » Click the push-pin button to pin the note
- » Click the pencil button to edit the note, and
- » Click the trash can button to delete the note.

## ***Communicating with a Client***

Communication is essential in all walks of life, including between a client and an accountant. You can use tools in

QBO and QBOA to communicate with your clients who have QBO subscriptions.



**TIP** If you prefer, you can skip using QBO and QBOA to communicate and just use email.

For example, you can use Client Requests to request, for instance, that your client send you a bank statement. Such messages that you send from QBOA appear on the My Accountant page of the client's QBO company. Follow these steps:

**1. From QBOA, click Work in the Navigation pane.**

You can read more about the purpose and functioning of the Work page in [Chapter 15](#).

**2. Click Create Client Request.**

QBOA displays the Client Request panel on the right side of the screen (see [Figure 14-9](#)).

**3. Type a name for the request.**

Think of this as the subject line of an email message.

**4. Select a client.**

Only clients with QBO subscriptions appear in the list.

**5. Supply the due date for the request.**

## THE MY ACCOUNTANT PAGE IN QBO

The My Accountant page is visible only in a QBO company that has established at least one accountant user. The page is not visible to an accountant using QBOA, even when that accountant opens the client QBO company from within QBOA. The page is visible only when a QBO user signs in to the company. In this way, a client might have multiple accountants from different firms (possibly one for taxes and

another for bookkeeping); each accountant can use QBOA to see only those requests he created — and not the requests of any other accountant the QBO client might have. The client, however, sees all requests on the My Accountant page.

- 6. Optionally, complete the rest of the fields on the request form, including adding any documents you want to send to your client.**
- 7. You can optionally select the Notify Client check box to send a QBOA-generated email to the client, notifying him of the request.**
- 8. Click Publish to Client's QuickBooks.**

Create client request

Request name \*

Bank Statement

Client \* Due date \*

Bob's Fruit Company ▼ 09/30/2020

Status


To do ▼

Details

Please send your August bank statement. Thank you!

▼ Documents

*Adding a doc here also shares it with your client in QuickBooks.*

 [Add document](#)

Notify client

[Publish to client's Quick...](#)

**FIGURE 14-9:** Use this panel to communicate with a QBO client in a general way.

If you selected Notify Client in Step 7, QBOA displays a preview of the message you will be sending to your client (see [Figure 14-10](#)). After you review it, click Publish and Send Email.

When your client opens his QBO company, he can click My Accountant in the Navigation pane to see the message and respond to it (see [Figure 14-11](#)).

To respond to the message using QBO, the client clicks the message on the My Accountant page to display a panel like the one shown in [Figure 14-12](#), where the client can write a message and attach any needed documents.

**Publish to client's QuickBooks**

From name  
West and Company

Allow replies

Reply to \*  
dringstrom+qboa@gmail.com

To \*  
bob@bobsfruitcompany.com  
Separate emails with a comma

Subject \*  
Bank Statement

Message \*  
Please send your August bank statement. Thank you!

You're previewing the email your client will receive. Your request will also be published to My Accountant in your client's QuickBooks.

From: West and Company <no-reply@int...>  
Reply to: [redacted]  
To: bob@bobsfruitcompany.com  
Subject: Bank Statement

**intuit quickbooks.**

**A request from West and Company**

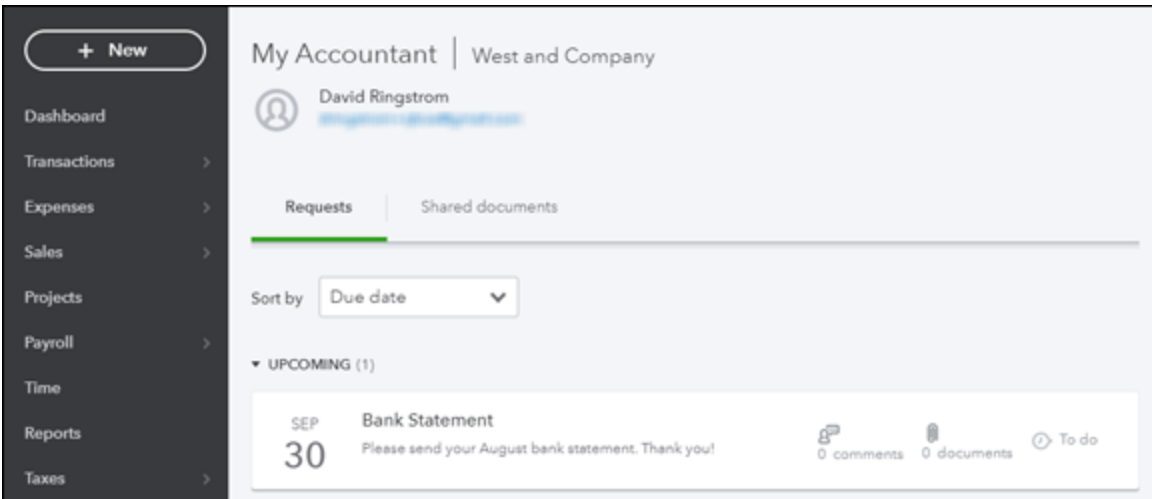
Please send your August bank statement. Thank you!

**Respond in QuickBooks**

This message was sent to you to inform you of a critical matter. Please note if you have chosen not to receive marketing messages from Intuit, that choice applies only

Cancel **Publish and send email**

**FIGURE 14-10:** A preview of a Client Request message.



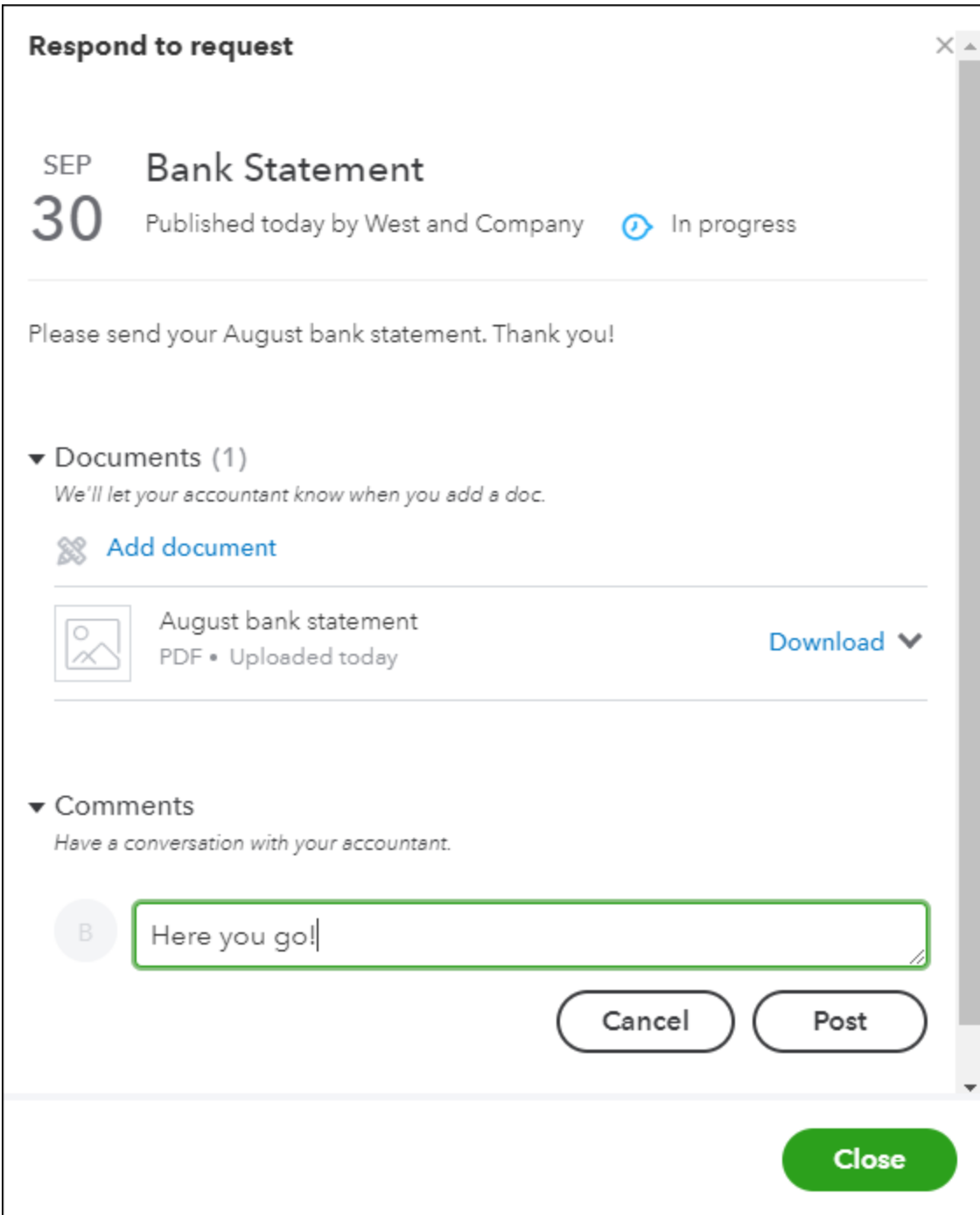
**FIGURE 14-11:** A Client Request in a client’s QBO company.



**REMEMBER** Documents can be no larger than 30MB.

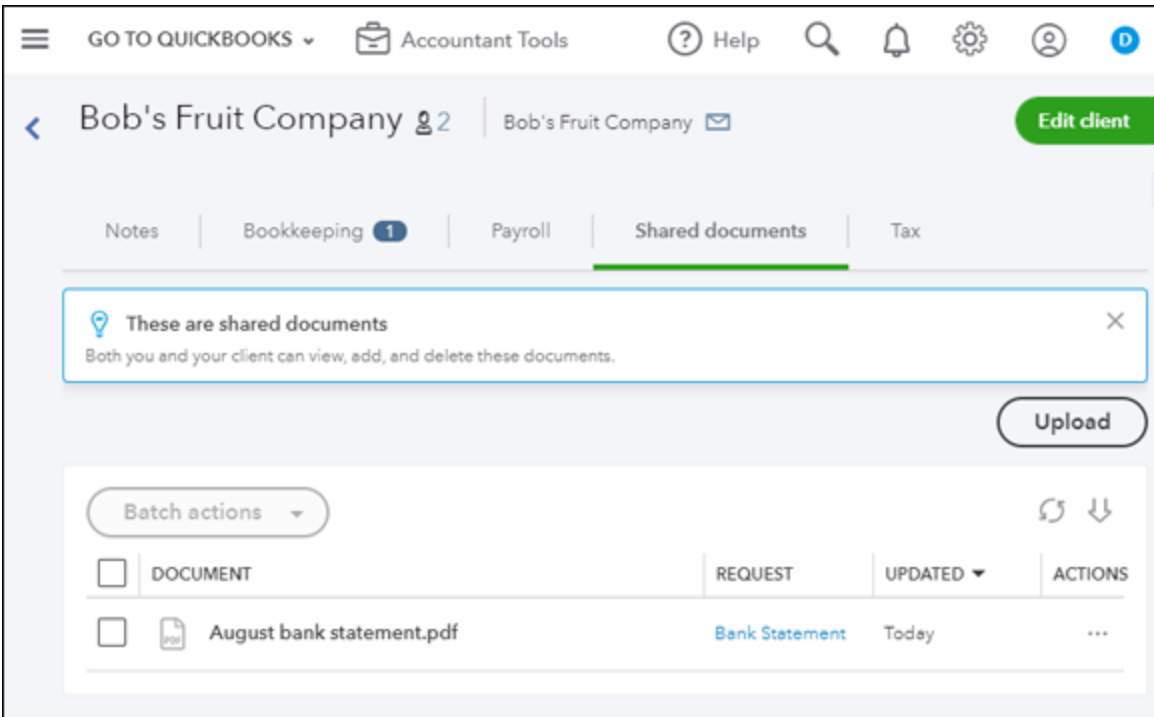
Once you receive a document from a client, you can retrieve it in QBOA. Click Clients from the Navigation pane and, in the Client list, click the name of the client. QBOA opens the client’s Details page, where you click the Shared Documents tab shown in [Figure 14-13](#).

From there, you can download the document or click the link in the Request column to view/update the original request. Any changes you make appear on the Work tab.



**FIGURE 14-12:** The panel your client uses to respond to a Client Request you generated.





**FIGURE 14-13:** The Shared Documents page in a client QBO company after an accountant receives a client’s documents.

# Chapter 15

## Using Accountant Tools

---

### IN THIS CHAPTER

- » Working with sales tax
- » Reviewing tools for accountants

Accountant tools are available to anybody who opens a client QBO company from QBOA.

You can become a user in a QBO company in one of two ways:

- » As described in [Chapter 12](#), your client can invite you to be the accountant user on his account. But each QBO company can have only two accountant users.
- » As described in [Chapter 11](#), the master administrator of the QBOA account can set up users. Any user established by the master administrator can log in to QBOA, open any client QBO company for which the user has privileges, and use the tools found on the Accountant Tools menu that we describe in this chapter.

In addition to the tools found on the Accountant Tools menu, this chapter covers reporting and paying sales tax — an activity that accountants often perform for their clients, so I'll start off with that information — and using QBOA's Work Flow feature.

# Reporting and Paying Sales Taxes

You or your client can manage and pay sales tax. Open any client QBO company and, in the Navigation bar on the left, click Taxes and then Sales Tax to display the Sales Tax Center. On the Sales Tax Center page you'll see all sales tax returns that are due, including any that are overdue. To file and pay a particular return, click the View Return button on the right side of the page beside the return you want to file. QBO displays a page similar to the one shown in [Figure 15-1](#).

Georgia Department of Revenue		Bob's Fruit Company	
Tax Period: August 2020		614 Park Avenue SE	
Due date: Was due September 20		Atlanta, GA 30312	
Tax owed		\$195.71	
Gross sales		\$3,159.12	
Taxable sales		\$2,199.00	
<a href="#">+ Add an adjustment</a>			
Tax due		\$195.71	

**File your sales tax now**

1. Print the tax form from your [state's website](#) and fill it out.
2. Write a check to your agency or print one.
3. Mail the form and check to your agency.
4. When you're done, come back to record the payment in QuickBooks.

**FIGURE 15-1:** Reviewing a sales tax return.



**REMEMBER** The first time QBO displays the Sales Tax Center, you are prompted to set up sales taxes; a wizard walks you through the process.

If you need to add a sales tax adjustment, click the Add an Adjustment link and, in the panel that appears on the

right side of the screen, provide a reason for the adjustment, select an account and an amount for the adjustment, and click the Add button in the lower-right corner of the Add an Adjustment panel.

When QBO redisplay the Review Your Sales Taxes page, click the Record Payment button to continue the payment and filing process; QBO displays the Record Payment page. In our example, E-File was not available, so choosing Record Payment produced the screen shown in [Figure 15-2](#). Appropriate instructions and buttons will appear on screen if E-File is available.

QBO calculates and displays the amount due to your sales tax agency, and you can confirm the amount or change it. Be aware that, although you can change the amount due that QBO supplies, you risk underpaying your sales tax liability. To see the details of the amount due, click the Report link in the first step, "Download Your Full Report," to view the Sales Tax Liability report, which breaks down the tax amount due.

**Record payment**

**File your sales tax**

Total tax payment	\$195.71
<b>Tax due</b>	<b>\$195.71</b>

1. Download your full [report](#).
2. Fill out the tax form on your tax agency's [website](#).
3. Send the form and payment to your agency.
4. Don't forget to record the payment!

---

**Record payment**

Tax amount:  Payment date:  Bank account:

Print check

**FIGURE 15-2:** Use this dialog box to record a sales tax payment.

To complete the payment and sales tax filing, supply a Payment Date and a bank account from which to pay the liability, and click the Record Payment button.



**TIP** If you need to set up sales taxes in your client's QBO company, see [Chapter 4](#) for details on the process.

## *Managing Your Practice*

Before diving into using the QBOA tools available while you work in a client's QBO company, take a look at the Work page in the Navigation pane, which functions as a practice management tool. Having such a tool in QBOA enables you to centralize practice management, because

all team members in your firm have access to the Work page in QBOA.

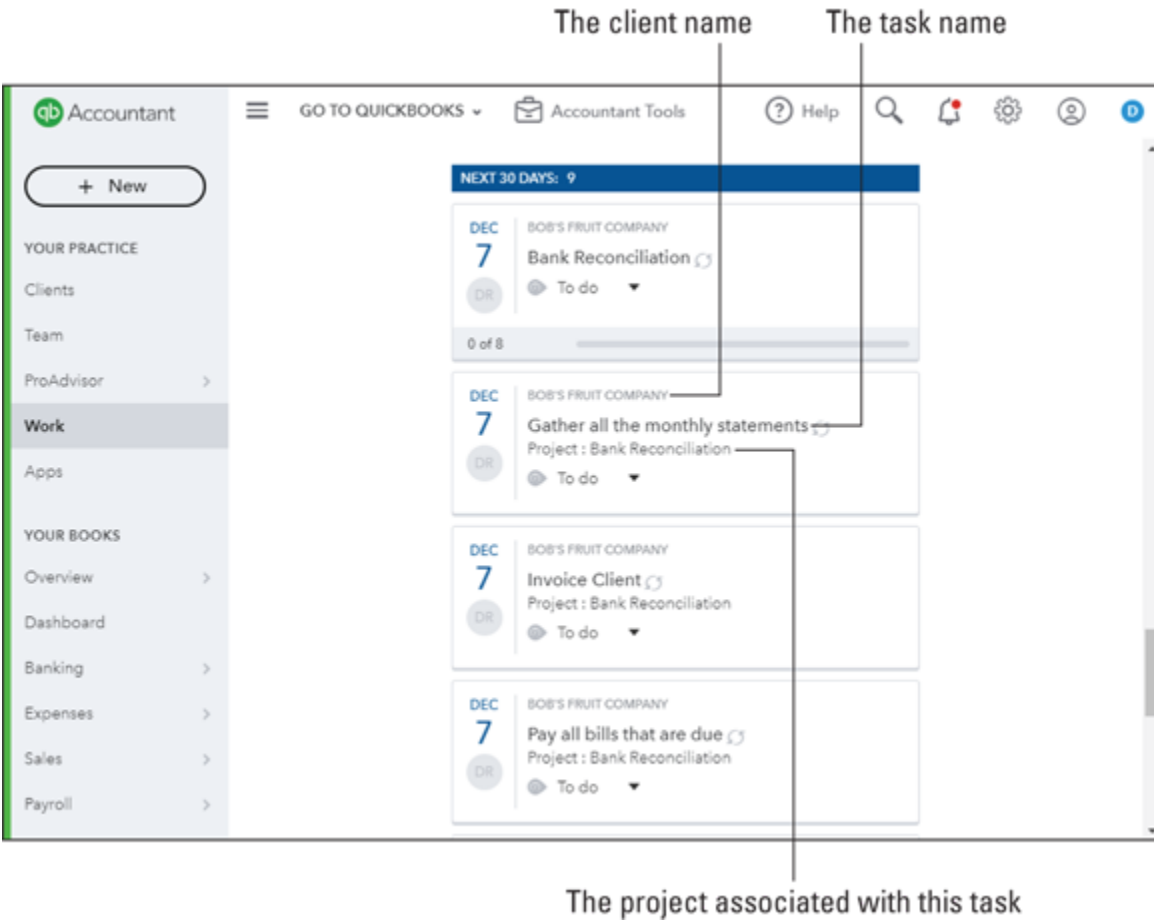


**REMEMBER** It's important to understand that your clients don't see the Work page — it is available only in QBOA, so only you and your team members see the Work page. Further, the information each team member sees on the Work page is specific only to his or her clients — the ones to whom your team member has access.

The Work page enables you to track what needs to happen for both your clients and your own firm. And, although the terminology used on the Work page refers to projects, bear in mind that these projects are entirely different from the projects your clients can create in QBO.

### ***Understanding the Grid view***

When you click Work in the Navigation bar, QBOA displays the default Grid view of the page (see [Figure 15-3](#)). The Grid view displays task cards organized into date ranges (Due Today, This Week, Next Week, and in the Next 30 days).



**FIGURE 15-3:** The Grid view of the Work page in QBOA.

Each task card of a given project identifies the client for whom the work needs to be done (or, your own firm, if the project isn't for a client) as well as the project name. Uniquely on each task card, you'll find the task name (refer to [Figure 15-3](#)).

You can control some of what you see on the Grid view of the Work page. For example, you can filter the page to display information for all clients, your firm, particular clients, or specific team members. The Work feature also uses data in client QBO companies to automatically display deadlines you need to meet and things you need to do, such as payroll deadlines and reconciling connected banking transactions. If you don't want to see

this automatically created information, you can click the From QuickBooks slider.



**REMEMBER** The Work feature automatically suggests actions to take associated only with QBO; the Work feature doesn't connect to other products like ProConnect Tax Online.

Because the Grid view organizes tasks by due date, you won't see any type of visual connection between tasks; that is, no lines appear, connecting tasks to each other, because the Grid view isn't a flow chart.

Grid view isn't the only view available on the Work page; you can read about List view and Calendar view later in this chapter, after we discuss creating projects and tasks.

## ***Creating projects and tasks***

As described in [Chapter 14](#), you can use the Work page to create client requests. With respect to practice management, you use the Work page to create *projects*, which represent collections of work to be completed. You break each project down into *tasks*, which are subsets of the project that provide more detail about what needs to be done to complete the project. You create tasks as part of a project, but you can assign different team members to different tasks on the same project. Projects are typically general things you need to accomplish by a specified deadline date, and tasks describe the specific things you need to do to complete the project.

As you create a project, you assign a deadline date to the project, and you assign due dates to each task in the project. You identify the client with whom the project is associated and the team member who has responsibility



for the project. Or, you can specify that the project is an internal one that affects your firm but not any of your clients.



**TIP** QBOA contains project templates that help you quickly create commonly needed projects, such as Monthly Bookkeeping or Client Onboarding. When you use one of these templates, QBOA creates not only the project but all the tasks associated with the project. You can then edit the project as needed.

### ***Creating a project***

To try to keep this information as easy to follow as possible, we're going to cover creating projects separately from creating tasks — even though you can, and probably will, create tasks when you create projects. But, we'll take this in bite-size chunks. To create a project, follow these steps:

- 1. Click Work in the Navigation pane.**

QBOA displays the Work page for your firm.

- 2. Click Create Project in the upper-right corner of the page (refer to [Figure 15-3](#)).**

QBOA opens a panel on the right side of the page that you use to create a project (see [Figure 15-4](#)).

Create project

Show tips

Project template

Client onboarding

Project name \*

The ADD DJ

Firm or client \* Due date \* Repeat

The ADD DJ 09/29/2020

Assigned to

Me

Details

Be as detailed as you want. You've got lots of room.

Save

**FIGURE 15-4:** Creating a project using a template.

- 3. If your project falls into one of the predefined template categories of Bi-weekly Payroll, Client Onboarding, Monthly Bookkeeping, or Yearly taxes, select the template from the Project Template list box.**

QBOA adds the tasks associated with the project template to the project, assigning a corresponding default due date. You can edit and reorganize the tasks; see the next section, “[Working with tasks.](#)”

- 4. Fill in a name for the project.**
- 5. From the Firm or Client list box, select the QBO client with whom the project is associated.**

If the project applies only to your firm and no client, select My Firm. You can also create a new client from this list.

- 6. Set a project due date.**

The due date you set for the project is a constraint; if you add tasks to the project, you won't be able to set due dates for the tasks that occur after the end of the project.

- 7. Using the Assigned To list box, assign the project to one of your team members.**

You can also add details for the project if you want. Keep in mind that tasks can only be assigned to a single team member.



**TIP**

Click the Repeat slider to set up the timeframe QBOA should use to repeat recurring projects, such as a monthly bank statement reconciliation or quarterly payroll tax filings.

### ***Working with tasks***

Now that you've created a project, you can work with the project's tasks. You can

- » Add and delete tasks,
- » Change the due dates QBOA assigns to the tasks, and

» Reorganize the order of tasks in a project.

The steps involved in adding a task to a project include:

1. **Choose Projects from the All Types drop-down list on the Work page.**
2. **Click the name of a project to display the Edit Project page.**
3. **Scroll to the bottom of the Edit Project page and click Add a Task.**

QBOA displays a form for task information (see [Figure 15-5](#)).

4. **Supply a task name, due date, the team member to whom you want to assign the task.**
5. **Click Add Details if you wish to add a note about the task.**

There is no limit to the number of tasks you can create.



TIP

Click the calendar button in the Due Date field to see permissible dates that the task can be due on.

6. **To work with a different task, collapse the one you're currently working on by clicking Collapse in the lower-right corner of the task card.**

You don't save individual tasks; instead, you save the project, which saves the task information.

7. **To delete a task or change its information, click the task.**

QBOA displays the details of the task (see [Figure 15-6](#)).

- To change the task, simply supply the new information.
  - To delete the task, click the Remove link.
- 8. To change the position of a task in the project, collapse it and then drag the square symbol at the right edge of a task up or down.**

You can see the symbol you drag to reorder a task in [Figure 15-6](#).
  - 9. Click Save to save the project and its tasks.**

QBOA redisplay the Work page, and your new projects and tasks appear on it.

Edit project ×

SEP  
**29**

Connect bank feeds

To do ⋮

SEP  
**29**

Train your new client for long-term success

To do ⋮

SEP  
**29**

Setup repeating projects

To do ⋮

Task name\*

Due date \*

📅

Assigned to

Me
▼

⊗ Add details
🗑 Remove
^ Collapse

Add a task

🗑
Create template
Duplicate
Save

**FIGURE 15-5:** Supply a task name and due date, and assign it to a team member of the firm.

### *Updating task status*

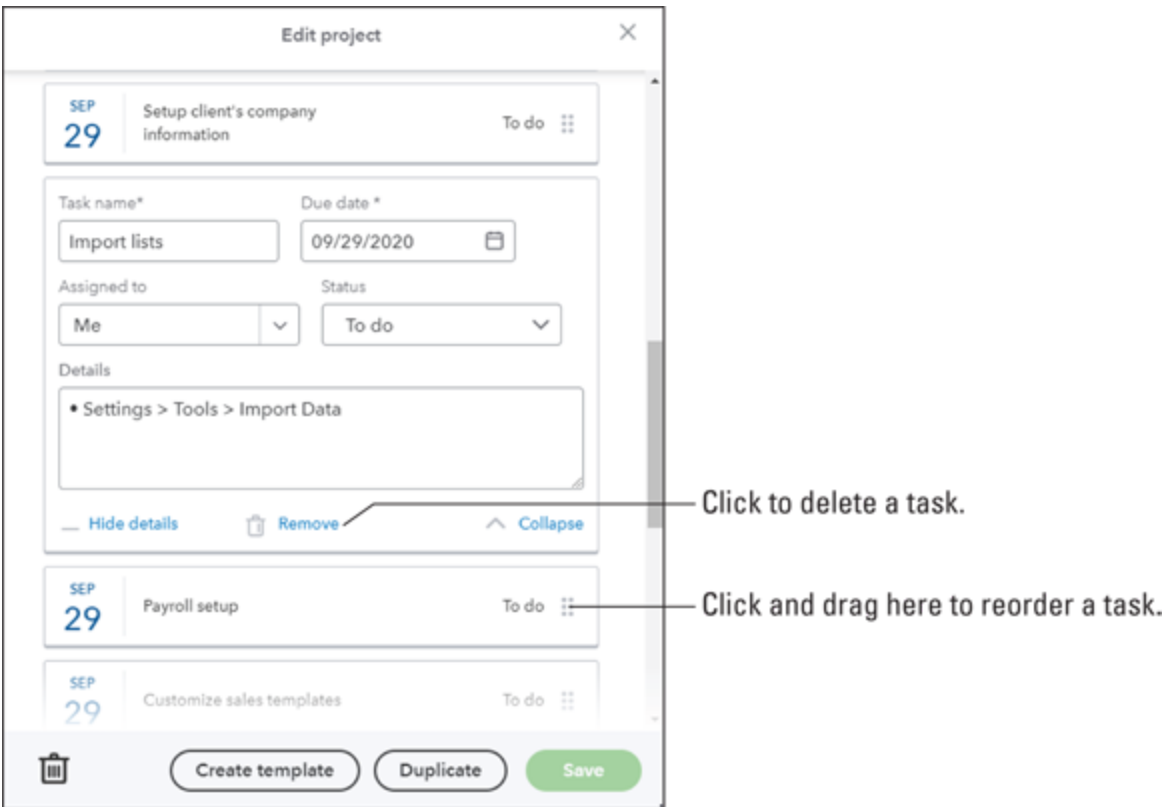
As you make progress on a task, you can update its status directly from the Grid view of the Work page.

Click the down arrow on a task card to change its status (see [Figure 15-7](#)).

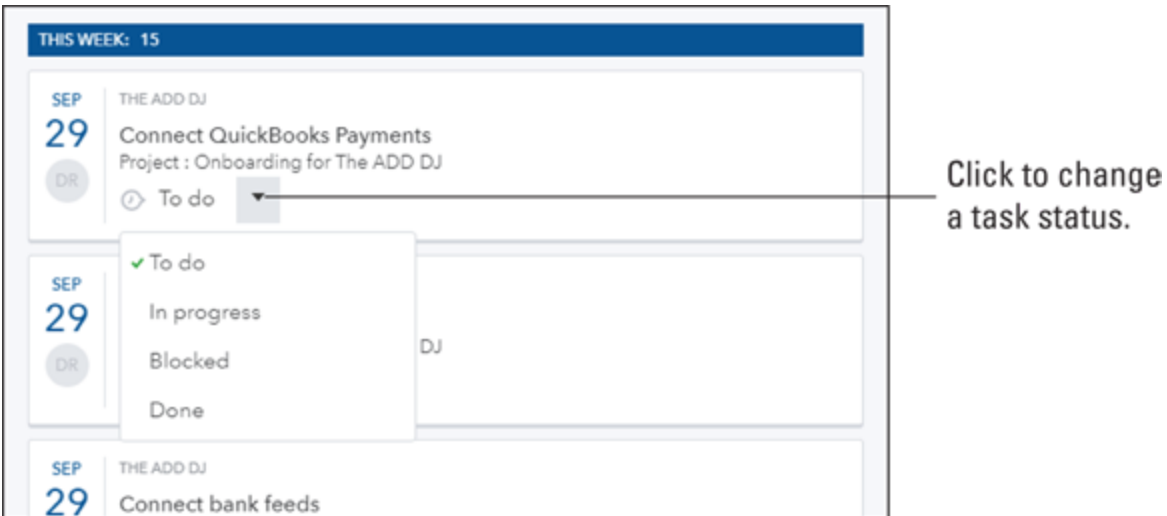
Tasks can have a status of To Do, In Progress, Blocked, or Done. You use the Blocked status when something is stopping you from completing a task.



**TIP** Projects can have a status of To Do, In Progress, Blocked, Done, or Cancelled.



**FIGURE 15-6:** Click a task to edit or delete it, or drag it to reorder it.



**FIGURE 15-7:** Use the down arrow on a task or project card to display the list of available statuses.

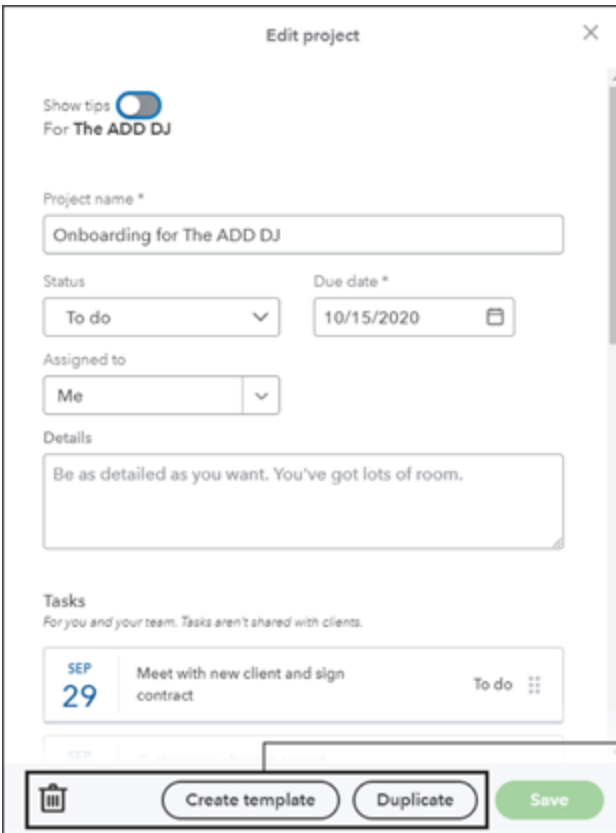
## ***Editing and deleting project information***

You can edit any project or task except those created automatically from a QBO company — you can only hide or display those automatically created tasks using the From QuickBooks slider.

Regardless of the view you’re displaying on the Work page, to edit any project or task you created, click any task in the project. QBOA then opens the Edit Project panel on the right side of the screen and displays the information of the task you clicked.

You can change the project information by editing the top portion of the Edit Project panel. You can delete any project from the Edit Project panel by clicking the trash can icon in the lower-left corner of the panel (see [Figure 15-8](#)).





Delete or duplicate a project, or create a template of it using these tools.

**FIGURE 15-8:** Delete or duplicate a project or create a template from it.

Many of the projects you create are similar to each other, so save yourself some work and duplicate an existing project to create a new one. You also can use an existing project to create a template for subsequent similar projects. From the Edit Project panel, duplicate the project by clicking the Duplicate button. To create a template from the project, click Create Template.

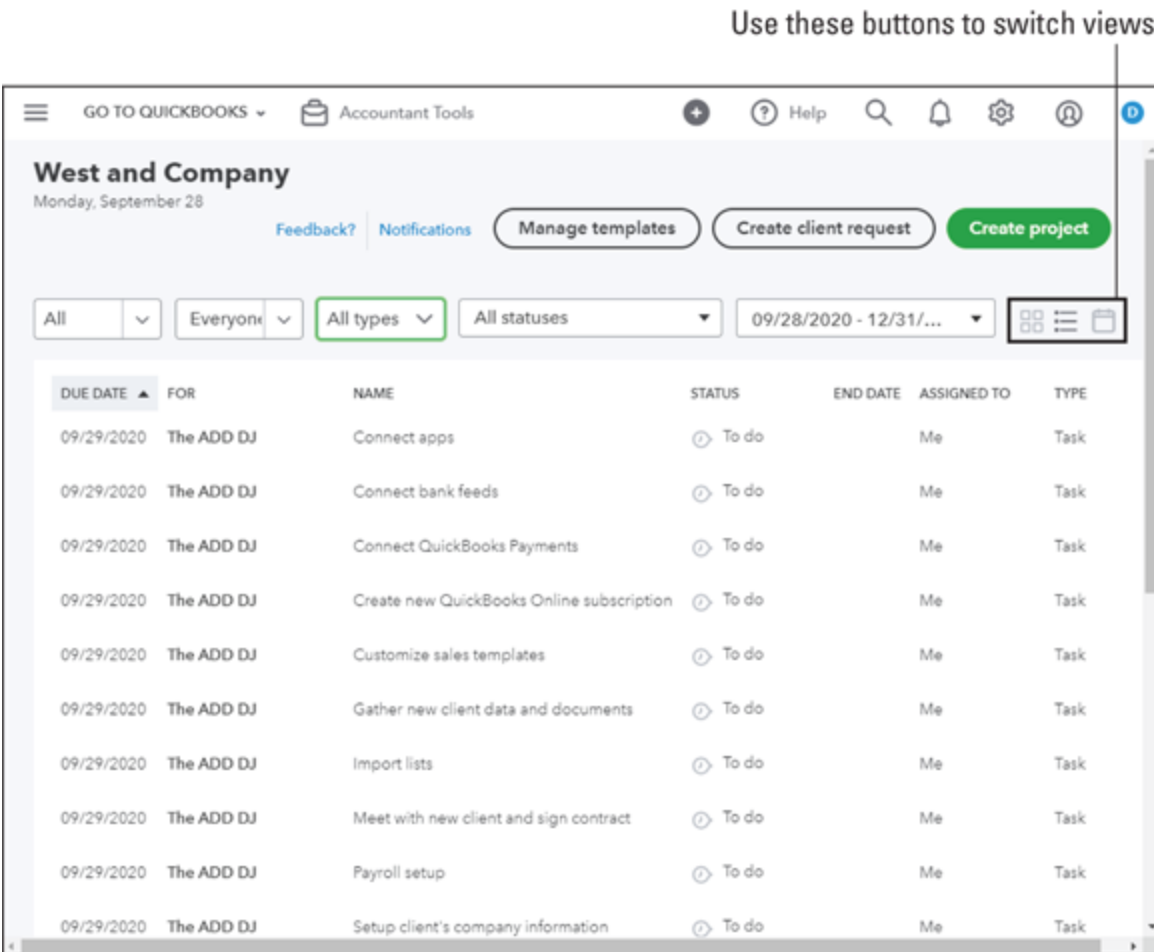
Although you can edit project and task information, you cannot change a project into a task or a task into a project.

To close the Edit Project panel, click the X in the upper-right corner of the panel.

## ***Working in the List view***

The Grid view of the Work page — the default view shown earlier in [Figures 15-3](#) and [15-7](#) — is limited in

what it can display because the cards take up quite bit of screen real estate. You can view your projects and tasks in List view, as shown in [Figure 15-9](#), by clicking the List View button in the upper-right corner of the Work page (just below the Create Project button).

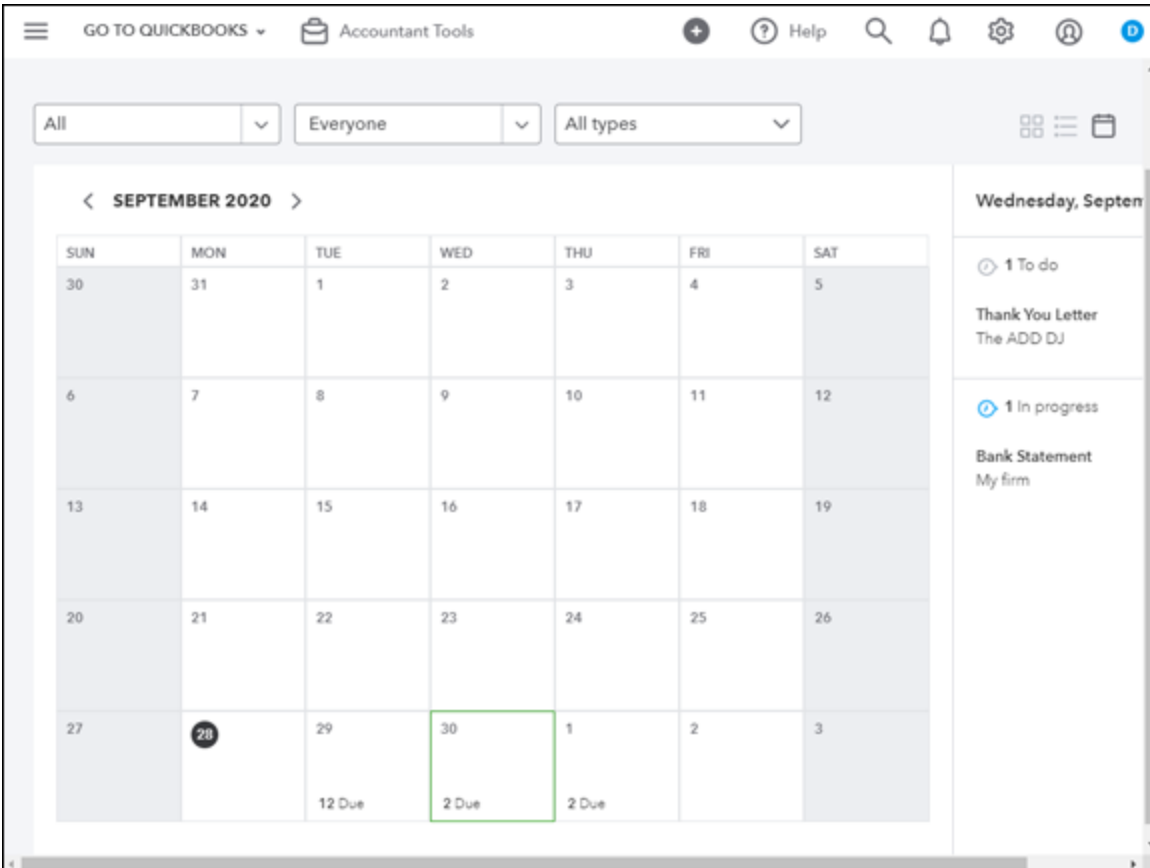


**FIGURE 15-9:** The Work page in List view.

From this view, you have additional filters available to you. In addition to filtering for a client, a team member, and a type of work (project, task, or client request), you also can filter by status and set a date range of interest to you. And, you can still edit any project or task; simply click anywhere on the project's or task's line to display the Edit Project panel shown earlier in [Figure 15-8](#).

## ***Working in the Calendar view***

The Calendar view, shown in [Figure 15-10](#), displays the tasks due for any selected date. On the calendar, you'll see the number of tasks due on each date. When you click a date, QBOA uses the right side of the Calendar view to show the tasks due on that date.



**FIGURE 15-10:** Calendar view presents project tasks by due date.

## ***Communicating with team members about work***

At the risk of stating the obvious, communication is paramount when working in a team environment. QBOA enables you to provide notifications by email for a variety of actions associated with the projects and tasks that appear on the Work page. To specify the notifications you

want QBOA to send to your team, click the Notifications link at the top of Work page to display the Notifications tab of the Company Settings dialog box (see [Figure 15-11](#)).

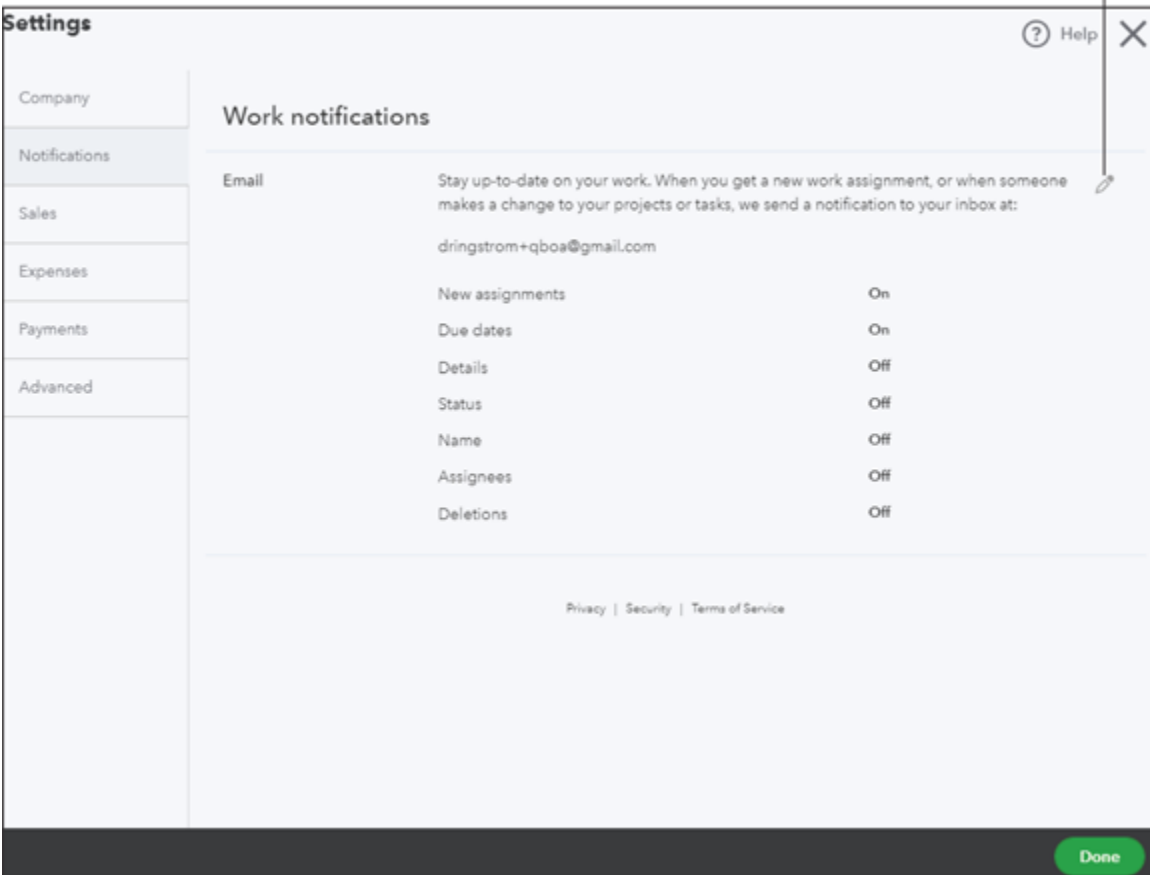
Click the pencil in the upper-right corner of the Email section to turn on and off email notifications for various actions that take place on the Work page. Click Save when you finish, followed by Done to return to QBOA.



**TIP**

Each team member controls the notifications he receives. By default, each team member gets notifications of new assignments and due dates by default, but, to set up the rest of these notifications, each of your team members needs to log into his personal QBOA account and change these settings.

Click to edit Work notifications.



**FIGURE 15-11:** Set up email notifications for team members regarding work.

## *Facilitating Accountant Activities*

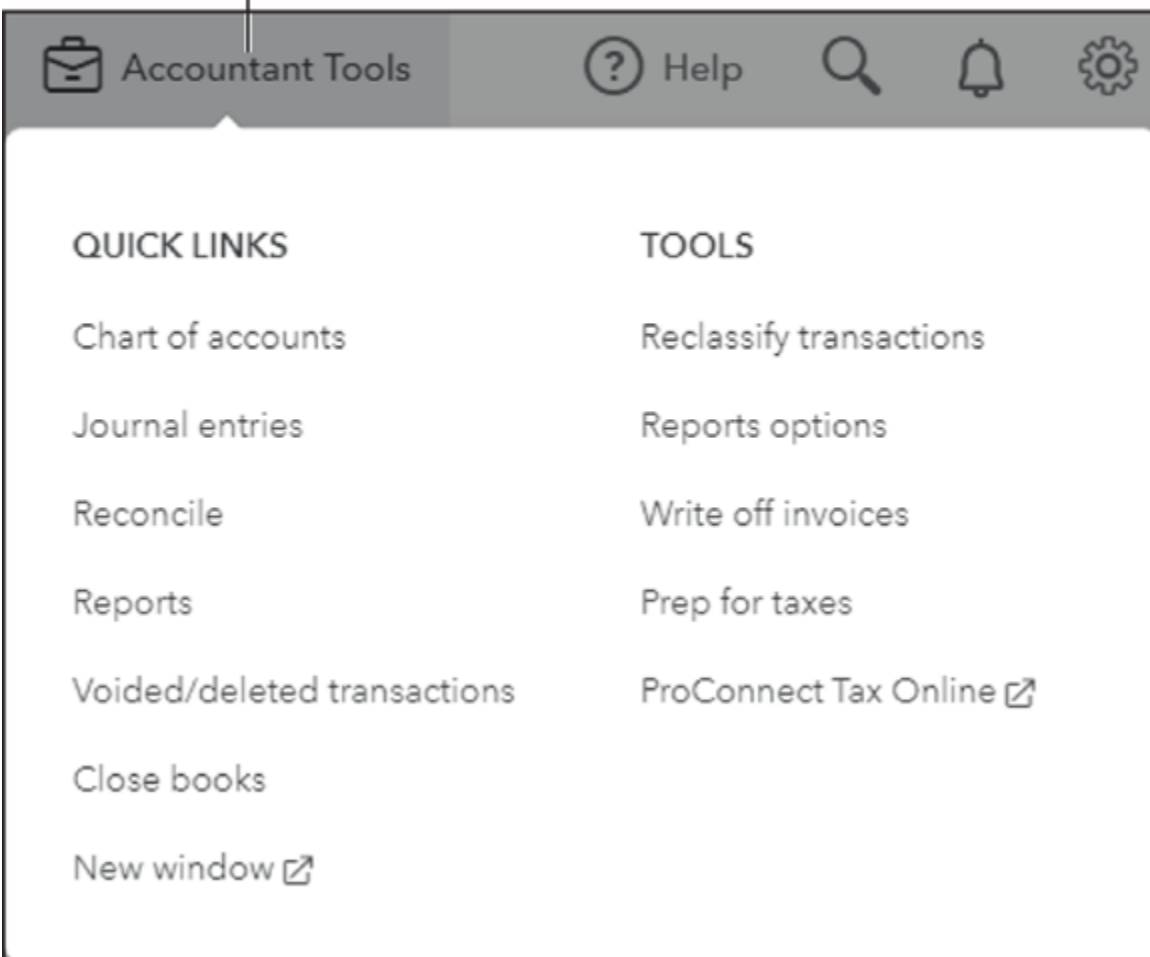
Accountants often need to reclassify transactions, examine voided and deleted transactions, write off invoices, and perform other activities. QBOA contains tools to make performing these activities easy.



**REMEMBER** The term *write off* is a phrasal verb representing an action, whereas the term *writedoff* is a noun representing the result of said action. (In some

quarters, the term *writeoff* is vying for attention, but for now, *writeoff* remains the commonly accepted term.) To view and use the tools QBOA makes available to accountants, open any client QBO company. Then, on the QBOA toolbar, click the Accountant Tools button (the one that looks like a suitcase). QBOA displays the Accountant Tools menu, shown in [Figure 15-12](#).

### The Accountant Tools button



**FIGURE 15-12:** The Accountant Tools menu contains commands specifically designed to aid the accountant.

## *Reviewing reports*

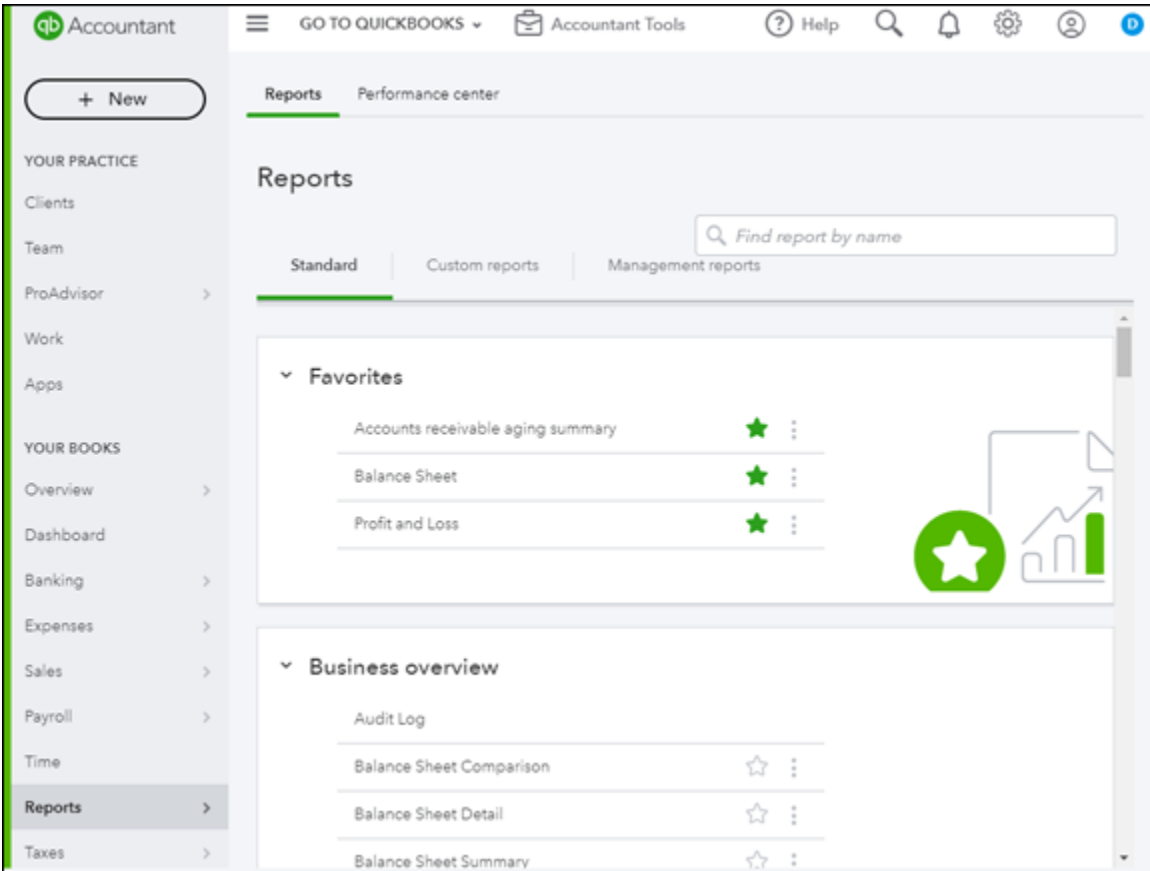
Reports in QBOA work the same way as reports in QBO; see [Chapter 10](#) for details.

But QBOA contains some reports of particular interest to accountants. If you open a client QBO company and then, from the Accountant Tools menu, click Accountant Reports, the Reports page appears. Reports marked as favorites appear first and, if you scroll down, you'll find all the reports organized into various groups. The Reports in the For My Accountant group (most appear in [Figure 15-13](#)) might be of particular interest to you because they contains reports like the Adjusted Trial Balance report, the Adjusting Journal Entries report, and more. We couldn't show all of them; when you're checking out these reports, be sure to scroll down the page. To make any of these reports appear at the top of the Reports page (so that you don't need to scroll down), click the star beside the report to mark it as a favorite.

if you click the Management Reports tab that appears on the Reports page shown in [Figure 15-13](#), QBOA lists three customized management-style reports: Company Overview, Sales Performance, and Expenses Performance. All three choices display a collection of reports, complete with an elegant cover page and a table of contents. Click the View link in the Action column for these reports to view them onscreen or download them to your computer as PDF files.

The Sales Performance report contains the P&L, A/R Aging Detail, and Sales by Customer Summary, whereas the Expenses Performance contains the P&L, A/P Detail, and Expenses by Vendor Summary. If you click the down arrow in the Actions column and then click Edit, you can edit any report package to add or delete reports and modify the appearance of pages in the report, including determining whether pages such as the table of contents

appear in the report. Using the same down arrow in the Action column, you can send these reports via email, export the information to PDF files or DOCX files, or make copies so you can make your own set of management reports.



**FIGURE 15-13:** Accountant-oriented reports available in QBOA.



**TIP** Copying one of these reports before you change is a rare chance to have your cake and eat it too: You keep the original report intact but create your own version of it as well.

Click the Custom Reports tab on the Reports page to view reports you have customized and saved. And you can click Reports Options on the Accountant Tools menu



to set default report dates and the accounting basis. You also can see account reconciliation status for cash and credit card accounts and view and set company closing date information.



**WARNING** Be aware that any changes you make on the Report Tools page resets all default report dates and the accounting basis, even if you run the report from the Reports screen. So, if your report comes up using an unexpected set of dates or accounting basis, check the values set under the Report Options command. These default dates don't apply to payroll reports, because Payroll is a separate product, nor do they apply to Quick Reports, which you run from the Chart of Accounts page; the Quick Reports period automatically defaults to Since 90 Days Ago.

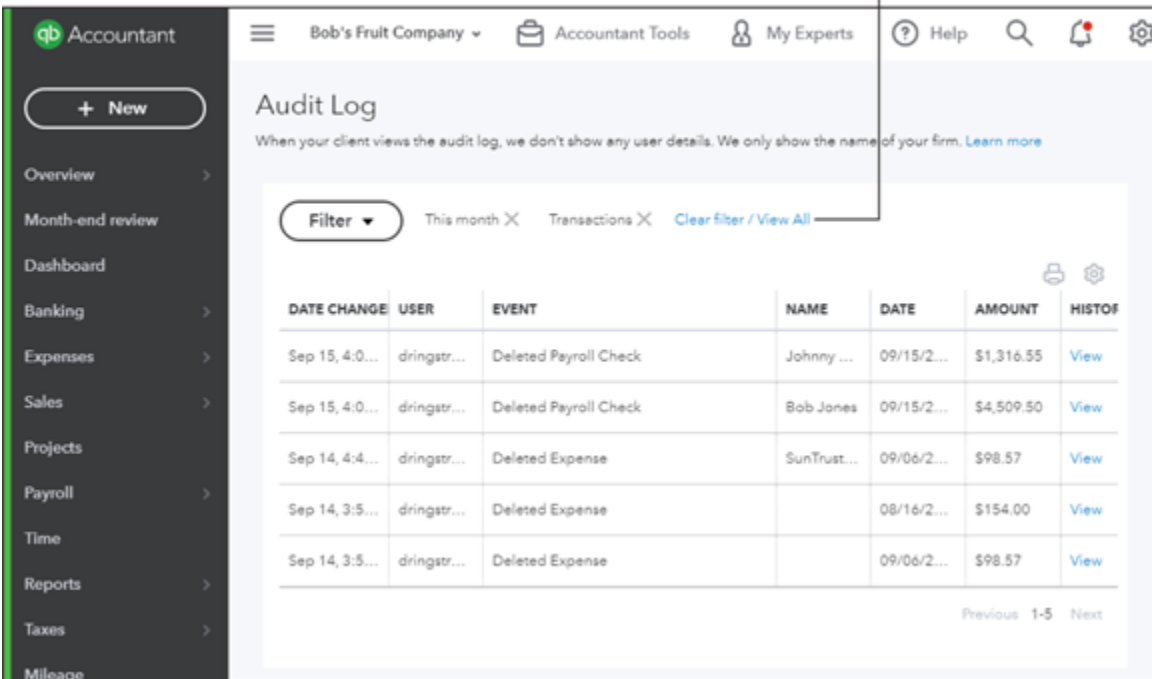


**TIP** The Report Tools page also shows whether the books are closed and provides a button to close the books, and the page shows you the reconciliation status of bank and credit card accounts.

## ***Examining voided and deleted transactions***

You can click Voided/Deleted Transactions on the Accountant Tools menu to display the Audit Log. The default view of the Audit Log (see [Figure 15-14](#)) shows information about those transactions that have been voided or deleted. But you can click the Filter button to set a variety of different filters to view other types of transactions and events.

Click to display more than voided or deleted transactions.

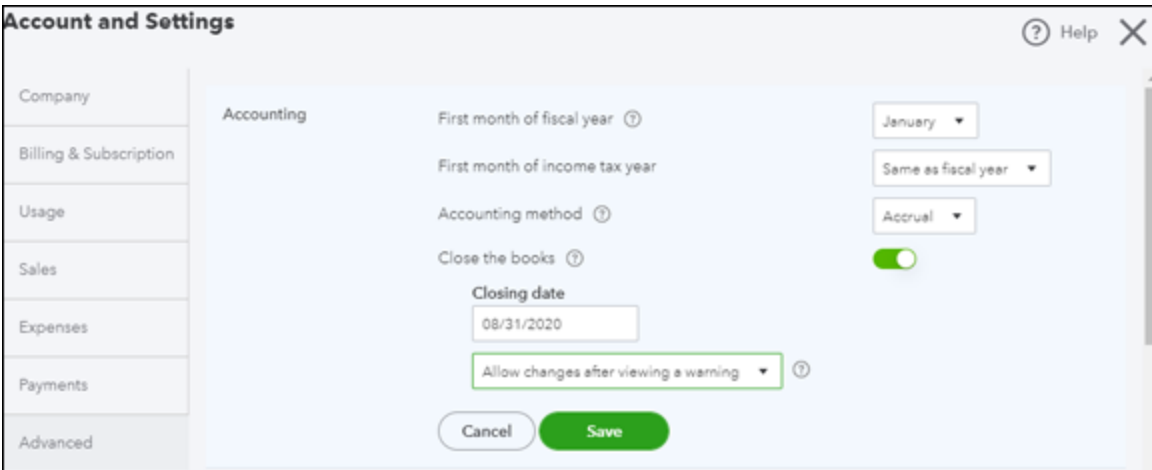


**FIGURE 15-14:** Use the Audit Log to view all kinds of activity in the QBO company.

## *Closing the books*

Use the Close Books command on the Accountant Tools menu to display the Advanced page of the QBO company's Account and Settings dialog box, shown in [Figure 15-15](#). You can click anywhere in the Accounting section to edit the fields in that section, including the field for the closing date for the books.

You can set a closing date and then allow changes prior to the closing date after QBO issues a warning, or you can require a password to enter changes prior to the closing date. Click Done to save your changes. However, before you close the books, you'll likely want to perform a month-end review.



**FIGURE 15-15:** Setting a closing date.

## ***Month-End Review***

The Month-End Review (Bookkeeping Review) command gives you a bird's-eye view of potentially problematic transactions in QuickBooks, allows you to monitor the status of account reconciliations, and offers a final review checklist. Click the pencil adjacent to the month and year shown at the top-left in [Figure 15-16](#) to view the Month-End Review for any period you wish.

## ***Transaction Review***

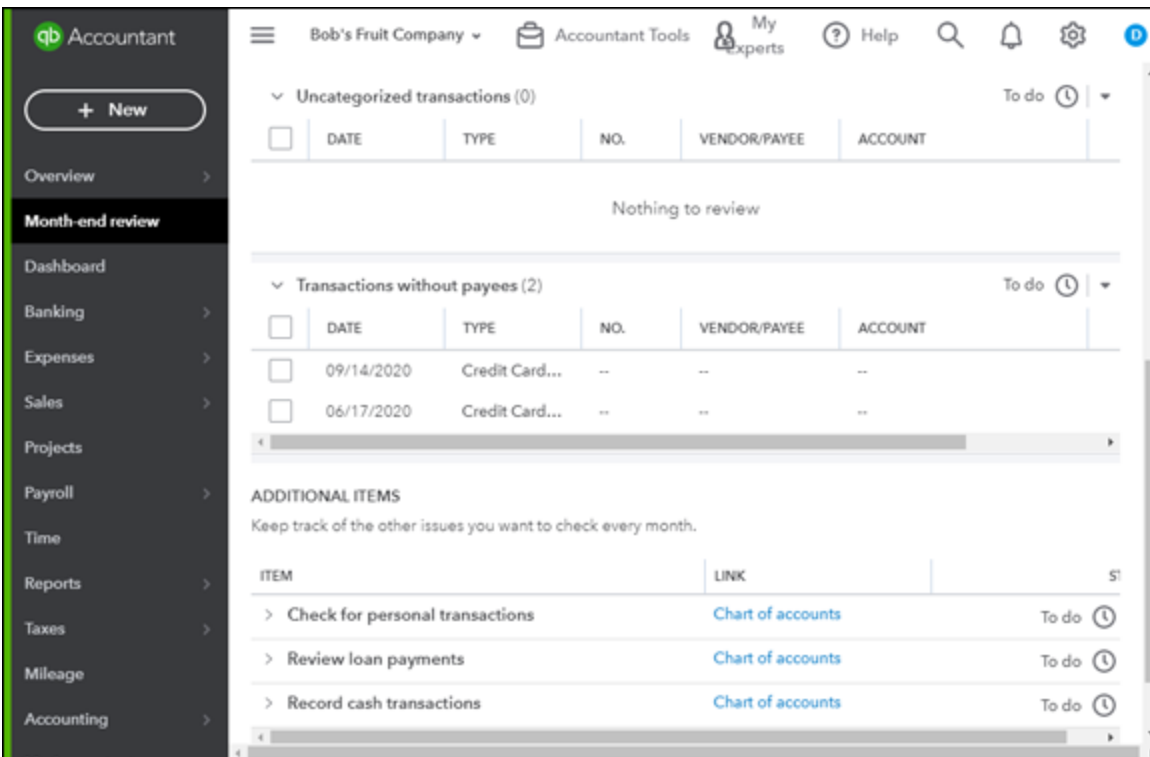
As shown in [Figure 15-16](#), the Transaction Review tab automatically displays lists of any uncategorized transactions, transactions without payees, and additional items you may wish to monitor each month. These lists come pre-populated with three choices: Check for Personal Transactions, Review Loan Payments, and Record Cash Transactions. You can add additional tasks to this list and link the tasks to specific pages within QBO. You can change the status of these items between To Do, Waiting, and Done.



TIP

Click the arrow to the left of an Additional Item name, such as Check for Personal Transactions, to reveal buttons from which you can edit or delete the additional item.

When you click Edit you can change the name and/or link name of the item, add details, and, in the QuickBooks Page Link field, provide the URL of a given page within QBO, which you can copy from the address bar of your browser. This is easiest to accomplish when you use the New Window command on the Accountant Tools menu to open an additional browser window within the same QBO company.



**FIGURE 15-16:** Transaction Review shows you potentially problematic transactions.

## *Account Reconciliation*

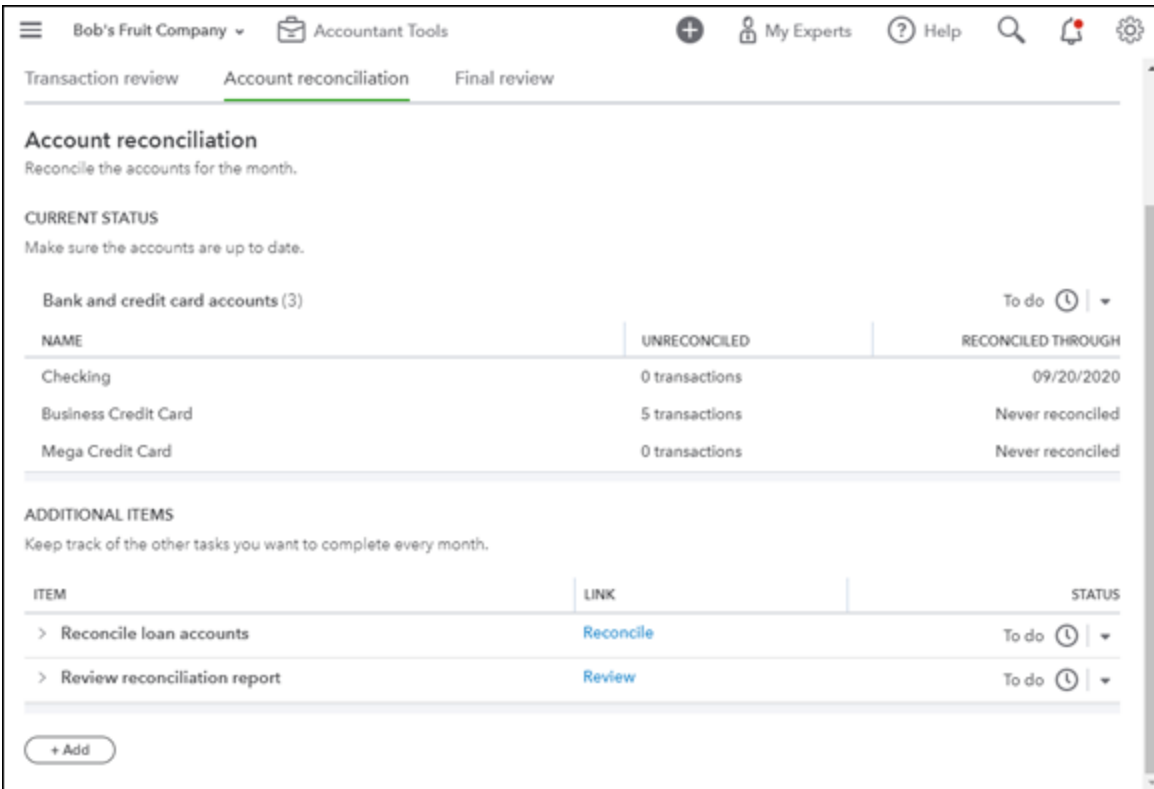
Click the Account Reconciliation tab to monitor the status of account reconciliations. Just like the Transaction Review, this tab offers an Additional Item section that includes suggestions to Reconcile Loan Accounts and Review Reconciliation Report, as shown in [Figure 15-17](#). You can alter these in the same fashion we described for Transaction Review.

### ***Final Review***

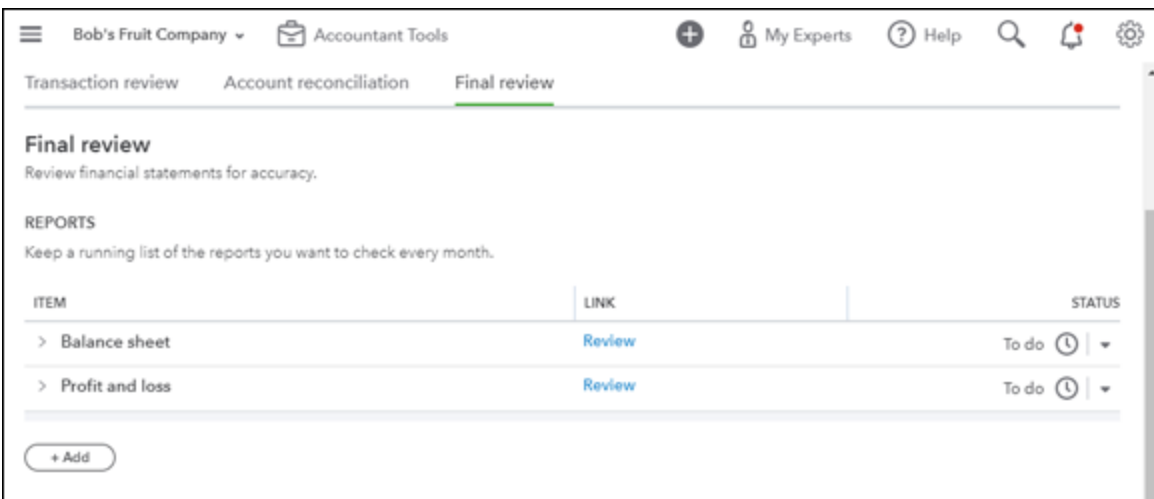
The Final Review page, shown in [Figure 15-18](#), allows you to maintain a running list of reports that you wish to monitor each month. The list includes the Balance Sheet and Profit and Loss reports, but you can add as many additional reports as you wish. Everything on this page works in the same fashion we described earlier for Additional Items on the Transaction Review page.

### ***Reclassifying transactions***

When you choose Reclassify Transactions from the Accountant Tools menu, the Reclassify Transactions page appears (see [Figure 15-19](#)). You can use this page to reclassify transactions without worrying about the company's closing date.



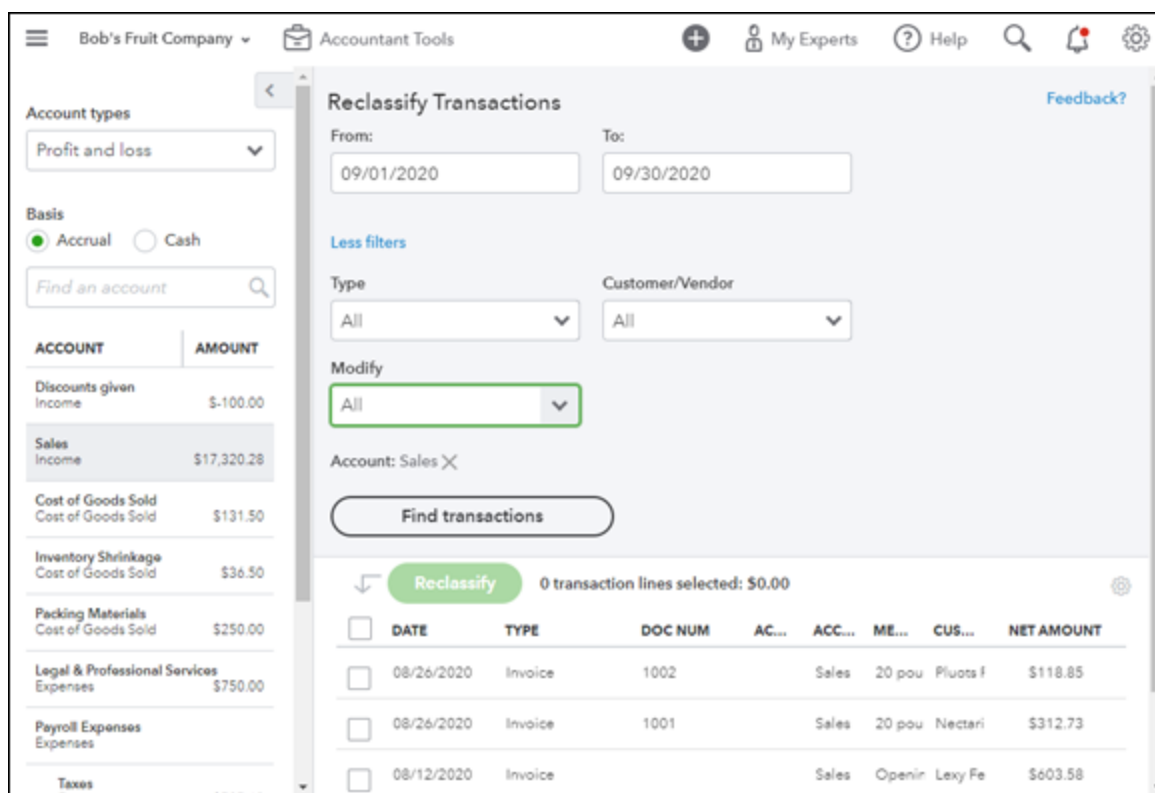
**FIGURE 15-17:** Account Reconciliation allows you to monitor the status of bank and credit card statement reconciliations.



**FIGURE 15-18:** Final Review serves as a checklist for reports you wish to review each month.

You use the information in the Accounts section on the left side of the page and the Transactions section on the right side of the page to filter for the date range and type

of accounts (Profit and Loss or Balance Sheet) you want to consider. You then select an account on the left side of the page, and QBOA displays transactions that meet the criteria on the right side of the page. You can reclassify, individually or as a group, transactions that display a green circle.



**FIGURE 15-19:** Use this page to reclassify transactions.



**TIP** If you have enabled classes and or locations in your QBO company then you can reclassify transactions based upon account, class or location. You can always reclassify a transaction based upon account, whereas class and/or location appear if the respective setting has been enabled in the Advanced section of QBO's settings.

Follow these steps to reclassify transactions:

1. **On the left side of the page, set the date range you want to consider, along with the accounting basis.**
2. **From the View list box, select the type of accounts you want to consider — Profit & Loss accounts or Balance Sheet accounts.**
3. **Click an account in the list below the View list box to examine that account's transactions.**

The transactions in the account appear on the right side of the page.

4. **Above the list of transactions on the right side of the page, set filters to display the types of transactions that you might consider reclassifying.**

You can make changes to transactions that display green circles. You can also click a transaction to open it in its transaction window and then make changes to it.

5. **To change several transactions simultaneously, select them by clicking the check box beside them.**
6. **Below the list of transactions, select the For Select Transactions, Change check box.**
7. **From the Account To list, specify a different account.**

If Class Tracking is turned on, you'll also see a field to change the assigned class, the same way you can change an account.

8. **Click the Reclassify button.**

## *Writing off invoices*



Choosing Write Off Invoices from the Accountant Tools menu displays the Write Off Invoices page, which enables you to view invoices you might want to write off, and then write them off to an account of your choice. At the top of the page, you set filters to display the invoices you want to review. Select the age of the invoices to view those

- » Greater than 180 days
- » Greater than 120 days
- » In the current accounting period
- » In a custom date range you set

You also can set a balance limit.

As shown in [Figure 15-20](#), QBOA displays the date, age, invoice number, customer name, original invoice amount, and the amount still due on the invoice. To write off any invoices, click the check box beside them. Then, at the bottom of the page, select the account you want to use to write off the invoices and click the Preview and Write Off button.



**WARNING** The Write Off feature does not make adjusting entries in the current period; instead, it makes adjustments in the period in which the transaction was originally created — and can negatively affect closed periods. To write off an item in a closed period, see this article online:

<https://community.intuit.com/articles/1145951-write-off-bad-debt>.

QBOA displays the Confirm Write Off dialog box shown in [Figure 15-21](#). If the information in the dialog box is

correct, click Write Off. Otherwise, click Cancel.

Bob's Fruit Company Accountant Tools My Experts Help

### Write Off Invoices

Select invoices to write off:

Set criteria for invoices to consider for batch write-off

Age: > 180 days To Date: 04/01/2020 Balance Due less than Refresh

<input type="checkbox"/>	Date	Age	Num	Name	Original Amount	Balance Due
<input type="checkbox"/>	03/22/2020	190	...	Aldis Ezzell	380.89	380.89
<input type="checkbox"/>	03/11/2020	201	...	Scot Lemery	506.14	506.14
<input type="checkbox"/>	03/07/2020	205	...	Lebbie Enderlein	440.63	440.63
<input type="checkbox"/>	02/07/2020	234	...	Bidget Cubley	146.68	146.68
<input type="checkbox"/>	12/24/2019	279	...	Brandt Gerault	230.96	230.96
<input type="checkbox"/>	12/21/2019	282	...	Barbe Veel	711.79	361.79
<input type="checkbox"/>	11/28/2019	305	...	Stanwood Caro	65.04	65.04
<input type="checkbox"/>	10/21/2019	343	...	Moyra Maud	729.90	729.90
<input type="checkbox"/>	09/17/2019	377	...	Jody Johnston	651.95	651.95
<input type="checkbox"/>	09/09/2019	384	...	Reynold Farrington	114.48	114.48
<b>Total Selected:</b>					<b>0.00</b>	

Write Off Account: Bad Debt Preview and Write Off

**FIGURE 15-20:** Writing off invoices.

### Confirm Write Off

Confirm invoices to write off

Company: Bob's Fruit Company  
 Date: 09/28/2020 01:56 PM  
 User: David Ringstrom

3 transaction(s) totaling 1327.66 will be written off to the Bad Debt account

Num	Date	Name	Original Amount	Balance Due
...	03/22/2020	Aldis Ezzell	380.89	380.89
...	03/11/2020	Scot Lemery	506.14	506.14
...	03/07/2020	Lebbie Enderlein	440.63	440.63

Write Off Cancel

**FIGURE 15-21:** Confirm that you want to write off the selected invoices.

## ***Understanding the Prep for Taxes page***

You can use the Prep for Taxes tool to adjust and review accounts before preparing the client's taxes. The Prep for Taxes page replaces the former Trial Balance page. Personally, we feel the title "Prep for Taxes" title is a bit misleading; the page is well-designed to help you find accounts that need year-end adjustments and easily make them by providing a link to the Journal Entry transaction page. We feel the name really isn't clear, and, if asked, we would have suggested the page be named "Make Year-End Adjustments," for the sake of clarity. But, no matter.

The page you see initially presents a Documents menu that you can use to upload and organize supporting documents for your client's income tax return, as shown in [Figure 15-22](#). Next, you can click the Review & Adjust tab to display the page shown in [Figure 15-23](#) that allows you to compare the current tax year to the prior tax year.

» **The values in Year columns are locked on the page to protect the integrity of the data.** If you click the triangles beside the various headings (that is, Current Assets, Bank Accounts, and so on; refer to [Figure 15-22](#)), you'll find that you can click the Make Adjustment link in the Actions column beside an appropriate account to create adjusting journal entries for that account. When you click the link, QBOA opens a journal entry window, where you can record the adjusting entry — and QBOA automatically selects the Is Adjusting Journal Entry? check box. Once you save the entry, QBOA redisplay the Prep for Taxes page and indicates that you made a change

(see [Figure 15-24](#)). If you accept the change, QBOA updates the Prep for Taxes page to incorporate your adjustment; in addition, QBOA changes the balance in the Year column to reflect your adjustment.

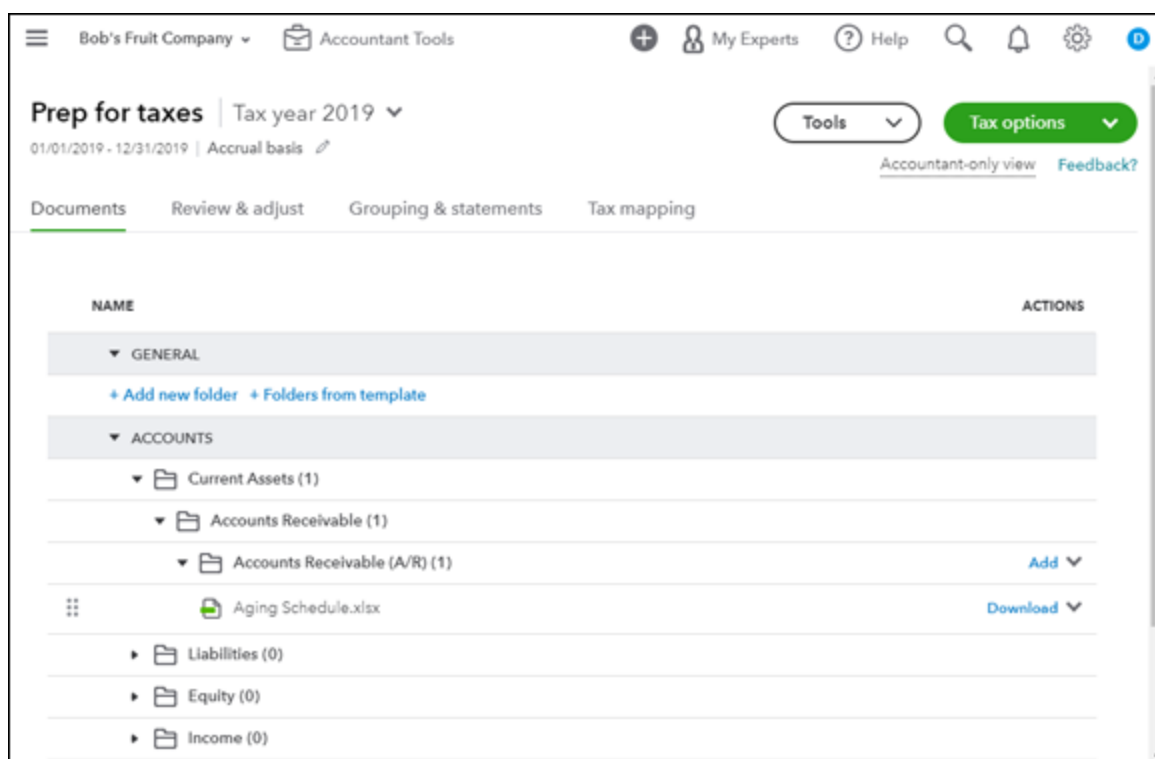


TIP

You can delete adjusting entries after you accept them. To do so, click the amount of the adjusting entry to display a report from which you can get to the underlying journal entry. At the bottom of the page, click More, and then Delete. Confirm that you wish to delete the transaction. When you return to the Prep for Taxes screen, you'll need to accept the changes that you made.

- » **You can click any dollar value that appears as a link to view a report of all transactions that make up that balance.** From the report, you can drill down to a particular transaction and, if necessary, change it. After you save the transaction and redisplay the report, you can click the Back to Prep for Taxes link at the top of the report page to redisplay the Prep for Taxes page. Once again, QBOA indicates that you made a change, and, after you accept the change, updates the Prep for Taxes page to incorporate the change.
- » **You can use the down arrow in the Actions column to add notes and attach documents to a particular line.** This helps you remember why you made a particular adjustment.
- » **You can click the checkmark icon next to a category or account to mark as reviewed.** This lets you keep track of where you are in the review process.

The third tab available in Prep for Taxes is Grouping & Statements, as shown in [Figure 15-24](#). This allows you to group accounts in any fashion you like, which can aid the review process. You can also click Update in the Action column to add a reference code, note, reference, and/or attachment. Click Run Report to see your regrouped report, or click the arrow next to Run Report to export the report to Excel. Use the handles represented by six dots to move accounts between groups at will. You can use Grouping & Statements with both the Balance Sheet and Profit & Loss reports.

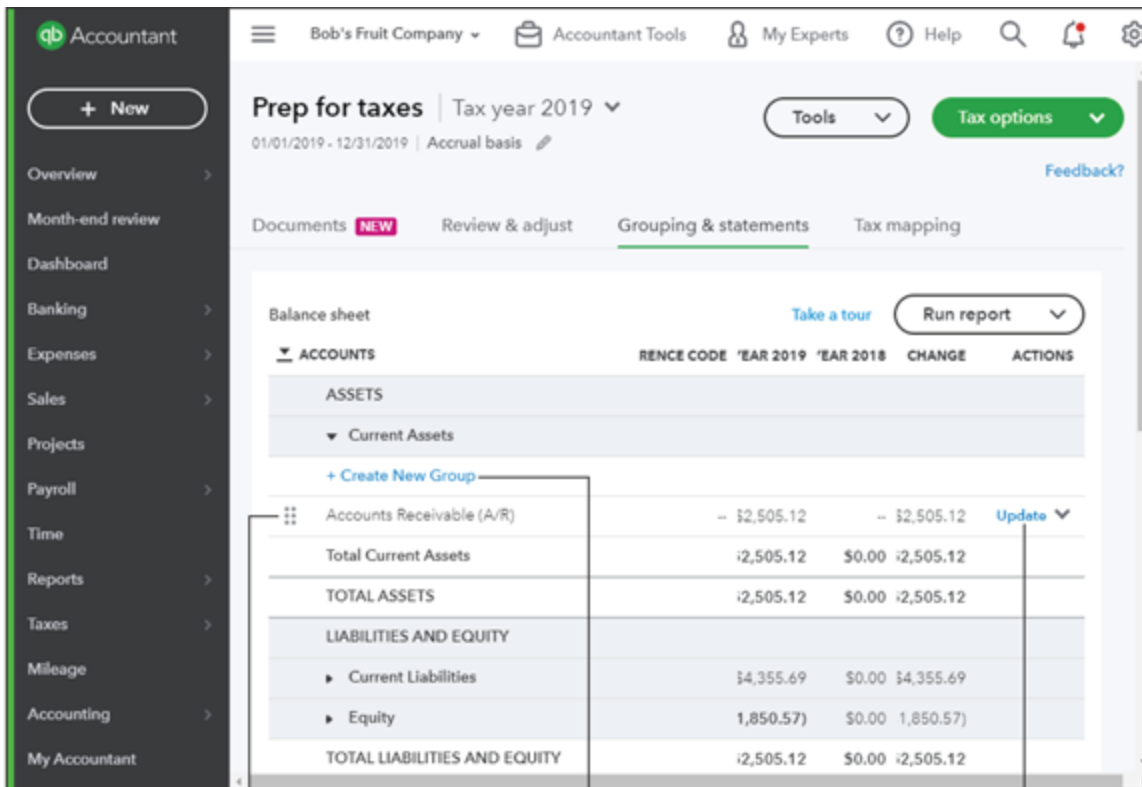


**FIGURE 15-22:** The Documents menu allows you to upload supporting materials.

ACCOUNTS	YEAR 2019	YEAR 2018	% CHANGE	\$ CHANGE	ADJUSTING ENTRIES	ACTIONS
<b>ASSETS</b>						
Current Assets	\$2,505.12		0.00	100.00%	\$2,505.12	\$0.00
<b>TOTAL ASSETS</b>	<b>\$2,505.12</b>		<b>\$0.00</b>	<b>100.00%</b>	<b>\$2,505.12</b>	<b>\$0.00</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Liabilities</b>						
<b>Current Liabilities</b>						
<b>Accounts Payable</b>						
Accounts Payable (A/P)	20,000,477,378.94	20,000,473,023.25	0.00%	4,355.69	1,000.00	<a href="#">Make adjustment</a>
<b>Total Accounts Payable</b>	<b>\$20,000,477,378.94</b>	<b>\$20,000,473,023.25</b>	<b>0.00%</b>	<b>\$4,355.69</b>	<b>\$1,000.00</b>	
<b>Total Current Liabilities</b>	<b>\$20,000,477,378.94</b>	<b>\$20,000,473,023.25</b>	<b>0.00%</b>	<b>\$4,355.69</b>	<b>\$1,000.00</b>	
<b>Total Liabilities</b>	<b>\$20,000,477,378.94</b>	<b>\$20,000,473,023.25</b>	<b>0.00%</b>	<b>\$4,355.69</b>	<b>\$1,000.00</b>	
<b>Equity</b>	<b>\$-20,000,474,873.82</b>	<b>\$-20,000,473,023.25</b>	<b>0.00%</b>	<b>\$-1,850.57</b>	<b>\$0.00</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$2,505.12</b>		<b>\$0.00</b>	<b>100.00%</b>	<b>\$2,505.12</b>	<b>\$1,000.00</b>

**FIGURE 15-23:** The Review & Adjust tab of the Prep for Taxes page.

The final tab is for mapping your client's books to their tax return. The Prep for Taxes feature automatically maps most account balances to lines on tax forms you'll file for corporations using IRS Form 1120 (for corporations) or 1120s, partnerships that use IRS Form 1065, nonprofits that use IRS Form 990, and sole proprietorships using IRS Form 1040. For other business organization types, you can manually assign accounts to tax form lines. You also can manually assign lines on tax forms for accounts the tool doesn't recognize, and you can change tax line assignments as needed. Note that the View Tax Return button appears unavailable if you have not yet selected a tax form for the QBO client company.



Use this handle to move an account from one group to another.

Click to create a new group.

Click to add a note or upload an attachment.

**FIGURE 15-24:** The Grouping and Statements page of the Prep for Taxes page.

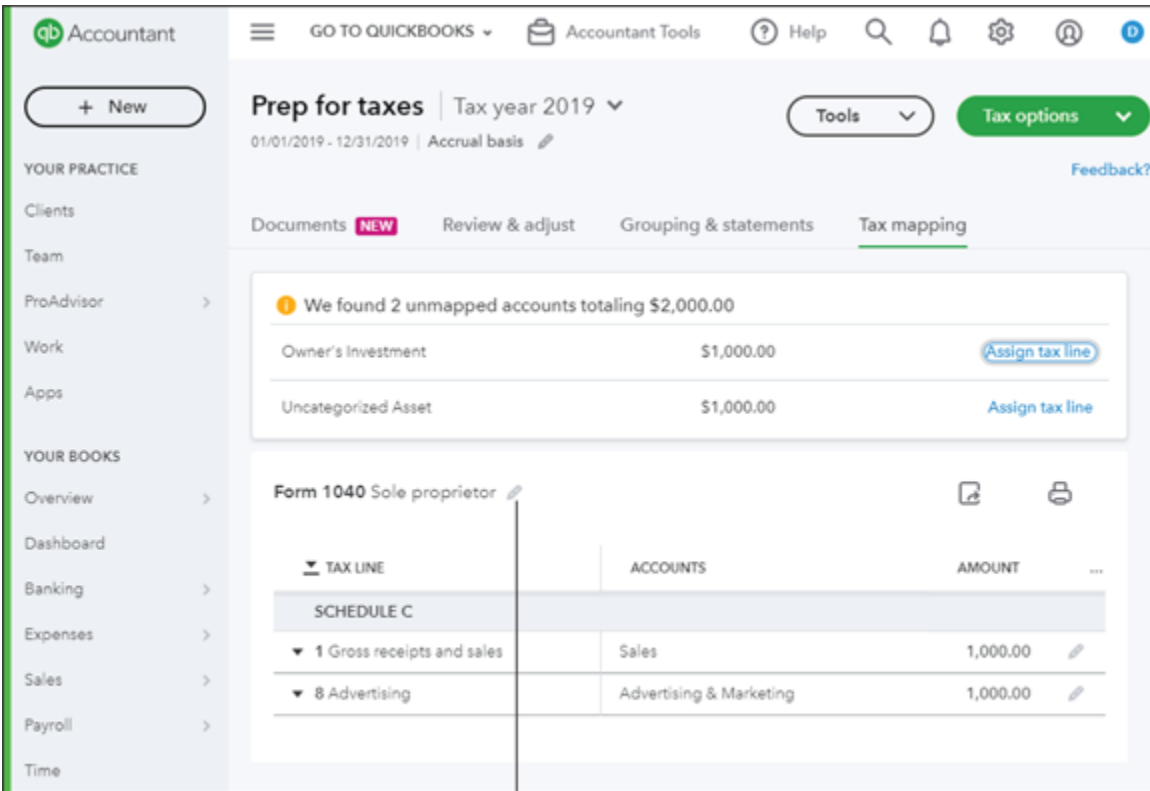
Click the Tax Mapping tab on the Prep for Taxes page to see the page you use to map last year's client QBO company information directly into tax forms (see [Figure 15-25](#)).



**TIP** If you haven't yet selected a tax form for the QBO company, the first time you select the Tax Mapping tab, you'll be prompted to select one. Or, you can click the Edit button (the pencil) beside the selected form at the left side of the Tax Mapping page and select a tax form; refer to [Figure 15-25](#).

To assign an account to a tax form line or edit the line to which an account is assigned, click the Assign Tax Line

link. QBOA displays the Assign Tax Line panel on the right side of the screen, which contains a list box from which you select the appropriate tax form line, and then click Save.



Click to change the selected tax form.

**FIGURE 15-25:** The Tax Mapping tab of the Trial Balance page.

When you finish reviewing the Prep for Taxes pages and making adjustments to entries, you can click the Tax Option button in the upper-right corner of the page and then click Update Existing Return or Create New Return to transfer the information to ProConnect Tax Online and generate a tax return. You don't pay anything to use the Prep for Taxes feature; you pay only when you print or E-file a return from ProConnect Tax Online.





**REMEMBER** If you don't use ProConnect Tax Online or you are not the tax preparer, you have the option to export the adjustments to a comma-separated values (CSV) file (readable by Excel) so that you can import them into a separate application. Choose the Export CSV File option on the Tax Options button.

## ***A brief look at other accountant tools***

The Accountant Tools menu contains a few other tools that make an accountant's life easier:

- » Chart of Accounts displays the Chart of Accounts window. We describe working in the Chart of Accounts window in [Chapter 13](#).
- » Journal Entries displays the Journal Entry window.
- » Reconcile displays the Reconcile page from which you can choose an account or review existing Reconciliation reports. For more detail on reconciling accounts, see [Chapter 8](#).
- » New Window allows you to quickly open a new window in QBOA, as we discuss in [Chapter 14](#).
- » Notes allow you to see the same notes that you can add from the Notes page that appears when you click a Client name within your client list.
- » ProConnect Tax Online launches a new browser window that takes you to the Tax Hub of ProConnect Tax Online, which is another Intuit product. The Tax Hub allows you to track the status of your clients' tax returns. ProConnect Tax Online connects to your QBOA

account but is actually a separate product with its own menus in the Navigation bar.

# **Part 4**

# The Part of Tens

## **IN THIS PART ...**

Become familiar with the Chrome browser and its features, including the Omnibox, the star, and the Chrome menu.

Learn about setting up Chrome users and working with Chrome windows and tabs.

Examine the value and the pitfalls of signing in to and out of Chrome.

Examine Chrome's security and privacy.

Learn how to establish a Home page and create and use bookmarks.

## Chapter 16

# Ten Things about the Chrome Browser Interface

---

### IN THIS CHAPTER

- » **Becoming familiar with Chrome users**
- » **Working with Chrome windows and tabs**
- » **Using the Omnibox**
- » **Understanding the star**
- » **Full-screen mode**
- » **Accessing your browsing history**
- » **Learning about the Chrome Menu**
- » **Signing in to and out of Chrome**
- » **Using the Chrome Web Store**

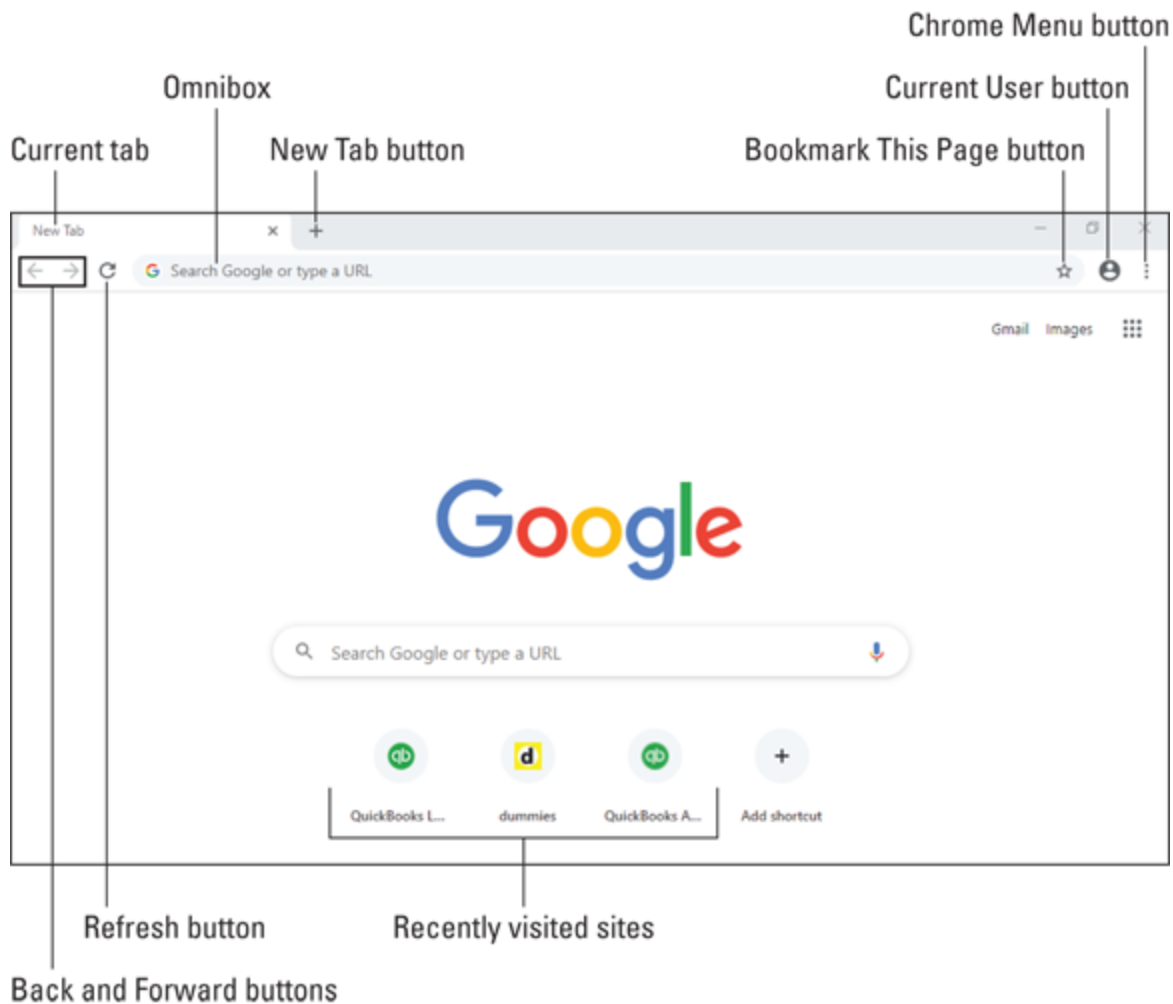
Chrome — officially Google Chrome — is the free web browser created by Google, Inc., an American-based multinational corporation that focuses on Internet-related products and services, such as the Google search engine, Google maps, Google Docs, and Gmail for email, just to name a few. Most of Google's profits come from online advertising technologies.

You can use QuickBooks Online (QBO) and QuickBooks Online Accountant (QBOA) in the Chrome, Firefox, Safari, and Internet Explorer browsers. You also can use Microsoft Edge, but not to export to the QuickBooks Desktop product. In our experience, we've found that QBO and QBOA work best in Chrome. If you're not familiar with Chrome or haven't worked much in it, this

chapter and [Chapter 17](#) are designed to help you become adept at using Chrome with QBO and QBOA. This chapter focuses on helping you become familiar with the Chrome interface and make use of it. [Figure 16-1](#) shows you how Chrome looks shortly after you install and open it; don't forget to refer back to this figure as you read the chapter.



**TIP** If you don't already have Chrome installed on your computer, you can visit [www.google.com/chrome](http://www.google.com/chrome). From this web page, you can download and install Chrome.



**FIGURE 16-1:** Reviewing the Chrome interface.

# ***Understanding Users***

The Current User button near the top-right corner of the screen represents a Chrome user. The icon typically displays your first initial, as you see in [Figure 16-1](#). In Chrome, you can set up multiple users, each of whom can have different Chrome settings. In this way, each person using Chrome on a single computer can customize the program, saving his or her own bookmarks, passwords, and more. See [Chapter 17](#) to learn how to create a Chrome user.

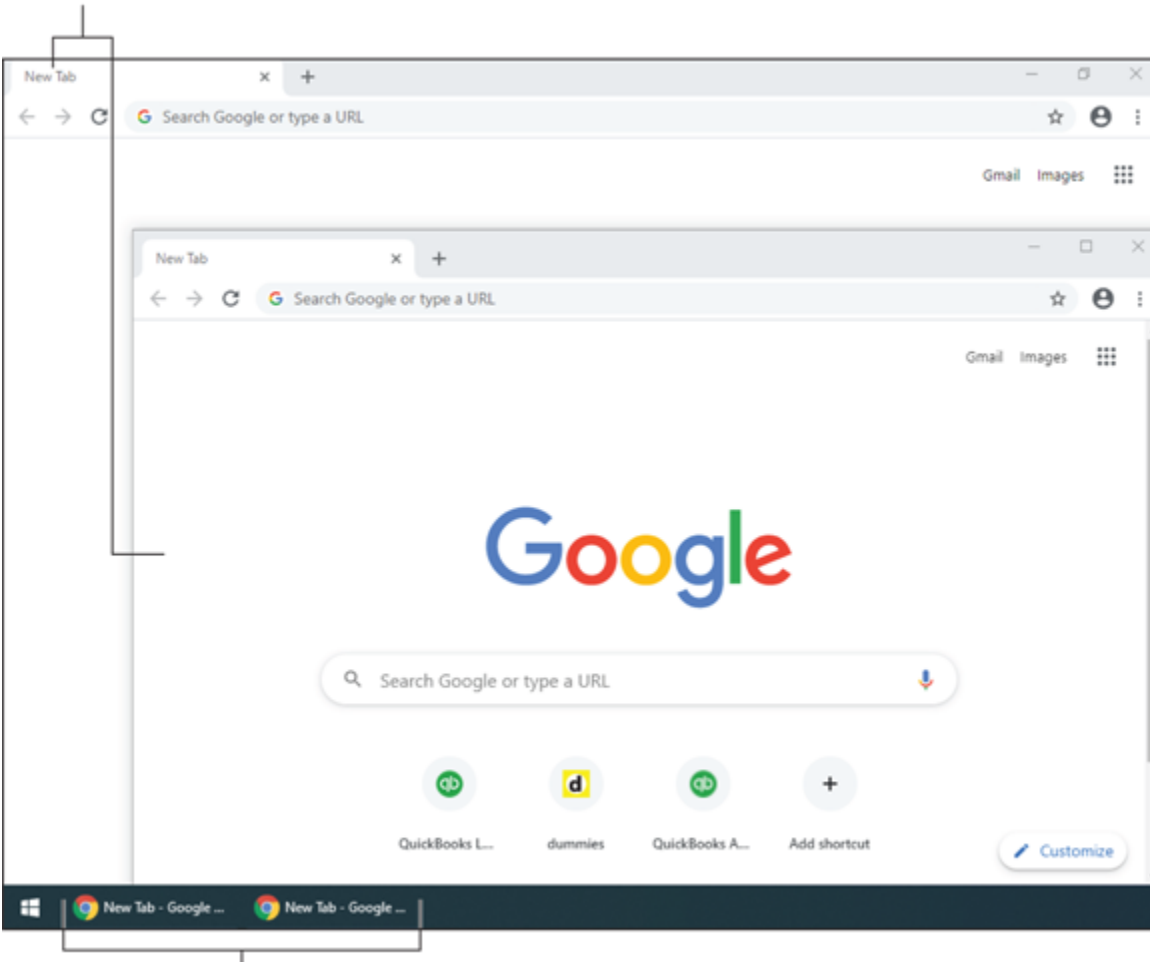
# ***Windows and Tabs***

You can open Chrome more than once to view multiple web pages — a process called *opening a new window*.

To open a new window, first open Chrome. Then, press Ctrl+N, and a second instance of the Chrome browser appears. In [Figure 16-2](#), we've resized Chrome's second window so that you can see both instances of Chrome. Also notice that two buttons for Chrome appear in the Windows taskbar.



## Two instances of Chrome



Two Chrome icons appear on the taskbar.

**FIGURE 16-2:** When you open a new Chrome window, two instances of Chrome run simultaneously.

But, in most cases, you don't need to open multiple instances of Chrome; you can use Chrome's tabs to display multiple web pages while you work.

Tabs appear at the top of the Chrome window and initially display the same shortcuts you see when you open a new window. You can add a tab by clicking the New Tab button, which appears just beside the last open tab (refer to [Figure 16-1](#)). And, you can close any tab by clicking the X that appears in the tab. You also can reposition tabs in the Chrome window by dragging a tab's title.

In either a new window or a new tab, you navigate to a new website using the Omnibox.

## ***Using the Omnibox to Visit a Web Page***

You've probably heard of the *address bar* in other browsers; Chrome refers to the text box at the top of the browser as the *Omnibox* because it's a multi-purpose box.

To visit a web page, type the address of the web page into the Omnibox and either press Enter or click the Refresh button. After you've visited a few websites, you can click the Back and Forward buttons to revisit pages you have recently visited in the order you visited them.



**TIP** If you right-click or click and hold either the Back button or the Forward button, you can view a historical list of the websites you have visited. You can left-click one to return to it.

## ***Using the Omnibox to Search the Web***

Chrome uses the Omnibox to combine the functions of navigating to websites and searching the Internet; as you might expect, Chrome uses Google's search engine by default. You can type a search term into the Omnibox, and as you type, suggestions driven by Google's search technology appear. You can then click a suggestion to

navigate to the associated Google search page or web page.

An icon appears to the left of each suggestion in the Omnibox; the icon indicates the type of suggestion:

- » A magnifying glass identifies the term for which you are searching.
- » Various other icons identify a suggestion as a potential page you might want to visit.

## ***What's the Star?***

You can easily save the web address of a site you visit frequently so that you don't have to type the address each time you want to visit the site. In Chrome, saving a web address is called *bookmarking*, and you click the star icon to create a bookmark for the web page you are currently viewing. You can read more about working with bookmarks, including managing bookmarks, in [Chapter 17](#).

## ***Full-Screen Mode***

If you're working exclusively in QBO for a period of time, you can see a bit more information on the screen by using full-screen mode. To do so, press F11 in Windows, or Command-Shift-F on a Mac. Full-screen mode temporarily hides the tabs across the top, the Omnibox, and your bookmarks bar. At any time you can press the Escape key to exit full-screen mode, so rest assured you're not making any permanent changes to your browser.

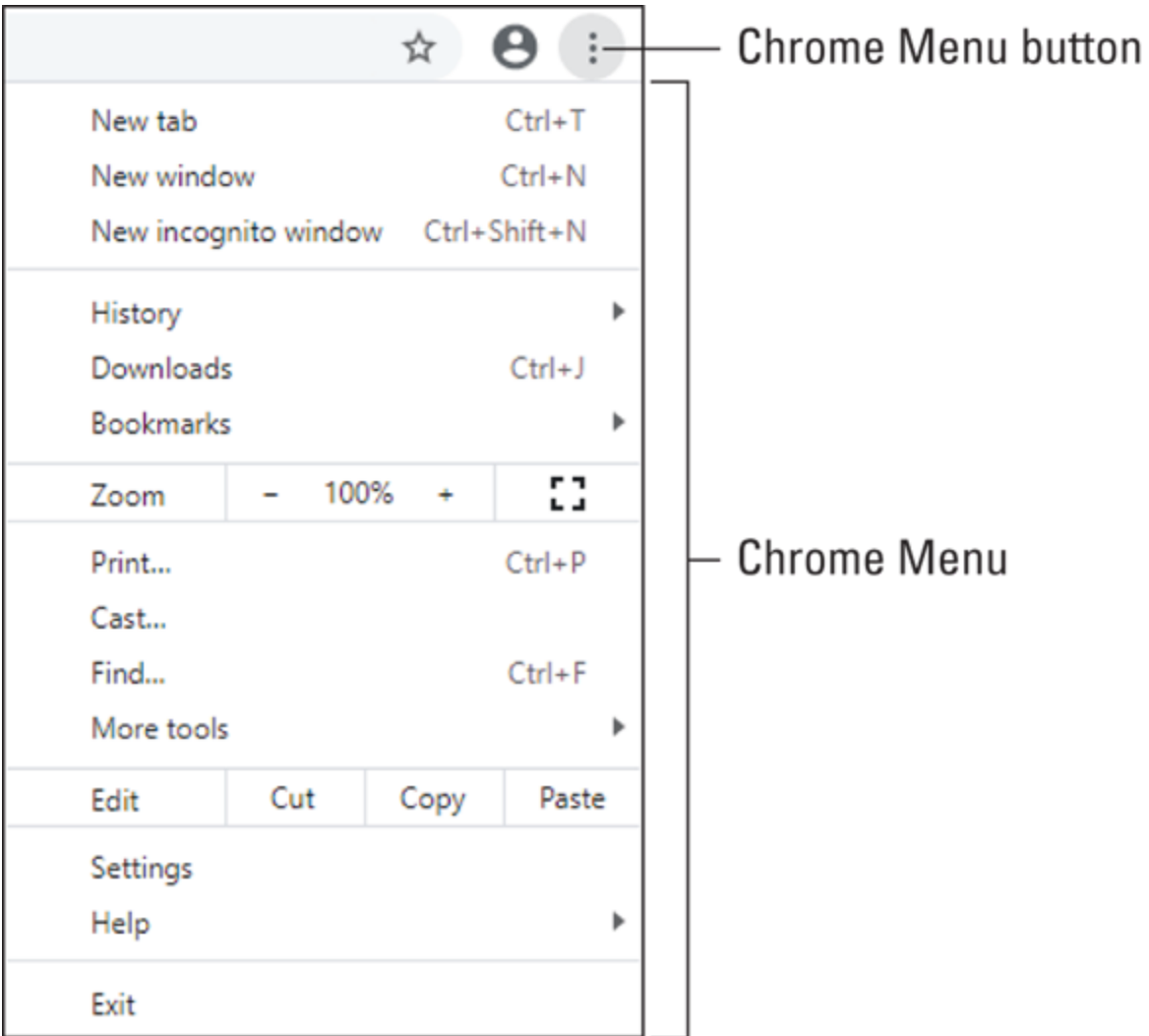
# *Accessing Your Browsing History*

If only we all had a dollar for every time we closed a browser tab and then experienced immediate regret: “Oh, I didn’t mean to close that!” Fortunately, you can easily retrieve closed tabs. The fastest way is to press Ctrl-H (or Cmd-H on a Mac) to display a searchable History window. You can also use the Chrome menu, choose History, and then access the aforementioned History window, as well as a list of recently closed pages from the computer you’re on as well as all your devices that sync with Chrome.

We cover downloads in more detail in [Chapter 17](#), but as you’ve likely noted throughout the book, there are many opportunities to download reports or files from QBO. Most downloads will appear in a downloads bar at the bottom of your browser, but if you close that bar (or it closes on its own), you might begin to wonder “where’d my download go?” This info is all accessible, just like your history: Press Ctrl-J (or Cmd-J on a Mac) or choose Downloads from the Settings menu.

## *Examining the Chrome Menu*

You can click the Chrome Menu button represented by three vertical dots in the upper-right corner of the Chrome window (see [Figure 16-3](#)) to view a series of commands that help you work in Chrome.



**FIGURE 16-3:** The Google Chrome Menu.

Using options on the Chrome Menu, you can

- » Work with bookmarks (described in [Chapter 17](#)).
- » Reopen recently closed tabs.
- » Copy and paste text.
- » Save a web page.
- » Clear browsing data.
- » Find text on a web page.
- » Print a web page.

- » View files you have downloaded.
- » Make changes to Chrome's settings.

The options available to you on the Chrome Menu aren't limited to the ones I've listed — there are too many for us to list them all. But, for example, if you want to see how your web browsing affects your computer's use of memory, you can choose Chrome Menu ⇒ More Tools ⇒ Task Manager.

## ***About Signing In to (and Out of) Chrome***

We're going to repeat ourselves in this section because it's important for you to understand the ramifications of signing in and signing out of Chrome. Let us start by saying — emphasizing, in fact — that you don't have to sign in to use Chrome. In particular, you don't need to sign in to Chrome to use QBO or QBOA.

That said, why sign in? If you sign in, bookmarks and passwords you save, browsing history, and settings are saved to the cloud. You can then sign in to Chrome on a different computer and use all your settings from that computer or any computer.

The act of signing in can result in some negative side effects. Even though you sign out of Chrome, Chrome can still remember some of your information, making it visible to anyone who uses Chrome on the same computer. And, on a public computer, leaving traces of your activity could result in others gaining access to your personal information, email, and saved passwords.



**WARNING** We strongly urge you to avoid signing in to Chrome if you are using a public computer. Remember, you don't need to sign in to Chrome to use QBO or QBOA. Instead, click the icon just to the left of the menu represented by three dots and choose Guest. Pages you view won't be kept in history, nor will any other traces, such as cookies. However, all downloads will still be accessible.

If you want to sign in to Chrome, you need a Google account. If you have a Gmail email address, you already have an account, and you can skip the section "[Creating a Google account](#)."

## ***Creating a Google account***

If you don't have a Google account, you can easily create one; creating a Google account automatically creates a Gmail email address. Once you have a Google account, you can use Google services such as Gmail, Google Docs, and Google Calendar. Follow these steps to create a Google account:



**REMEMBER** If you already have a Gmail email address, you already have a Google account. Skip these steps and continue in the next section, "[Signing In to Chrome](#)." The following steps help you create a Google account and simultaneously sign in to it.

1. **Navigate to** [accounts.google.com/signup](https://accounts.google.com/signup).
2. **Provide your first and last name.**
3. **Choose a username.**

Usernames can be comprised of letters, numbers, and periods.

**4. Provide and confirm your password.**

Passwords should have eight characters or more and be comprised of a mix of letters, numbers, and symbols, such as k-6,tUF7.

**5. Click the Next button.**

**6. Enter your phone number, and then click Next.**

Google requires you to enter a six-digit verification code to protect your account.

**7. Enter the number from the text message you received, or click Call Instead.**

The number you receive will be something like G-123456. Only enter the numeric part, and omit the G.

**8. Click Verify.**

**9. Optionally provide a recovery email, and provide your birth date and gender.**

Birth date is required to administer Google services that have age requirements, but you can decide not to say your gender, or provide a custom gender. Any information you provide is used to make Google services more personal to you.

**10. Optionally link your phone number to your account for use across Google services.**

If you opt in, Google says your phone will be used to “receive video calls and messages” and “make Google services, including ads, more relevant to you.” Click Skip to opt out, or click Yes, I’m In.

**11. Review the privacy agreement, and if you concur, click I Agree.**

You can also click Cancel at any point to terminate the account establishment process.

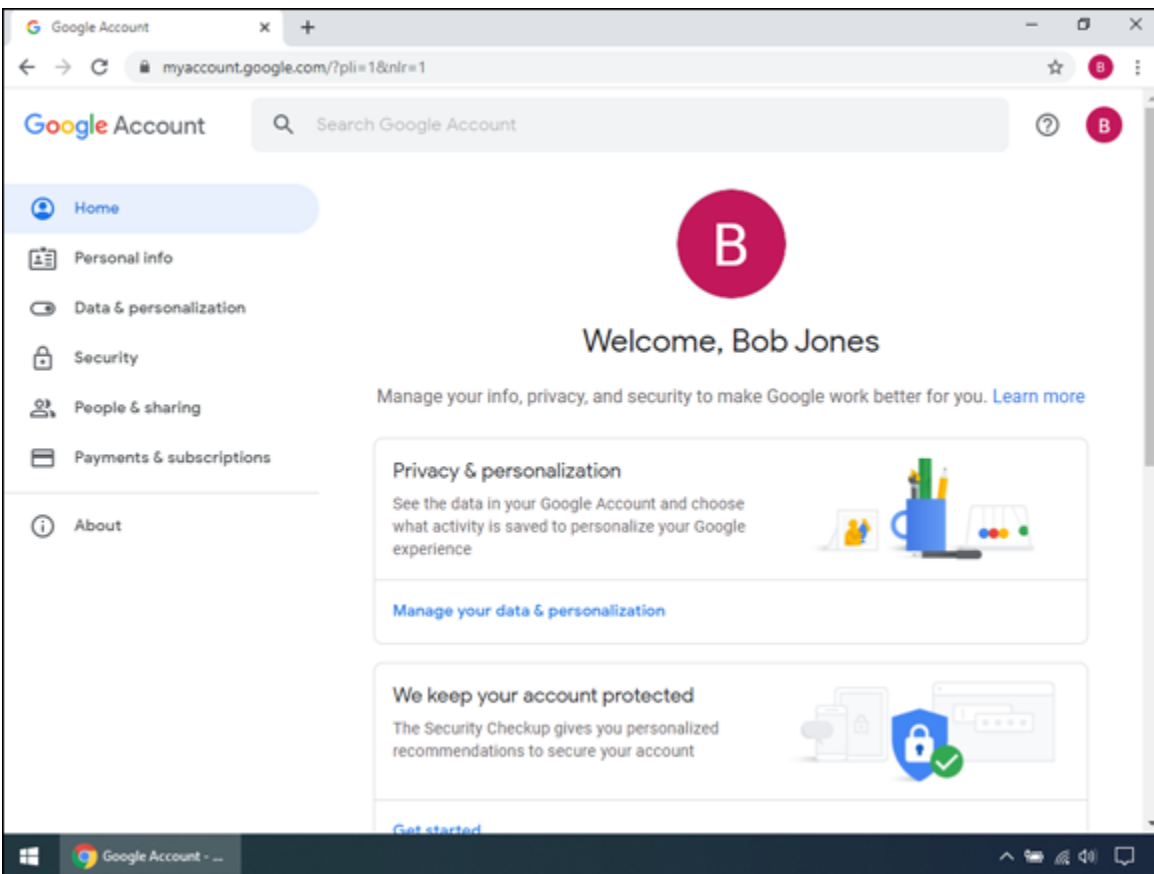


## 12. Your Chrome browser is now logged into your Google account.

We provided the first and last name of Test User in [Figure 16-4](#).

### *Signing In to Chrome*

If you sign in to the Chrome browser, bookmarks and passwords you save, browsing history, and settings are available to you from any computer. But you don't want to create a new account each time you want to sign in to Chrome, so, there must be another way to sign in, right? Right.



**FIGURE 16-4:** Access the various settings related to your Google account by way of the list on the left-hand side.



**WARNING** Avoid signing in to Chrome if you are using a public computer, because signing out might not remove all your information, leaving it visible to anyone who uses Chrome on the computer. Sign in as a Guest instead. We're reiterating this to help you keep your financial information safe.

To sign in to Chrome, follow these steps:

1. **Type [www.google.com](http://www.google.com) in the Omnibox and press Enter.**
2. **Click Sign In in the upper-right corner of the page that appears.**

The sign-in form appears, requesting your Google Account email.

3. **Type your email address and click Next.**
4. **Type your password and click Next.**

An icon replaces the Sign In button in the upper-right corner, letting you know you are signed in to Chrome. The page looks similar to the one shown previously in [Figure 16-4](#), albeit without the account set-up information.



**REMEMBER** You can synchronize Chrome settings across your devices—a useful feature to make using Chrome easier to use on multiple devices. To turn on synchronization, click the User button at the top-right portion of the Chrome window (typically your first initial), choose Turn On Sync from the menu that appears, and follow the onscreen prompts.

## ***Signing Out of Chrome***

You should sign out of your Google account when you finish using Chrome, or when you no longer want changes you make on your computer saved to your Google account and synced to Google Chrome on your other devices. Signing out also can help if you think an error with Chrome's synchronization has occurred, and you want to try to fix the error by signing out and then signing in again.

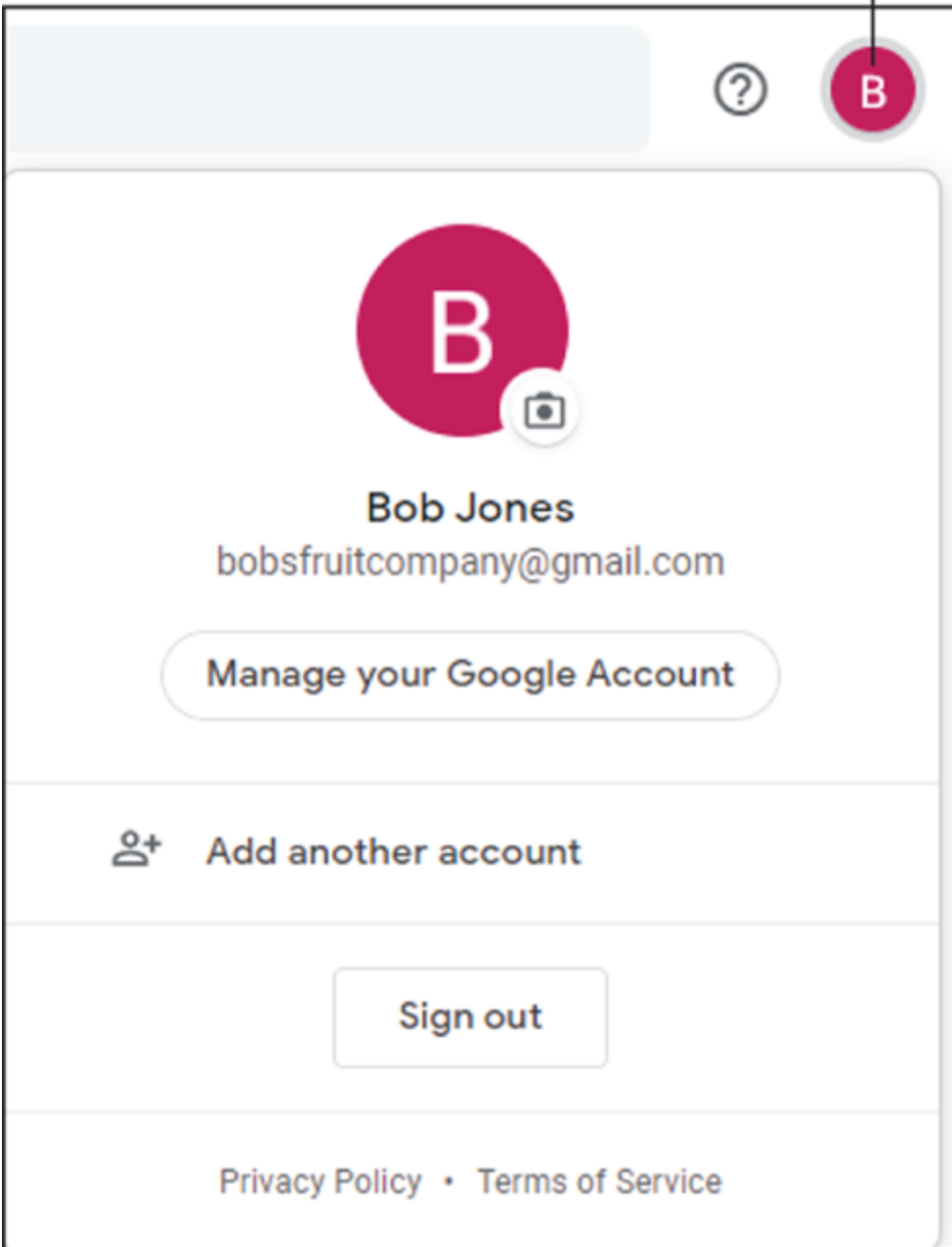
By default, when you sign out of your Google account in the browser window, you leave behind traces of yourself. On a public computer, it's possible that other people might gain access to your personal information, email, and saved passwords. So, if you're using a public computer, use Guest mode as previously described to eliminate all traces of your visit



**WARNING** On your own private computer, deleting all traces of the user who signed in might be a bit more drastic than you want. You can opt to clear history separately and less drastically; see [Chapter 17](#) for details on clearing history. But, if you're working on a public computer, you should delete all traces of your visit if you didn't use Guest mode.

First, sign out of Chrome by clicking the button in the upper-right corner that represents your Google account (see [Figure 16-5](#)) and then clicking the Sign Out button. Google signs you out of your Google account and Chrome.

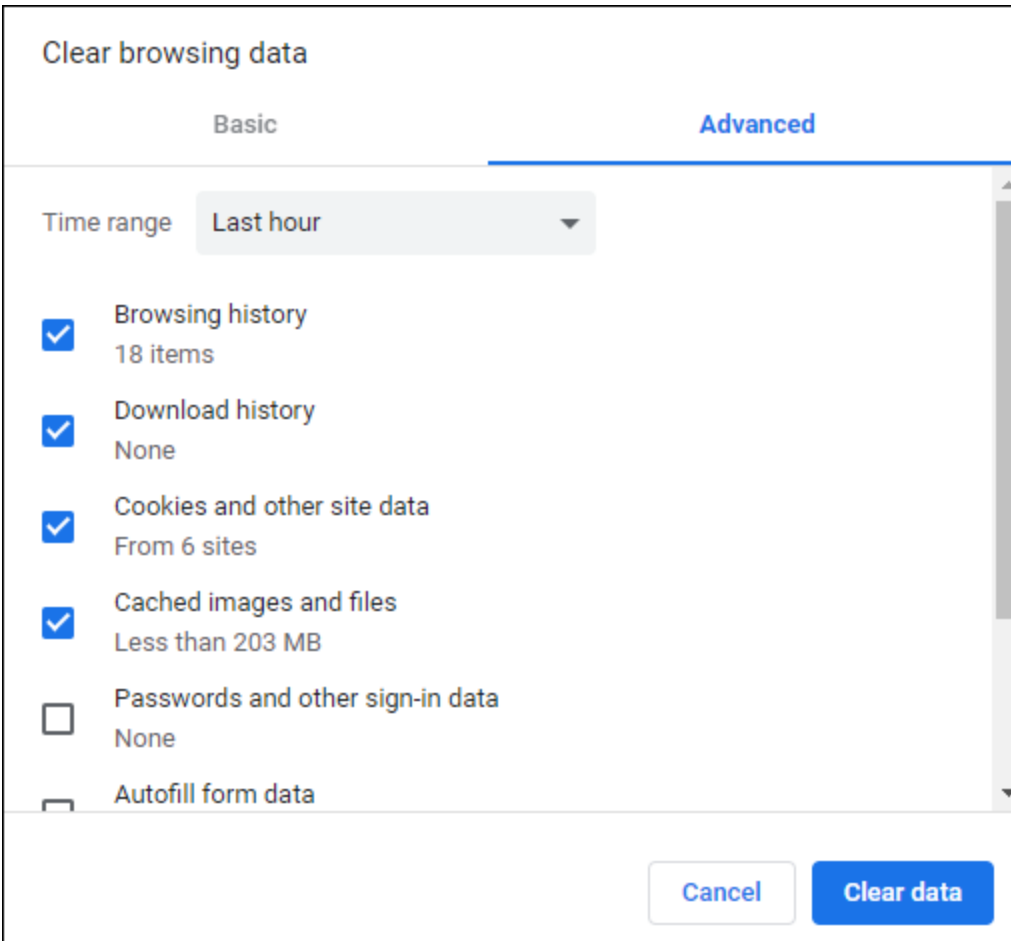
Click to see Google account sign-in information and sign out.



**FIGURE 16-5:** Click the icon that represents your Google account and then click Sign Out.

Then, follow these steps to eliminate all traces that you signed in:

1. **Click the Chrome Menu button to open the Chrome Menu (refer to [Figure 16-3](#) for the location of the Chrome Menu button).**
2. **Click More Tools, and then Clear Browsing Data.**  
The Clear Browsing Data dialog box appears (see [Figure 16-6](#)).
3. **Click the Advanced tab to view and select the items you want to delete.**  
Remember, if you're working on a public computer, you want to delete everything.
4. **Click Clear Data.**  
Chrome clears the elements you selected and redisplay the Settings page; you can now close the browser.



**FIGURE 16-6:** Use this dialog box to clear your browsing data from the local computer.

## *Using the Chrome Web Store*

You can enhance the capabilities of Chrome using web apps, plug-ins, and extensions such as calculators, ad blockers, or password managers. These browser-capable enhancers work like software you install on your computer, phone, or tablet, but they typically function within Chrome.

You can obtain web apps, plug-ins, and extensions from the Chrome Web Store found at

<https://chrome.google.com/webstore>. The Chrome Web Store provides tools you can use to search for web apps, plug-ins, and extensions.

## WEB APPS AND PLUG-INS AND EXTENSIONS, OH MY!

So what exactly is a web app and how does it differ from a plug-in or extension? Honestly, for the purposes of this book, you probably don't care. But, for better or for worse, here are some simple definitions:

- Web apps run inside your browser with their own dedicated user interface.
- Extensions, unlike web apps, do not typically have a user interface. Instead, they extend the functionality of Chrome and the websites you view using Chrome.
- Plug-ins are similar to extensions in that they extend functionality by helping Chrome process special types of web content, but a plug-in affects only the specific web page that contains it.

So, as you can see, each has a technical definition that distinguishes it from the others, but, for most of us, the bottom line is this: All of them enhance the capabilities of a browser by providing some functionality that the browser does not, inherently, provide.



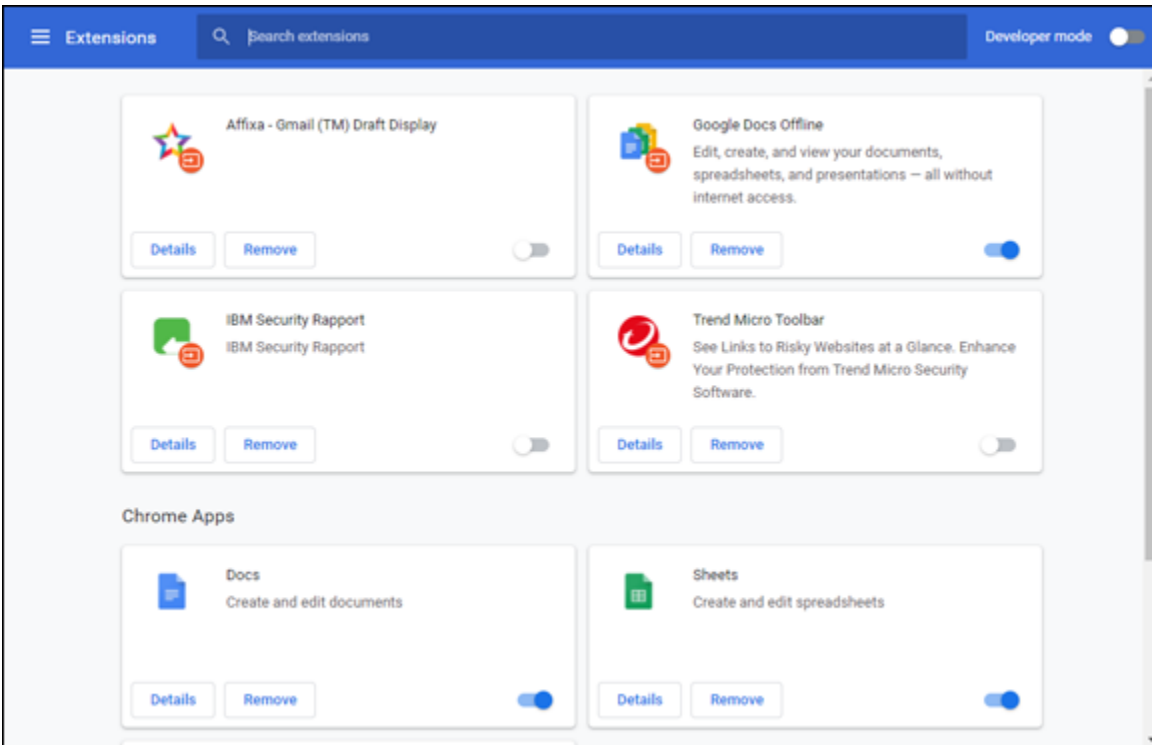
**WARNING** Download apps, plug-ins, extensions, or themes only from the Chrome store. Downloading from a random website may install a random dose of malware on your computer. Malware includes computer viruses, ransomware (software that hijacks your computer files until you pay a ransom, typically in Bitcoin), and other exploits. Web apps you install should appear on the New Tab page, from which you can launch them. You also can remove a web app by

right-clicking it on the New Tab page and then clicking Remove from Chrome.

Extensions run by default when you open Chrome. You can view a list of installed extensions from the Settings page. Choose Chrome Menu ⇒ More Tools ⇒ Extensions to display the installed extensions. In [Figure 16-7](#), you can see that we use an extension called Affixa that allows us to choose File, Share, As Attachment in programs such as Microsoft Excel and to have the blank email message appear in Gmail as a draft. Another example of an extension is 1Password, which is a cross-platform password manager that makes it easy to have secure and unique passwords for every account because you only have to remember one master password instead of hundreds of individual sets of credentials.

You might want to disable an extension if you suspect it is causing a conflict as you work; uncheck the Enabled check box beside the extension. If the extension proves to be the source of your problem, you can delete it by clicking the trash can icon beside it.





**FIGURE 16-7:** You can view and enable or disable extensions from the Settings page.



**TIP** If you click the Get More Extensions link at the bottom of the Extensions page, Chrome opens a new tab and takes you to the Chrome Web Store, where it displays, by default, available extensions.

Plug-ins enable certain types of web content that browsers can't process. When Chrome encounters a plug-in on a web page, Chrome allows the plug-in to perform its function. Learn more about managing plug-ins in [Chapter 17](#).

# Chapter 17

## Ten Ways to Use Chrome Effectively

---

### IN THIS CHAPTER

- » Setting and using a Home page in Chrome
- » Automatically opening Excel reports exported from QBO
- » Using keyboard shortcuts
- » Understanding Chrome, security, and privacy
- » Bookmarking pages you use regularly
- » Taking advantage of Chrome tabs
- » Setting up users
- » Controlling the size of text onscreen
- » Downloading and working with files
- » Understanding Chrome and mobility

[Chapter 16](#) helps you understand and work with the Chrome interface. This chapter introduces some browser tips and tricks that can make using Chrome easier and more effective both in general and specifically with QBO and QBOA.

## *Setting a Home Page*

Many browsers sport a button that you can click to return to your *Home page* — the page that appears when you open the browser. When you open Chrome, by default, the New Tab page appears. Although Chrome

doesn't show the Home page button by default, you can display it and also set a page that will appear when you click the Home page button. Note that Chrome doesn't display the page you set as the Home page when you open the browser; instead, the Home page appears when you click the Home page button.

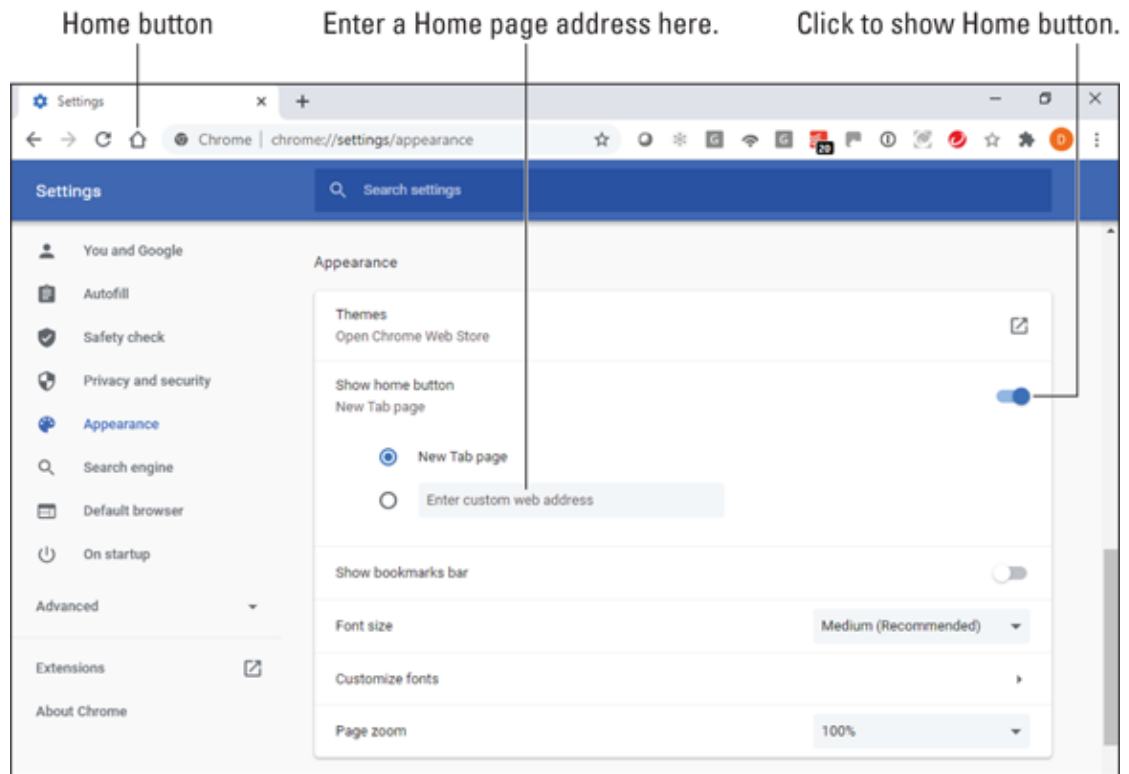
Before you begin the following steps, make sure you know the web address of the page you want to set as your Home page:

- 1. Choose Chrome Menu ⇒ Settings.**

The Settings tab appears.

- 2. In the Appearance section, click the Show Home button check box.**

The Home button appears between the Refresh button and the Omnibox (see [Figure 17-1](#)). At this point, Chrome defaults to opening the New Tab page whenever you click the Home button.



**FIGURE 17-1:** Adding the Home button and setting a Home page.

### 3. **Click Enter Custom Web Address and type a web address.**

Close the Settings tab (there's no "save" button or option; Chrome automatically saves your changes).

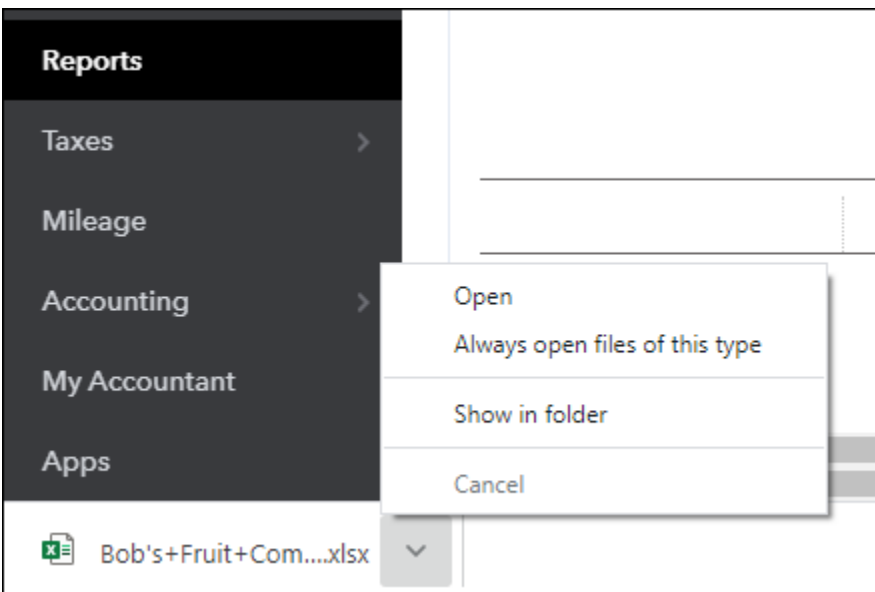
When you click the Home button, Chrome displays the page you set as your Home page.

If you open certain sites every time you start Chrome, such as [qbo.intuit.com](http://qbo.intuit.com), you can pin each page as a tab. See the section "[Duplicating and Pinning Tabs](#)," later in this chapter.

## *Automatically Opening Excel Reports Exported*

## *from QBO*

Just about every report in QBO can be exported to a Microsoft Excel workbook. To export a report to Excel, click the Export button that appears between the Print button and the Settings button just above the body of the report. The report will download and appear in the downloads bar in your browser. Instead of clicking on the filename to open the report, click the arrow to the right of the filename, and choose Always Open Files of This Type, as shown in [Figure 17-2](#). You'll still need to click the file one last time to open it, but from then on when you export a report from QBO it will launch in Excel automatically.



**FIGURE 17-2:** Choose Always Open Files of This Type to have exported reports open in Excel automatically.

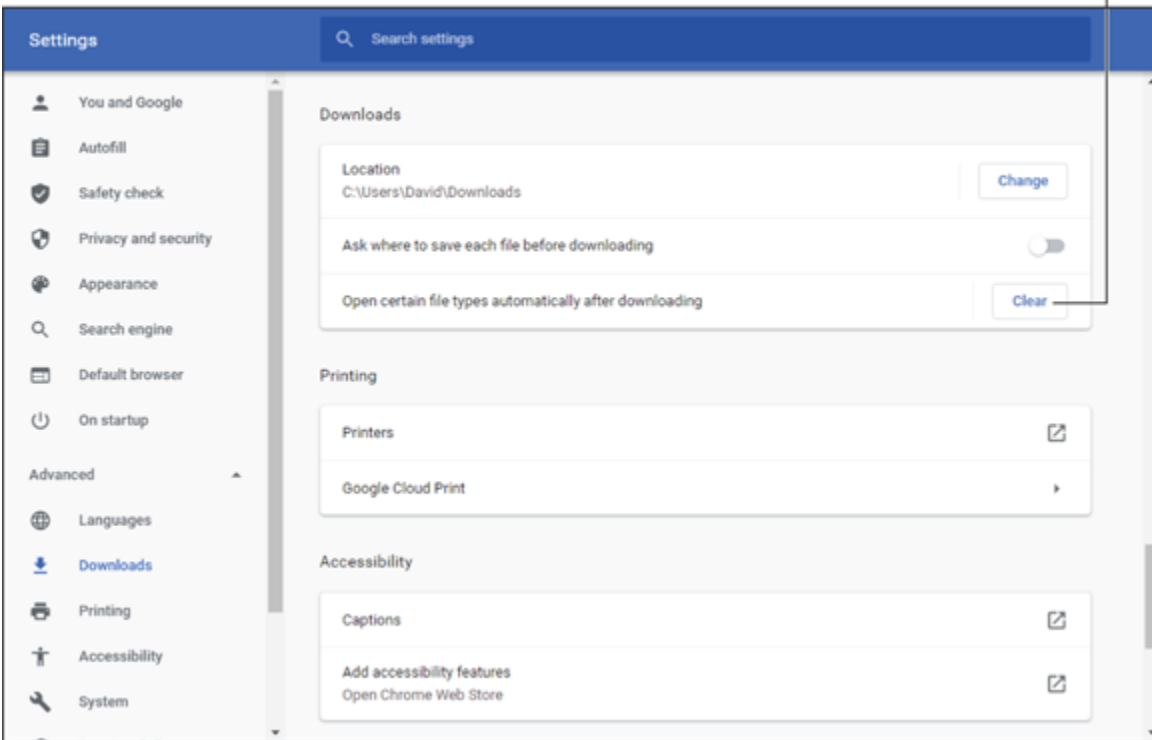


**TIP** By default, any reports from QBO that you open in Excel will typically launch in Protected View, which means you won't be able to edit the report until you

click Enable Content on Excel's Message Bar that appears above the worksheet. If you're prudent about the files that you download from the Internet, you can disable Protected View. To do so, in Excel choose File, Options, and then click Trust Center. Click the Trust Center Settings button to the right, and then click Protected View to the left. Clear the check box for Enable Protected View for Files Originating from the Internet and then click OK twice.

We can't imagine that you would turn this setting off after trying it, but you can do so if you decide you'd rather not have Excel files launch automatically. As shown in [Figure 17-3](#), choose Chrome Menu ⇒ Settings ⇒ Advanced ⇒ Downloads, and then click the Clear button adjacent to Open Certain File Types Automatically after Downloading. The Clear button is only available when you've previously set one or more file types to open automatically.

Click here to turn off the automatic opening of Excel files.



**FIGURE 17-3:** Manage the location of your downloads, as well as the ability for downloads to open automatically, in the Downloads section.

## *Using Keyboard Shortcuts*

Bookkeeping and accounting work is often rife with repetitive tasks, which you can streamline by using keyboard shortcuts. A comprehensive list of Chrome keyboard shortcuts is available at [support.google.com/chrome/answer/157179](https://support.google.com/chrome/answer/157179), but we'll point out a few timesavers we like here. On a Mac, use the Command key in lieu of the Ctrl key shown here:

- » **Ctrl+W:** Close the current tab.
- » **Ctrl+Shift+T:** Use this shortcut to reopen tabs that you closed in the order that you closed them, which is helpful when you inevitably close the wrong tab.

- » **F11:** Display a webpage in full-screen mode, which hides the tabs, address bar, and bookmarks bar. Press Escape at any point to close full-screen mode.
- » **Ctrl-F or F3:** Search the text of a web page, which is particularly useful when you're trying to find a piece of information within a QBO report or help screen.
- » **Space:** Tap the space bar to scroll down one screen at a time on a webpage. Press Shift-spacebar to scroll up one screen at a time.

## *Chrome and Security*

Chrome includes several tools that help to keep you safe online. As you are no doubt aware, bad things can happen as you browse the Internet. You can run into *phishing* schemes, where someone tries to trick you into sharing personal or sensitive information, usually through a fake website, some of which look extremely genuine. You also can run into websites that have been hacked and contain *malware* that tries to install itself on your computer, often without your knowledge; malware usually tries to harm you and your computer in some way, from simply messing up your computer's behavior to trying to steal information.

Chrome includes technology, enabled by default, that helps protect you from phishing schemes and malware, displaying a warning whenever you visit a potentially dangerous page.

Chrome also uses a technique called *sandboxing* to open websites. Sandboxing isolates computer processes from anything else happening on the machine. If a sandboxed process crashes or becomes infected with malware, the rest of your computer remains unaffected. Each tab in Chrome opens as a separate process, completely



independent of other tabs. If a website contains malware, the sandboxing technique isolates the malware to that browser tab; the malware can't jump to another Chrome tab or to your computer. You eliminate the malware threat when you close the infected website's browser tab.

However, hackers can gain access to your computer by using *plug-ins*, which are small add-on programs for browsers. Because they are add-on programs, plug-ins can become out of date and hackers can use them to try to introduce malware onto your computer. Adobe Flash Player is one of the most popular browser plug-ins; it is used most often to view video content. Out-of-date versions of Adobe Flash Player are also notorious for introducing malware into computers. Chrome reduces the threat that Adobe Flash Player poses by directly integrating it into Chrome. Because of this integration, updates for Adobe Flash Player are included in Chrome updates.

Chrome also regularly checks for the latest security update without any action on your part. By integrating Adobe Flash Player and regularly checking for security updates, Chrome greatly reduces the danger of malware infection.

To view the default security measures, you can follow the next steps:

- 1. Choose Chrome Menu ⇒ Settings.**

Don't change security settings unless you really know what you're doing.

- 2. Scroll to the bottom of the page and click Advanced.**

- In the Privacy and Security section, the Safe Browsing option warns you if Chrome detects

that the site you're trying to visit might contain phishing or other malware.

- The Manage Certificates option enables you to manage various HTTPS/SSL certificates and settings.

## *Chrome and Privacy*

Chrome enables you to control the information you share online. For example, you can change your privacy settings, delete your browsing history, and browse in Incognito mode. To adjust privacy settings, follow these steps:

1. **Choose Chrome Menu ⇒ Settings.**
2. **Scroll to the bottom of the Settings page and click Advanced.**
3. **In the Privacy and Security section, click Content Settings.**

Chrome displays a variety of changes you can make. Below, we're going to list the settings you might be most likely to change. If we don't cover a setting you want to change, you can search for help on that setting at <https://support.google.com/chrome/>.

### *Handling cookies*

You can control how Chrome handles *cookies*. Nope, we're not talking chocolate chip or oatmeal raisin here, but rather the tiny files websites place on your computer for the purpose of recognizing your specific browser/computer combination if you return to the site. Chrome allows cookies by default, because they are typically harmless, but cookies can allow sites to track your navigation during your visit to those sites. Cookies

can be beneficial to you, such as by remembering your user ID for a given website, or by hanging on to items you leave in a shopping cart for later.



**TIP** *Third-party cookies* are cookies placed on your computer by one website for some other website. To increase privacy, most people block third-party cookies. That way, only the website you visit — and not any of its affiliates — knows about you and your browsing habits. Third-party cookies are typically used to mine data about you to determine which advertisements you're shown on the Internet.

## ***Chrome and JavaScript***

You can control whether Chrome runs JavaScript, which web developers often use to make their sites more interactive. If you disable JavaScript, you might find that some sites don't work properly.

## ***Flash***

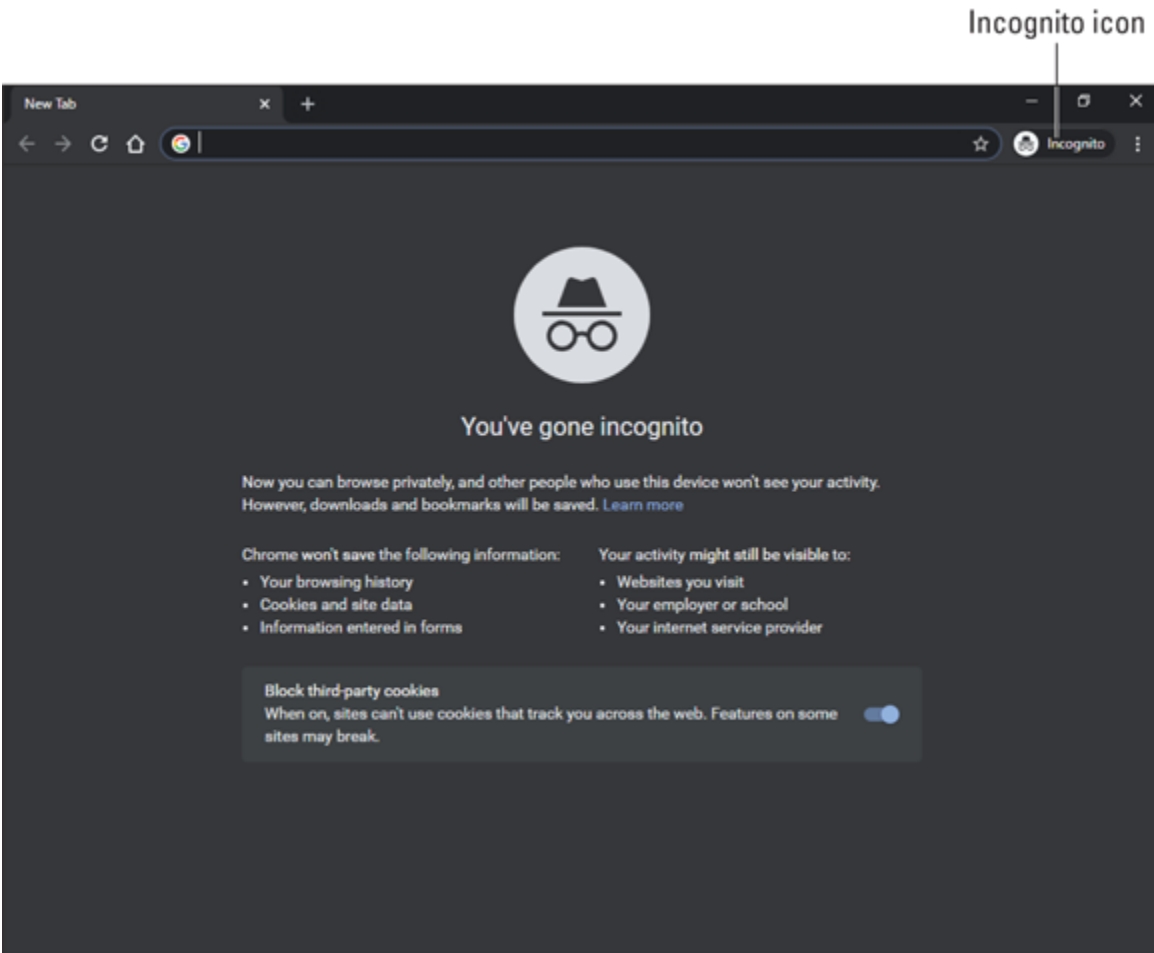
Plug-ins such as Adobe Flash Player appear on specific websites and are used by website developers to process web content that browsers can't inherently handle. Chrome sets the Flash option for each session of Chrome and retains the setting until you quit Chrome. Chrome's recommended setting for Flash is to ask you first before allowing Flash to run.

## ***Working in Incognito mode***

If you work in *Incognito mode*, you can browse the web without recording a history of the websites you have visited and without storing cookies. Using Incognito mode doesn't make Chrome more secure; it simply enhances your privacy by preventing Chrome from

keeping a record of the sites you have visited during that particular browsing session. Even in Incognito mode, you shouldn't visit websites that you wouldn't feel safe viewing in a regular Chrome window.

To use Incognito mode, choose Chrome Menu ⇒ New Incognito Window. A new instance of Chrome opens; notice that two buttons for Chrome appear on the Windows taskbar. The new Chrome instance displays an Incognito window like the one shown in [Figure 17-4](#), and the Incognito icon appears in the upper-right corner of the browser window, immediately to the left of the Chrome menu. You use an Incognito window the same way that you use the regular Chrome window; while you work, Chrome doesn't record a history of the sites you visit nor does Chrome allow sites to store cookies on your computer.



**FIGURE 17-4:** An Incognito window.

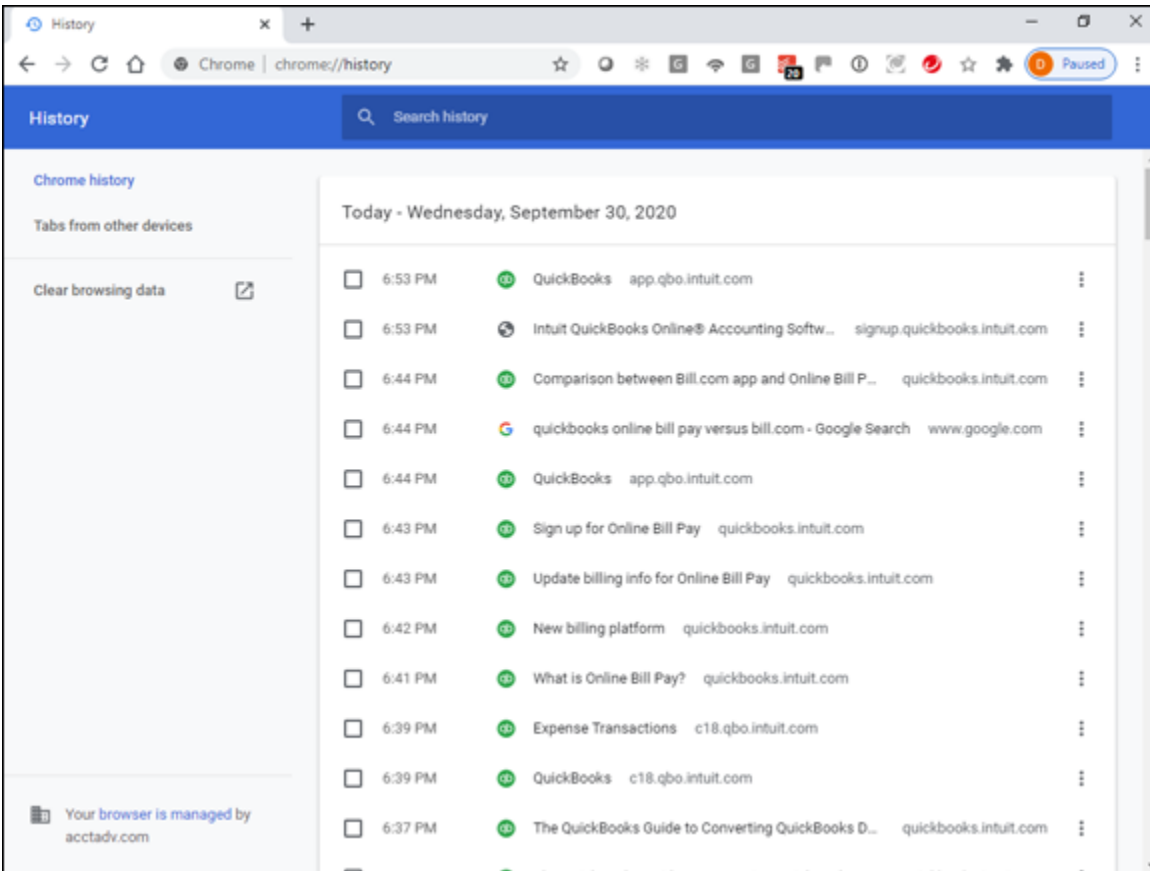
To stop browsing incognito, you must close the Chrome tab or tabs that are running incognito.

## ***Deleting browsing history***

Like all browsers, Chrome typically keeps track of the websites you have visited during each browsing session. Browsers save your browsing history, among other reasons, to decrease the time you wait to see a web page that you have previously visited. And browser history can help you return to a website you visited previously even though you can't remember the website's address.

To view your browsing history, choose Chrome Menu ⇒ History ⇒ History. A page similar to the one shown in [Figure 17-5](#) appears; your browsing history is organized

by date and time, with the most recent sites you visited appearing first. You can click any entry to redisplay that web page.



**FIGURE 17-5:** Use your browsing history to revisit a web page you visited previously.

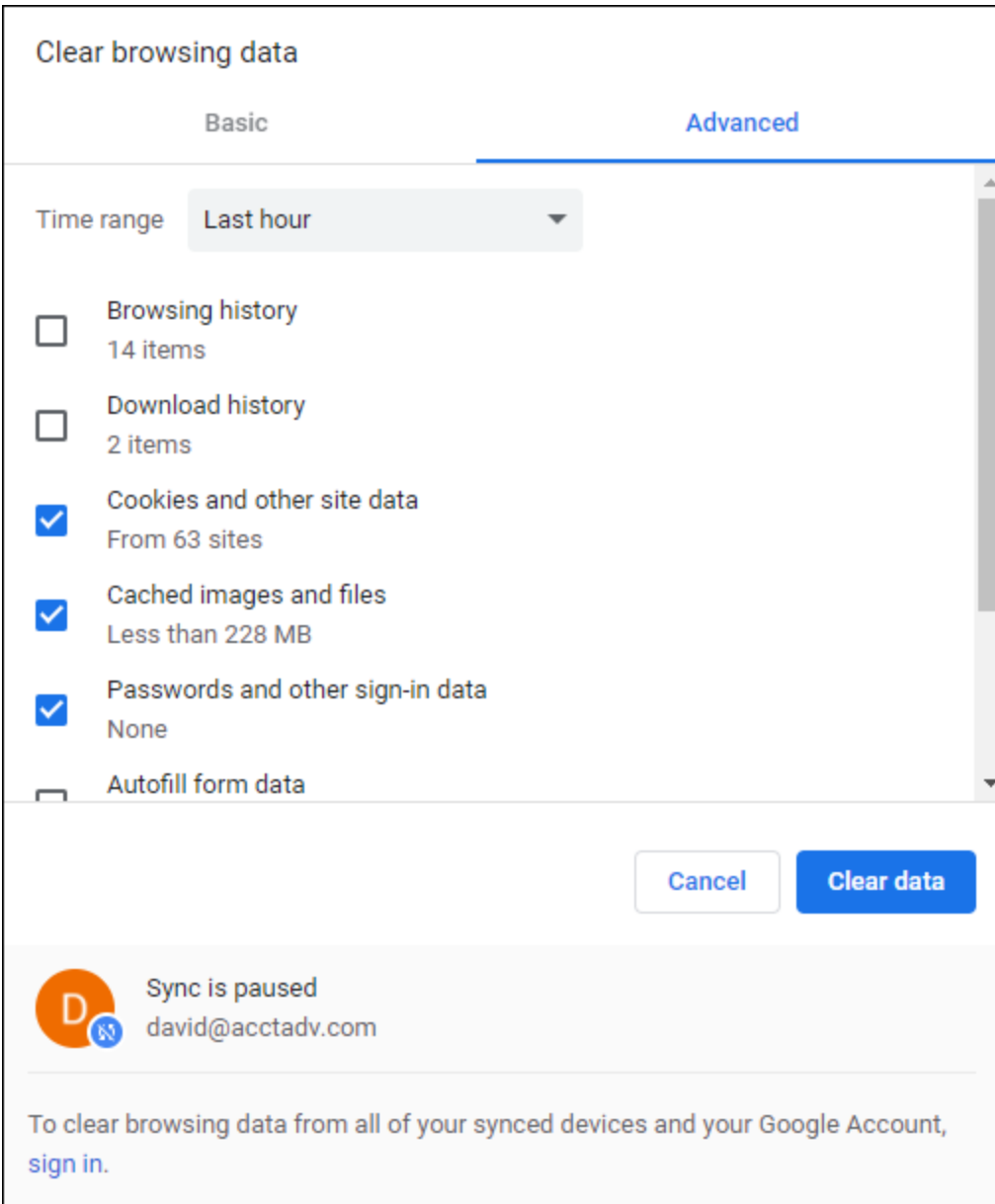
You also can delete all or only part of your browsing history, typically to maintain your privacy. To clear selected sites, click the check box beside each site; the number of sites you select appears in a bar across the top of the Chrome History page. To delete the selected sites, click Delete at the right end of the bar.

To clear all (or selected portions) of your browsing history, click the Clear Browsing Data link on the left side of the Chrome History page. The dialog box shown in [Figure 17-6](#) appears; you can choose the type of data

you want to delete and the timeframe over which to delete that data.



**REMEMBER** If you delete all of your cookies, you might need to re-identify yourself at websites where you were previously “known,” such as your bank’s website. The process involves getting a code from the website and entering it, typically along with your password at that site, so that you can verify that you are, indeed, the user the website thinks you are.



**FIGURE 17-6:** Use this dialog box to delete browsing history.

## ***Reviewing miscellaneous privacy settings***

In addition to the settings previously described in this section, you can control the way Chrome handles the following situations; the following list describes Chrome’s default behavior:



- » Chrome asks for permission whenever a website wants to use your location information.
- » Chrome asks for permission whenever a site wants to automatically show notifications on your computer desktop.
- » Chrome asks for permission whenever sites or apps want access to USB devices.
- » Chrome asks for permission whenever websites request access to your computer's camera and microphone.
- » Chrome asks for permission if a website wants to bypass Chrome's sandbox technology and directly access your computer.
- » Chrome blocks pop-ups from appearing and cluttering your screen.

To use Chrome (or any browser) effectively with QBO and QBOA, you cannot block *all* pop-ups. Using Chrome, you can turn on pop-ups selectively for any website. Follow these steps:

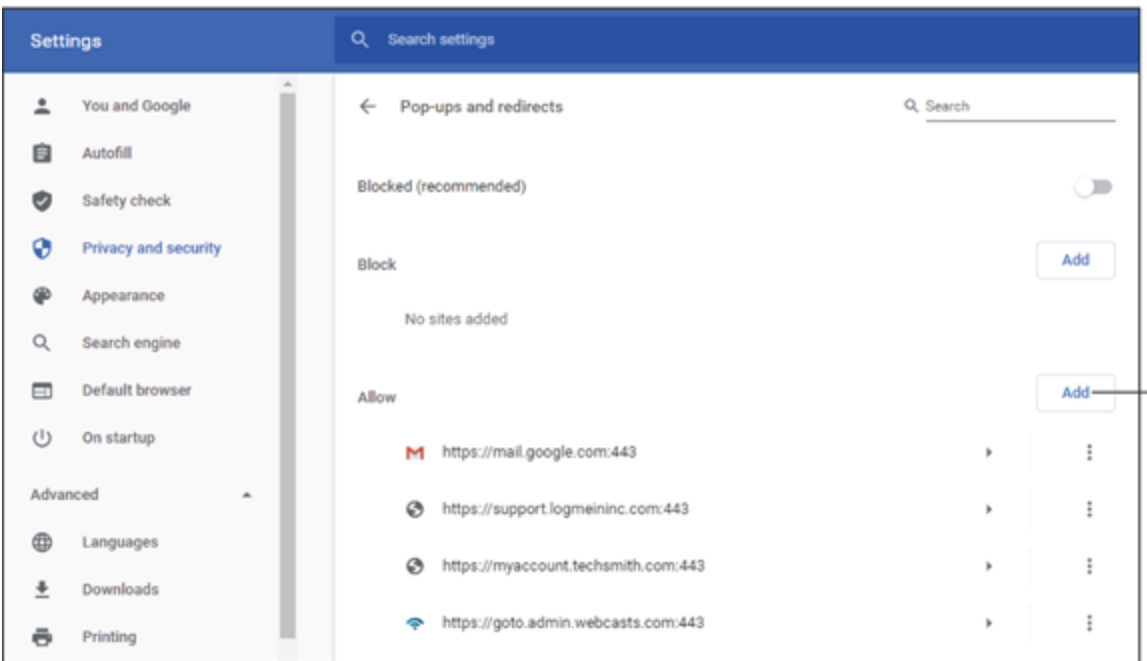
1. **Click Chrome Menu ⇒ Settings.**
2. **Click Advanced.**
3. **In the Privacy and Security section, click the Site Settings button.**
4. **On the Site Settings page, scroll down, find, and click Pop-ups and Redirects.**

The page where you manage pop-up exceptions appears (see [Figure 17-7](#)).

5. **Click Add to display the Add a Site dialog box.**
6. **Type the address of the site you want to add.**
7. **Click Add.**

## 8. Repeat Steps 5 to 7 for each website on which you want to permit pop-ups.

Click here to add websites whose pop-ups you want to allow.



**FIGURE 17-7:** Use this page to identify websites whose pop-ups you want to allow or deny.

## *Using Google tools to manage privacy*

Although Google can collect a lot of information about you, you can control just how much information it collects using its privacy management tools. Sign in to your account at [account.google.com](https://account.google.com); from this website, you can, for example, use the Ads Settings to adjust the ads Chrome shows you.

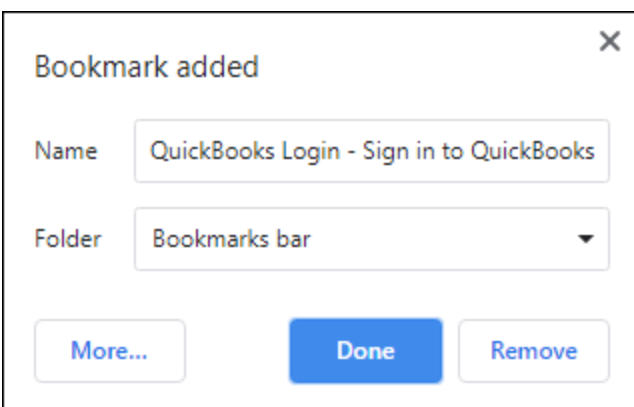
## *Using Bookmarks in Chrome*

*Bookmarks* enable you to save a web page address so that you can easily return to it. In this section, you learn to

- » Create a bookmark.
- » Use a bookmark to display its associated web page.
- » Display the Bookmarks bar in Chrome to make bookmarks more accessible.
- » Organize bookmarks by renaming them, placing them into folders, changing the order in which they appear when you view bookmarks, and deleting bookmarks you no longer need.

## ***Creating a bookmark***

Creating a bookmark is easy. First, navigate to the web page you want to bookmark. For example, you might want to bookmark the QBO or QBOA sign-in page. Then click the Bookmark This Page button (the one that looks like a star) at the right edge of the Omnibox, press Ctrl+D, or choose Chrome Menu ⇒ Bookmarks ⇒ Bookmark This Page. The Bookmark Added dialog box appears (see [Figure 17-8](#)).



**FIGURE 17-8:** This dialog box appears when you create a bookmark.



**WARNING** Our technical editor Dan pointed out that bookmarks created within QBO are often specific to a given QBO company. To create a universal bookmark that works across QBO companies, click the More button shown in [Figure 17-8](#), and then edit the URL to remove the company identifier. For instance, remove c18 from the URL

<https://c18.qbo.intuit.com/app/tags>

so that it becomes

<https://qbo.intuit.com/app/tags>

You can then use the bookmark across all QBO companies. Keep in mind some URLs in QBO require the company ID in order to work properly. The Tags page is one that comes to mind.

You can change the bookmark's name (we shortened ours) and the folder in which Chrome stores it. By default, Chrome offers two folders:

- » The Bookmarks bar folder and
- » The Other Bookmarks folder.

Choose one of these folders, click Done, and Chrome saves your bookmark. All bookmarks you create appear at the bottom of the Bookmarks menu; choose Chrome Menu ⇒ Bookmarks to see them. If you place the bookmarks you use most often on the Bookmarks bar, they can be easily visible and available for use, as you'll see in the next section.

So, logically, because you're an organized human being, you want to know if you can create your own folders and

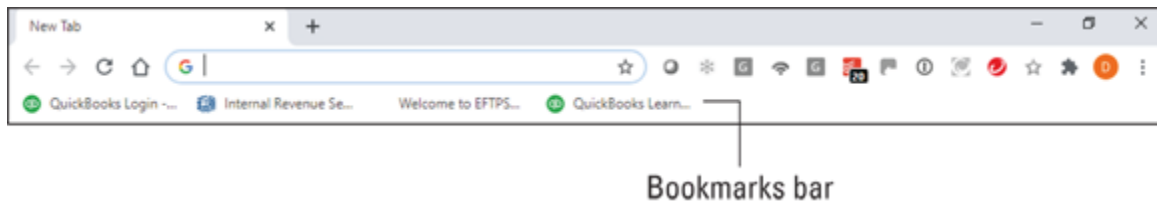
organize your bookmarks using your organizational style. Yes, you can, using the Bookmark Manager, and you can read more about the Bookmark Manager later in this chapter in the section “[Managing bookmarks](#).”



**REMEMBER** Bookmarks can “break” and display “page not found” messages (error code 404). If this happens, manually navigate to the page and save the bookmark again, overwriting the original bookmark, or delete the bookmark if a given website or page is no longer available.

## *Displaying the Bookmarks bar*

By default, Chrome saves your bookmarks to the Bookmarks bar, which appears just below the Omnibox every time you open the New Tab page (see [Figure 17-9](#)).

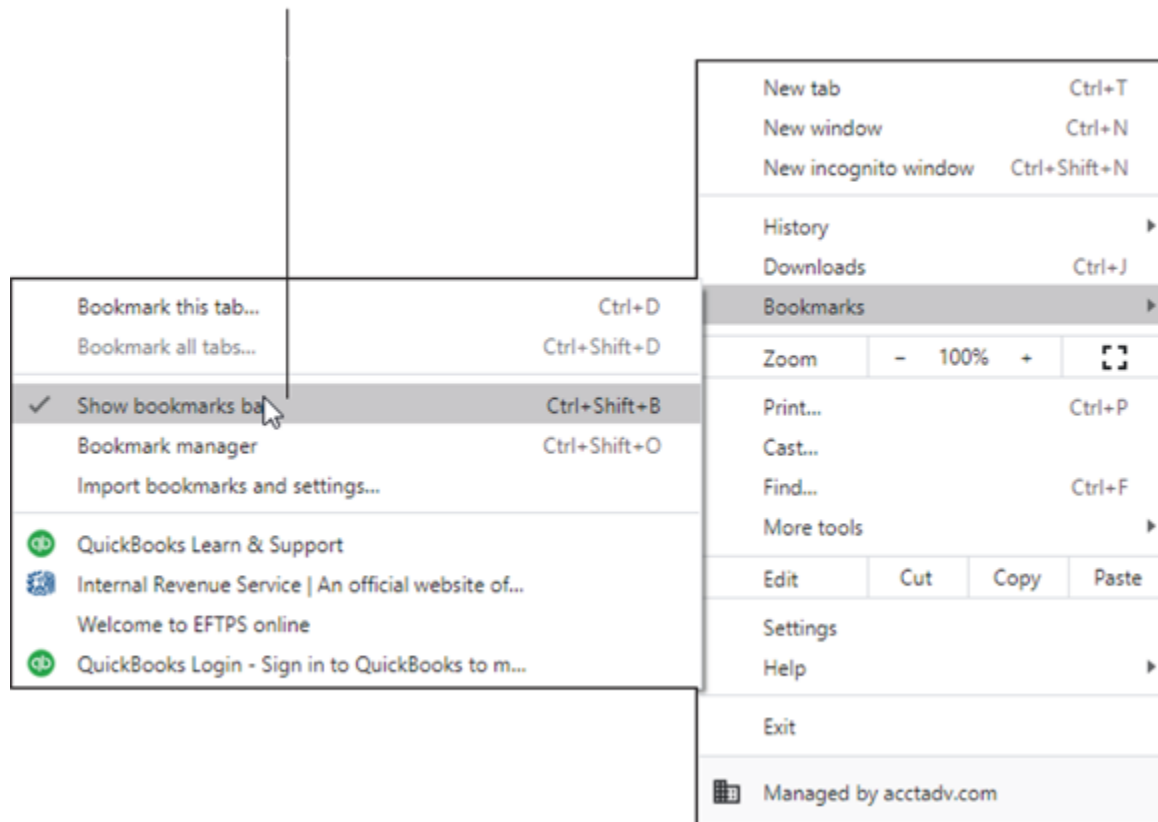


**FIGURE 17-9:** Take advantage of the Bookmarks bar.

The Bookmarks bar makes using bookmarks faster and easier because bookmarks are always visible. You can simply click the appropriate bookmark on the Bookmarks bar to display its associated web page.

To take full advantage of the Bookmarks bar, you should display it on all Chrome tabs (rather than just the New Tab tab). Press **Ctrl+Shift+B** or choose **Chrome Menu ⇒ Bookmarks ⇒ Show Bookmarks bar** (see [Figure 17-10](#)).

Click to show the Bookmarks bar on all tabs.



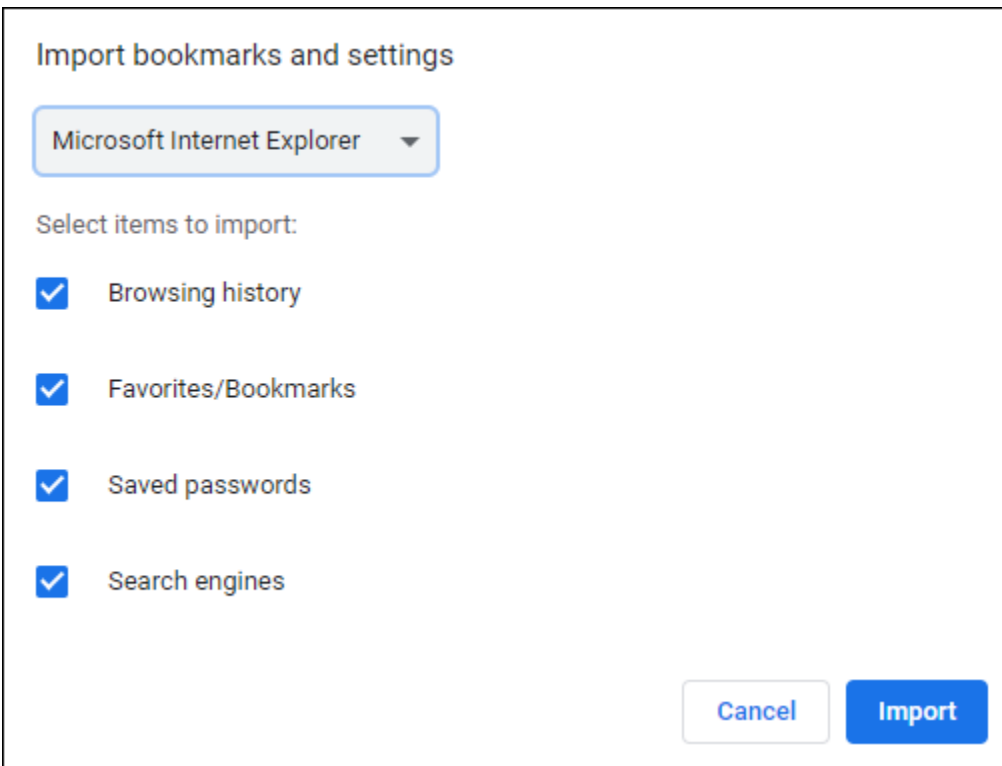
**FIGURE 17-10:** Opt to display the Bookmarks bar on all tabs in Chrome.

Chrome displays as many bookmarks as possible on the Bookmarks bar, based on the names you give to your bookmarks: the shorter the name, the more bookmarks Chrome can display. But, you can easily get to the bookmarks you can't see by clicking the small button containing two right-pointing arrows at the right edge of the Bookmarks bar.

## ***Importing bookmarks***

If you've been working in a different browser and want to copy your bookmarks from that browser to Chrome, no problem. Choose Chrome Menu ⇒ Bookmarks ⇒ Import Bookmarks and Settings. The Import Bookmarks and Settings dialog box appears (see [Figure 17-11](#)).

Select the browser from which to import bookmarks and settings and select or deselect the check boxes beside the items you want to import; different browsers offer different importing options. Then, click Import, and Chrome imports the information. The imported bookmarks appear in a folder on the Bookmarks bar, and you can use the Bookmark Manager, described in the next section, to reorganize these bookmarks.



**FIGURE 17-11:** Use this dialog box to identify what you want to import.

## ***Managing bookmarks***

If you're like us, you'll learn to love bookmarks — perhaps to your detriment. As you accumulate bookmarks, finding them to be able to use them becomes a project. You have a few avenues available to you:

- » You can organize your bookmarks by repositioning them on the Bookmarks bar and on the list of

bookmarks on the Bookmarks menu (choose Chrome Menu ⇒ Bookmarks).

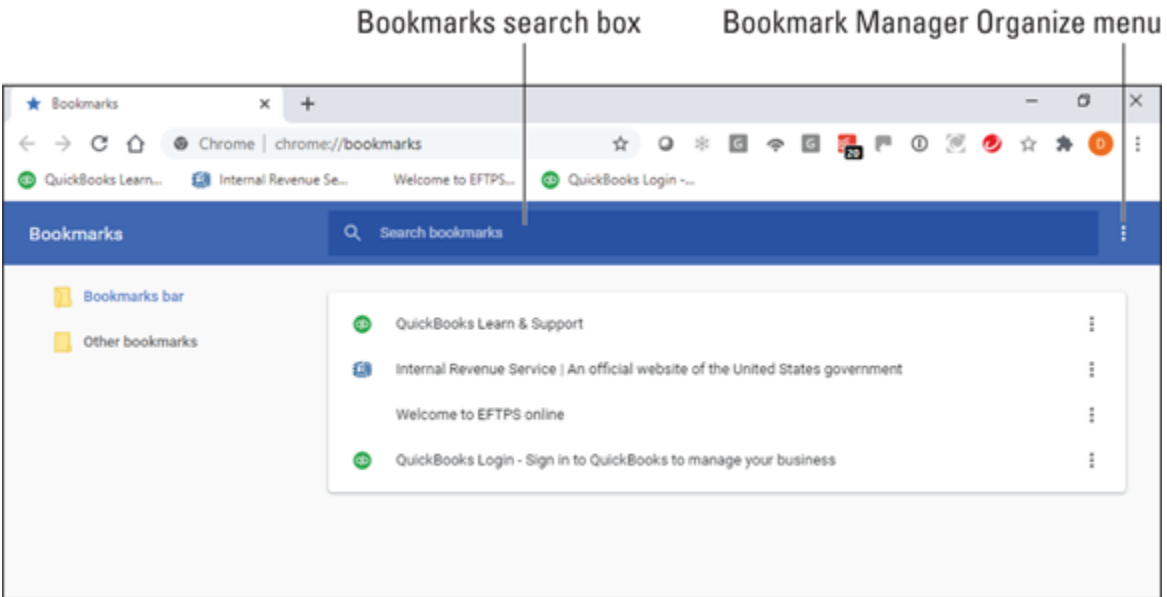
- » You can create folders for your bookmarks and place bookmarks in the appropriate folder.
- » You can search for a bookmark.

To reposition bookmarks, you can drag them on the Bookmarks bar or on the list of bookmarks that appears at the bottom of the Bookmarks menu. A black line (vertical if you're dragging on the Bookmarks bar or horizontal if you're dragging on the list of bookmarks) helps you locate the new position for the bookmark; simply release the mouse button when the bookmark appears where you want it to appear.

You also can use the Bookmark Manager to reorder bookmarks; in addition, using the Bookmark Manager Organize menu, you can create folders and organize bookmarks into those folders, delete bookmarks and folders you no longer need, rename bookmarks, and search for bookmarks.

To open the Bookmark Manager, choose Chrome Menu ⇒ Bookmarks ⇒ Bookmark Manager. A page like the one shown in [Figure 17-12](#) appears.





**FIGURE 17-12:** The Bookmark Manager.



**TIP**

The Bookmark Manager window works the same way that Windows Explorer and File Explorer work; if you're familiar with Windows Explorer or File Explorer, you already know many of the techniques you use to organize bookmarks.

The left pane displays existing folders, and the right pane shows the bookmarks in the folder you select in the left pane. You use the Organize button at the right edge of the Bookmark Manager window to make organizational changes.



TIP

To delete any bookmark or folder except the Bookmarks bar folder and the Other Bookmarks folder, click the bookmark or folder and then press the Delete key on your keyboard. Nope, you can't delete the Bookmarks bar folder or the Other Bookmarks folder.

You can use folders to organize bookmarks; we like to organize our bookmarks by subject. Although you can add new folders to the Other Bookmarks folder at the bottom of the list on the left, we suggest that you confine your organization to the Bookmarks bar folder. You can compare keeping all your bookmarks on the Bookmarks bar to owning only one file cabinet. The cabinet has multiple drawers (folders, in this analogy), but you need to search only one cabinet to find what you need. Finding a particular bookmark will be easier if you use only the Bookmarks bar folder.

To create a new folder on the Bookmarks bar, open the Bookmark Manager Organize menu and choose Add Folder. Type a name for the new folder, and press Enter.

When you create a new bookmark that you want to place in this folder, select this folder in the Folder list box of the Bookmark Added dialog box (refer to [Figure 17-8](#)).

To add an existing bookmark to a folder, click the bookmark on the right side of the Bookmark Manager window and drag it to the appropriate folder on the left side of the Bookmark Manager window.

To reorder bookmarks or folders, drag the bookmark or folder up or down in the list on either side of the Bookmark Manager window. That is, you can drag folders in the left side of the window and bookmarks or

folders in the right side of the window. A horizontal black line appears as you drag and helps you locate the new position for the bookmark or folder; release the mouse button when the bookmark or folder's black line appears at the correct location in the list.

To rename any folder or bookmark, right-click it and choose Edit from the menu that appears. Then, type a new name and press Enter.

Suppose that, after this wonderful organizing you've done, you can't remember where you put a particular bookmark. No problem. Use the Bookmarks Search box (refer to [Figure 17-12](#)). Type an address or search term into the Search box and press Enter. Chrome displays any bookmarks that match the address or search term. To cancel the search and redisplay all your bookmarks, click the X that appears in the Search box.

When you finish working in the Bookmark Manager window, click the X that appears in the tab's name.

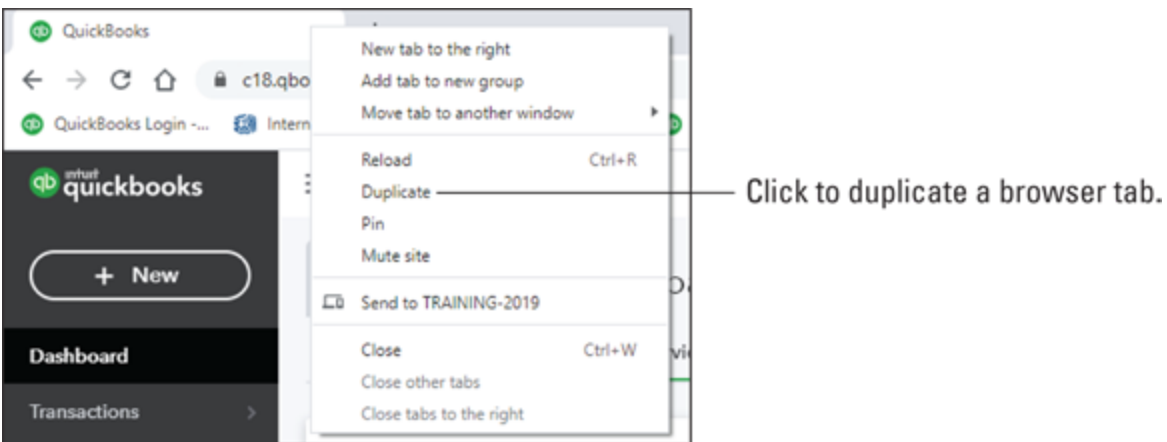
## ***Duplicating and Pinning Tabs***

[Chapter 16](#) describes how to open multiple tabs as you browse in Chrome and how to reposition tabs within the Chrome window.

At times, you might find it useful to duplicate a QuickBooks company tab you've already opened so that you have that tab open twice — or, so that you can open two different tabs for the same company simultaneously. To duplicate any tab, right-click the tab and choose Duplicate from the shortcut menu that appears (see [Figure 17-13](#)). Chrome automatically opens another tab using the web address of the duplicated tab. You can

then work on the tabs independently of each other, switching to different tabs in the same company.

You might also find it useful to *pin* a particular Chrome tab; pinned tabs open automatically whenever you start Chrome. To pin a tab, right-click the tab and choose Pin Tab from the shortcut menu that appears (refer to [Figure 17-13](#)).



**FIGURE 17-13:** Duplicate a browser tab in Chrome.



**TIP** If you decide you no longer want a pinned tab to appear each time you open Chrome, right-click the pinned tab and click Unpin Tab from the menu that appears. As you might expect, the Unpin Tab command appears only if you previously pinned the tab.

## ***Using Chrome on Multiple Monitors***

Here's another tab-related trick: If you have more than one monitor, you can pull one tab out of the Chrome window and drag it to your other monitor so that you can

work in QBO/QBOA on multiple screens. Again, because tabs in Chrome function independently, the work you do in each window is independent of the other.

To pull a tab, click and drag the tab; a preview of the new window appears. Release the mouse button and the tab appears in a new window onscreen. If you didn't drag the tab to a different monitor, no problem. Just drag the new window by its title bar to your second monitor — or beyond if you have three or more monitors.



TIP

For many computer users, multiple monitors offer increased efficiency. For instance, imagine having the QBO Bank Reconciliation page open on one monitor and your online bank statement on the other. Many accounting tasks entail transcribing information from one place, say a bill that's been emailed to you, into QBO. You can certainly switch between tabs and screens on a single monitor, but using multiple monitors often results in an immediate productivity boost.

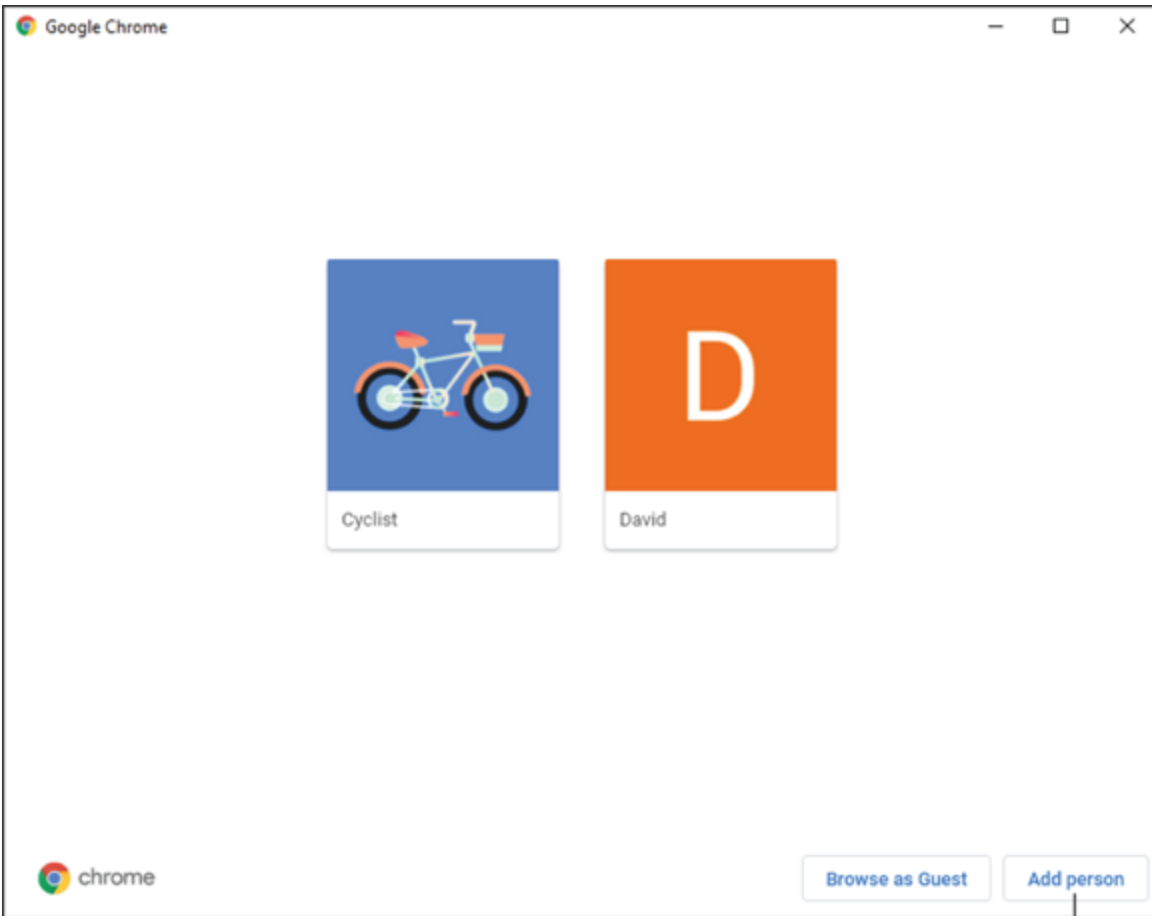
## ***Working with Chrome Users***

In [Chapter 16](#), we explain that you can set up and use multiple users, each of whom can have different Chrome settings. At that time, we promised that we'd show you how to set up multiple Chrome users — and, here we are.

### ***Adding a Chrome user***

If you want to log in to two different QBO companies from a single QBO account, you can use different

Chrome users. To create a user, choose Chrome Menu ⇒ Settings to display the Settings tab. In the People section, click Manage Other People to display the dialog box shown in [Figure 17-14](#).



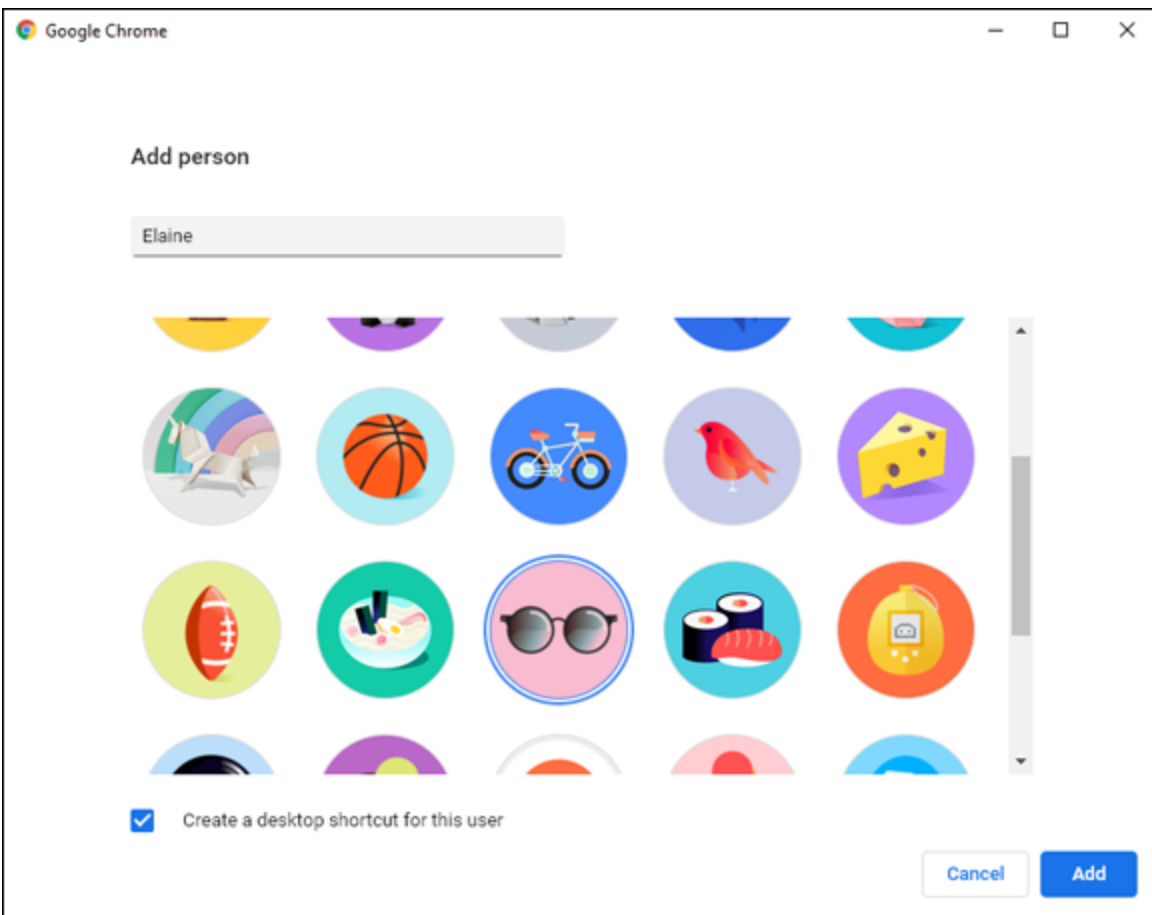
Click here to add a user.

**FIGURE 17-14:** Use this dialog box to start the process of adding a user.

Click Add Person in the lower-right corner to display the dialog box shown in [Figure 17-15](#). Enter a name for the user and select an icon for the new user; the icon appears in the Current User button in the upper-right corner of the Chrome window, and the username appears when you click the Current User button. Optionally, you can create a desktop shortcut for the user so that the

user can quickly and easily open his or her own version of Chrome. Then click Add.

Another instance of Chrome opens, and you'll see two buttons on the Windows taskbar. You can identify the current user by looking at the Current User button in the upper-right corner of the browser, and you can easily switch from one user to another.

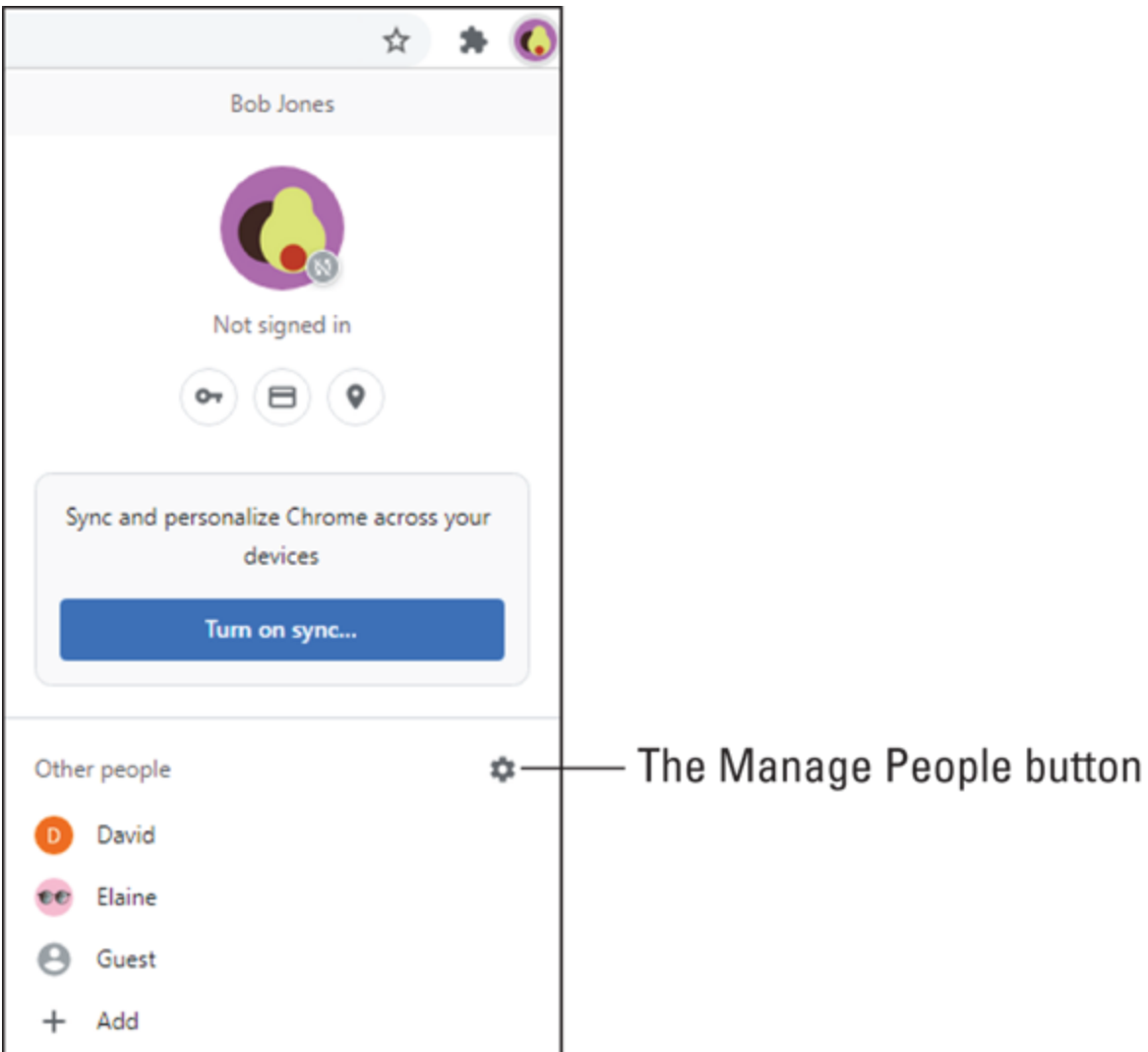


**FIGURE 17-15:** Establish settings for the new user.

## ***Opening a different user***

Say that you have opened only one instance of Chrome, so only one button appears on the Windows taskbar. To open a different user, click the Current User button, and Chrome displays a window listing the currently defined

users (see [Figure 17-16](#)); click one or click Manage People to go through the process of creating a new user.



**FIGURE 17-16:** To initiate switching users, use the Current User button.

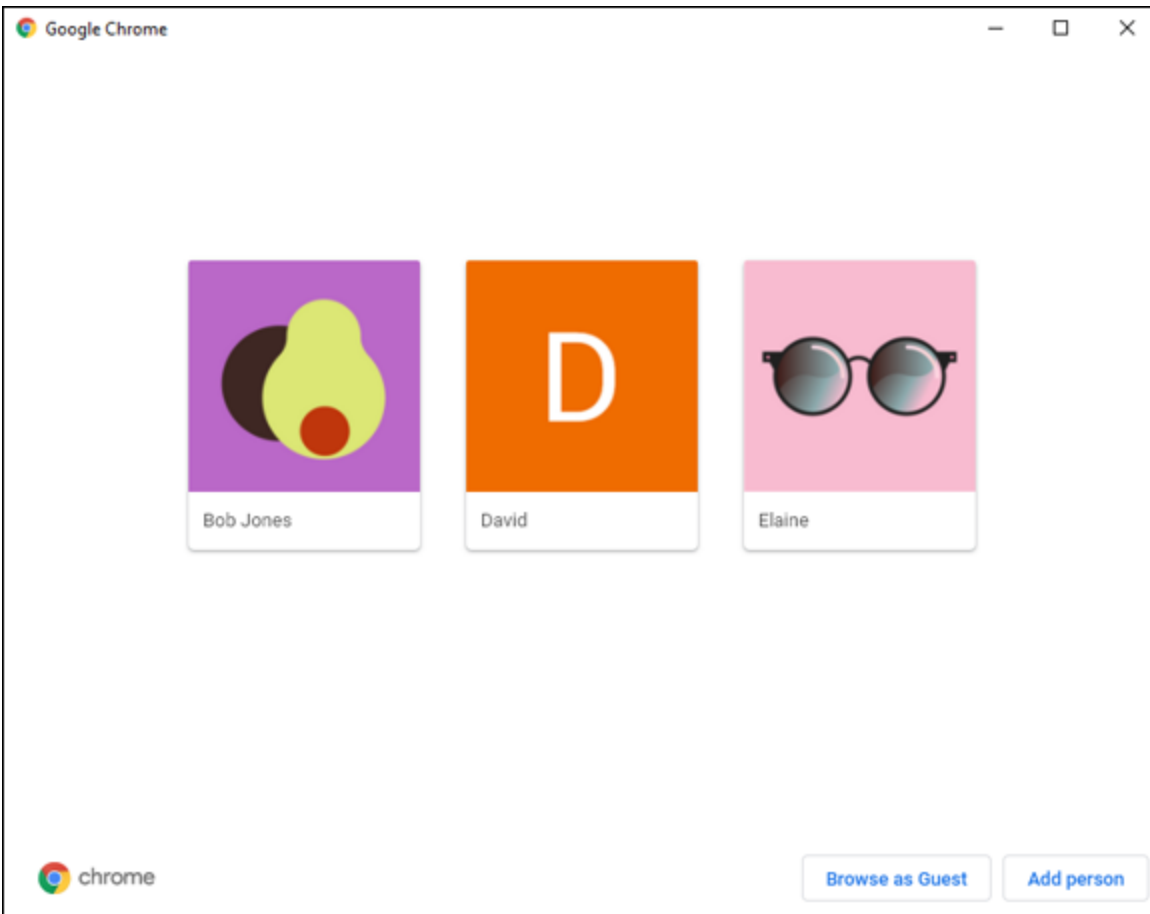
Assuming you select an existing user, Chrome opens a new browser window for that user. If you don't maximize Chrome, you can easily see the open windows.

### ***Switching to a different user***

To switch users — that is, to stop using one user and start using another — click the Current User button and choose the last command on the menu to exit from the currently opened user. Chrome then displays a window



similar to the one shown in [Figure 17-17](#). Click a user to open a Chrome window for that user.



**FIGURE 17-17:** Use this window to select a Chrome user.

## ***Removing a user you no longer need***

When you move the mouse pointer over any user's picture in the dialog box shown in [Figure 17-17](#), a menu of three small dots appears in the upper-right corner of the user's picture. To remove a user, follow these steps:

- 1. Click the Current User button.**
- 2. Click Manage People (which looks like a gear).**  
A window like the one shown in [Figure 17-17](#) appears.
- 3. Slide the mouse pointer over the icon of the user you want to remove.**

A menu icon (three vertical dots) appears.

4. **Click the menu icon.**

5. **Click Remove This Person.**

Chrome asks you to confirm.

6. **Click the Remove This Person button.**

Chrome removes the user.

## *Zooming In and Out*

There are times when tired eyes need help; fortunately, you can zoom in and out of Chrome's windows easily. Press Ctrl++ (plus sign) one or more times to make the information in the window larger (known as *zooming in*) and Ctrl+- (minus sign) one or more times to reduce the size of the information in the window (you guessed it: *zooming out*). You can zoom into a page as much as 500 percent or zoom out to as much as 25 percent.



**WARNING** Be aware that, whereas zooming is great for enlarging text, zooming can also alter how web pages appear, even to the point of hiding content that would otherwise be visible. So, if something seems to be missing, try resetting the zoom factor to 100%. To do so, click the Chrome Menu and then use the - or + buttons for the Zoom command to adjust the zoom back to 100 percent.

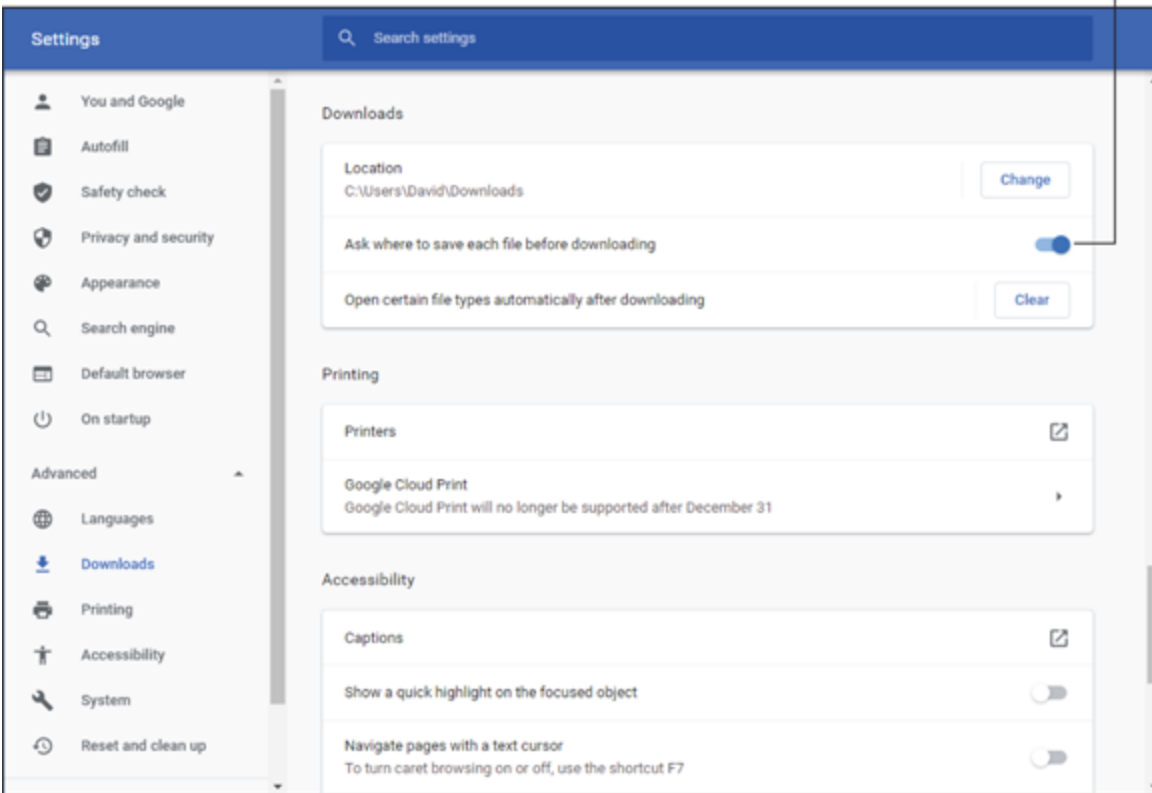
## *Downloading Files*

Chrome can display many different types of documents, media, and other files, such as PDF and MP3 files. But,

you might need to save a file, such as a report you've exported from QBO, to your computer.

You can control the destination of downloads when you click the link directly, such as when you export a report to Excel from QBO. Choose Chrome Menu ⇒ Settings ⇒ Advanced ⇒ Downloads. Click Change to set a default location other than your Downloads folder. If you turn the slider on for Ask Where to Save Each File Before Downloading, Chrome will display the Save As dialog box shown in [Figure 17-18](#) in which you can choose where to save your file. This is particularly useful if you don't wish to dump all of the QBO reports that you export into your Downloads folder. Keep in mind the Save As dialog box won't appear if you set files to open automatically. You'll have to choose between having files open automatically versus controlling where the files are saved if you want to save them in a location other than your Downloads folder.

## The Ask Where to Save Each File Before Downloading option



**FIGURE 17-18:** You can instruct Chrome to allow you to choose where to save files that you download, such as reports you export from QBO.



**REMEMBER** If you click a link to a file, it will typically download automatically and possibly open within the Chrome browser. For more situations where you need control over a file, right-click the link, and then choose Save As.

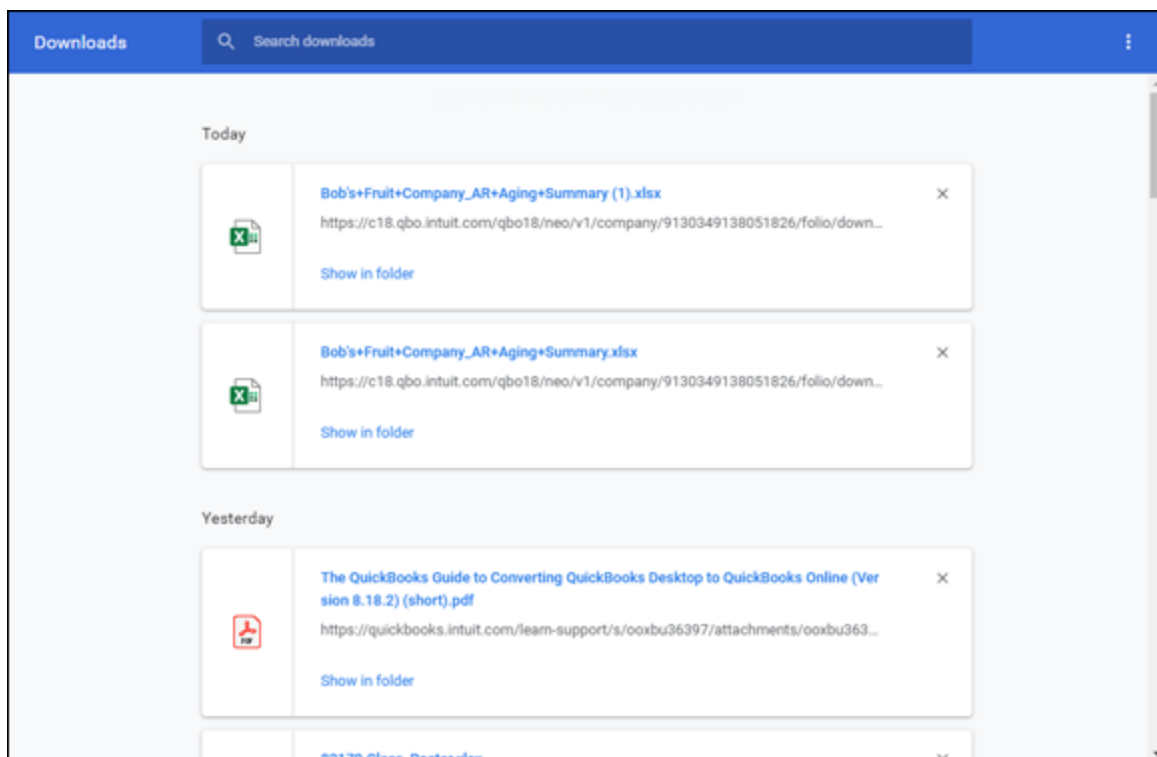
To view and open any downloaded file, use the Downloads tab (see [Figure 17-19](#)). Choose Chrome Menu ⇒ Downloads. From this tab, you can

- » Open downloaded files by clicking them.
- » Open the Downloads folder by clicking the Show in Folder link below any downloaded file, or by clicking

Open Downloads Folder in the menu (three dots) at the right edge of the Downloads page.

- » Search for downloads using the Search box just below the Bookmarks bar.
- » Clear the Downloads list using the menu (three dots) at the right edge of the Downloads title bar to click the Clear All link.

You can use the Chrome browser on mobile devices as well as on desktop computers (of course you can!). Chrome works on both iOS and Android, and the Chrome app is typically preinstalled on Android devices because Android and Chrome are both Google products. Chrome on a mobile device functions pretty much the same way that Chrome on a desktop computer does.



**FIGURE 17-19:** Files you've downloaded using Chrome.

# Appendix A

## QBO, QuickBooks Desktop, and Data Conversion

---

### IN THIS CHAPTER

**Reviewing what doesn't import**

**Examining features not completely available in QBO**

**Looking at import-related list limitations**

**Exploring import-related Payroll conversion issues**

**Assessing import-related inventory and item list issues**

**Reviewing other import-related special cases**

Although you can import most data from a QuickBooks Desktop company into QBO, not everything converts. In some cases, some things convert completely or have counterparts in QBO. And, some things convert partially or have simply been replaced by QBO features. But in some cases, things don't convert and there's no QBO substitute feature.

This appendix explores the data conversion that occurs when you import data from a QuickBooks Desktop company to give you a sense of what you can expect.



**REMEMBER** Everything you read in this chapter assumes that you are converting a company from QuickBooks Desktop 2016 or later. If you are trying to convert a

company from an older version of QuickBooks Desktop, you are likely to run into problems, so, first, back up your data and store the backup in a safe place. Then, download a free 30-day trial version of the latest edition of QuickBooks Desktop — 2021 when we wrote this — for your country (U.S., Canada, or UK) and install it alongside your existing version of QuickBooks Desktop. You should not register or activate the free trial; if you do, the process will fail and you'll be locked out of QuickBooks Desktop. You'll want to keep your existing version (instead of over-writing it with the trial) so that you can refer back to your data if needed. When we wrote this, trial versions were available at this web address:

<https://community.intuit.com/articles/1207255-quickbooks-desktop-trial-links>. You use the trial version to update your company data before you attempt importing it to QBO. See [Chapter 12](#) for details. If you're a QuickBooks Premier Desktop edition user, download the QuickBooks Pro Desktop trial; it will work with your data.

## ***What Doesn't Import***

Because most of your QuickBooks Desktop data will import, we'll start by identifying what won't import. [Table A-1](#) provides that information.

There. Now, that wasn't too painful, was it?

### **TABLE A-1 QuickBooks Desktop Data That Won't Import**

---

---

<b><i>What Doesn't Import</i></b>	<b><i>Recommendation</i></b>
QuickBooks Desktop usernames and passwords	QBO requires each user who has access to a company to log in using a password. Existing QuickBooks Desktop users do not automatically have access to QBO. Instead the company master administrator will need to re-invite users from QBO to gain access. Be aware that, in QBO, you can limit the user's ability to see and use different parts of QBO, but you can't control access at the level of transactions as you can in QuickBooks Desktop.
Shortcut list and icon bar settings	QBO has its own distinct keyboard shortcuts. While working in QBO, press Ctrl+Alt+? to see the shortcut menu.
Price levels	QBO currently doesn't support price levels or any automatic way to adjust prices. If you have price levels defined in your QuickBooks Desktop data file, the conversion process won't convert them to QBO.
Reminders	Reminders don't convert to QBO. Use an external calendar such as Google Calendar or try using recurring transactions set to remind you instead of scheduling themselves. As we discuss in <a href="#">Chapter 15</a> , QBOA users do have the ability to create reminders by establishing projects and tasks.
Vehicle list	You'll need to set up vehicles as fixed assets and, if you don't buy vehicles outright, you'll need to set up corresponding loans for each vehicle.
Reconciliation reports	Save your Reconciliation reports in QuickBooks Desktop to access them later. In QBO, just continue reconciling where you left off. And, although reconciliation reports don't convert, all reconciled transactions in registers convert as reconciled transactions in QBO.
Subtotal items	You can add subtotals to transaction documents using the method described in <a href="#">Chapter 6</a> .
Recurring credit card charges	Cancel each existing Automatic Credit Card recurring charge from your Merchant Center, and re-create it in QBO as a recurring sales receipt. Note: All other recurring transactions will import.
Memorized reports	Find a similar report in QBO and customize it to your preference.



<b><i>What Doesn't Import</i></b>	<b><i>Recommendation</i></b>
Audit trail	Your desktop audit trail won't import, but all new changes you make in QBO going forward will be captured in the QBO audit log.
Inventory from QuickBooks for Mac	QuickBooks for Mac isn't capable of exporting inventory to QBO. Instead, you can save your QuickBooks for Mac company as a QuickBooks for Windows file and export it from a Windows machine running QuickBooks Desktop.

## ***Features Not Fully Available in QBO***

Currently, Intuit doesn't recommend QBO to QuickBooks Desktop users who need the following features:

- » To Do notes
- » Complete Job Costing
- » Sales Orders
- » Fixed Asset Tracking
- » Estimate to Actual Reporting

If you need one of these features and you choose to use QBO, you might be able to find an app that can integrate these features with QBO. Check out the QBO App Center at [apps.intuit.com](http://apps.intuit.com) to see a full list.



**REMEMBER** Mileage tracking is available only in QuickBooks Self-Employed (QBSE); for other versions of QBO, you might be able to find an add-on app that works for you.

# ***Looking at List Limitations***

Most information stored in QuickBooks Desktop lists converts during the import process, but, as you'd expect, there are some limitations. In the following sections, we've excluded the Item list; we cover inventory and items in the section "[Examining Inventory and the Items List](#)" later in this appendix. Generally speaking, inventory converts, but you might run into some trouble.

## ***Chart of Accounts***

In your Chart of Accounts, the bank account number and notes, if you've entered any, don't convert. To learn more about editing the Chart of Accounts, see [Chapter 3](#).

QBO has an additional level of account typing, called the *detail type*, that you won't find in QuickBooks Desktop. For example, expense accounts in QBO can have a number of detail types, such as Auto, Equipment Rental, Legal & Professional Fees, and so on.

When the detail type for an account is obvious — for the Undeposited Funds account, for example — the import process assigns the appropriate detail type. But, when the detail type isn't obvious — and it's not obvious in most cases — the import process assigns a generic detail type within the type, such as Other Miscellaneous Expense, that you can edit later.

To update detail types after importing, run the Account List report (Reports ⇒ All Reports ⇒ Accountant Reports ⇒ Account List) to review the detail types that the import process assigned. If you click a line in the report, the Edit Account window appears, and you can update the detail type.

## ***Customers and jobs***

The import process converts all of your customers from QuickBooks Desktop to QBO. And, all of your jobs in QuickBooks Desktop convert to *sub-customers* in QBO. Unfortunately, the import process doesn't convert all customer detail and job information.

The import process converts the following customer and job information:

- Customer
- Company Name
- Mr./Ms./?
- First Name
- M.I.
- Last Name
- Phone
- FAX
- Alt Ph.
- Email
- Terms
- Bill to Address (except Note)
- Ship To Address (except Note)
- Tax code/item
- Preferred Payment Method
- Note (up to 4000 characters)



REMEMBER

The Ship To Address converts, but not perfectly. The import process places the entire address in the main address field, leaving City, State, Zip Code, and Country blank.

Further, the following customer and job information doesn't convert:

Inactive status

Contact

Alt. Contact

Customer Type

Rep

Price Level

Custom Fields

Account

Credit Limit

Job Status

Start Date

Projected End

End Date

Job Description

Job Type

Credit Card Information

Note that Inactive status remains as long as there are no unbilled charges imported.

## ***Group Items***

Group items convert to *bundles* in QBO. You can use QBO bundles on sales-related documents only. If you have group items on a purchasing-related document in QuickBooks Desktop, the import process presents each item in the group on a separate detail line, effectively “ungrouping” the group item.

## ***Inactive list elements***

In your QuickBooks Desktop data file, if you have any inactive accounts, customers, or vendors that have open balances, the import process converts those accounts, customers, or vendors as regular, active elements. If the inactive element has no balance, the import process converts the element as an inactive element; QBO treats inactive elements as deleted elements.



**TIP** Deleted items linger in QBO in perpetuity, so in this context inactive and deleted mean the same thing. You control whether deleted/inactive list items are visible in QBO by clicking the Settings button (which looks like a gear) just above the Action column of a list such as Customers, Vendors, Accounts, and so on.

## ***Other names***

QBO currently doesn't have an Other Names list, so the import process imports all elements on the Other Names list as vendors in QBO.

## ***Recurring transactions***

The import process converts memorized transactions, but you will be able to see your memorized transactions only in QBO Plus and Advanced, which supports recurring templates. If you import to a lesser version of

QBO, you won't be able to see your memorized transactions — but they'll be waiting for you if you upgrade your QBO subscription to QBO Plus or Advanced.

QBO Simple Start users should delete all recurring transactions and templates from QuickBooks Desktop before importing into QBO Simple Start to avoid errors after importing.

### ***Sales tax items***

After you import a QuickBooks Desktop data file, QBO will contain at least two sales tax payable accounts on the Chart of Accounts: one for each old Sales Tax Payable account from QuickBooks Desktop, and one for each Sales Tax Agency Payable account in the new QBO, which QBO sets up automatically for each jurisdiction during the import process. Moving forward, QBO only uses the new Sales Tax Agency Payable account, and all sales tax will be managed from the Sales Tax Center.

The import process doesn't convert sales tax group items as group items; instead, they appear as individual lines on transactions. But you can set up combined sales tax items in QBO. QBO doesn't support the three-character tax codes associated with sales tax items in QuickBooks Desktop.

Sales tax payments post as regular checks, and sales tax adjustments post as journal entries.

### ***Ship Via list***

The import process converts the information stored in the QuickBooks Desktop Ship Via list, but doesn't maintain it as a list in QBO. When you record Ship Via information on transactions in QBO, you'll enter the shipping method in a text box, instead of selecting it from a list.

## ***Subtotals***

Subtotal items appear on invoices in QBO, but they don't calculate. Instead, they appear in the Description field for that line on the invoice.

## ***Types for customers, jobs, and vendors***

QBO currently doesn't have a way to categorize customers, vendors, or jobs with types the way you can with QuickBooks Desktop. If you have types in your QuickBooks Desktop data file, the import process doesn't convert them to QBO. And, when the import process converts customers, vendors, and jobs, it ignores the type.

## ***Vendors***

As with customers and jobs, the import process converts all of your vendors, but not all of their detail.

The import process converts the following vendor-related information:

- Vendor
- Company Name
- Mr./Ms.
- First Name
- M.I.
- Last Name
- Phone
- FAX
- Email
- Terms

Print on Check as  
Address  
Account  
Tax ID  
1099 (US only)

But, the import process does *not* convert the following vendor-related information:

Contact  
Alt. Contact  
Note  
Inactive  
Vendor Type  
Credit Limit  
Custom Fields  
Alt. Contact  
Alt Ph.

## ***Exploring Payroll Conversion***

Most QuickBooks Desktop payroll information converts to QBO Payroll (QBOP), with some exceptions. For example, the import process converts invalid employee addresses, but you will need to fix them after the fact.

The import process won't convert

» Pay types that QBOP doesn't support,



- » Invalid social security numbers (SSNs) and employer identification numbers (EINs), and
- » Addresses for states outside those Intuit supports, such AS and VI.



**REMEMBER** Paychecks and liability payments convert as regular checks rather than as payroll transactions in QBOP. But, during QBO Payroll setup, you can enter year-to-date amounts to reflect paychecks and liability payments made prior to conversion.

Liability refunds, adjustment transactions, and opening balance transactions that affect accounts convert to journal entries.

Employee pay schedules and payroll items convert, but you might have to manually map some of them to QBOP pay types so that QBOP can calculate them if they are supported. The first time you display the Employees page in QBO, you'll see the Complete Payroll Setup button. As you complete payroll setup, you will be prompted to map any payroll elements the import process found in your QuickBooks Desktop company that it couldn't match to QBOP. See the "Map Your Custom Pay Types" section after you search the Internet for "What to do after converting from QuickBooks Desktop for Windows or Mac to QuickBooks Online" or visit

<https://quickbooks.intuit.com/learn-support/en-us/set-up-payroll/what-to-do-after-converting-from-quickbooks-desktop-for-windows/01/186076> for more information.



**REMEMBER** The import process doesn't convert pay types that QBOP doesn't support. If you don't see any choices to map a pay type, you can choose the Skip For Now option, but be aware that you can't go back and map your pay types later. If you choose Skip For Now, you will need to manually create pay types for your employees to complete payroll setup.

After importing payroll information, you'll need to fill out an interview to complete payroll setup, establishing information such as company contributions, before you'll be able to create paychecks. You might also need to enter year-to-date payroll information for each employee; in most cases, the import process converts this information, and you only need to verify the totals. But, if the information is missing, you need to enter it, and the interview guides you through entering these year-to-date totals in order to get going again.

## ***Completing payroll setup***

To complete your payroll setup, follow these steps:

- 1. Select Workers from the left menu and then click Employees.**
- 2. Click the Get Started button.**
- 3. On the My Payroll screen that appears, in the Paid in [Year] column, be sure each employee who received a paycheck this year is switched to Yes.**

Employees who have not been paid in the current year are automatically listed as No.

The Paid in [Year] column appears only before you complete payroll setup.

**4. Click Complete Payroll Setup to enter and/or verify your year-to-date payroll totals and employee information.**

Use the Payroll Summary report in QuickBooks Desktop to help you; enter the year-to-date numbers in QBO as positive numbers, even though they appear negative on the report.

You don't have to complete payroll setup in a single sitting; you can come back and the Payroll Setup wizard picks up where you left off. You *do* need to complete payroll setup before you can pay employees.



**REMEMBER** If you reported Group Term Life Insurance or S-Corp Owners Health Insurance, the import process recalculates net pay using QBOP calculations. Be sure to keep this in mind when comparing your QBO Payroll Summary reports to your QuickBooks Desktop Summary reports.

### ***Special payroll notes***

Here are a few final notes to remember when importing payroll data:

- » If you were using E-services to pay or file your taxes electronically, you will need to re-enroll for this service in QBO. Simply log in and follow the steps on the Payroll Preferences page (Gear ⇒ Payroll Settings) to enroll for Electronic Services.

**QuickBooks, MAC USERS, AND IOP**

If you are using Intuit Online Payroll (IOP) to bring transactions into QB Mac, you can continue to use it if you want. Be aware, though, that typically QBO accounts start with having QBO Payroll (QBOP) attached. So, if you continue to use your standalone payroll you'll have to cancel QBOP.

After cancelling QBOP, you change the export preferences in IOP and begin sending the transactions straight to QBO. For more information, search the Internet for "Setup export of IOP data to QuickBooks Online (QBO)" or visit <https://quickbooks.intuit.com/learn-support/en-us/import-or-export-data-files/setup-export-of-iop-data-to-quickbooks-online-qbo/00/370600>"

If you prefer to start using QBOP, complete the steps in the section "[Completing payroll setup.](#)"

- » If you were using or want to use direct deposit for your employees, you need to add your employer and employee's individual bank account information. This can be done from the Payroll Preferences page (Gear ⇒ Payroll Settings), or from the Employee setup page (in the Navigation bar, click Employees and then edit the appropriate employee's pay details on the Employee Details page).

## ***Examining Inventory and the Items List***

QBO Plus tracks inventory using the First-in-First-out (FIFO) method in accrual only. When you select the option to import inventory, the import process asks you to choose a date, which it uses to recalculate your inventory based on FIFO calculations. The import process brings over your current item quantities, item accounts, and details, excluding unit of measure (UM), because QBO contains no corresponding feature. When the import process completes, you do not need to do any work to your inventory.

But, you might run into some difficulties getting inventory imported into QBO. If you don't see any of your inventory in QBO within 24 hours of importing it, you will probably receive an email error message with the subject line, "There was a problem copying your company file to QuickBooks Online." The email will contain an attachment that describes the problems the import process encountered, and typically those problems revolve around the recalculation of inventory using the FIFO method on an accrual basis. In this case, review the Inventory section of the "What data doesn't convert from QuickBooks Desktop to QuickBooks Online?" article at <https://quickbooks.intuit.com/learn-support/en-us/convert-data-files/what-to-expect-when-you-switch-from-quickbooks-desktop-to/01/186758>.

## ***Examining Other Special Cases***

The rest of this appendix presents notes on the way the import process treats most common areas in QuickBooks Desktop.

### ***Bills***

The import process converts item receipts into bills. The Bill Received check box doesn't convert.

### ***Bill payments***

A discount applied to a bill in QuickBooks Desktop converts to a Vendor Credit in QBO. The import process replaces the address on each bill payment check with the Vendor address in the Vendor list.

### ***Budgets***

The import process converts only Profit & Loss budget types to QBO, because those are the only budget types that QBO currently supports.

### ***Closing date***

The import process converts your QuickBooks Desktop closing date, but not the Closing Date password. After importing, the Exceptions to Closing Date report in QBO won't show the exceptions that you had accumulated in QuickBooks Desktop. Instead, QBO will track new exceptions that occur in QBO, beginning on the date that you convert your company file.

### ***Credit card charges***

The import process converts all credit card charges in your QuickBooks Desktop data file to QBO. QBO has no specific "Credit Card Charge" transaction, so the import process converts credit card transactions to expenses.

The import process converts credit card credits to the corresponding QBO Credit Card Credit transaction, and bill payments made by credit card to QBO bill payments.

### ***Custom fields***

QBO currently doesn't support custom fields on customers, vendors, employees, or items. Instead, these fields appear only on transactions, and you are limited to displaying a limit of three custom fields on transactions. Therefore, custom fields from QuickBooks Desktop won't be converted.

Information in the Sales Rep field in QuickBooks Desktop converts to a customer field on sales forms in QBO.

### ***Discounts***

Although you can define terms to specify the discount to be given in the event of early payment for invoices, QBO

doesn't automatically calculate discounts when you receive a payment. When converting QuickBooks Desktop data, the import process converts discounts already given to customers for early payment of invoices to credit memos applied to the customer's outstanding balance.

On the vendor side of things, the import process works similarly, converting discounts you take when you pay a vendor's bill to vendor credits applied to the vendor's outstanding balance.

## ***Documents***

Any documents listed under the Company menu do not transfer over, and attachments on transactions don't convert.

## ***Finance charges***

The import process converts finance charge invoices existing in QuickBooks Desktop to invoices in QBO with no data loss.



**REMEMBER** QBO currently doesn't have an automatic way to assess finance charges for late customer payments. You can run a report to see which customers are overdue and manually add finance charges that will appear on the customers' next invoices.

Notice that if you used finance charges in QuickBooks Desktop, after importing, QBO has an element on the Products and Services page called Finance Charge. This element has the same rate and account used by your QuickBooks Desktop finance charge setup.

To assess the finance charge after importing, create an invoice using the finance charge element. Based on the

overdue report, manually enter the amount due for the late penalty charges as a line item on the invoice.

## ***Invoices***

Because there are some features in QuickBooks Desktop that aren't available in QBO, the import process translates the following invoice data during conversion:

- » PO No. translates to Custom Field 1.
- » Sales Rep initials translate to Custom Field.
- » Subtotals appear in the Description field for that line on the QBO invoice, but they don't calculate. See [Chapter 6](#) to learn how to customize QBO forms to include subtotals.



**REMEMBER** Progress invoices — invoices based on estimates — and their extra fields are not converted. In QBO, you won't find Est Qty, Est Rate, Est Amt, Prior Qty, Prior Avg Qty, Prior Avg Rate, Rate, Prior Amt, Prior %, Curr %, and Total %.

The following elements on invoices don't convert:

- » In the Customer Fields section, the Other field and the Customer custom fields
- » In the Item Detail section, Other 1, Other 2, and Item custom fields
- » In the Options and Others section, sales form templates, logos, long text disclaimers, and tax names





TIP

Even though the import process doesn't convert your logo, you can add your logo to sales forms in QBO.

## ***Journal entries***

Journal entries import entirely, with the single exception of a journal entry's billable status; you can't make a journal entry billable in QBO.

In rare cases, if QBO cannot re-create the original transaction, the import process converts transactions such as checks or invoices in a QuickBooks Desktop data file into general journal transactions. For example, if the import process comes across a check that uses an income account rather than a bank account as its source account, the transaction converts to a general journal entry.

## ***Customized sales form templates***

The import process doesn't convert custom sales templates, but you can create a completely new custom template in QBO. See [Chapter 3](#) for details.

## ***Merchant account service***

To transfer your existing QuickBooks Merchant Service account to QBO, you need to unlink and relink your merchant account. To learn how, see the article "Link your merchant account" at

<https://quickbooks.intuit.com/learn-support/en-us/merchant-services/link-your-merchant-account/00/187079/message-id/3210>.

## ***Multicurrency***

The import process converts multicurrency transactions into QBO. But, be aware that you can create multicurrency transactions in QuickBooks Desktop in ways that QBO doesn't support. For example, you can create transactions in QuickBooks Desktop that use three different currency types, but QBO supports only two currency types on any single transaction. Any QuickBooks Desktop transaction that contains more than two currency types won't import into QBO.

You may also see penny rounding differences in QBO on transactions that are calculating multicurrency.



**WARNING** QuickBooks Desktop supports some currency types that QBO doesn't support, and these QuickBooks Desktop transactions might cause difficulty when you import your data into QBO.

## ***Online bill payment***

The import process converts checks marked "To be Sent," but does not convert their online bill payment status.

You have two options for paying bills electronically in QBO: Online Bill Pay and the Bill.com app. You must register with either service, and both have different features, including distinctions from the regular Bill.com app. For details, you can review the article "Comparison between Bill.com App and Online Bill Pay" at <https://quickbooks.intuit.com/learn-support/en-us/pay-bills/comparison-between-bill-com-app-and-online-bill-pay/00/186542>.

## ***Pending sales***

Because QBO currently doesn't have a way to mark a sale as pending, the import process doesn't convert any pending transactions from your QuickBooks Desktop data file. QBO Essentials, Plus, and Advanced have the Delayed Charge form, which is a non-posting sales transaction.

### ***Print mailing labels***

QBO currently doesn't print mailing labels. As an alternative, you can create a report of customer, vendor, or employee addresses, copy the report to Microsoft Excel, and use the data to print mailing labels via the Mail Merge feature in Microsoft Word.

### ***Purchase orders***

The import process will not link closed purchase orders to their corresponding bill.

### ***Receive items***

The import process converts all the ways you can receive items in QuickBooks Desktop — Receive Item & Enter Bill, Receive Item, and Enter Bill for Received Items — to bills in QBO.

### ***Reimbursable expenses***

QBO has billable expenses, which are similar to reimbursable expenses in QuickBooks Desktop. QBO billable expenses differ from QuickBooks Desktop reimbursable expenses in that, in QBO, you specify the markup percentage when creating the purchase rather than when creating an invoice.

The import process converts reimbursable expenses and time that have not yet been billed in QuickBooks Desktop to billable expenses in QBO.

### ***Reports***

QBO doesn't have all the reports that QuickBooks Desktop does, and some of the similar reports differ slightly.

Although your Accrual Basis reports will match in both products, your Cash Basis reports may not match because cash basis calculations are somewhat subjective. Be aware that there are several differences in how the two products calculate what is considered paid.

Consider the use of negative lines on invoices. Suppose you have a service income line of \$1000 and a discount of \$ -100 and no payments:

- » In QuickBooks Desktop, the cash basis P&L report shows no portion of an unpaid invoice.
- » In QBO, your cash basis P&L report will show \$100 of income and \$ -100 of discount.

As payments are received for this invoice:

- » In QuickBooks Desktop, the cash basis P&L report prorates the amount of the discount that appears.
- » In QBO, the cash basis P&L report continues to show the entire amount.

## ***Report customization***

Although QBO doesn't have all the report customization options that QuickBooks Desktop has, QBO does offer extensive filtering and supports exporting a report to Excel for further filtering if necessary. And, you can save your QBO report customizations — the equivalent of memorizing a QuickBooks Desktop report — and schedule the report to be automatically emailed from QBO as a PDF file.

## ***Sales rep***

As mentioned earlier in this appendix, the import process converts any sales rep names or initials you recorded in transactions in your QuickBooks Desktop file to the corresponding transaction in QBO, with one difference: The sales rep information appears as a custom field in QBO.

You can continue to supply sales rep information on sales transactions in QBO and filter reports by Sales Rep. However, when assigning sales reps to sales transactions, you'll need to enter the name because QBO maintains no Sales Rep list.

## ***Tax support***

QBO currently doesn't export information to TurboTax or other tax preparation programs, and QBO doesn't support tax line mapping in the Chart of Accounts. However, QBO has an additional level of account types, called *detail types*, that might help you make tax line assignments to accounts when tax support is available.

That being said, accountants can use QuickBooks Online Accountant (QBOA) to access a QBO file; QBOA contains the Tax Mapping feature, which integrates with Intuit Pro Connect and other tax preparation software platforms.

## ***Terms***

QBO has a terms feature that is very similar to the terms feature in QuickBooks Desktop. The terms automatically calculate the due date from the transaction date.

However, QBO doesn't have an associated feature to assess finance charges associated with the terms you assign. And, as mentioned earlier, you can use terms for discounts for early payments, but QBO doesn't

automatically calculate the discount amount. So, if a customer pays early enough to qualify for a discount, you'll need to edit the invoice to manually add the discount.

The import process imports terms without change with the following additional exceptions:

- » In QuickBooks Desktop, a job can't have its own terms; it inherits its terms from its parent customer.
- » In QBO, the equivalent to a job (a sub-customer) can have terms, so you can edit the terms later to make them different from those of the parent customer.

## ***Write letters***

QBO currently doesn't have an automated way to use your data to generate customized letters. You can export reports to Microsoft Excel that you can in turn use with the Mail Merge feature in Microsoft Word.

# Index

---

## A

Account Reconciliation page, [392](#)-393

Accountant Tools. *See also* [Work page](#)  
accessing Chart of Accounts via, [353](#)  
Account Reconciliation page, [392](#)-393  
Chart of Accounts window, [400](#)  
Close Books command, [390](#)-391  
discussion, [9](#), [375](#), [387](#)  
Final Review page, [392](#)-393  
Journal Entry window, [400](#)  
Month-End Review command, [391](#)  
New Window command, [364](#)-365, [392](#), [401](#)  
Notes feature, [401](#)  
Prep for Taxes tool  
    exporting data, [400](#)  
    options, [397](#)-398  
    overview, [396](#)-397  
    tax return mapping, [398](#)-400  
ProConnect Tax Online in, [400](#)-401  
Profit and Loss (P&L) reports, [392](#)  
Reclassify Transactions page, [392](#)-394  
Reconcile page, [401](#)  
reports, [388](#)-390  
switching client company with, [367](#)  
Transaction Review page, [391](#)-392  
voided/deleted transactions, [390](#)  
for working in multiple windows, [347](#), [364](#)-367  
Write Off Invoices page, [395](#)-396  
accountants, [1](#), [35](#), [295](#), [326](#)



Accounts and Settings. *See also* [Chart of Accounts; Products and Services list](#)

activating Time Tracking in, [184](#)-185

Audit Log, [390](#)

company settings in

Accounting group, [56](#)

Advanced preferences, [56](#)-58

Automation section, [56](#), [165](#)

Billing & Subscription, [46](#)-47

Categories section, [56](#)-57, [97](#)-98

Chart of Accounts group, [56](#)

class and location, [57](#)

Company Type, [56](#)

Currency section, [58](#)

Custom Form Styles, [49](#)-51

Expenses preferences, [54](#)-55

Importing Form Styles, [51](#)-54

Other Preferences group, [58](#)

overview, [45](#)-46

Payments preferences, [55](#)-56

Payments product, [47](#), [51](#)

Projects section, [56](#)

Sales preferences, [48](#)-49

Time Tracking section, [58](#)

## Accounts Payable (A/P)

- on Balance Sheet, [68](#), [193](#)
- credit card expenses and, [125](#)
- exclusion in QuickBooks Simple Start, [23](#)
- foreign currency-related, [59](#), [65](#), [70](#)
- in QuickBooks Simple Start, [23](#)
- register, [197](#)
- 1099 contractor payment reports, [272](#)–273
- vendor credit and, [141](#)

## Accounts Receivable (A/R)

- on Balance Sheet, [67](#), [193](#)
- foreign currency-related, [59](#), [65](#), [70](#)
- inclusion in QuickBooks Simple Start, [23](#)
- in QuickBooks Simple Start, [23](#)
- register, [197](#)

accrual accounting method, [98](#)

ACH (Automated Clearing House) payments, [27](#), [161](#)

address bar, [408](#)

Adobe Flash Player, [423](#)–425

Adobe Reader, [16](#), [178](#)

Affixa extension, [416](#)

## Android operating system

- apps, [2](#), [8](#), [13](#)
- Chrome web browser on, [441](#)
- QBO on, [20](#)

A/P. See [Accounts Payable](#)

A/P Aging Summary and Details reports, [134](#)

## App Center

accessing, [58](#)

Bill.com service, [92](#), [143](#)

Capital app, [143](#)

discussion, [30](#)-32

Melio Sync service, [92](#)

Transaction Pro Importer, [335](#)

TSheets Time Tracking, [58](#), [184](#), [262](#)

Apple App Store, [11](#)

apps. See [App Center](#); [mobile apps](#); *specific apps*

A/R. See [Accounts Receivable](#)

## attachments

conversion limitations with, [455](#)

in lists, [88](#)-89

in transactions, [197](#), [199](#)

Attachments list, [359](#)

Audit Log, [390](#)

Auto Payroll, [247](#)

Automated Clearing House (ACH) payments, [27](#), [161](#)

Automatically Apply Credits feature, [164](#)-165

Automation section, [56](#), [164](#)-165

# **B**

## Balance Sheet

in Accountant Tools menu, [392](#)

discussion, [67](#)-68

registers and accounts in, [193](#)

## Bank accounts

adjusting appearance of, [207](#)-208

on Balance Sheet, [67](#), [193](#)

bank deposits and

creating, [238](#)-239

statement reconciliation, [237](#)-238, [240](#)-243

Undeposited Funds Account, [237](#)-238

categorizing, [244](#)-245

on Chart of Accounts

creating, [69](#)-71

proper balances, [71](#)-72

connecting financial institutions to

considerations, [209](#)-210

direct connection, [212](#)-215

importing via Excel, [218](#)-221

overview, [193](#), [209](#)

Web Connect, [215](#)-218

converting receipts to transactions for, [221](#)-223

on Dashboard Page, [208](#)

discussion, [207](#)-208

managing downloaded activity in

adjusting QBO match, [227](#)-230

confirming QBO match, [227](#)

excluding transactions, [226](#)-227

including transactions, [227](#)

matching transactions, [223](#)-226

reconciling

registers, [199](#)

reports, [243](#)-244

steps, [240](#)-243

tips, [243](#)

Undeposited Funds Account, [237](#)-238

registers, [192](#)-193, [199](#)

setting up, [210](#)-212

transaction rules for

creating, [232](#)-235

icons, [232](#), [235](#)-236

mistakes, [235](#)-237

overview, [230](#)-231

QBOA exporting/importing, [359](#)-361

sequence, [231](#)

bank deposits, [237](#)-239

bank feed rules, [359](#)-361

bank-level security, [14](#)

batch actions, [92](#)-93, [357](#)-359

Bill transactions. *See also* [vendor credit](#)

bill payment via, [143](#)-145

discussion, [123](#)-124, [134](#)

entering bills in, [134](#)-135

recurring transactions in

adjustments, [137](#)-139

creating new, [136](#)-137

overview, [135](#)

billable time entries

discussion, [184](#)

preparing invoice for, [187](#)-189

recording single activity in, [185](#)-186

using timesheet to record, [186](#)-187

Bill.com service, [93](#), [143](#)

bills

converting transactions from, [221](#)-223

emailed to QBO, [210](#)

QB Desktop import limits with, [454](#)

setting up for, [39](#)

Bi-weekly Payroll template, [380](#)

browsers. *See specific web browsers*

bundles, [104](#)-107

Business Overview report group, [277](#)-278

## C

CARES (Coronavirus Aid, Relief, and Economic Security) Act, [255](#)

cash accounting method, [98](#)

Categories feature, [56](#)-57, [97](#)-98

certified public accountants (CPAs), [302](#)

## Chart of Accounts

account numbers in

activating, [68](#)-69

adding, [357](#)

standard system, [193](#)

Accountant Tools view of, [400](#)

Balance Sheet accounts in, [67](#)-68

Bank account

creating, [69](#)-71

proper balances, [71](#)-72

credit card transactions in, [125](#)

data import limits for, [446](#)

discussion, [66](#)

importing, [66](#)

modifying, [66](#)-67

preferences, [56](#)

printing list of, [67](#)

QBOA review of client

adding account numbers, [357](#)

adding accounts, [356](#)

editing accounts, [356](#)

importing, [353](#)-355

overview, [353](#)

reports in, [67](#)-68

setting up Draw account in, [69](#)

viewing registers in, [67](#)-68, [191](#)-193

cheat sheet, [4](#), [363](#)

## Check transactions

expenses and

account/item assignment, [119](#)-122

credit card transactions, [125](#)

outstanding bills, [123](#)-124

overview, [119](#)

refund checks and, [141](#)-143



## Chrome web browser

best for QBO, [2](#), [8](#), [405](#)

### bookmarking

Bookmarks bar, [431](#)-432

creating new, [430](#)-431

importing bookmarks, [432](#)-433

managing bookmarks, [433](#)-435

overview, [409](#), [430](#)

### browsing history

clearing out, [414](#)-415, [426](#)-428

overview, [409](#)

Current User, [406](#)

discussion, [16](#), [405](#)-406, [419](#)

### downloads

file locations, [287](#)-288

overview, [409](#), [422](#), [440](#)-441

Excel and, [421](#)-422

extensions, [415](#)-417

full-screen mode, [409](#), [423](#)

Guest mode, [411](#), [413](#)-414

HTTPS/SSL certificates and settings, [424](#)

## keyboard shortcuts

browsing history, [409](#)

close current tab, [423](#)

downloads, [409](#)

duplicate tab, [364](#)-367

full-screen mode, [409](#), [423](#)

new bookmark, [430](#)-431

opening new window, [407](#)

overview, [422](#)

reopen last closed tab, [423](#)

scroll, [423](#)

search page text, [423](#)

zoom in/out, [440](#)

menu options, [410](#)

on multiple monitors, [436](#)

multiple users in

adding new user, [437](#)-438

opening different user, [438](#)-439

overview, [436](#)

removing users, [439](#)-440

switching users, [439](#)

Omnibox, [408](#)

plug-ins

Adobe Flash Player, [423](#)-425

hacker use of, [423](#)-424

overview, [415](#)-417

## privacy settings

browsing history, [414](#)-415, [426](#)-428

camera access, [428](#)

cookies, [425](#)

Flash, [425](#)

Incognito mode, [425](#)-426

JavaScript, [425](#)

location access, [428](#)

microphone access, [428](#)

notifications, [428](#)

overview, [424](#)

pop-ups access, [428](#)-429

sandbox bypass, [428](#)

USB device access, [428](#)

sandboxing, [423](#), [428](#)

security, [411](#), [413](#)-414, [423](#)-424

setting Home page in, [420](#)-421

signing in to, [411](#)-413

signing out of, [414](#)-415

synchronization, [413](#)

## tabs

closing current, [423](#)

duplicating, [364](#)-367

overview, [407](#)-408

pinning, [435](#)-436

reopening last closed, [423](#)

Task Manager, [410](#)

Web Store, [415](#)-416

windows, [407](#)

working on two companies simultaneously with, [367](#)-  
368

zooming in/out, [440](#)

## client company

### Chart of Accounts

activating account numbers, [68](#)-69

Balance Sheet accounts, [67](#)-68

modifying, [66](#)-67

overview, [66](#)

Dashboard Page, [41](#)-45

discussion, [35](#)

home currency, [58](#)-59

### Multicurrency feature

activating, [60](#)-61

currencies setup, [61](#)-62

effects, [60](#)

overview, [58](#)-59

preliminary steps, [59](#)

QB Desktop import conversion limitations, [457](#)

using multiple currencies, [62](#)-66

warning, [58](#)-59

## QBOA review of

bank feed rules, [359](#)-361

Chart of Accounts, [353](#)-357

Client Overview page, [346](#)-350

communication tools, [371](#)-374

company setup, [350](#)-353

keyboard shortcuts, [363](#)-364

list information, [358](#)-359

multiple windows, [347](#), [364](#)-367

Notes feature, [370](#)

opening, [9](#)-10, [345](#)-346

searching for transactions, [368](#)-369

transactions types, [368](#)

working on two companies simultaneously, [367](#)-368

setting up new, [38](#)-41

## settings

- accounting method, [56](#)
- Advanced preferences, [56](#)-57
- automated behaviors, [56](#)
- billing, [46](#)-47
- categories, [56](#)-57
- Chart of Accounts numbers, [56](#)
- classes, [56](#)-57
- currencies, [58](#)
- customer payment options, [55](#)-56
- expense preferences, [54](#)-55
- fiscal year, [56](#)
- form appearance, [49](#)-51
- importing form styles, [51](#)-54
- locations tracking, [56](#)-57
- other preferences, [58](#)
- overview, [45](#)-46
- project tracking, [56](#)
- sales preferences, [48](#)-49
- subscriptions, [46](#)-47
- time-tracking tools, [58](#)

## Client list

### adding companies to

accountant-issued invitation, [325](#)-328

client-issued invitation, [322](#)-325

master administrator rights, [326](#), [328](#)-331

overview, [321](#)-322

QBO Simple Start, [326](#)

Wholesale Billing program, [322](#)

adjusting appearance of, [308](#)-309

communication tools, [371](#)-374

discussion, [299](#)-300, [307](#)

opening, [9](#)-10, [345](#)-346

Client Onboarding template, [379](#)

Client Overview, [346](#)-350

Client Requests, [371](#)-374

Close Books command, [390](#)-391

cloud-based products, [7](#), [13](#)-15

comma-separated values file. See [CSV file](#); [Excel](#)

Company Overview management report, [280](#)

Condense Data function, [333](#)-334

connected accounts, [208](#), [214](#), [217](#)

continuing education units (CEUs), [302](#)



## contractor lists

adding to, [82](#)-84

attachments, [88](#)-89

batches in, [92](#)-93, [358](#)-359

creating new, [84](#)-86

editing, [88](#)

exporting, [91](#)-92

importing

conversion limitations, [446](#)-450

from Excel, [76](#)-77

post-conversion checklist, [341](#)-342

from QuickBooks Desktop, [75](#)-76

required format, [77](#)-79

steps, [80](#)-82

payments, [270](#)

QBOA review of, [358](#)-359

removing from, [84](#)

searching, [86](#)-90

settings, [93](#)-95

sorting, [90](#)-91

Contribution accounts, [69](#)

cookies, [425](#)

Coronavirus Aid, Relief, and Economic Security (CARES) Act, [255](#)

corporations, [398](#)

CPAs (certified public accountants), [302](#)

## Credit Card Accounts

adjusting appearance of, [207](#)-208

on Balance Sheet, [67](#), [193](#)

connecting financial institutions to

considerations, [209](#)-210

direct connection, [212](#)-215

importing via Excel, [218](#)-221

overview, [209](#)

Web Connect, [215](#)-218

converting receipts to transactions for, [221](#)-223

discussion, [207](#)-208

managing downloaded activity in

adjusting QBO match, [227](#)-230

confirming QBO match, [227](#)

excluding transactions, [226](#)-227

including transactions, [227](#)

matching transactions, [223](#)-226

setting up, [210](#)-212

transaction rules for

creating, [232](#)-235

icons, [232](#), [235](#)-236

mistakes, [235](#)-237

overview, [230](#)-231

QBOA exporting/importing, [359](#)-361

sequence, [231](#)

Credit Card Credit, [140](#)

credit card transactions, [125](#), [140](#), [161](#)

credit memo transactions

bundles in, [104](#)-107

overview, [180](#)

recording, [181](#)-182

CSV (comma-separated values) file. *See also* [Excel](#)

creating, [76](#)

exporting, [218](#)-221

importing

Chart of Accounts, [66](#), [353](#)-354

lists, [76](#)-77

overview, [218](#)-221

Prep for Taxes tool exporting to, [400](#)

currencies

discussion, [15](#)

Home Currency feature, [58](#)-59

Multicurrency feature

changes activated by, [60](#)

currencies setup, [61](#)-62

determining need for, [59](#)

limitations, [59](#)

multiple currencies, [62](#)-66

overview, [58](#)-59

setup, [59](#)-60

turning on, [60](#)-61

QB Desktop conversion limitations with, [457](#)

currency-specific pricing, [59](#)

Custom Form Styles, [49](#)-50

Custom Reports tab, [389](#)

## customer lists

### adding to

customer types, [84](#)-86

overview, [82](#)-84

sub-customers, [86](#), [149](#)-150

attachments, [88](#)-89

batches in, [92](#)-93, [358](#)-359

creating new, [84](#)-86

data importation limitations, [446](#)-448

deactivating, [84](#)

discussion, [75](#)-76

editing, [88](#)

enabling projects in, [148](#)-149

exporting, [91](#)-92

### importing

from Excel, [76](#)-77

Lists conversion limitations, [446](#)-450

post-conversion checklist, [341](#)-342

from QuickBooks Desktop, [75](#)-76

required format, [77](#)-79

steps, [80](#)-82

QBOA review of, [358](#)-359

recording invoice payments and, [161](#)-164

sample files for, [77](#)-79

searching, [86](#)-90

settings, [93](#)-95

sorting, [90](#)-91

Customer Success Manager, [26](#)  
Customer Types, [84](#)-86

## ***D***

Dashboard Page

Bank accounts on, [208](#)

client company, [41](#)-45

Gear button on, [44](#)

help on, [43](#)-44

Navigation bar on, [41](#)-42

P&L reports on, [153](#), [303](#)

delayed charges

bundles in, [104](#)-107

discussion, [168](#)

desktop computers, [15](#), [20](#)-21

direct deposit

for employees, [253](#), [256](#), [263](#), [453](#)

for 1099 contractors, [271](#)

for vendors, [271](#)

DirectX 9 graphics device, [16](#)-17

double-entry bookkeeping, [193](#)-194

Draw account, [69](#)

Dropbox, [77](#)

## ***E***

Edge web browser

difficulties with, [2](#)

discussion, [8](#), [16](#)

file download location instructions in, [287](#)

limitations with, [405](#)

working on two companies simultaneously with, [367](#)-  
368

EFTPS (Electronic Federal Tax Payment System), [268](#)

EIN (Employer Identification Number), [255](#), [258](#), [350](#)-351

email messages

bills to QBO, [210](#)

default reminder, [49](#), [51](#)

sending invoices via, [158](#)

Work page, [386](#)-387

## employee lists

adding to, [82](#)-84

attachments, [88](#)-89

batches in, [92](#)-93, [358](#)-359

creating new, [84](#)-86

direct deposits and, [253](#), [256](#), [263](#), [453](#)

discussion, [75](#)-76

editing, [88](#)

exporting, [91](#)-92

human resource information, [266](#)

importing

from Excel, [76](#)-77

Lists conversion limitations, [446](#)-450

post-conversion checklist, [341](#)-342

from QuickBooks Desktop, [75](#)-76

required format, [77](#)-79

steps, [80](#)-82

integrated timesheets and, [262](#)

QBOA review of, [358](#)-359

searching, [86](#)-90

settings, [93](#)-95

sorting, [90](#)-91

Employees report group, [278](#)

Employer Identification Number (EIN), [255](#), [258](#), [350](#)-351

encryption, [14](#), [20](#), [215](#)

Enhanced Payroll. See [Self Service Payroll](#)

Equity Account, [68](#), [193](#)



## estimates

- bundles in, [104](#)-107
- customizing, [49](#)-50
- discussion, [167](#)
- duplicating existing, [174](#)-175
- preparing
  - invoices, [172](#)-174
  - overview, [167](#)-170
  - POs, [170](#)-171

## Excel. *See also* [CSV file](#)

- Chrome and automatic launch of, [421](#)-422
- creating CSV file in, [76](#)
- data file layout in, [80](#)
- exporting to
  - lists, [91](#)-92
  - QBO reports, [421](#)
  - registers, [205](#)
  - reports, [287](#)-289
  - transactions, [209](#)

## file formats, [287](#)

## importing from

- Chart of Accounts, [66](#), [353](#)-354
- financial institution data, [218](#)-221
- lists, [76](#)-77
- transactions, [209](#)

## Prep for Taxes tool exporting to, [400](#)

## Protected view, [78](#), [288](#)-289, [421](#)-422

Excel Online, [77](#)

expenses

- check transactions and

  - account/item assignment, [119](#)-122

  - credit card transactions, [125](#)

  - outstanding bills, [118](#), [123](#)-124

  - overview, [119](#)

- creating new, [124](#), [126](#)

- credit card transactions and, [125](#)

- discussion, [117](#)-119

- POs and

  - activating, [127](#)-128

  - creating new, [128](#)-130

  - outstanding POs, [133](#)

  - overview, [127](#)

  - partial POs, [130](#)-133

  - QB Desktop import conversion limitations, [458](#)

  - settings, [55](#)

- preferences, [54](#)-55

- setting up for, [39](#)

Expenses Performance management report, [280](#)

extensions, [415](#)-417

## ***F***

Fathom add-on, [291](#)

Favorites report group, [277](#)-278

federal payroll taxes, [254](#), [258](#)-259

federal unemployment taxes (FUTA), [258](#)  
FIFO (First-in-First-out) method, [339](#), [453](#)-454  
Final Review page, [392](#)-393  
financial institutions  
    connecting accounts to  
        considerations, [209](#)-210  
        direct connection, [212](#)-215  
        importing via Excel, [218](#)-221  
        overview, [193](#), [209](#)  
        Web Connect, [215](#)-218  
Firefox web browser  
    discussion, [2](#), [16](#), [405](#)  
    duplicating tabs in, [364](#)-367  
    file download location, [287](#)  
    QBO optimized for, [8](#)  
    shortcuts, [365](#)  
    working on two companies simultaneously with, [367](#)-  
    368  
First-in-First-out (FIFO) method, [339](#), [453](#)-454  
Fixed Assets Account, [193](#)  
Form 941, [269](#)  
Form 990 (nonprofits), [399](#)  
Form 1040 (sole proprietorships), [398](#)  
Form 1065 (partnerships), [398](#)  
Form 1099, [20](#)  
Form 1099-K, [273](#)  
Form 1120 (corporations), [398](#)

Form 1120s, [398](#)

Form 3115, [339](#)

Form 8655 (Reporting Agent Authorization), [268](#)

FUTA (federal unemployment taxes), [258](#)

## **G**

Gear button, [44](#)

Gmail app, [405](#)

Go to Client's QuickBooks list box, [343](#), [345](#), [367](#)

Google Calendar app, [158](#)

Google Chrome web browser. See [Chrome web browser](#)

Google Docs app, [205](#), [405](#)

Google Maps app, [405](#)

Google Play Store app, [11](#)

Google search engine, [405](#)

Google Sheets app, [76](#)

GoPayment. See [QuickBooks Payments](#)

group items, [448](#)

Group Term Life Insurance, [452](#)

## **H**

hackers, [14](#), [423](#)-424

health insurance deductions, [248](#)

help, [38](#), [43](#)-44

Home Currency feature, [58](#)-59

HTTPS/SSL certificates and settings, [424](#)

# ***I***

icons

for transaction rules, [232](#), [235](#)-236

used in book, [3](#)-4

IFSP. See [Intuit Full Service Payroll](#)

inactive accounts, [448](#)

Incognito mode, [425](#)-426

## Internal Revenue Service (IRS)

Form 941, [269](#)

Form 990 (nonprofits), [398](#)

Form 1040 (sole proprietorships), [398](#)

Form 1065 (partnerships), [398](#)

Form 1099

direct deposit, [271](#)

overview, [20](#), [271](#)

paying, [272](#)

paying contractors/vendors, [270](#)

preparing, [275](#)

reporting payments, [272](#)-275

reports, [272](#)-275

setup, [271](#)-272

Form 1099-K, [273](#)

Form 1099-MISC, [23](#), [270](#)

Form 1099-NEC, [270](#)

Form 1120 (corporations), [398](#)

Form 3115, [339](#)

Form 8655, [268](#)

Prep for Taxes mapping tool and, [398](#)-400

W-4 form, [251](#), [253](#)-254

Internet Explorer web browser, [2](#), [8](#), [287](#), [405](#)

Intuit Financing Inc., [143](#)

## Intuit Full Service Payroll (IFSP)

cost, [27](#)

discussion, [26](#), [247](#), [313](#)

transaction fees, [27](#)

Intuit Merchant Services, [55](#)–56. *See also* [QuickBooks Payments](#)

## Intuit Online Payroll (IOP)

discussion, [248](#)

QBOA and, [313](#), [332](#)–333

QBOP Mac users and, [453](#)

Intuit Online Payroll Mobile app, [260](#)

Intuit payroll products, [26](#)–29, [247](#). *See also* [Payroll Core](#); [Payroll Elite](#); [Payroll Premium](#); [QBO Payroll](#)

## inventory

adding items to, [102](#)–104

adding services and non-inventory items to, [99](#)–102, [107](#)

adjusting information in

overview, [110](#)

quantities, [110](#)–113

starting value, [113](#)–115

establishing categories in, [97](#)–98

importing QB Desktop data, [339](#), [453](#)–454

pricing rules, [108](#)–110

reorder points, [102](#)–104

sales tax and, [98](#)–99

setting up for, [39](#)

tracking, [95](#)–96

## invoices

- conversion limitations with, [456](#)
- converting estimates into, [172](#)-174
- customizing, [49](#)-50
- data importation limitations with, [449](#)
- Google Calendar and, [158](#)
- overpayments and, [164](#)-165
- preparing, [157](#)-161
- progress invoicing and, [176](#)-177
- recording customer payments of, [161](#)-164
- sales transactions and
  - adding billable expenses, [187](#)-189
  - converting estimates into, [172](#)-174
  - credit memo transaction, [180](#)-182
  - Google Calendar, [158](#)
  - invoice status, [165](#)-167
  - overpayments, [164](#)-165
  - preparing, [157](#)-161
  - progress invoicing, [176](#)-177
  - recording customer payments, [161](#)-164
  - sales tax rate, [159](#)
  - sending via email, [158](#)
  - Undeposited Funds Account, [163](#)
- setting sales tax rate on, [159](#)
- setting up for, [39](#)
- tracking status of, [165](#)-167
- Undeposited Funds Account and, [163](#)



using email to send, [158](#)

IOP. See [Intuit Online Payroll](#)

iOS

apps, [2](#), [8](#), [13](#)

Chrome web browser on, [441](#)

QBO on, [20](#)

iPads, [13](#)

iPhones, [13](#)

IRS. See [Internal Revenue Service](#)

## ***J***

JavaScript, [425](#)

journal entries, [456](#)-457

Journal Entry window, [400](#)

## ***K***

keyboard shortcuts, Chrome web browser

browsing history, [409](#)

close current tab, [423](#)

downloads, [409](#)

duplicate tab, [364](#)-367

full-screen mode, [409](#), [423](#)

new bookmark, [430](#)-431

opening new window, [407](#)

overview, [422](#)

reopen last closed tab, [423](#)

scroll, [423](#)

search page text, [423](#)

zoom in/out, [440](#)

## ***L***

laptops, [8](#), [11](#)

Left Icon bar, [8](#)

## lists

attachments, [88](#)-89

batches in, [92](#)-93, [358](#)-359

creating new, [84](#)-86

discussion, [75](#)

editing, [88](#)

exporting, [91](#)-92

importing

from Excel, [76](#)-77

Lists conversion limitations, [446](#)-450

post-conversion checklist, [341](#)-342

from QuickBooks Desktop, [75](#)-76

required format, [77](#)-79

steps, [80](#)-82

inventory

adding items, [102](#)-104

adjusting quantities, [110](#)-113

adjusting starting value, [113](#)-115

categories, [97](#)-98

non-inventory items, [99](#)-102, [107](#)

pricing rules, [108](#)-110

reorder points, [102](#)-104

sales tax, [98](#)-99

services, [99](#)-102, [107](#)

tracking, [95](#)-96

- inventory and
  - bundles, [104](#)-107
  - changing item types, [107](#)-108
- inventory in
  - importing QB Desktop data, [453](#)-454
  - setting up for, [39](#)
- other, [115](#)
- QBOA review of, [358](#)-359
- searching, [86](#)-90
- settings, [93](#)-95
- sorting, [90](#)-91

loans, [143](#)

Long Term Liabilities Account, [68](#), [193](#)

## ***M***

- Mac operating system
  - IOP and QB, [453](#)
  - QB Desktop on, [11](#), [331](#)
  - QBOA keyboard shortcuts, [363](#)-364
- Make Recurring feature, [136](#)-137
- malware, [416](#), [423](#)
- Management Reports tab, [388](#)
- master administrator
  - discussion, [325](#)
  - QBO company user setup, [303](#)-306, [375](#)
  - in QuickBooks Simple Start, [23](#)-24
  - transferring rights of, [326](#), [328](#)-331

Melio Sync service, [92](#)  
Microsoft Edge web browser. See [Edge web browser](#)  
Microsoft Money, [216](#)  
mileage tracking, [21](#), [445](#)  
mobile apps, [2](#), [8](#), [11](#), [16](#), [260](#)  
mobile devices, [11](#)  
monitors, [16-17](#), [436](#)  
Month-End Review command, [391](#)  
Monthly Bookkeeping template, [379](#)  
Mozilla Firefox web browser. See [Firefox web browser](#)  
Multicurrency feature  
    changes activated by, [60](#)  
    determining need for, [59](#)  
    discussion, [58-59](#)  
    limitations with, [59](#)  
    QB Desktop conversion limitations with, [457](#)  
    setting up  
        currencies setup, [61-62](#)  
        overview, [59-60](#)  
        turning on, [60-61](#)  
        using multiple currencies, [62-66](#)  
My Accountant page, [278](#), [371-374](#)

## **N**

New Window command, [364-365](#), [392](#), [401](#)  
Nitro Reader, [178](#)  
Non-billable Time report, [147](#)

non-inventory items, [100](#)-102, [107](#)

non-posting transactions

discussion, [168](#)

estimates

bundles, [104](#)-107

copying to invoice, [172](#)-174

copying to PO, [170](#)-171

customizing, [49](#)-50

discussion, [167](#)

duplicating, [174](#)-175

overview, [167](#)-170

POs

activating, [127](#)-128

creating new, [128](#)-130

outstanding POs, [133](#)

overview, [127](#)

partial POs, [130](#)-133

QB Desktop import conversion limitations, [458](#)

settings, [55](#)

nonprofit organizations, [258](#), [399](#)

Notes feature, [370](#), [401](#)

Notifications tab, [386](#)-387

## O

OAuth connection, [213](#)

OneDrive, [77](#)

128-bit Secure Sockets Layer (SSL) encryption, [20](#)

online payments, [47](#)  
online training, [26](#)  
Open Purchase Orders Detail report, [133](#)  
Opening Balance Equity account, [72](#)  
operating systems. *See specific operating systems*  
Other Assets Account, [193](#)  
Other Current Assets Account, [67](#), [193](#)  
Other Current Liabilities Account, [67](#), [193](#)  
Other Names list, [448](#)  
Other Preferences group, [58](#)  
Owner's Draw account, [69](#)

## ***P***

P&L reports. *See* [Profit and Loss reports](#)  
Paper Ledger mode, [194](#)-195  
Partner's Draw account, [69](#)  
partnerships, [398](#)  
password, [37](#), [454](#)  
passwords, [212](#)  
Pay Down Credit Card transaction, [125](#)

payroll. *See also specific payroll services*

discussion, [247](#)-248

history and W-2 form, [249](#)

proper bank balance and, [71](#)-72

QB Desktop data importation limitations, [452](#)

reports, [266](#)-267

setting up for, [39](#)

taxes, [253](#), [267](#)

### Payroll Core

Auto Payroll in, [247](#)

automatic tax deposits, [247](#)

direct deposit in, [263](#), [453](#)

discussion, [28](#)-29

tax forms, [247](#)

### Payroll Elite

Auto Payroll in, [247](#)

automatic tax deposits, [247](#)

direct deposit in, [263](#), [453](#)

discussion, [27](#)-29

local taxes handled in, [267](#)

tax forms, [247](#)

time tracking in, [262](#)

### Payroll Premium

direct deposit in, [263](#), [453](#)

discussion, [27](#)-29

local taxes handled in, [267](#)

time tracking in, [262](#)



## people lists

- attachments, [88](#)-89

- batches in, [92](#)-93, [358](#)-359

- creating new, [84](#)-86

- discussion, [75](#)

- editing, [88](#)

- exporting, [91](#)-92

- importing

  - from Excel, [76](#)-77

  - Lists conversion limitations, [446](#)-450

  - post-conversion checklist, [341](#)-342

  - from QuickBooks Desktop, [75](#)-76

  - required format, [77](#)-79

  - steps, [80](#)-82

## inventory and

adding items, [102](#)-104

adjusting quantities, [110](#)-113

adjusting starting value, [113](#)-115

bundles, [104](#)-107

categories, [97](#)-98

changing item types, [107](#)-108

importing QB Desktop data, [339](#), [453](#)-454

non-inventory items, [99](#)-102, [107](#)

pricing rules, [108](#)-110

reorder points, [102](#)-104

sales tax, [98](#)-99

services, [99](#)-102, [107](#)

setting up for, [39](#)

tracking, [95](#)-96

lists other than, [115](#)

QBOA review of, [358](#)-359

searching, [86](#)-90

settings, [93](#)-95

sorting, [90](#)-91

phishing, [423](#)

Physical Inventory Worksheet, [110](#)

## plug-ins

Adobe Flash Player, [423](#)-425

discussion, [416](#)-417

hacker use of, [423](#)-424

pop-ups, [428](#)-429

portable computers, [8](#), [11](#)

POs. See [purchase orders](#)

Prep for Taxes tool, in Accountant Tools menu

exporting data, [400](#)

options, [397](#)-398

overview, [396](#)-397

tax return mapping, [398](#)-400

Primary Principle Officer (PPO), [257](#)

Privacy button, [42](#)

ProAdvisor marketplace, [35](#), [299](#)-300

processors, [16](#)-17

ProConnect Tax Online

in Accountant Tools menu, [400](#)-401

discussion, [322](#), [460](#)

Tax Hub, [401](#)

Work page and, [379](#)

## Products and Services list

- adding inventory item in, [102](#)-104
- adding services and non-inventory items in, [99](#)-102, [107](#)
- changing item types in, [107](#)-108
- discussion, [95](#)
- inventory in
  - adding items to, [102](#)-104
  - adding services and non-inventory items to, [99](#)-102, [107](#)
  - adjusting quantities, [110](#)-113
  - adjusting starting value, [113](#)-115
  - bundles, [104](#)-107
  - changing item types, [107](#)-108
  - establishing categories, [97](#)-98
  - QB Desktop data conversion limitations, [339](#), [453](#)-454
  - reorder points, [102](#)-104
  - sales tax and, [98](#)-99
  - setting up for, [39](#)
  - tracking, [95](#)-96
  - using pricing rules in, [108](#)-110
- QBOA review of, [359](#)
- setting up sales tax in, [98](#)-99
- Track Inventory Quantity On Hand in, [95](#)-96

## Profit and Loss (P&L) reports

in Accountant Tools menu, [392](#)

customizing, [284](#)-287

on Dashboard Page, [153](#), [303](#)

Draw account and, [69](#)

management reports and, [280](#)

printing, [283](#)-284

Project Profitability report and, [153](#)

saving, [289](#)-290

progress invoicing, [176](#)-177

Project Profitability report, [147](#)-148, [153](#)

## Projects feature

activating, [148](#)-149

adding transactions in, [152](#)-153

converting sub-customers to, [149](#)-150

deleting, [154](#)

discussion, [56](#), [88](#), [147](#)-148

new project, [151](#)-152

Non-billable Time report, [147](#)

progress invoicing and, [176](#)-177

Project Profitability report, [147](#)-148, [153](#)

Transaction List report, [153](#)

Unbilled Time and Expenses report, [147](#)

purchase orders (POs)

activating, [127](#)-128

copying estimate to, [170](#)-172

creating new, [128](#)-130

discussion, [126](#)-127

handling partial, [130](#)-133

outstanding, [133](#)

QB Desktop import conversion limitations, [458](#)

settings preferences, [55](#)

## Q

QB Capital app, [143](#)

QB Desktop Payroll Summary, [249](#), [251](#)

QBO. See [QuickBooks Online](#)

QBO Advanced. *See also* [QuickBooks Online](#)

cost, [26](#)-28

discussion, [25](#)-26

POs

activating, [127](#)-128

creating new, [128](#)-130

outstanding, [133](#)

overview, [127](#)

partial POs, [130](#)-133

QB Desktop import conversion limitations, [458](#)

settings, [133](#)

purchase orders in, [126](#)

reports in, [26](#)

time-tracking users in, [262](#)

usage limits, [22](#)

QBO Essentials. *See also* [QuickBooks Online](#)

bundles in, [104](#)-107

cost, [26](#)-28

discussion, [24](#)

A/P included in, [23](#)

reports in, [23](#)

time-tracking users in, [262](#)

usage limits, [22](#)

Wholesale Billing program and, [315](#)

## QBO Payroll (QBOP)

activating, [251](#)

adding retail clients to, [314](#)

automatic tax deposits, [247](#)

deductions in, [248](#), [250](#)

direct deposit setup in, [253](#), [256](#), [263](#), [453](#)

discussion, [40](#), [47](#)

To Do List, [257](#)

entering payroll history in, [249](#)

IOP and Mac users of, [453](#)

managing payroll taxes in

overview, [248](#), [250](#)

remitting, [267](#)-269

setup, [257](#)-258

viewing payroll tax forms, [269](#)-270

preferences, [254](#)-256

processing payroll in

correcting exemptions, [264](#)-266

direct deposits, [263](#), [453](#)

overview, [260](#)

recording payroll, [260](#)-261

reviewing and generating checks, [261](#), [263](#)

setting exemptions, [264](#)-266

QB Desktop data importation limitations, [451](#)-453

QBOA and, [313](#), [332](#)-333

reports, [266](#)-267



## Setup wizard

- activating, [250](#)-251

- adding employees, [251](#)-253

- importing W-2 information, [255](#)

- overview, [249](#)-250

- W-4 form information, [251](#), [253](#)-254

switching from QB Desktop to, [249](#)

tax forms, [247](#)

## 1099 contractors in

- direct deposit, [271](#)

- overview, [271](#)

- paying, [270](#), [272](#)

- preparing, [275](#)

- reporting payments, [272](#)-275

- setup, [271](#)-272

voiding checks in, [266](#)

## Wholesale Billing program

- activating, [312](#)-313

- adding clients, [314](#)-316, [322](#)

- master administrator, [313](#)

- overview, [47](#)

- removing clients, [316](#)-318

- stopping use, [319](#)

- subscription history, [318](#)-319

workers' compensation policy in, [257](#)

QBO Plus. *See also* [QuickBooks Online](#)

bundles in, [104](#)-107

cost, [26](#)-28

discussion, [24](#)-25

inventory tracking in, [95](#)-96

POs

activating, [127](#)-128

creating new, [128](#)-130

outstanding POs, [133](#)

overview, [127](#)

partial POs, [130](#)-133

QB Desktop import conversion limitations, [458](#)

purchase orders in, [126](#)

reports in, [25](#)

time-tracking users in, [262](#)

usage limits, [22](#)

Wholesale Billing program and, [315](#)

QBO Self-Employed (QBSE)

cost, [26](#)-28

discussion, [20](#)

Expense Finder feature, [21](#)

features, [21](#)

Labs feature, [21](#)

mileage tracking, [445](#)

reports in, [21](#)

Wholesale Billing program and, [315](#)

## QBO Simple Start

cost, [26](#)-28

discussion, [23](#)-24

master administrator in, [23](#)-24

A/P excluded in, [23](#)

QBOA Client list and, [326](#)

A/R included in, [23](#)

reports in, [21](#), [23](#)

1099 contractors in, [23](#)

usage limits, [22](#)

Wholesale Billing program and, [315](#)

QBOA. See [QuickBooks Online for Accountants](#)

QBOP. See [QBO Payroll](#)

QBSE. See [QBO Self-Employed](#)

QBSE/TurboTax bundle, [315](#)

## QuickBooks Desktop

currency-specific pricing in, [59](#)

discussion, [8](#), [11](#)

features unavailable in QBO, [445](#)

importing data from

- attachments limitations, [455](#)
- bill payments limitations, [454](#)
- bills conversion limitations, [454](#)
- budget limitations, [454](#)
- closing date password limitation, [454](#)
- considerations, [332](#)
- conversion limitations, [443](#)-444
- credit card charge limitation, [454](#)
- custom fields limitations, [455](#)
- customized sales templates conversion limitations, [457](#)
- data backup, [334](#), [336](#)
- data file target total, [333](#)-334
- data that cannot import, [444](#)-445
- discounts limitations, [455](#)
- documents limitations, [455](#)
- finance charges limitations, [455](#)-456
- import limitations, [332](#), [334](#)-336
- inventory conversion limitations, [453](#)-454
- invoice conversion limitations, [456](#)
- IOP, [332](#)-333
- journal entries conversion limitations, [456](#)-457
- letter writing conversion limitations, [460](#)
- Lists conversion limitations, [446](#)-450
- merchant account service conversion limitations, [457](#)

- multicurrency conversion limitations, [457](#)
- online bill payment conversion limitations, [457](#)-[458](#)
- overview, [39](#)-[40](#), [75](#)-[76](#)
- payroll conversion limitations, [451](#)-[453](#)
- pending sales conversion limitations, [458](#)
- POs conversion limitations, [458](#)
- post-conversion checklist, [341](#)-[342](#)
- print mailing labels conversion limitations, [458](#)
- purging import, [342](#)
- QBOP, [332](#)-[333](#)
- receive items conversion limitations, [458](#)
- reconciliation reports, [335](#)
- reimbursable expenses conversion limitations, [458](#)
- reports conversion limitations, [459](#)
- sales rep information conversion limitations, [456](#), [459](#)-[460](#)
- tax support conversion limitations, [460](#)
- terms conversion limitations, [460](#)
- transferring data, [338](#)-[341](#)
- updating QB Desktop, [336](#)-[338](#)
- using trial version, [336](#), [444](#)

interface, [12](#)

international versions of, [331](#), [333](#)-[334](#)

memorializing reports in, [280](#)

older versions of, [331](#), [444](#)

on portable computers, [8](#), [11](#)

- sample company, [310](#)
- similarities between QBO and, [1](#), [7-8](#)
- switching to QBOP from, [249](#)
- system requirements, [16](#)
- QuickBooks Desktop for Mac 2013, [331](#)
- QuickBooks Desktop for Windows 2007, [331](#)
- QuickBooks Desktop for Windows Pro, [331](#)
- QuickBooks Desktop Payroll Summary report, [249](#)
- QuickBooks Desktop Premier 2008, [331](#)
- QuickBooks Enterprise
  - discussion, [15](#)
  - exporting data to QBO from, [338-341](#)
  - importing data from, [331](#)
- QuickBooks Labs feature, [51](#), [73-74](#)
- QuickBooks Live Bookkeeping Service, [35](#)
- QuickBooks Online certification programs, [302](#)

QuickBooks Online for Accountants (QBOA). *See also* [Accountant Tools](#); [Client list](#); [Work page](#)

advantages of, [14](#)

App Center

accessing, [58](#)

Bill.com service, [92](#), [143](#)

Capital app, [143](#)

Melio Sync service, [92](#)

overview, [30-32](#), [299-300](#)

Transaction Pro Importer, [335](#)

TSheets Time Tracking, [58](#), [184](#)

Attachments list, [359](#)

best browsers for, [2](#), [8](#), [16](#), [405](#)

Business Performance Dashboard reports, [291](#)



## client company review

bank feed rules, [359](#)-361

Chart of Accounts, [353](#)-357

Client Overview page, [346](#)-350

communication tools, [371](#)-374

company setup, [350](#)-353

keyboard shortcuts, [363](#)-364

list information, [358](#)-359

multiple windows, [347](#), [364](#)-367

Notes feature, [370](#)

opening, [9](#)-10

Products and Services list, [359](#)

searching for transactions, [368](#)-369

transactions types, [368](#)

working on two companies simultaneously, [367](#)-368

client QBO company transactions search in, [368](#)-369

closing companies in, [311](#)

communication tools, [371](#)-374

creating account with, [296](#)-298

deciding to move to, [14](#)-15

description, [7](#)-8

detail type, [446](#)

differences between QBO and, [1](#)

discussion, [25](#), [295](#)-296

format, [19](#)

Gear menus, [308](#)

Go to Client's QuickBooks list box, [343](#), [345](#), [367](#)

importing QB Desktop data into

- attachments limitations, [455](#)
- bill payments limitations, [454](#)
- bills conversion limitations, [454](#)
- budget limitations, [454](#)
- closing date password limitation, [454](#)
- considerations, [332](#)
- conversion limitations, [443](#)-444
- credit card charge limitation, [454](#)
- custom fields limitations, [455](#)
- customized sales templates conversion limitations, [457](#)
- data backup, [334](#), [336](#)
- data file target total, [333](#)-334
- data that cannot import, [444](#)-445
- discounts limitations, [455](#)
- documents limitations, [455](#)
- finance charges limitations, [455](#)-456
- import limitations, [332](#), [334](#)-336
- international versions, [331](#), [333](#)-334
- inventory conversion limitations, [453](#)-454
- invoice conversion limitations, [456](#)
- IOP, [332](#)-333
- journal entries conversion limitations, [456](#)-457
- letter writing conversion limitations, [460](#)
- Lists conversion limitations, [446](#)-450

- merchant account service conversion limitations, [457](#)
- multicurrency conversion limitations, [457](#)
- online bill payment conversion limitations, [457](#)-458
- overview, [75](#)-76, [331](#)-332
- payroll conversion limitations, [451](#)-453
- pending sales conversion limitations, [458](#)
- POs conversion limitations, [458](#)
- post-conversion checklist, [341](#)-342
- print mailing labels conversion limitations, [458](#)
- purging import, [342](#)
- QBOP, [332](#)-333
- receive items conversion limitations, [458](#)
- reimbursable expenses conversion limitations, [458](#)
- reports conversion limitations, [459](#)
- sales rep information conversion limitations, [456](#), [459](#)-460
- tax support conversion limitations, [460](#)
- terms conversion limitations, [460](#)
- transferring data, [338](#)-341
- updating QB Desktop, [336](#)-338
- using trial version, [336](#), [444](#)

interface comparison with QBO, [8](#)-10

IOP and, [313](#)

- keyboard shortcuts
  - duplicating browser tabs, [364](#)-367
  - overview, [363](#)-364, [444](#)
- Lead Accountant role, [307](#)
- logging in to, [298](#), [306](#)
- logging out of, [311](#), [346](#)
- master administrator
  - setup, [303](#)-306, [375](#)
  - transferring rights, [326](#), [328](#)-331
- multiple users in, [303](#)-306, [375](#)
- New Window command, [364](#)-365, [392](#), [401](#)
- Notes feature, [370](#)
- opening client company in
  - opening, [345](#)-346
  - overview, [9](#)-10
- ProAdvisor list, [299](#)-300
- QB Desktop features unavailable in, [445](#)
- QBOP and, [313](#)
- reviewing client QBO company in
  - Chart of Accounts, [353](#)-357
  - Client Overview, [346](#)-350
  - company setup information, [350](#)-353
  - exporting/importing bank feed rules, [359](#)-361
  - list information, [358](#)-359
  - overview, [346](#)
- sample company, [310](#)-311
- session time-out, [357](#)

switching between Client QBO companies in, [343](#)  
system requirements, [3](#), [15](#)-17

Team list, [299](#)-300

tips video, [298](#)

TurboTax and, [460](#)

Wholesale Billing program

activating, [312](#)-313

adding clients, [314](#)-316

limitations, [313](#)

master administrator, [313](#)

overview, [20](#), [27](#), [296](#), [312](#)

removing clients, [316](#)-318

stopping use, [319](#)

subscription history, [318](#)-319

working in multiple windows in, [347](#), [364](#)-367

working on two companies simultaneously in

multiple browsers, [367](#)-368

overview, [311](#), [347](#)

Your Books view

free QBO company, [296](#), [309](#)-310

overview, [302](#)-303

Your Practice view

Navigation bar commands, [302](#)

overview, [298](#)-299

pages, [300](#)

toolbars, [300](#)-302

QuickBooks Online Payroll. See [QBO Payroll](#)

QuickBooks Online (QBO). *See also specific versions of QuickBooks*

advantages of, [14](#)

Android and, [2](#)

App Center

accessing, [58](#)

Bill.com service, [92](#), [143](#)

Capital app, [143](#)

Melio Sync service, [92](#)

overview, [30](#)-32

Transaction Pro Importer, [335](#)

TSheets Time Tracking, [58](#), [184](#)

best browsers for, [2](#), [8](#), [16](#), [405](#)

businesses not ideal for, [15](#)

communication tools, [371](#)-374

company setup in

Billing & Subscription, [46](#)-47

information needed, [36](#)-38

multiple users, [303](#)-306, [375](#)

overview, [35](#), [45](#)-46

confirming balances in, [210](#)

Dashboard Page, [41](#)-44

deciding to move to, [14](#)-15

description, [7](#)

detail type, [446](#)

emailing bills and receipts to, [210](#)

file formats, [19](#), [216](#)

importing QB Desktop data into

- attachments limitations, [455](#)
- bill payments limitations, [454](#)
- bills conversion limitations, [454](#)
- budget limitations, [454](#)
- closing date password limitation, [454](#)
- considerations, [332](#)
- conversion limitations, [443](#)-444
- credit card charge limitation, [454](#)
- custom fields limitations, [455](#)
- customized sales templates conversion limitations, [457](#)
- data backup, [334](#), [336](#)
- data file target total, [333](#)-334
- data that cannot import, [444](#)-445
- discounts limitations, [455](#)
- documents limitations, [455](#)
- finance charges limitations, [455](#)-456
- import limitations, [332](#), [334](#)-336
- international versions, [331](#), [333](#)-334
- inventory conversion limitations, [453](#)-454
- invoice conversion limitations, [456](#)
- IOP, [332](#)-333
- journal entries conversion limitations, [456](#)-457
- letter writing conversion limitations, [460](#)
- Lists conversion limitations, [446](#)-450



merchant account service conversion limitations, [457](#)  
multicurrency conversion limitations, [457](#)  
online bill payment conversion limitations, [457](#)-  
458  
overview, [35](#), [75](#)-76, [331](#)-332  
payroll conversion limitations, [451](#)-453  
pending sales conversion limitations, [458](#)  
POs conversion limitations, [458](#)  
post-conversion checklist, [341](#)-342  
print mailing labels conversion limitations, [458](#)  
purging import, [342](#)  
QBOP, [332](#)-333  
receive items conversion limitations, [458](#)  
reimbursable expenses conversion limitations, [458](#)  
reports conversion limitations, [459](#)  
sales rep information conversion limitations, [456](#),  
[459](#)-460  
tax support conversion limitations, [460](#)  
terms conversion limitations, [460](#)  
transferring data, [338](#)-341  
updating QB Desktop, [336](#)-338  
using trial version, [336](#), [444](#)  
integrating Google Calendar with, [158](#)  
interface, [8](#)-10  
internet connection, [15](#)  
iOS and, [2](#)

- master administrator
  - setup, [303](#)-306, [375](#)
  - transferring rights, [326](#), [328](#)-331
- My Accountant page, [278](#), [371](#)-374
- new company setup in, [38](#)-41
- 128-bit SSL encryption in, [20](#)
- password, [37](#)
- QB Desktop features unavailable in, [445](#)
- QBOA and, [1](#)
- required date format in, [78](#)
- sample company, [310](#)
- saving reports in, [280](#)
- Schedule Payments Online feature in, [145](#)
- shortcuts, [444](#)
- sign in/sign out, [74](#)
- signing up for, [36](#)
- similarity between QB Desktop and, [1](#), [7](#)-8
- SmartLook feature, [38](#)
- subscription
  - cost, [26](#)-28
  - overview, [19](#)-20
  - versions, [20](#)-23
- switching from QB Desktop to, [30](#)
- system requirements, [3](#), [15](#)-17
- Try It Free feature, [36](#)-38
- TurboTax and, [460](#)
- versions of, [2](#), [36](#), [59](#)

## QuickBooks Payments

- for credit card payments, [161](#)
- Intuit Merchant Services and, [55](#)-56
- for online payments, [47](#), [51](#)
- transaction fees in, [27](#)

## QuickBooks Premier Desktop

- discussion, [15](#), [444](#)
- exporting data to QBO from, [338](#)-341

## QuickBooks Pro Desktop

- discussion, [15](#)
- exporting data to QBO from, [338](#)-341
- trial version, [444](#)

Quicken, [216](#)

## **R**

- RAM (random access memory), [16](#)-17
- ransomware, [416](#)
- reCAPTCHA connection, [213](#)
- receipts, [210](#), [221](#)-223
- Reclassify Transactions page, [392](#)-394
- Reconcile page, [401](#)
- Reconciliation Discrepancy Report, [244](#)
- reconciliation reports, [243](#), [335](#)
- recurring transactions, [448](#)-449
- Recurring Transactions list, [359](#)
- refund checks, [141](#)-143

## refund receipts

bundles in, [104](#)-107

discussion, [154](#), [180](#)

recording, [182](#)-183

## registers

### adjustments to

columns and rows, [195](#)-197

Paper Ledger mode, [194](#)-195

Balance Sheet accounts and, [193](#)

Bank accounts, [192](#)-193, [199](#)

in Chart of Accounts group, [67](#)-68, [191](#)-193

discussion, [191](#)

double-entry bookkeeping in, [193](#)-194

editing transactions in, [201](#)

### entering transactions in

adjusting transaction type, [198](#)-201

attachments, [197](#), [199](#)

not allowed for A/P, [197](#)

not allowed for A/R, [197](#)

overview, [197](#)

exporting, [205](#)

filtering, [202](#)-204, [235](#)

printing, [204](#)-205

sorting, [194](#)-195, [201](#)-202

reorder points, [102](#)-104

Reporting Agent Authorization Form, [268](#)

## reports

in Accountant Tools menu, [388](#)-390

categories of, [277](#)-278

Chart of Accounts, [66](#)-68

Customer Contact List, [86](#)

### customizing

editing, [291](#)

grouping, [290](#)-292

overview, [284](#)-286

saving, [289](#)-292

discussion, [277](#)

on expenses, [277](#)-278

exporting, [287](#)-289

### finding

customized reports, [278](#)-279

management reports, [278](#), [280](#)-282

overview, [282](#)-283

standard reports, [278](#)-280

### groups

Business Overview group, [277](#)-278

Employees group, [278](#)

Favorites group, [277](#)-278

For My Accountant group, [278](#)

Sales and Customers group, [278](#)

Sales Tax group, [278](#)

What You Owe group, [278](#)

Who Owes You group, [277](#)-278

income, [277](#)-278  
Non-billable Time, [147](#), [153](#)  
Open Purchase Orders Detail, [133](#)  
A/P Aging Summary and Details, [134](#)  
P&L  
    Accountant Tools, [392](#)  
    customizing, [284](#)-287  
    Dashboard Page, [153](#), [303](#)  
    Draw account, [69](#)  
    management reports, [280](#)  
    printing, [283](#)-284  
    saving, [289](#)-290  
payroll, [266](#)-267  
Payroll Tax Liability, [267](#)  
Physical Inventory Worksheet, [110](#)  
printing  
    customized reports, [291](#)  
    management reports, [281](#)  
    overview, [283](#)-284  
    payroll, [266](#)-267  
Project Profitability, [147](#)-148, [153](#)-154  
Projects Reports page, [151](#)  
QB Desktop import limitations, [459](#)  
QB Desktop Payroll Summary, [249](#), [251](#)  
QBO Advanced, [26](#)  
QBO Essentials, [24](#)  
QBO Plus, [25](#)

QBO Simple Start, [21](#), [23](#), [279](#)  
QBOA Business Performance Dashboard, [291](#)  
QBSE, [21](#)  
Reconciliation Discrepancy Report, [243](#)-244  
Reconciliation Report, [242](#)-244, [335](#)  
Recurring Template List, [139](#)  
Sales by Customer, [86](#)  
Sales Tax Liability, [376](#)  
sharing, [290](#)  
tax liability, [86](#), [98](#)  
1099 Contractor Detail, [272](#)-275  
1099 Contractor Summary, [272](#)-275  
1099 payments, [272](#)-275  
Time Activity by Employee, [251](#)  
Transaction List, [153](#)  
Unbilled Time and Expenses, [147](#), [153](#)  
on vendors, [277](#)-278  
retail sales, [39](#)  
retirement plan deductions, [248](#)

## S

SaaS (Software-as-a-Service), [13](#)-14, [19](#)  
Safari web browser  
discussion, [2](#), [8](#), [16](#), [405](#)  
download location, [287](#)  
working on two companies simultaneously with, [367](#)-  
368

Sales and Customers report group, [278](#)  
Sales Performance management report, [280](#)  
sales receipts  
    bundles in, [104](#)-107  
    customizing, [49](#)-50  
    discussion, [177](#)  
    packing slip, [178](#), [180](#)  
    printing, [178](#)-180  
    refund receipts, [180](#), [182](#)-183  
sales tax  
    importing QB Desktop data and, [332](#)  
    inventory and, [98](#)-99  
    rate, [159](#)  
Sales Tax Agency Payable account, [449](#)  
Sales Tax Center  
    discussion, [376](#)-377  
    opening, [376](#)  
    setting sales tax rate on, [159](#), [376](#)  
    settings, [48](#)-49  
    tax liability reports in, [98](#)  
Sales Tax Payable account, [449](#)  
Sales Tax report group, [278](#)



## sales transactions

### billable time entries and

customized subtotals, [155](#)-157

discussion, [184](#)

recording single activity in, [185](#)-186

using timesheet to record, [186](#)-187

customizing forms for subtotals in, [155](#)-157

discussion, [154](#)-155

### estimates and

copying to invoice, [172](#)-174

copying to PO, [171](#)-172

duplicating, [174](#)-175

overview, [167](#)-170

### invoices and

adding billable expenses, [187](#)-189

conversion limitations, [456](#)

converting estimates into, [172](#)-174

credit memo transaction, [180](#)-182

Google Calendar, [158](#)

invoice status, [165](#)-167

overpayments, [164](#)-165

preparing, [157](#)-161

progress invoicing, [176](#)-177

recording customer payments, [161](#)-164

sales tax rate, [159](#)

sending via email, [158](#)

Undeposited Funds Account, [163](#)

- sales receipts in
  - creating new, [177](#)-178
  - customizing, [49](#)-50
  - overview, [177](#)
  - packing slip, [178](#), [180](#)
  - printing, [178](#)-180
  - refund receipts, [180](#), [182](#)-183
- sandboxing, [423](#), [428](#)
- Schedule C, [23](#), [322](#)
- S-Corp Owners Health Insurance, [452](#)
- Self Service Payroll
  - cost, [27](#)
  - discussion, [26](#), [29](#), [247](#)
  - transaction fees, [27](#)
- services
  - adding, [100](#)-102
  - changing item types with, [107](#)-108
- Shared Data option, [255](#)
- Ship Via list, [449](#)
- 64-bit version of Windows, [17](#)
- SKU (stock-keeping unit), [95](#)-96
- SmartLook feature, [38](#)
- Software-as-a-Service (SaaS), [13](#)-14, [19](#)
- sole proprietorships, [398](#)
- state payroll taxes, [253](#)-254, [258](#)-259
- state unemployment taxes (SUTA), [269](#)

- statement reconciliation
  - reports, [243](#)-244
  - steps, [240](#)-243
  - tips for, [243](#)
  - Undeposited Funds Account and, [237](#)-238
- stock-keeping unit (SKU), [95](#)-96
- sub-accounts, [353](#)-354
- sub-customers, [86](#), [149](#)-150
- subscriptions
  - discussion, [19](#)-20
  - IFSP, [26](#)-27
  - managing client's, [322](#), [327](#)
  - QB Simple Start, [26](#)-28
  - QBO Advanced, [26](#)-28
  - QBO Essentials, [24](#), [26](#)-28
  - QBO Plus, [26](#)-28
  - QBSE, [26](#)-28
  - Self Service Payroll, [26](#)-27
  - Wholesale Billing program, [27](#), [318](#)-319
- SUTA (state unemployment taxes), [269](#)
- system requirements, [3](#), [15](#)-17

## **T**

- tablets, [8](#), [11](#), [20](#)
- tags, [244](#)-245
- Tax Hub, [398](#)-401, [460](#)
- tax return mapping, [398](#)-400

taxes, [247](#). *See also specific taxes*

teams

- Notes feature access by, [370](#)

- QBOA and, [299](#)-300

- Work page notifications, [386](#)-387

technical support, [38](#)

1099-K form, [273](#)

1099-MISC forms, [23](#), [270](#)

1099-NEC form, [270](#)

third-party cookies, [425](#)

32-bit version of Windows, [17](#)

Time Activity window, [185](#)-186

Time Tracking section, [184](#)-185

Track Inventory Quantity On Hand setting, [95](#)-96

Transaction List report, [153](#)

Transaction Pro Importer app, [335](#)

Transaction Review page, [391](#)-392

transaction rules

- creating, [232](#)-235

- discussion, [230](#)-232

- icons for, [232](#), [235](#)-236

- QBOA exporting/importing, [359](#)-361

- sequence of, [231](#)

transactions. *See also specific transactions*

adjusting QBO match, [227](#)-230

attachments in, [197](#), [199](#)

bank deposit

creating, [238](#)-239

Reconciliation Discrepancy Report, [244](#)

Reconciliation Report, [243](#)

statement reconciliation, [240](#)-243

Undeposited Funds Account, [237](#)-238

categorizing

classes, [244](#)

location, [56](#)-57, [244](#)

reclassifying, [392](#)-395

tags, [244](#)-245

confirming QBO match, [227](#)

converting receipts to transactions for, [221](#)-223

discussion, [207](#)

importing/exporting

Excel/CSV files, [218](#)-221

financial institutions connection, [210](#)-215

Web Connect, [215](#)-218

managing downloads of, [226](#)-227

matching, [223](#)-226

in registers

adjusting transaction type, [198](#)-201

attachments, [197](#), [199](#)

editing, [201](#)

overview, [197](#)

A/P, [197](#)

A/R, [197](#)

searching, [368](#)-369

Try It Free feature, [36](#)-38

TSheets Time Tracking app, [58](#), [184](#), [262](#)

TurboTax

exporting Schedule C information to, [23](#)

importing W-2 information from, [255](#)

QBO and QBOA optimized for, [460](#)

QBSE bundle with, [315](#)

## U

Unbilled Time and Expenses report, [147](#)

Undeposited Funds Account

discussion, [163](#)

recording payments received in, [237](#)-238

United States Department of Treasury, [268](#)

USB (universal serial bus) device, [428](#)

user ID, [37](#), [212](#)

## V

vendor credit

discussion, [139](#)-141

via Credit Card Credit, [140](#)

via refund check, [141](#)-143

## vendor lists

adding to, [82](#)-84

attachments, [88](#)-89

batches in, [92](#)-93, [358](#)-359

creating new, [84](#)-86

data importation limitations, [450](#)

deactivating, [84](#)

discussion, [75](#)-76

editing, [88](#)

exporting, [91](#)-92

importing

from Excel, [76](#)-77

Lists conversion limitations, [446](#)-450

post-conversion checklist, [341](#)-342

from QuickBooks Desktop, [75](#)-76

required format, [77](#)-79

steps, [80](#)-82

QBOA review of, [358](#)-359

sample files, [77](#)-79

searching, [86](#)-90

settings, [93](#)-95

sorting, [90](#)-91

1099 payments and

direct deposit, [271](#)

overview, [271](#)

reports, [272](#)-275

setup, [271](#)-272



viruses, [416](#)

## W

W-2 form

importing data to QBOP, [255](#)

payroll history and, [249](#)

W-4 form, [251](#), [253](#)-254

Wall Street On Demand, [62](#)

web apps, [416](#)

Web Connect, [209](#), [215](#)-218

web-based products, [7](#)-8, [14](#)

Weekly Timesheet window, [186](#)-187

What You Owe report group, [278](#)

Who Owes You report group, [277](#)-278

## Wholesale Billing program

- activating, [312](#)-313
- adding clients to, [314](#)-316, [322](#)
- discussion, [20](#), [27](#), [47](#), [296](#)
- limitations, [313](#)
- master administrator, [313](#)
- QBO Essentials and, [315](#)
- QBO Plus and, [315](#)
- QBO Simple Start and, [315](#)
- QBSE and, [315](#)
- QBSE/TurboTax bundle and, [315](#)
- removing accountant from, [326](#)
- removing clients from, [316](#)-318, [326](#)
- stopping use of, [319](#)
- subscription history, [318](#)-319

Windows Edge web browser. See [Edge web browser](#)

## Windows operating system

- apps, [2](#)
- basic requirements, [16](#)-17
- QB Desktop on, [11](#)
- split screen function, [365](#)

Windows Phone, [11](#)

## Work page

Calendar view, [385](#)-386

discussion, [299](#)-300, [377](#)

### Grid view

creating projects, [379](#)-381

editing projects, [383](#)-384

editing tasks, [383](#)-384

overview, [378](#)-379

project templates, [379](#)-380

tasks, [381](#)-383

List view, [384](#)-385

Notifications tab, [386](#)-387

ProConnect Tax Online and, [379](#)

workers' compensation policy, [257](#)

Write Off Invoices page, [395](#)-396

write offs, [387](#), [395](#)-396

## **Y**

Yearly taxes template, [380](#)

## *About the Author*

**David Ringstrom, CPA**, is president of Accounting Advisors, Inc., an Atlanta-based spreadsheet and database consulting firm. David's consulting work focuses on streamlining repetitive accounting tasks by using software such as QuickBooks more effectively, and by creating automated tools in Microsoft Excel and Microsoft Access.

David spends much of his time teaching webinars on Microsoft Excel and occasionally QuickBooks. David also owns StudentsExcel, an online service that helps accounting professors teach Excel more effectively to their students. David has written freelance articles about spreadsheets and accounting software since 1995, some of which have been published internationally. David has served as the technical editor for over three dozen books, including *QuickBooks Desktop For Dummies*, *QuickBooks Online For Dummies*, and *Peachtree For Dummies*. This is the second book that David has co-authored.

David resides in a historic neighborhood in Atlanta, Georgia with his wife Erin, his children Rachel and Lucas, dogs Ginger and Eddie, and cats Ringo and Arlene Frances (Francie).

**Elaine Marmel** is president of Marmel Enterprises, LLC, an organization that specializes in technical writing and software training. Elaine has an MBA from Cornell University and has worked on projects to build financial management for New York City and Washington, D.C., training more than 600 employees to use these systems. This prior experience provided the foundation for

Marmel Enterprises, LLC, to help small businesses implement computerized accounting systems.

Elaine spends most of her time writing: She has authored and co-authored more than 90 books about software products, including Windows, QuickBooks Desktop, QuickBooks Online, Quicken for Windows, Quicken for DOS, Microsoft Project, Microsoft Excel, Microsoft Word for Windows, Word for the Mac, 1-2-3 for Windows, and Lotus Notes. From 1994 to 2006, she was also the contributing editor for the monthly publications *Inside Peachtree for Windows*, *Inside QuickBooks*, and *Inside Timeslips* magazines.

Elaine left her native Chicago for the warmer climes of Arizona (by way of Cincinnati, OH; Jerusalem, Israel; Ithaca, NY; Washington, D.C.; and Tampa, FL), where she basks in the sun with her PC and her dog, Jack, and cross-stitches.

# *Author's Acknowledgments*

David Ringstrom: I would like to thank Katie Mohr for the opportunity to co-author this book. Thank you to Elaine Marmel as well; it has been a pleasure to join you in this series. Dan DeLong is a technical editor extraordinaire who made several suggestions that greatly improved the book. I appreciate Christopher Morris guiding me through the editing process and improving the readability of this book. I of course need to thank my wife Erin and my children Rachel and Lucas for bearing with me during the writing process. Working on a book is no small undertaking, but it is always rewarding. At milestone points in my career, such as this book, I always like to look back and thank some of the people that have helped my career along. I'm eternally grateful to Evander Wright for helping me find my footing in the world, Greg Chapin for persistently encouraging me to sit for the CPA exam, and to Melissa Harden for being such a valued colleague for over 20 years. Thanks also go to Bill Gerber for being patient while this book delayed some tools that he and his team will use going forward.

## **Publisher's Acknowledgments**

**Acquisitions Editor:** Kelsey Baird **Project Editor:**  
Christopher Morris **Copy Editor:** Christopher Morris

**Technical Editor:** Dan DeLong

**Production Editor:** Mohammed Zafar Ali **Cover Image:**  
© Klaus Vedfelt/Getty Images

# Take Dummies with you everywhere you go!



Go to our [Website](#)



Like us on [Facebook](#)



Follow us on [Twitter](#)



Watch us on [YouTube](#)



Join us on [LinkedIn](#)



Pin us on [Pinterest](#)



Subscribe to our [newsletter](#)



Create your own [Dummies book cover](#)

**for  
dummies<sup>®</sup>**  
A Wiley Brand



# WILEY END USER LICENSE AGREEMENT

---

Go to [www.wiley.com/go/eula](http://www.wiley.com/go/eula) to access Wiley's ebook  
EULA.