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4th Edition

**by Elaine Marmel**

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## QuickBooks® Online For Dummies®, 4th Edition

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# Introduction

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**M**ost 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, I've divided this book into three parts. In the first part of the book, I examine what QBO and QBOA are — and what they aren't — and I describe what you need to be able to use QBO and QBOA. I explain the various editions available and the product costs at the time I wrote this book, and I 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.

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



REMEMBER

As I discuss in Chapter 2, there are different versions of QBO; I used QBO Plus as I wrote this book because it contains the most features. Users of other versions might find references in this book to features they don't have because they aren't using the Plus version.

Before we dive in, let's 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 `monospace`. 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`.
- » 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 I 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, I used Chrome throughout this book and I'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 I discuss a command to choose, I separate the elements of the sequence with a command arrow that looks like this: ⇨. 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

I had to assume some things about you to write this book. Here are the assumptions I 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. I *don't* assume that you know how to do all of 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; I wrote this book using Windows 10. Your Mac must be running OS X 10.6 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 I'm 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.

# 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.

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

## Chapter **1**

# Introducing QBO and QBOA

**Q**uickBooks 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 comes with one free company that accountants can use to track their own businesses.

## Comparing interfaces

QBO and QBOA were initially written and optimized to be used in the major web browsers — Chrome, Firefox, Safari, and Internet Explorer. Later, Intuit added QBO apps that you can use for 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 in the sense that it won’t work on a Windows phone . . . but it will work on any Mac or Windows computer, including “portable” computers like laptops and tablets, making it somewhat mobile.

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.

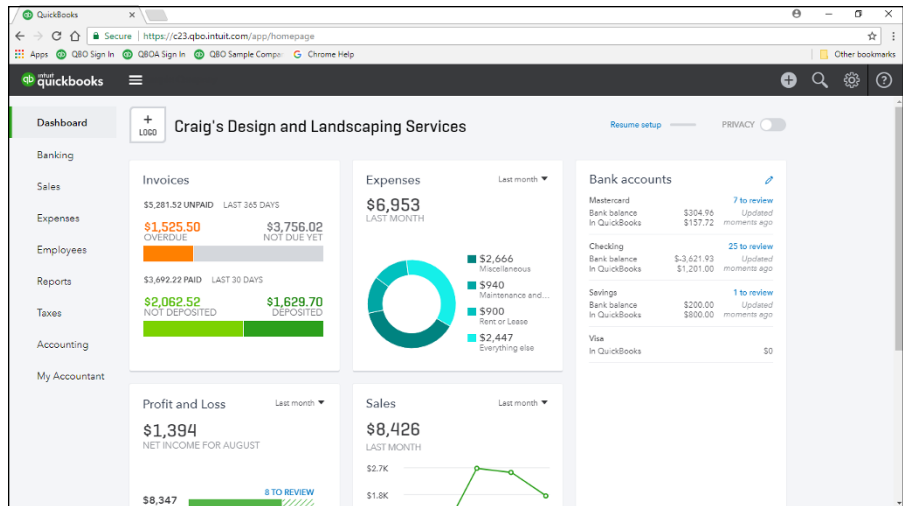
In a browser, an open company in QBO looks similar to the one shown in Figure 1-1. I cover the interface in more detail in Chapter 3, but for the time being, the most important thing to notice is the Navigation bar that runs down the left side of the screen. If you’ve been a QuickBooks Desktop user and 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.

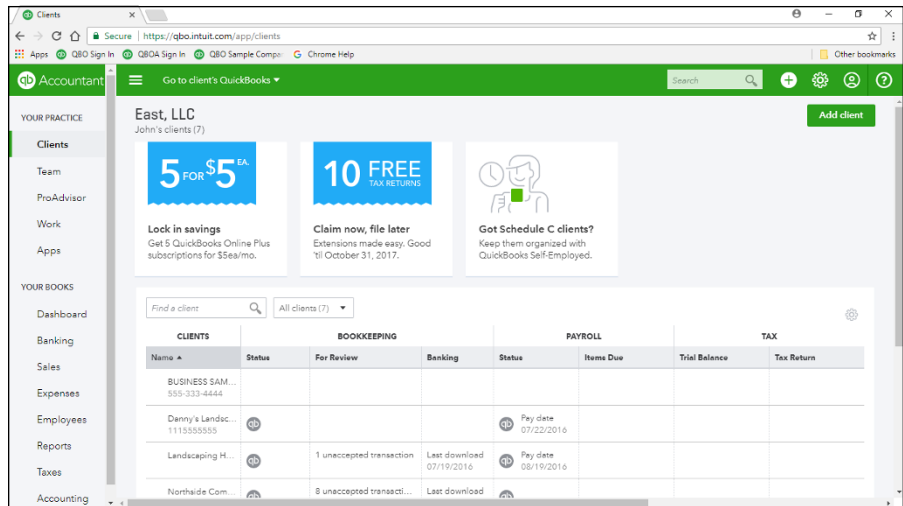
At the top of the screen, you see tools that help QBO users create transactions, search for existing transactions, and view settings for the QBO company.

Figure 1-2 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.

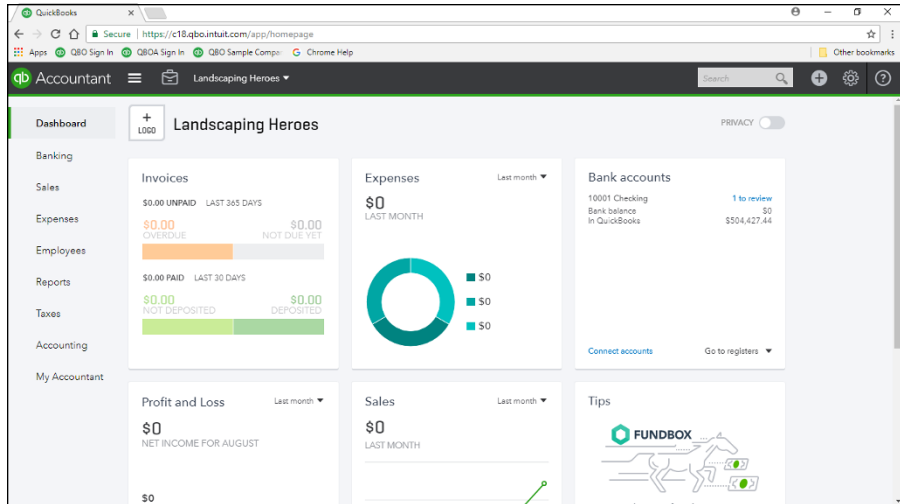
**FIGURE 1-1:**  
An open company in QBO.



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



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 QuickBooks Accountant. Second, the tools used to search for a transaction, go to a report, and view recent transactions are combined into one Search box near the right side of the screen. And third, the Accountant Tools menu (the briefcase icon) displays tools not found in QBO that help accountants manage client companies.



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

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, I'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.

## 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 I'll let you judge for yourself. To download QBO Desktop, use your browser to navigate to the QBO sign-in page: [qbo.intuit.com](https://qbo.intuit.com), shown in Figure 1-4. On the left side of the page, you'll see a Download It Free button; click it and follow the on-screen instructions to download and install QBO Desktop.



**TIP**

Both Windows and Mac users can use QBO Desktop; 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, I’m using the word “app” *only* when I refer to the mobile versions of QBO and QBOA *that support a touch interface* and 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 I wrote this, there is no Windows app. 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 *does not* support a touch interface and therefore, I’m not calling it an app.

**FIGURE 1-4:**  
You can download and install QBO Desktop from the QBO sign-in page.

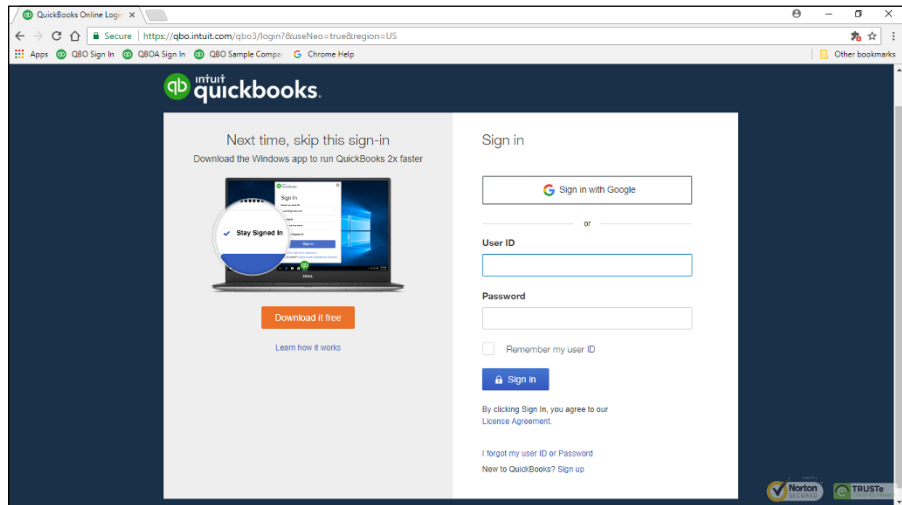
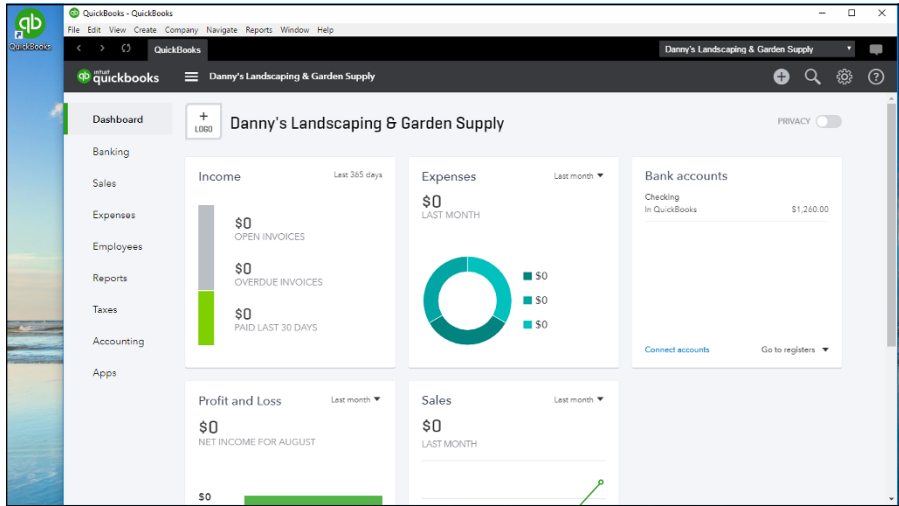


Figure 1-5 shows QBO Desktop with a QBO company open, and Figure 1-6 shows QBOA just after opening it in QBO Desktop (but before opening any client company).

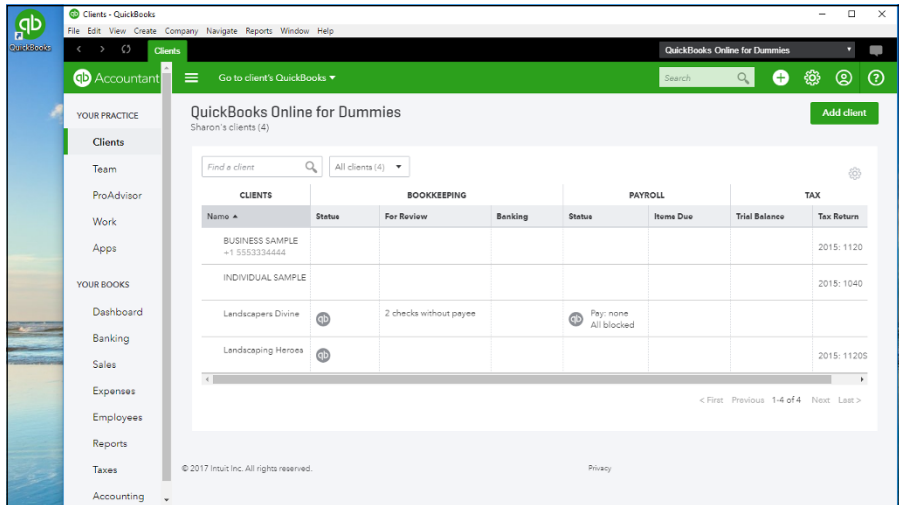


TIP

If you compare Figure 1-5 to Figure 1-1 and Figure 1-6 to Figure 1-2, 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.



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



**FIGURE 1-6:**  
QBOA while  
working in QBO  
Desktop.

## 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/mobile>. In addition to using the QBO mobile apps for iOS and Android, you also can access QBO from your mobile device's browser at <https://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, I'm 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, using QBO Desktop, or using 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 is updated typically once each year. Unlike their desktop cousin, QBO and QBOA are updated every two to four weeks.



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.
- » Prepare and track progress invoices.

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 or QuickBooks Premier.



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 OSX 10.6 or later. You also need:

- » An Internet connection — Intuit recommends a high-speed connection
- » One of the four supported Internet browsers:
  - Google Chrome
  - Mozilla Firefox
  - Microsoft Internet Explorer 10 or higher
  - Safari 6.1 if your operating system is iOS 7 or higher



REMEMBER

At the time I wrote this, several issues had been identified when using Microsoft Edge, so, you can try, but temper your expectations. If something doesn't work as you'd expect, try a different browser. In this book, I use a Windows 10 desktop computer and the Chrome browser.

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, I 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 the 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 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 I 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 (32 bit) or 20GB (64 bit)
- » A display that supports at least 800 x 600 dpi
- » DirectX 9 graphics device with WDDM 1.0 or higher driver

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 listed above. 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 much to meet more than the basic requirements. I'm pretty sure you can't buy 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; your desktop computer should 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://community.intuit.com/articles/1145516-system-requirements-for-quickbooks-online>

If you want to use QBO Desktop, visit this page to see system requirements:

<https://community.intuit.com/articles/1458875-quickbooks-windows-app-general-support>



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 process, 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.





#### IN THIS CHAPTER

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

## Chapter 2

# Embracing the QBO/QBOA Format

**Q**BO and QBOA are not traditional software that you buy and install on your local computer. In this chapter, you explore the QBO/QBOA software format, and I 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 four 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



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.

Once 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 prepare 1099s.

## 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. 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. In addition, QuickBooks Self-Employed (QBSE) offers free bank transfers and enables you to accept mobile payments. And, QBSE lets you know when your invoice is viewed and paid.
- » Track mileage using your phone's GPS.

- » 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 sorting 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 2017 taxes" to access the Expense Finder feature. You can then connect to your bank accounts to securely import all 2017 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.
- » 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 QBO.

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.

## 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.
- » Import data from Microsoft Excel or QuickBooks Desktop.

- » Invite up to two accountants to access your data.
- » Integrate with available apps.

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. And, one other important consideration: The Simple Start version also has no 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 20 reports. And Simple Start users can memorize report settings and produce memorized reports.



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.
- » Compare your sales and profitability with industry trends.
- » Create and post recurring transactions.
- » Control what your users can access.

The Essentials version permits three simultaneous users and two accountant users. In addition, the Essentials version contains the reports found in Simple Start and 20 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; I talk about add-on apps at the end of this chapter.
- » Track, create, and send 1099-Misc forms.
- » 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.
- » Create budgets to estimate future income and expenses, and you can create multiple budgets per year, location, class, or customer.



REMEMBER

I used QBO Plus as I wrote this book because it contains the most features; 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 users and two accountant users and can be scaled up to support 20 users. The Plus version also contains more than 65 reports: all the reports found in both the Simple Start and the Essentials versions, and some additional reports.

## Essentials and Plus with Payroll

If an end user signs up for QBO Essentials or Plus on his own and creates his own company, he can create the company using the Plus Payroll option, or later, he can sign up for QBO Payroll (QBOP) separately. An accountant also can create the company that uses QBOP 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.

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



REMEMBER

The prices shown in Table 2-1 are monthly subscription prices, and, at the time I wrote this, the sale price was good for six 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.

TABLE 2-1

## QBO Subscription Pricing

QBO Version	Regular Price	Sale Price
Self-Employed	\$10/month	\$5/month
Simple Start	\$15/month	\$10/month
Essentials	\$35/month	\$24/month
Plus	\$50/month	\$35/month



REMEMBER

At the time I wrote this, Intuit offered Simple Start, Essentials, and Plus users the ability to add Enhanced Payroll for \$19/month and Full Service payroll for \$49/month.

You'll receive a bill on a regular basis from Intuit. Intuit gives you 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 2.9 percent per bank payment/ACH at the time I wrote this book. 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. But, if you "buy now," Intuit gives you a 60-day, money-back guarantee on your purchase.

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, Intuit sends you the bill for the client's 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 Essentials or Plus on his own, he can create his own company using the appropriate “with Payroll” option — Enhanced or Full Service Payroll — or, after the fact, he can sign up for QBO Payroll from the Employees screen (see Figure 2-1).



REMEMBER

The distinction between the two options, besides price, is that you choose Enhanced Payroll if you want to prepare payroll on your own; for details on preparing payroll in QBO, see Chapter 9. Alternatively, you can subscribe to QBO Full Service Payroll, which integrates with QBO, where Intuit prepares payroll for you.

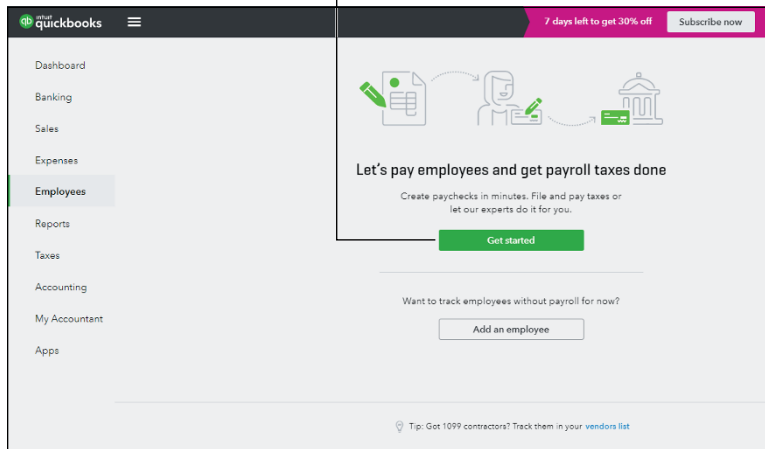


REMEMBER

It's easy to get confused here . . . I know I was. Intuit also offers another payroll product, Intuit Full Service Payroll, which is a stand-alone product that doesn't integrate with QBO.

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.



Both Enhanced and Full Service QBO Payroll 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 in multiple states
- » 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 or Plus 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 Essential or Plus 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 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, 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.

## Where Add-On Apps Fit In

QBO doesn't operate as a complete, stand-alone 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 I briefly mentioned 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.

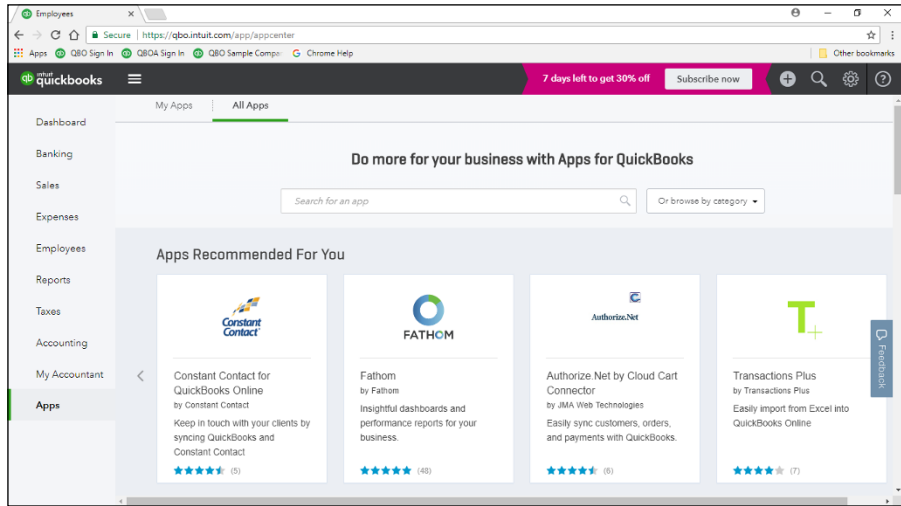


REMEMBER

In Chapter 1, I made a distinction about apps: In that chapter, I used the term to describe the touch-enabled versions of QBO and distinguish them from QBO Desktop, which is not touch-enabled. In this section, when I refer to apps, I refer to products developed to enhance the functionality of QBO in general; touch capability doesn't play a role here when using the term "app."

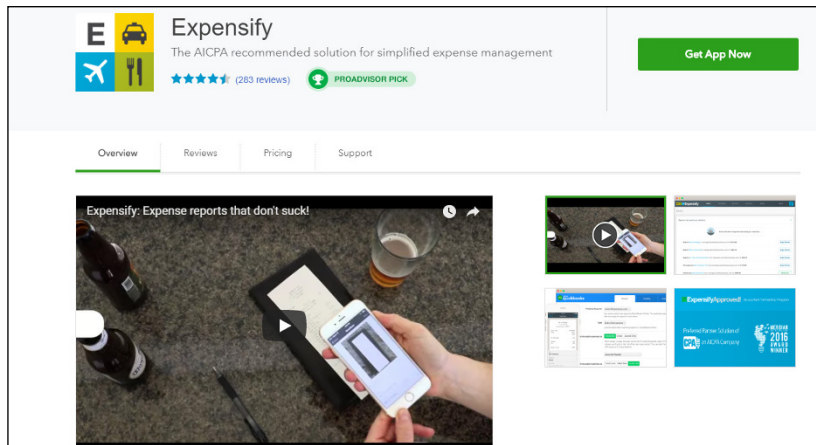
You can click the Apps link in the Navigation bar that runs down the left side of QBO to visit the App Center and explore available apps (see Figure 2-2).

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



Click any app to navigate to a 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.
- » Track labor costs.
- » Manage a robust inventory.
- » Prepare and track progress invoices.

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.





# **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.

#### 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

## Chapter 3

# Creating a Client Company in QBO

**A**fter 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).

# Signing Up for QBO

After you complete the sign-up process for a QBO account, Intuit, by default, logs you into 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 QB Desktop product company — and you need the following information:

- » Your company's name and address
- » The industry in which your company operates
- » Your company's legal organization (such as S-Corp or Limited Liability Partnership)
- » Whether you want to import company information from a QuickBooks Desktop product
- » The types of payments you accept from your customers (that is, cash, checks, and credit cards)
- » The way you want to handle payroll

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

1. **Visit** [quickbooks.intuit.com/online](http://quickbooks.intuit.com/online).
2. **Scroll down the page until you find the three boxes describing each version of QBO — Simple Start, Essentials, and Plus.**
3. **In the version of QBO that you want to try, click the Free 30-Day Trial link.**

The Free 30-Day Trial link appears below the Buy Now button.

Be aware that the price you pay for QBO depends on whether you choose the Buy Now option or the Free 30-Day Trial. If you opt to “buy now,” you pay less for your subscription because discounts don't apply to the Free 30-Day Trial.



REMEMBER

4. **Fill in your name, email address, and a password (see Figure 3-1).**

If you already have an Intuit user ID, supply that user ID and 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; I included an exclamation point (!) in my password and it was accepted. The user ID and password you supply are the ones you use each time you log in to QBO.



**Try QuickBooks free for 30 days.**

Already have an Intuit account from TurboTax, Mint, or QuickBooks? [Sign in.](#)

or

Email address (User ID)

Mobile number (Recommended)

Standard cell, messaging or data rates may apply.

Password

**Free 30-day trial includes:**

- QuickBooks Online Plus
- No credit card needed

**After trial, continue using:**

- QuickBooks Online Plus for \$50/month

[Important pricing terms & conditions](#)

**FIGURE 3-1:**  
Fill in the information needed to start the free trial.

**5. Click the Create Account button below the boxes you completed in Step 4.**

At the time that I 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 I opted to click the Continue to Trial button.

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

## 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 3-2, asks for basic company information.

**intuit quickbooks.** 1 of 2

**No two businesses are alike**  
We should know—we've seen a lot! Help us get to know yours.

What's your business called?

How long have you been in business?

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

**FIGURE 3-2:**  
Provide basic company information.



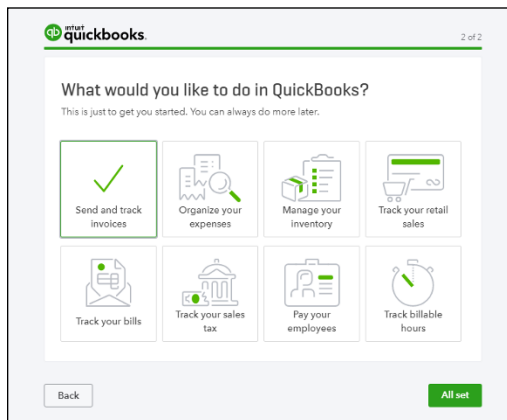
TIP

Notice that you can opt to bring in QuickBooks Desktop data. For this exercise, I 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 3-3, 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.

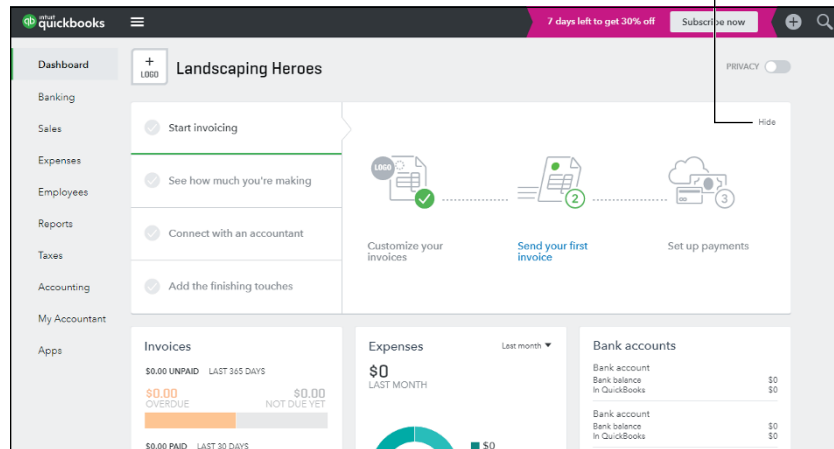


**FIGURE 3-3:** Select activities for which you expect to use QBO.

QBO displays your company's Dashboard page (formerly called the Home page) and displays links to options you might want to set up to get started (see Figure 3-4).

Click here to hide additional setup options.

**FIGURE 3-4:**  
Your QBO  
Dashboard page  
just after creating  
your company.



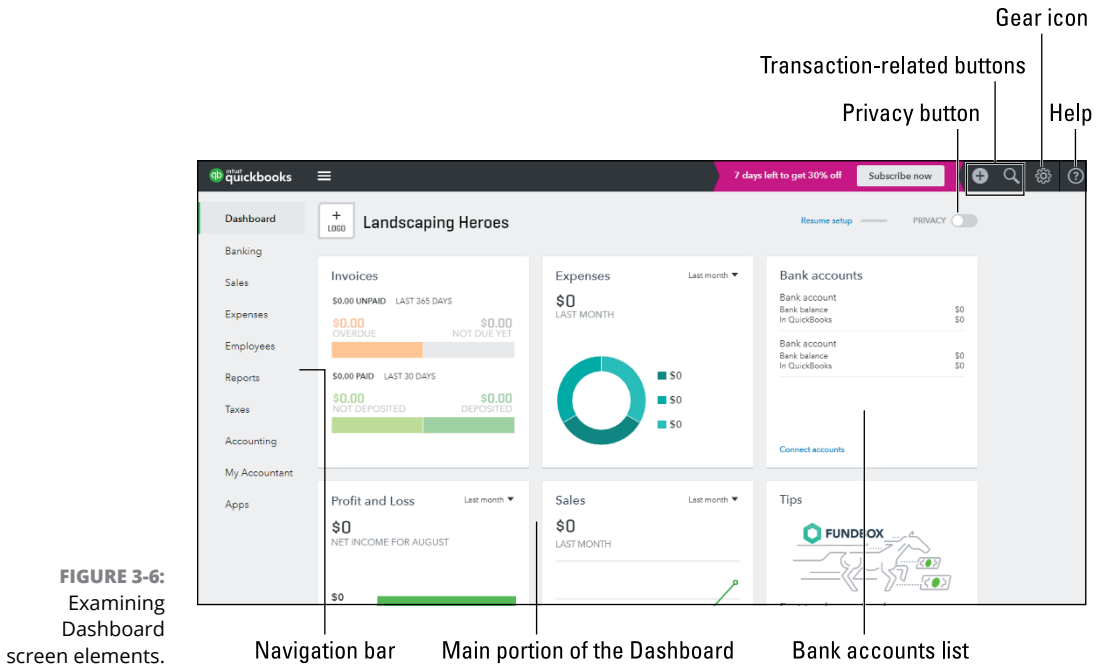
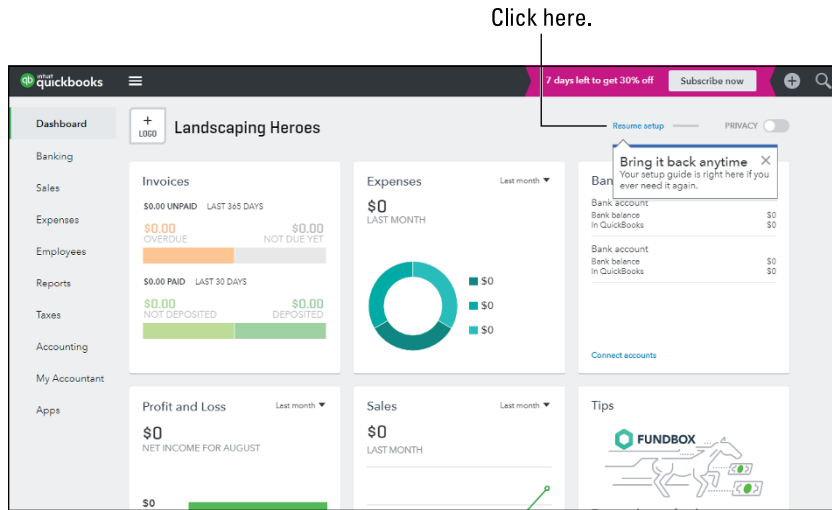
You examine the Dashboard page in the next section, but essentially you've just completed most of the initial setup work; I cover other program settings later in this chapter.

## 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 3-4). 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 3-5, 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 Figure 3-6, I'm using a company that already has some data in it to try to make things a bit more meaningful. In the center of the screen, 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 is related to the option you select.

**FIGURE 3-5:**  
The QBO  
Dashboard page  
after closing the  
additional  
setup box.



**FIGURE 3-6:**  
Examining  
Dashboard  
screen elements.



TIP

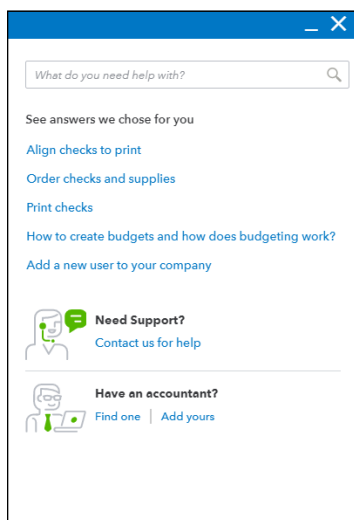
You might have noticed the Privacy button in Figure 3-6. You can use this button to temporarily hide financial information on your Dashboard page. For example, you might want to turn Privacy on if you're using QuickBooks in a public place or even in your office when you're not alone. Once you turn Privacy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

As I 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.

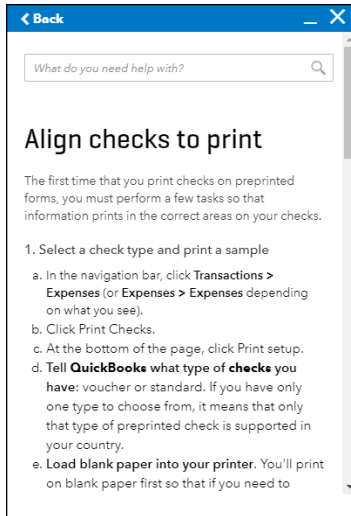
On the right side of the Dashboard page, you find a list of the bank accounts you've set up; if you scroll to the bottom of the list, you find options to connect your accounts to their banks, select an account and open its register, and to view all activity, which is the audit log in QBO. The audit log 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).



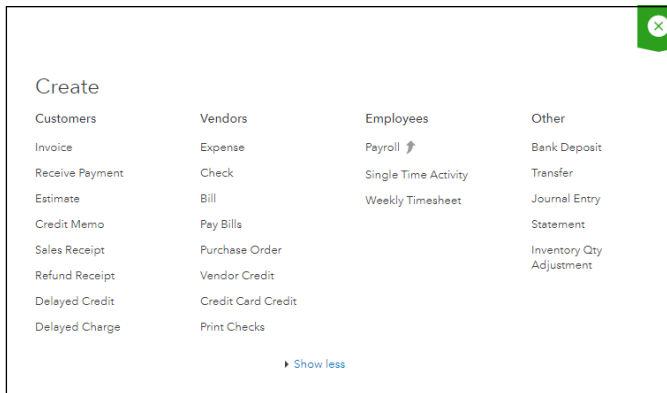
**FIGURE 3-7:**  
The Help menu.

For example, when you click the Align Checks to Print link, QBO displays the Align Checks to Print page, which provides instructions for that topic (see Figure 3-8). At the bottom of the Help page, you'll find a list of additional related topics.



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

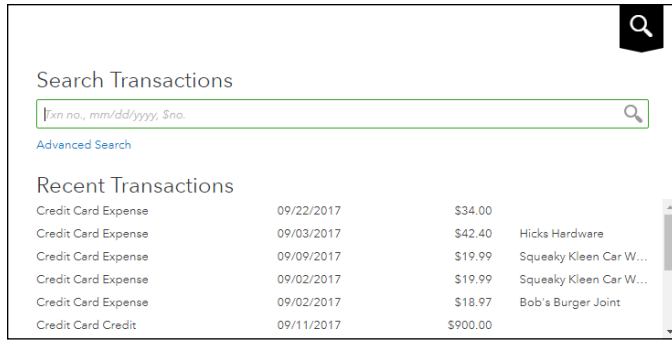
At the right edge of the top of the screen, you see two transaction-related buttons that display lists you can use to work with transactions. Figure 3-9 shows the Create menu that appears when you click the left transaction button. The Create button appears as a plus sign (+) when the menu is closed and an X when the menu is open; compare Figures 3-6 and 3-9.



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

Figure 3-10 shows what you see when you click the button to the right of the Create menu button — the Search 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 box to search for a transaction.

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



To the right of the two transaction-related buttons, you see the Gear button. If you click the Gear button, you see the menu shown in Figure 3-11, which you use to 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 this 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.

Section	Field	Value	Action
Company name	Company name	Landscaping Heroes	✎
	Legal name	Same as company name	
	EIN/SSN	-	
Company type	Tax form	-	✎
	Industry	-	
	Company email	josh083118@gmail.com	
Customer-facing email	Same as company email		
Company phone	-		
Website	www.landscapingheroes.com		
Address	Company address	1234 Main Street, Phoenix, AZ 85000	✎

On this tab, you can make changes to your company name, address, and contact information.

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; the Done button doesn't appear in Figure 3-12.

## Examining billing and subscription settings

To review the settings related to your QBO billing and subscription, choose and 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.

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.



REMEMBER

The subscription 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 to 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.



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

Account and Settings			
Company	Company ID: 1935 1460 3859 239		
Billing & Subscription	QuickBooks	Subscription status	Trial ends in 27 days! <a href="#">Subscribe Now</a> <a href="#">Cancel trial</a>
Sales		Plan details	QuickBooks Plus
Expenses		Next Charge	Free through 10/20/2017
Payments	Payroll	Subscription status	Not subscribed <a href="#">Subscribe</a>
Advanced	Payments	Subscription status	Not subscribed
	Checks	Checks and supplies	<a href="#">Order now</a>
<small>Privacy   Security   Terms of Service</small>			

## 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. I return to the customization process at the end of this section; first, I examine the settings available to you.

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

Account and Settings			
Company	Customize	Customize the way forms look to your customers	<a href="#">Customize look and feel</a>
Billing & Subscription	Sales form content	Preferred invoice terms	Net 30
Sales		Preferred delivery method	None
Expenses		Shipping	Off
Payments		Custom fields	Off
Advanced		Custom transaction numbers	Off
		Service date	Off
		Discount	Off
		Deposit	Off
	Products and services	Show Product/Service column on sales forms	On
		Show SKU column	Off
		Track quantity and price/rate	On
		Track inventory quantity on hand	On
	Messages	Default email message sent with sales forms	

## Examining sales settings

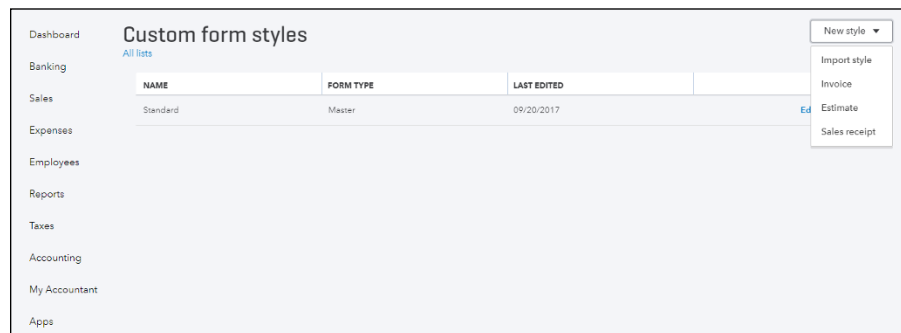
You can set a variety of options related to sales:

- » 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.
- » 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.
- » If you scroll down the Sales page, you can set, in the Online Delivery section, 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, I 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).



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.”

Create invoices that turn heads and open wallets

Design Content Emails Payments

Everything saves automatically.

My Invoice Template - 9-23 (35177)

Change up the template

Make logo edits

Try other colors

Select a different font

Landscaping Heroes  
1234 Main Street  
Phoenix, AZ - 85000  
US  
josh@heroes.com  
www.landscapingheroes.com

BILL TO  
Smith Co  
523 Main Street  
City, CA 12345

INVOICE: 12345  
DATE: 09/23/2016 TERMS: NET 30  
DUE DATE: 09/23/2016

ACTIVITY	QTY	RATE	AMOUNT
Item name Description of the item	2	225.00	450.00
Item name Description of the item	1	225.00	225.00
SUBTOTAL			675.00
TOTAL			6975.00
TOTAL DUE			\$675.00

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

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 can select a style for the form: Airy, Modern, Fresh, Friendly, or Bold. The preview shown in Figure 3-16 is the Fresh 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, shown in Figure 3-17, 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 3-18, 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 of preview of what your customer will receive.
- » From the Payments tab, 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 free 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:**  
Use the Content tab to make changes to the form information.

Everything saves automatically.

Footer

Display

Discount

Deposit

Message to customer on

Invoices

Thank you for your business and have a great day! 8pt

Add footer text

Enter any other text you'd like in the footer. 8pt

Centered

Landscaping Heroes  
1234 Main Street  
Phoenix, AZ - 85005  
505  
john@landscapingheroes.com  
www.landscapingheroes.com

BILL TO  
Brew Co.  
123 Main Street  
City, CA 12345

INVOICE: 12345  
DATE: 01/22/2016 TERM: NET 30  
DUE DATE: 02/12/2016

ACTIVITY	QTY	RATE	AMOUNT
Item name Description of the item	2	225.00	450.00
Item name Description of the item	1	225.00	225.00

SUBTOTAL 875.00  
TOTAL 875.00  
TOTAL DUE \$675.00

**FIGURE 3-18:**  
Make changes to the email your customers will receive with their forms.

Everything saves automatically.

Standard email

Edit the email your customers get with every sent form

Invoice

Subject

Invoice [Invoice No.] from Landscaping Heroes

Use greeting Dear [FullName]

Message to customer

Here's your invoice! We appreciate your prompt payment.  
Thanks for your business!  
Landscaping Heroes

Subject Invoice 12345 from Landscaping Heroes  
From quickbooks@notification.intuit.com

Landscaping Heroes

INVOICE 12345 DUE DATE 02/12/2016 BALANCE DUE \$665.00

Pay invoice

Dear [customer full name]

Here's your invoice! We appreciate your prompt payment.  
Thanks for your business!  
Landscaping Heroes

Reminder email

quickbooks

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You can click the Preview PDF button at the bottom right side of the screen to preview your invoice in PDF format. You don't see the Preview PDF button in Figures 3-16, 3-17, or 3-18.

Click the Done button in the lower right corner of the screen to save changes you make to the appearance of your forms. Again, the Done button doesn't appear in Figures 3-16, 3-17, or 3-18.

## Importing form styles



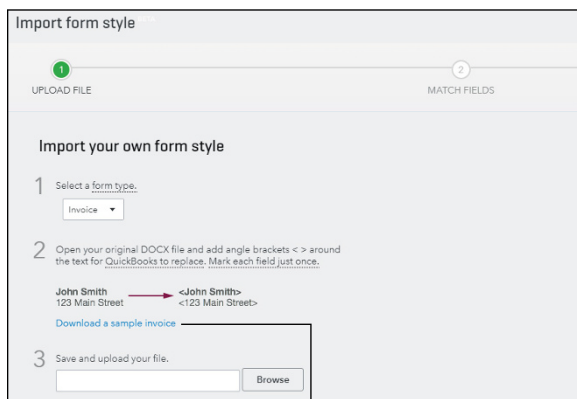
REMEMBER

At the time I 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, I 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 I'm putting the cart in front of the horse, well . . . I am, 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 the down arrow beside New Style, and choose Import Style. QBO displays the page shown in Figure 3-19.



**FIGURE 3-19:** Use the Import Form Style page to download sample forms and instructions to create your own form style.

Click here to download sample files and instructions.

To download the sample information, click the Download a Sample Invoice link. A Zip file downloads, containing two sample forms — one for Windows users and one for 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, use 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 3-20). 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.

The image shows a sample invoice form with various fields in brackets for replacement with QBO data. The form is titled "INVOICE" and includes a logo placeholder, company information, invoice details, shipping information, customer information, and a summary table.

DATE	ACCOUNT SUMMARY				AMOUNT
<AccountSummaryDate>	<AccountSummaryDescription>				<AccountSummaryAmount>
DATE	ACTIVITY	QTY	RATE	TAX	AMOUNT
<ServiceDate>	<Item> <ItemDescription>	<Qty>	<Rate>	<Tax>	<Amount>
<Message>		SUBTOTAL		<Subtotal>	
		DISCOUNT		<DiscountBeforeTax>	
		TAX		<TotalTax>	

**FIGURE 3-20:**  
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 3-19.
3. Click the Browse button and navigate to the Word document you created for your form style.
4. Click Next in the lower right corner of the page (not shown in Figure 3-19).

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 3-21). Choose Gear ⇨ Account and Settings ⇨ Expenses.

Account and Settings			
Company	Bills and expenses	Show items table on expense and purchase forms	On
Billing & Subscription		Track expenses and items by customer	Off
		Make expenses and items billable	Off
Sales		Default bill payment terms	
Expenses	Purchase orders	Use purchase orders	Off
Payments	Messages	Default email message sent with purchase orders	
Advanced			

Privacy | Security | Terms of Service

**FIGURE 3-21:**  
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 you can opt to copy estimates to purchase orders. For more information about converting an estimate to a purchase order, see Chapter 6.

In the Messages group, you can establish the settings for the default email message sent with purchase orders, including the salutation, the subject, and the 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 are free, and 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.



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.

## 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 3-22). Choose Gear ⇨ Account and Settings ⇨ Advanced to view and update these settings:

Account and Settings			
Company	Accounting	First month of fiscal year	January
Billing & Subscription		First month of income tax year	Same as fiscal year
		Accounting method	Accrual
Sales		Close the books	Off
Expenses	Company type	Tax form	
Payments			
Advanced	Chart of accounts	Enable account numbers	On
	Categories	Track classes	On
		Track locations	Off
	Automation	Pre-fill forms with previously entered content	On
		Automatically apply credits	On
		Automatically invoice unbilled activity	Off
		Copy estimates to invoices	On
		Automatically apply bill payments	On

**FIGURE 3-22:** The Advanced tab of the Account and Settings dialog box.

- »» 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.
- »» In the Chart of Accounts group, you can turn on account numbers — something most accountants prefer you do.



- »» 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 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 Apps store 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" later 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 or bill 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.

## 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

The Plus version of QBO supports 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.

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.

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.



REMEMBER

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

## 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.

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. I describe using this option after I 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. Select Multicurrency (see Figure 3-23).

The screenshot shows the 'Account and Settings' dialog box in QuickBooks Online. The 'Currency' section is active, showing 'Home Currency' set to 'USD - United States Dollar'. The 'Multicurrency' checkbox is checked, and the status is 'OFF'. Below this, there is explanatory text: 'Multicurrency may be right for you if you have financial transactions in more than one currency. Need help deciding about multicurrency?'. A list of consequences follows: 'Once you turn on Multicurrency: • You can't turn it off • You can't change your home currency • Extra fields, columns and more are added to QuickBooks'. At the bottom, there is a checkbox for 'I understand I can't undo Multicurrency' which is also checked, and 'Cancel' and 'Save' buttons.

**FIGURE 3-23:**  
Turning on  
Multicurrency.

QBO warns you that, once you turn on the Multicurrency feature:

- a) You can't turn it off, and
- b) You can't change your home currency.

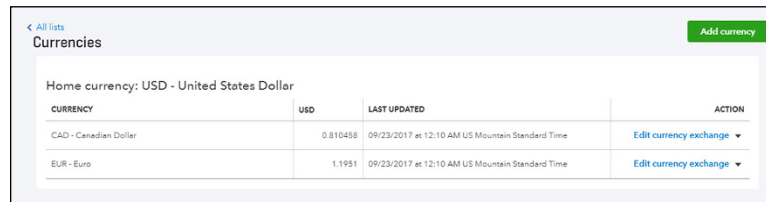
6. **Select I Understand I Can't Undo Multicurrency.**
7. **Click Save.**
8. **Click Done.**

## 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 3-24).



CURRENCY	USD	LAST UPDATED	ACTION
CAD - Canadian Dollar	0.810458	09/23/2017 at 12:10 AM US Mountain Standard Time	<a href="#">Edit currency exchange</a> ▼
EUR - Euro	1.1951	09/23/2017 at 12:10 AM US Mountain Standard Time	<a href="#">Edit currency exchange</a> ▼

**FIGURE 3-24:**  
The Currencies page.

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.

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

Let's examine, briefly, 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 I refer to the "foreign currency," I 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.

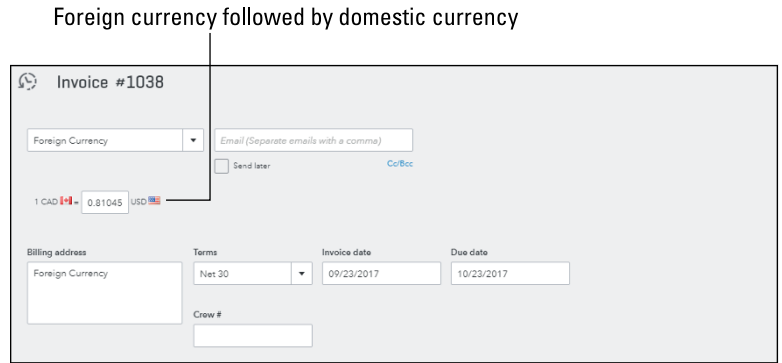
First, create the customer: Click Sales and, on the Sales page, choose Customers → New Customer. Fill in the window as you usually would with the following addition: Click the Payment and Billing tab. Then, open the This Customer Pays Me With list and select the customer's currency. In Figure 3-25, my customer, uninspiringly named Foreign Currency, uses the Canadian Dollar. You'll find a similar setting available when you create a new vendor.

**FIGURE 3-25:** Assigning a foreign currency to a new customer.

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

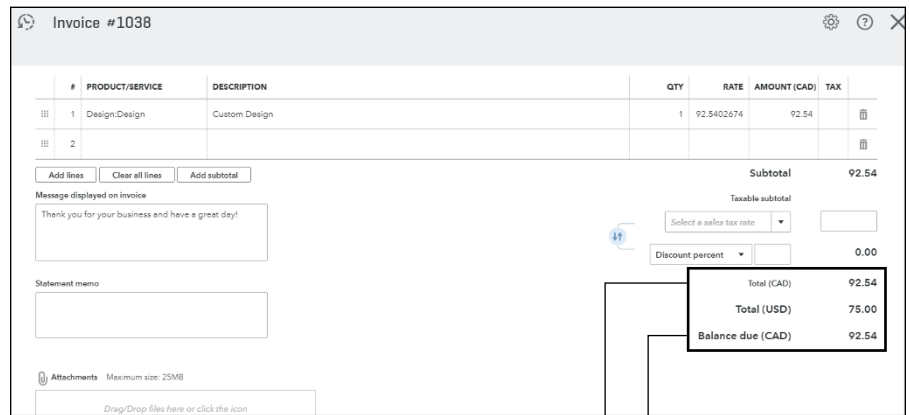
Once you save the customer, if you look at the Customer list page, you'll see the customer listed, and, in the Currency column, you'll see the foreign currency. Your home currency customers display your home currency.

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 3-26).



**FIGURE 3-26:** Creating an invoice for a customer who uses a foreign currency.

Once you add products or services to the invoice, as shown in Figure 3-27, 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.



**FIGURE 3-27:** An invoice for a foreign currency customer shows values in both the home and foreign currency.

Totals appear in both currencies.

The Balance Due appears in the customer’s currency.



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 3-28 shows the A/R Aging Summary; the customer who uses a foreign currency is the third customer on the list.

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
Amy's Bird Sanctuary		239.00				\$239.00
Bill's Windsurf Shop			85.00			\$85.00
Foreign Currency	75.00					\$75.00
Freeman Sporting Goods						\$0.00
0969 Ocean View Road	477.50					\$477.50
55 Twin Lane		4.00	81.00			\$85.00
<b>Total Freeman Sporting Goods</b>	<b>477.50</b>	<b>4.00</b>	<b>81.00</b>			<b>\$562.50</b>
Geets Kelapatapu	629.10					\$629.10
Jeff's Jalopies		81.00				\$81.00
John Melton		450.00				\$450.00
Kookies by Kathy			75.00			\$75.00
Mark Cho	314.28					\$314.28
Paulsen Medical Supplies	954.75					\$954.75
Red Rock Dairy	70.00			154.00		\$224.00

**FIGURE 3-28:** Values on reports appear in your home currency.

Figure 3-29, 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	
Bank Accounts	
Checking	1,201.00
Savings	800.00
<b>Total Bank Accounts</b>	<b>\$2,001.00</b>
Accounts Receivable	
Accounts Receivable (A/R)	5,281.52
Accounts Receivable (A/R) - CAD	75.00
<b>Total Accounts Receivable</b>	<b>\$5,356.52</b>
Other Current Assets	
Inventory Asset	596.25
Undeposited Funds	2,062.52
<b>Total Other Current Assets</b>	<b>\$2,658.77</b>

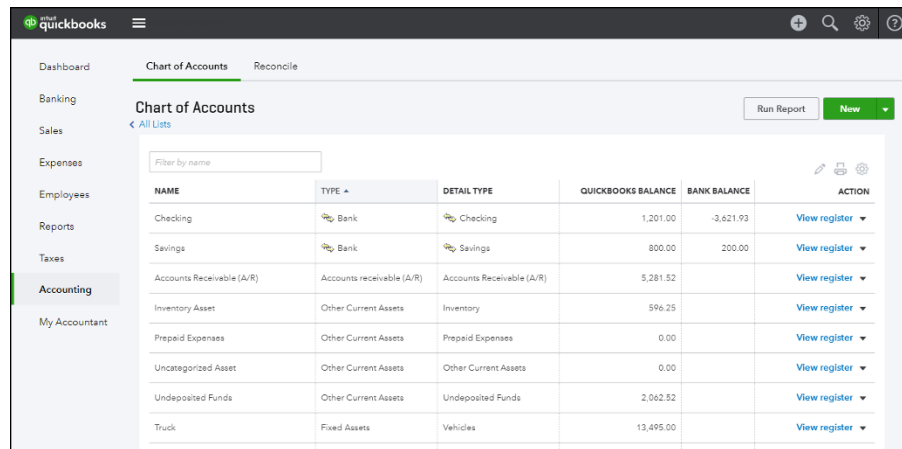
**FIGURE 3-29:** QBO establishes separate Accounts Receivable accounts for transactions involving foreign currency customers.

Multiple Accounts Receivable accounts when you use the Multicurrency feature.



# Updating the Chart of Accounts

On the Advanced tab of the Account and Settings dialog box, you saw that you could turn on account numbers for the accounts in your Chart of Accounts. 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 3-30; 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.



NAME	TYPE	DETAIL TYPE	QUICKBOOKS BALANCE	BANK BALANCE	ACTION
Checking	Bank	Checking	1,201.00	-3,621.93	<a href="#">View register</a>
Savings	Bank	Savings	800.00	200.00	<a href="#">View register</a>
Accounts Receivable (A/R)	Accounts receivable (A/R)	Accounts Receivable (A/R)	5,281.52		<a href="#">View register</a>
Inventory Asset	Other Current Assets	Inventory	596.25		<a href="#">View register</a>
Prepaid Expenses	Other Current Assets	Prepaid Expenses	0.00		<a href="#">View register</a>
Uncategorized Asset	Other Current Assets	Other Current Assets	0.00		<a href="#">View register</a>
Undeposited Funds	Other Current Assets	Undeposited Funds	2,062.52		<a href="#">View register</a>
Truck	Fixed Assets	Vehicles	13,495.00		<a href="#">View register</a>

**FIGURE 3-30:**  
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.

If you decided to turn on account numbers, you can 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 3–31).

NUMBER	NAME	TYPE	DETAIL TYPE	QUICKBOOKS BALANCE	BANK BALANCE
10000	Checking	Bank	Checking	1,201.00	-3,621.93
	Savings	Bank	Savings	800.00	200.00
	Accounts Receivable (A/R)	Accounts receivable (A/R)	Accounts Receivable (A/R)	5,281.52	
	Inventory Asset	Other Current Assets	Inventory	596.25	
	Prepaid Expenses	Other Current Assets	Prepaid Expenses	0.00	
	Uncategorized Asset	Other Current Assets	Other Current Assets	0.00	
	Undeposited Funds	Other Current Assets	Undeposited Funds	2,062.52	
	Truck	Fixed Assets	Vehicles	19,495.00	

**FIGURE 3-31:**  
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.

## 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 I just lost you, talk to your accountant about how to handle closing the year.

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 online cheat sheet “How to Prepare a Budget in QBO” for more 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, we'll 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.

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 3-32).**

**FIGURE 3-32:**  
The dialog box  
you use to create  
an account.

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 my example, I chose Checking, changed the account name to Checking-Chase Bank, and supplied Chase Checking 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.

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

My example company is just starting out and has no opening balance yet, so I'm 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, I 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, I 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 my 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.

*(continued)*

(continued)

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 my 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, I strongly urge you to take my 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, I 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 — and details appear in Chapter 8 — I 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 I 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.

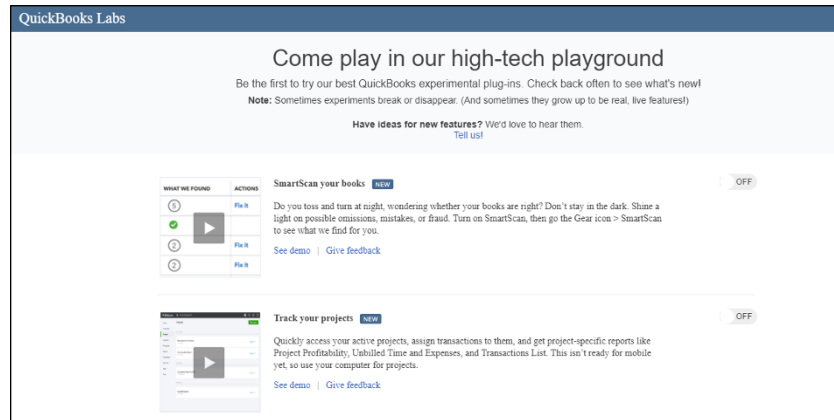
## Taking Advantage of QuickBooks Labs

You might be wondering about the QuickBooks Labs option on the Gear menu (you can see it if you refer back to Figure 3-11). Intuit calls QuickBooks Labs its “high-tech playground.” If you're adventurous, check out the lab and turn on experimental features to see how they work. In most cases, features you find in QuickBooks Labs eventually become part of QBO.

For example, when I 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 3-33).



**FIGURE 3-33:** Use this page to turn on features not yet available by default in QuickBooks.



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.

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 and isn't shown in Figure 3-33.**

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



REMEMBER

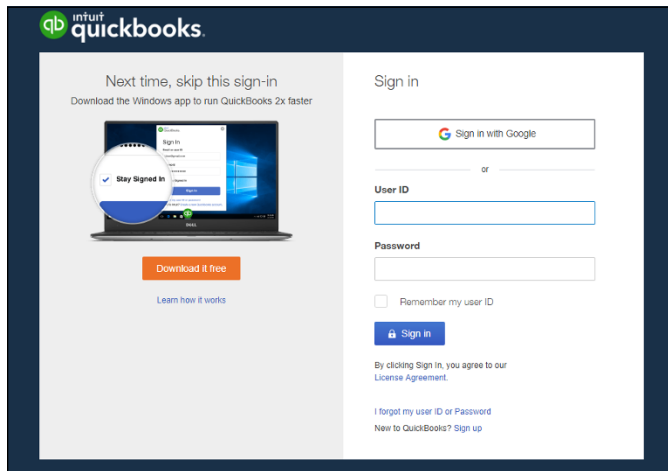
You might need to refresh the browser page to see the new features you chose to make available. Click your browser's Refresh button or press F5 on your keyboard.

## 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 Gear button and, from the menu shown earlier in Figure 3-11, click Sign Out (at the bottom of the list of commands under Your Company).

To sign in to QBO in the future, visit `qbo.intuit.com` (you get redirected to a long web address you don't need to type) and supply your username and password (see Figure 3-34). I suggest you bookmark this page to make signing in easy.



**FIGURE 3-34:** Use this page to sign in to your QBO company.



- » Adding new list entries by typing or importing
- » Searching lists for people
- » Changing settings for lists
- » Displaying other lists

## Chapter 4

# Managing List Information

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 all QBO users need to set up customers and vendors. And, QBO users will be interested in the portions of this chapter that focus on 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, I 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, I 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 your free trial of 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.

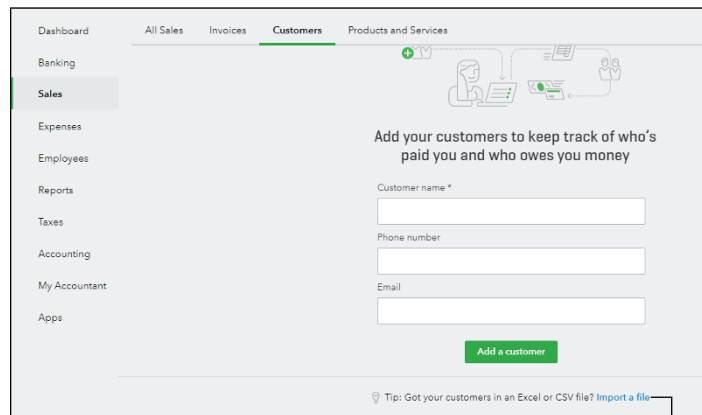
Even if you haven’t been using QuickBooks Desktop, be aware that you can import list information from an Excel file or a CSV file. CSV stands for *comma-separated values*; most programs, including QuickBooks Desktop, enable you to export information to a CSV format. Coincidentally, Excel can open and save CSV files. So, you can open a CSV file, edit it in Excel as needed, and then resave it as a CSV file. Or, after editing, you can save the file as an Excel 97–2003 workbook.



TIP

You can create a CSV file by saving an Excel file in CSV format. With the Excel file open, choose File ⇨ Save As. 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 customers or vendors from a QuickBooks Desktop product. QBO offers a tip that encourages you to import customers, as you can see from 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, I show you how to import vendors.



**FIGURE 4-1:** QBO is very encouraging when it comes to importing customers.

QBO’s tip to import customers

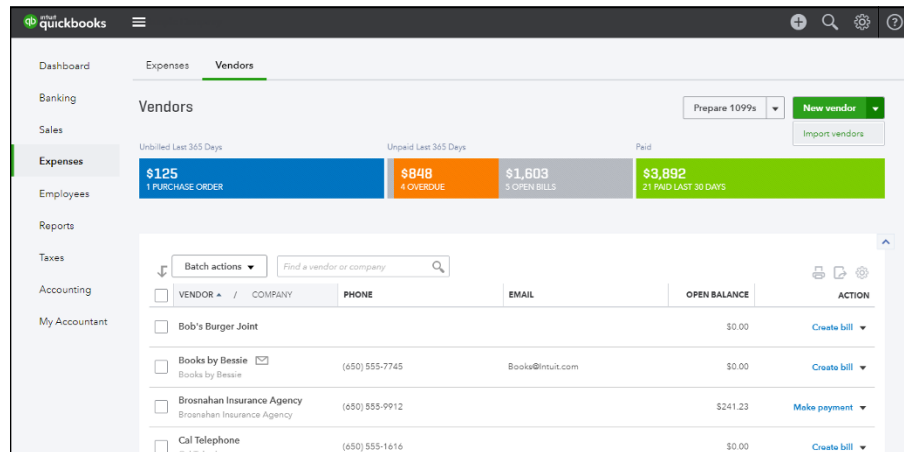
To successfully import information into QBO from a CSV file or an Excel workbook, the information must conform to a specific format. And, luckily, QBO gives you the option to download a sample file in Excel format so that you can view the required format for importing list information; you can use this sample as a guideline for setting up the data in your own file.



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 Mobile, the free app from Microsoft. To make editing changes to your files in Excel Mobile, you need to sign in to Excel Mobile with your Microsoft account email and password.

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).**



**FIGURE 4-2:** Start from the appropriate page when you want to create a list entry for a new person.

2. **Click the down arrow beside the New Vendor button in the upper right corner of the screen.**
3. **Click Import Vendors.**

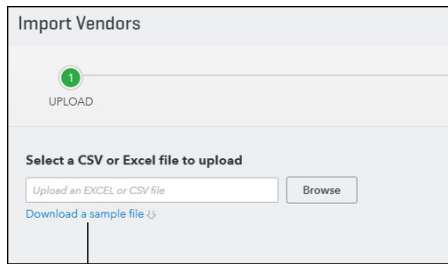
QBO displays the Import Vendors page (see Figure 4-3).

4. **Click the Download a Sample File link.**

Once you click the link, QBO downloads the sample file and displays a button in the Windows taskbar for it, assuming you're using Chrome.

5. **Click the sample file's button in the Windows taskbar.**

The sample file opens in Excel (see Figure 4-4).



**FIGURE 4-3:**  
The Import Vendors page.

Click here.

	A	B	C	D	E	F	G	
1	Name	Company	Email	Phone	Mobile	Fax	Website	Street
2	Byran Tublin	RDP Inc.	<a href="mailto:lloveQBO@hotmail.com">lloveQBO@hotmail.com</a>	555-5555	555-555-1234	555-5556	<a href="http://www.rdpinc.com">http://www.rdpinc.com</a>	123 Account
3	Adam Saraceno	InnoVate LLC	<a href="mailto:Bigtimer@gmail.com">Bigtimer@gmail.com</a>	555-5556	555-555-2345	555-5557	<a href="http://www.innovate.com">http://www.innovate.com</a>	45 Chart
4	Kristen Berman	HeavyInvoicer LLC	<a href="mailto:Startupright@billingmanager.com">Startupright@billingmanager.com</a>	555-5557	555-555-3456	555-5558	<a href="http://www.heavyinvoic">http://www.heavyinvoic</a>	67 Invoice
5	Aaron E Berhanu	Maple Leaf Inc.	<a href="mailto:Timeboss@yahoo.com">Timeboss@yahoo.com</a>	555-5558	555-555-4567	555-5559	<a href="http://www.mapleleaf">http://www.mapleleaf</a>	6789 Exp
6	Tommy Leep	TimeCatcher LLC	<a href="mailto:Timeismoney@aol.com">Timeismoney@aol.com</a>	555-5559	555-555-5678	555-5550	<a href="http://www.timecatch">http://www.timecatch</a>	56 Money
7	Nicholas Anderson	MountainMan Inc.	<a href="mailto:Upforsuff@gmail.com">Upforsuff@gmail.com</a>	555-5560	555-556-6789	555-5561	<a href="http://www.mountain">http://www.mountain</a>	689 Billit
8	Jennie Tan	WordSmithier	<a href="mailto:Simplicity@aol.com">Simplicity@aol.com</a>	555-5561	555-556-7890	555-5562	<a href="http://www.wordsmithi">http://www.wordsmithi</a>	89 salesre
9	Bridget O'Brien	CustomersRus LLC	<a href="mailto:QBORocks@yahoo.com">QBORocks@yahoo.com</a>	555-5562	555-556-8901	555-5563	<a href="http://www.customers">http://www.customers</a>	4890 salesre
10	Jon D Fasoli	Account-dracula Inc.	<a href="mailto:Accountantsarefunpeopletoo@yahoo.com">Accountantsarefunpeopletoo@yahoo.com</a>	555-5563	555-556-9012	555-5564	<a href="http://www.account-d">http://www.account-d</a>	1233 Accou
11								
12	All data is for sample purposes only							
13								
14								

**FIGURE 4-4:**  
A file showing the format you need to successfully import list information.

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've been using QuickBooks Desktop, you can export lists to CSV or Excel files; see QuickBooks Desktop Help for details.

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 2MB in size. Don't forget to save your data file as either an Excel 97-2003 workbook or as a CSV (comma-delimited) file.



REMEMBER

## 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 Adam Saraceno appears in Row 3, 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; don't forget to include identifying labels in 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 data file is not open.**
2. **Follow the preceding Steps 1 to 3 to display the Import Vendors (or Import Customers) page.**
3. **Click the Browse button.**
4. **Navigate to the folder where you saved the file containing your list information.**
5. **Select the file and choose Open.**

QBO updates the Import Vendors page with the name of the file you selected.

6. **Click Next.**

QBO uploads your file and displays the Map Data screen shown in Figure 4-5.

QUICKBOOKS ONLINE FIELD	YOUR FIELD
Name	Name <input type="text"/> ✓
Company	Company <input type="text"/> ✓
Email	Email <input type="text"/> ✓
Phone	Phone <input type="text"/> ✓
Mobile	Mobile <input type="text"/> ✓
Fax	Fax <input type="text"/> ✓
Website	Website <input type="text"/> ✓
Street	Street <input type="text"/> ✓

**FIGURE 4-5:** Match the fields in your data file to QBO fields.

**7. 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.

**8. Click Next, which appears in the lower right corner of the screen (and isn't shown in Figure 4-5).**

QBO displays the records it has identified (see Figure 4-6).

<input type="checkbox"/>	NAME	COMPANY	EMAIL	PHONE	MOBILE	FAX	WEBSITE	STREET	CITY	STATE	ZIP	COUNTRY	OPENING BAL	OPENING BAL
<input checked="" type="checkbox"/>	Byran Tut	RDP Inc.	iloveQBC	555-5555	555-5555	555-5555	http://www	123 Acco	San Franc	CA	12345	United St	234000.1	1988-12-
<input checked="" type="checkbox"/>	Adam Sai	InnoVate	Bigtime@f	555-5555	555-5555	555-5557	http://www	45 Chart	Seattle	WA	12345	United St	-1000.87	2015-09-
<input checked="" type="checkbox"/>	Kristen Bi	HeavyInv	Startups@rj	555-5557	555-5555	555-5558	http://www	67 Invoic	Amtloch	IL	12345	United St	235788.0	2015-09-
<input checked="" type="checkbox"/>	Aaron E E	Maple Le	Theboss@f	555-5558	555-5555	555-5555	http://www	6789 Exp	Chicago	IL	12345	United St	1234	2015-09-
<input checked="" type="checkbox"/>	Tommy Lu	TimeCatc	Timeiamc	555-5555	555-5555	555-5555	http://www	56 Mon	Nashville	TN	12345	United St	-1234567	2015-09-
<input checked="" type="checkbox"/>	Nicholas	Mountain	Upforatuf	555-556C	555-556-	555-5561	http://www	689 Bills	Knnoxville	TN	12345	United St	10999	2015-09-

**FIGURE 4-6:** The records QBO will import from your data file.

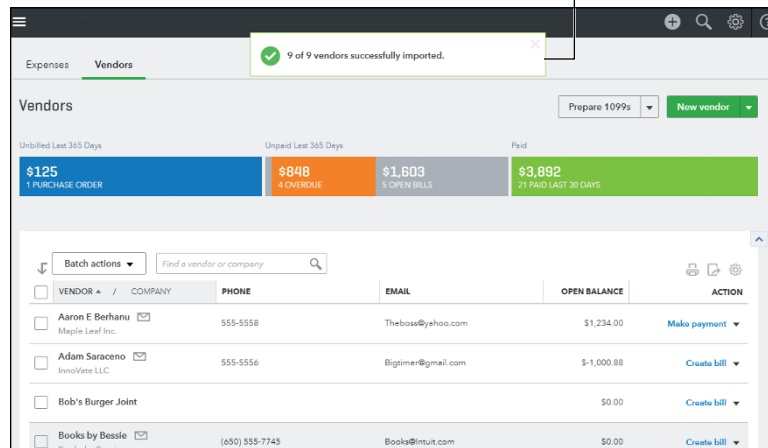
**9. Review the records QBO proposes to import to make sure the information is correct.**

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.

**10. When you are satisfied that the information is correct, click the Import button in the lower right corner of the screen and not shown in Figure 4-6.**

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).

The number of records imported appears here.



**FIGURE 4-7:** The Vendors page after importing vendors using an Excel file.

## Adding New People to a List

QBO contains a feature, referred to as Employee Self Set Up (EESS), that enables employees who live and reside in one of 16 states to set themselves up. EESS is available only before you enter any employees. If you want to take advantage of EESS, search QBO Help for employee self setup email, which describes what you and your employees must do to use this feature.

You use the Sales, Expenses, and Employees links in the Navigation bar to work with your customers, vendors, and employees. In this section, I show you how to set up a new customer. The steps are the same to set up a new vendor or a new employee; you just start by clicking the appropriate link in the Navigation bar. 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.
2. Click the New Customer button in the upper right corner of the page.

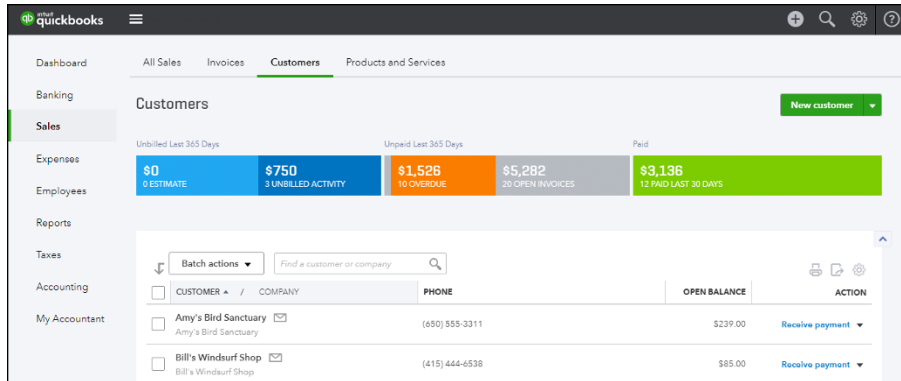


TIP

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.

QBO displays the Customer Information dialog box shown in Figure 4-9.

**FIGURE 4-8:**  
Start from the appropriate page when you want to create a list entry for a new person.



**FIGURE 4-9:**  
Use this dialog box to enter information for a new customer.

### Customer information

<p>Title <input type="text"/> First name <input type="text"/> Middle name <input type="text"/> Last name <input type="text"/> Suffix <input type="text"/></p> <p>Company <input type="text" value="Jones LTD"/></p> <p>* Display name as <input type="text" value="Jones LTD"/></p> <p>Print on check as <input checked="" type="checkbox"/> Use display name <input type="text" value="Jones LTD"/></p>	<p>Email <input type="text" value="dhjones@example.com"/></p> <p>Phone <input type="text" value="(999) 888-7777"/> Mobile <input type="text"/> Fax <input type="text"/></p> <p>Other <input type="text"/> Website <input type="text"/></p> <p><input type="checkbox"/> Is sub-customer</p> <p><input type="text" value="Enter parent customer"/> <input type="text" value="Bill with parent"/></p>
--	--

**Address** | Notes | Tax info | Payment and billing | Attachments

Billing address [map](#)

Phoenix AZ

Shipping address [map](#)  Same as billing address

Street

City/Town  State/Province

ZIP code  Country

Cancel
Privacy
Save

### 3. Type the requested information.

If you need to set up a sub-customer (and wonder what that is), see the sidebar “What’s a sub-customer?”

### 4. Click Save.

QBO saves the customer and displays a 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 Customer Details. To redisplay the complete list of Customers, click Sales in the Navigation bar and then click Customers.



## WHAT'S A SUB-CUSTOMER?

Sub-customers are a way for you to create a hierarchy for customers, and you can use sub-customers pretty much any way you want. For example, if you're an architect, sub-customers might represent jobs or projects. If you're an attorney, sub-customers could represent cases.

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 assign sub-customers up to five levels deep, including the parent customer. To create a sub-customer, check the "Is Sub-Customer" box on the right side (in the middle) of the Customer Information dialog box.



TIP

You can make any list entry inactive. Click that entry in the appropriate list, and then click the Action down arrow at the right edge of the list. In the list that opens, click Make Inactive.

## Searching Lists for People

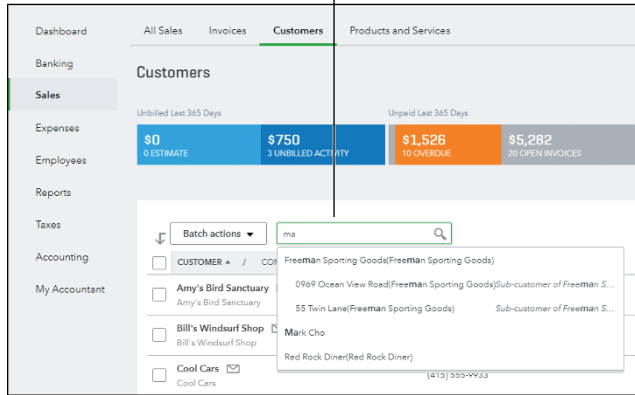
You can use the Customers, Vendors, and Employees pages in a variety of ways. From the Customers, Vendors, or Employees pages that list all the people in those categories, you can sort the people in the list, export the list to Excel, and perform actions on a selected group of people on the list.

### Working with a particular person

You can select a particular customer, vendor, or employee and 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, I work with customers.

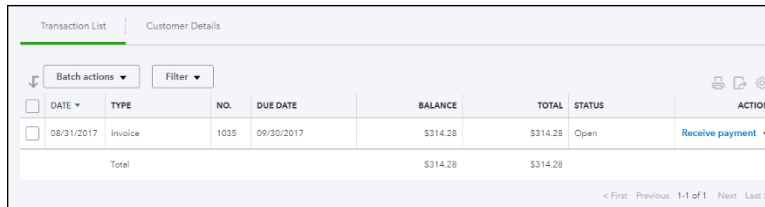
To search for a particular person, type some characters that match the person or company name in the Search box that appears above the list of people (see Figure 4-10).

Type here.



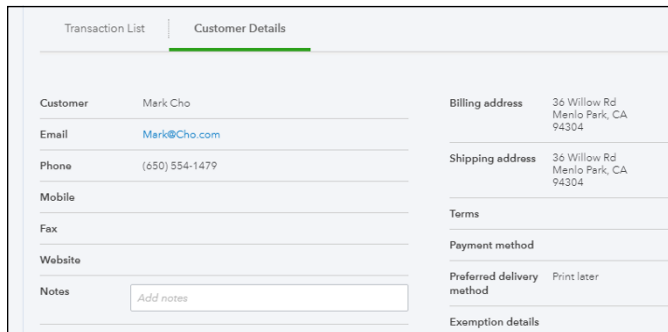
**FIGURE 4-10:**  
To find a particular person on a list, use the Search box that appears above the names on the list.

When you select any person from the list, QBO displays the page specifically associated with that person. The page has two tabs; in Figure 4-11, you see the Transaction List tab, and in Figure 4-12, you see the Customer Details tab.



**FIGURE 4-11:**  
The Transaction List tab shows transactions in QBO associated with the selected person.

From either tab, you click the Edit button to edit information about that person; you also can click the New Transaction button to add a transaction associated with that person.



**FIGURE 4-12:**  
The Customer Details tab; all detail tabs show, well, details for that person.

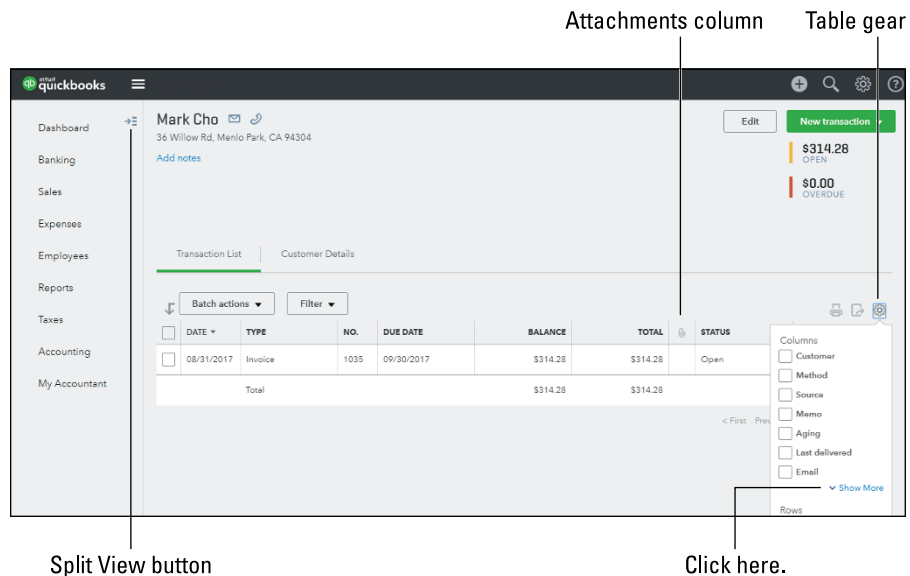
From the details page of a person, you can attach files to keep track of important financial information. For example, you can attach a vendor’s 1099 document, a customer’s contract, or an employee’s receipts. You’re not limited to text documents; you also can attach photos. Simply drag and drop the 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.

The attachment size is limited to 25MB. To view documents you’ve already attached, click the Show Existing link below the Attachments box.

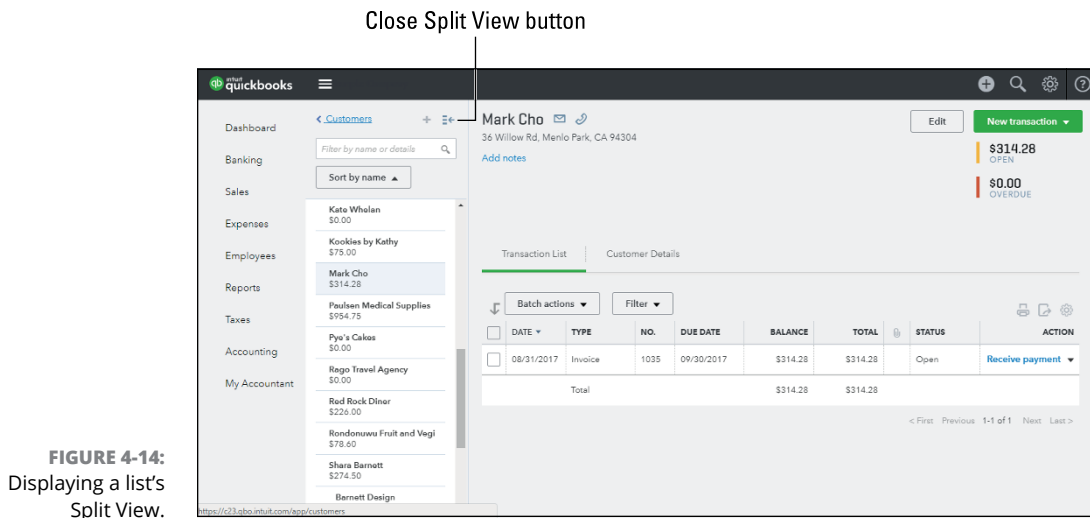
While viewing the Transaction list of a particular person, you can add the Attachments column to the table. Display the person’s Transaction List page and then click the table Gear button above the Action column. From the list that appears, click Show More (see Figure 4-13). Show More changes to Show Less and a check box for Attachments appears; click it and the Attachments column appears as part of the table grid. You can identify it as the column heading with a paper clip. Displaying the Attachments column for one person displays it in the Transaction List table for all persons of that type.

When you finish working with one person, you can easily switch to another in that list using the list’s Split View.

You can click the Split View icon, shown in Figure 4-13, to display the people stored in the list (see Figure 4-14).



**FIGURE 4-13:**  
Adding the Attachments column to the table on the Transaction List.



**FIGURE 4-14:**  
Displaying a list's  
Split View.

From the Split View, 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 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 pages by name or open balance. By default, QBO sorts the entries on these pages alphabetically by name in ascending order.

To change the sort order for either of these lists, click the Sales or Expenses link in the Navigation bar and then click Customers or Vendors to display the appropriate page; for this example, I 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.

Once you turn on payroll, you can sort the employees that appear in the payroll list alphabetically in ascending or descending order by clicking the Name column heading.

## Exporting a list to Excel

You can export a list of your customers or vendors to Excel.

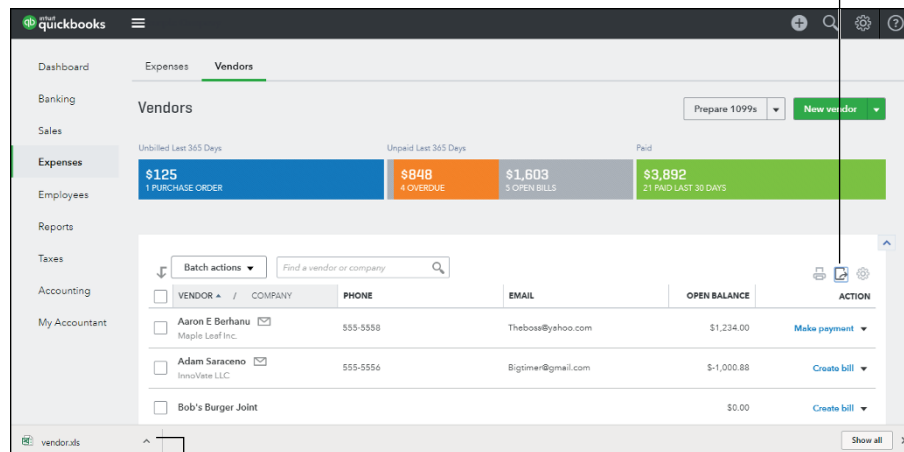


TECHNICAL  
STUFF

In this section, I assume you have a copy of Excel on your computer; otherwise, downloading your list to an Excel file wouldn't make much sense. If you don't have a copy of Excel on your computer, you can download and use the free mobile version of Excel.

Click the appropriate link in the Navigation bar (Sales or Expenses) to subsequently display either the Customers page or the Vendors page; I 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 (see Figure 4-15).

Click here to export the list.



**FIGURE 4-15:**  
Exporting  
a vendor list  
to Excel.

Click here to open the Excel file.

Click the button at the bottom of the screen, and Excel opens the file. You can edit the file if you click the Enable Editing button in the yellow bar at the top of the window. And, for those of you using Excel mobile, you need to sign in using your Microsoft account to edit the file.

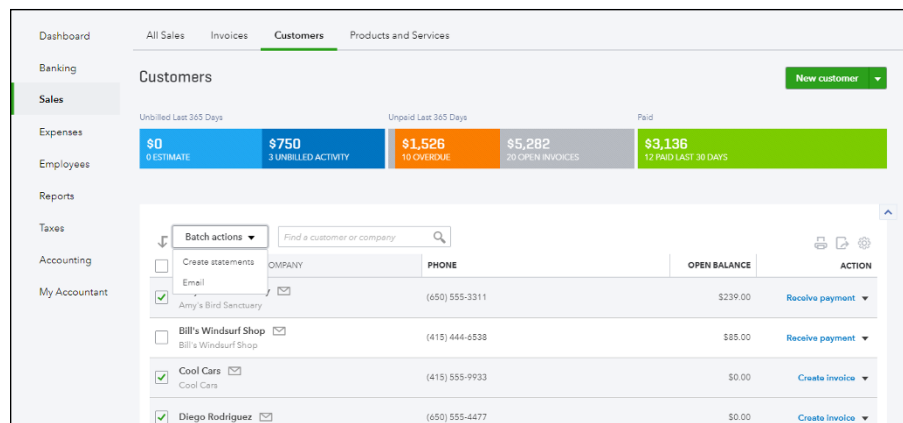
## Working with a batch of people

When you work with customers or vendors, you can take certain actions simultaneously for a group of people. For example, you can select specific vendors by clicking the check box beside each name and then send the same email to those vendors.

For customers, in addition to sending email, you can send statements to them.

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, I 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.



The screenshot shows the 'Customers' page in a software application. At the top, there are navigation tabs for 'All Sales', 'Invoices', 'Customers', and 'Products and Services'. Below the navigation, there are several summary cards for financial data:

- Unbilled Last 365 Days: \$0 (0 ESTIMATE)
- Unpaid Last 365 Days: \$750 (3 UNBILLED ACTIVITY)
- Unpaid Last 365 Days: \$1,526 (10 OVERDUE)
- Unpaid Last 365 Days: \$5,282 (21 OPEN INVOICES)
- Paid: \$3,136 (12 PAID LAST 30 DAYS)

Below the summary cards, there is a 'Batch actions' dropdown menu open, showing options: 'Create statements', 'Email', and 'My Accountant'. The 'Batch actions' dropdown is positioned above a table of customers. The table has columns for 'COMPANY', 'PHONE', 'OPEN BALANCE', and 'ACTION'. The table contains the following data:

	COMPANY	PHONE	OPEN BALANCE	ACTION
<input type="checkbox"/>	Amy's Bird Sanctuary	(650) 555-3311	\$239.00	Receive payment
<input type="checkbox"/>	Bill's Windsurf Shop	(415) 444-6538	\$85.00	Receive payment
<input checked="" type="checkbox"/>	Cool Cars	(415) 555-9933	\$0.00	Create invoice
<input checked="" type="checkbox"/>	Diego Rodriguez	(650) 555-4477	\$0.00	Create invoice

**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.

Click the appropriate link in the Navigation bar — Sales, Expenses, or Employees — to display the associated page; for this section, I 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.

Click this gear.

The screenshot shows the QBO Vendors page. At the top, there are navigation tabs for Dashboard, Expenses, and Vendors. Below the navigation bar, there are summary cards for Unbilled Last 365 Days (\$125), Unpaid Last 365 Days (\$848), Open Bills (\$1,603), and Paid (\$3,892). The main area contains a table of vendors with columns for Vendor/Company, Phone, Email, and Open Balance. A gear icon is located at the top right of the table, which opens a configuration menu for columns. The menu includes checkboxes for Address, Attachments, Phone, and Email, and a section for Other with an option to Include inactive. The Rows section is set to 150.

VENDOR + / COMPANY	PHONE	EMAIL	OPEN BALANCE
<input type="checkbox"/> Bob's Burger Joint			\$0.00
<input type="checkbox"/> Books by Bessie	(650) 555-7745	Books@ireult.com	\$0.00
<input type="checkbox"/> Brosnahan Insurance Agency	(650) 555-9912		\$241.23
<input type="checkbox"/> Cal Telephone	(650) 555-1616		\$0.00

**FIGURE 4-17:**  
Controlling  
the information  
that appears  
in the list.



TIP

When you click outside the list, I 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.

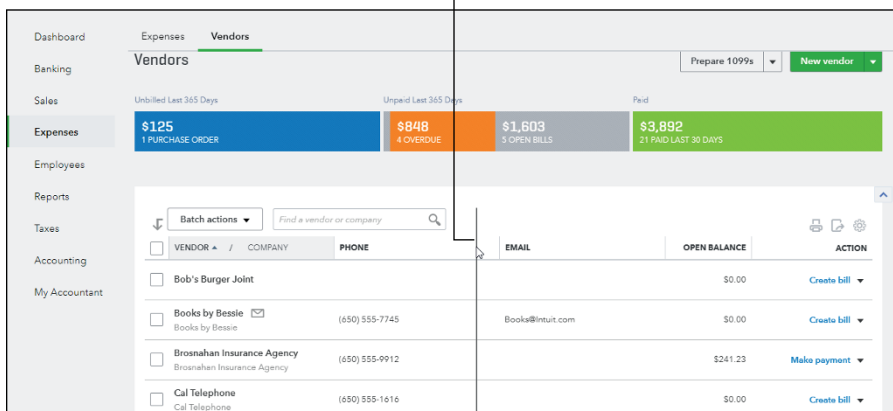
To adjust the width of any column, slide the mouse pointer into the row of column heading labels above the list and place it over the right edge of the column you want to adjust. When the mouse pointer changes to a pair of vertical lines and a pair of horizontal arrows pointing outward, drag the mouse. 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.

Use the vertical line to guide resizing a column.



**FIGURE 4-18:** Adjusting the width allotted to the vendor's name on the Vendors page.

## Working with Products and Services Items

Inventory tracking is available in the QBO Plus edition, and you need to turn on the feature. 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 can support inventory tracking capabilities, but, if you're looking for inventory capabilities to support manufacturing, you'll be happier in QuickBooks Desktop.

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.

## TAKING ADVANTAGE OF SKUS

You can control whether SKU 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.



NAME	SKU	TYPE	SALES DESCR	SALES PRICE	COST	TAXABLE	QTY ON HAND	REORDER POI	ACTION
2005 pickup - 2		Service		0		✓			Edit
2005 Van - 14		Service		0		✓			Edit
A1 Custom Storage Shed		Bundle	Custom Sp...						Edit

**FIGURE 4-19:**  
The Products and Services list.

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.



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.

You also can print a basic report by clicking the Print button on any list page; the Print button appears just above the Action column. And, you can print a more detailed report for a list entry by selecting it and then clicking the Report button.

## 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 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.

NAME	ACTION
Design	Edit
Fountains	Edit
Landscaping	Edit
Sprinklers	Edit
Pest Control	Edit

**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, but you can create another sub-category for Women's Shoes called Dress Shoes.

If necessary, you can edit an existing category; click the Edit link beside the category you want to modify 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.

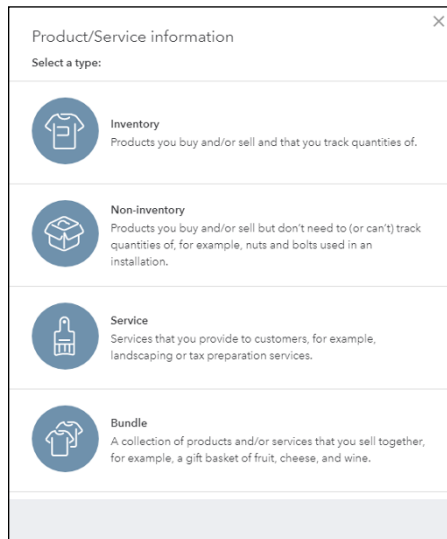
# Adding service and non-inventory items

You can create inventory, non-inventory, and service items, and you can edit batches of items to change their type; I show you how to change an item's type after I show you how to add an item to the list.

1. **To display the Products and Services list, choose Gear ⇨ 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.



**FIGURE 4-21:** Select a type of item to create.

3. **Click a type to select it.**

For this example, I 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 4-22:**  
Use this window  
to create a  
non-inventory  
item.

Product/Service information

Non-inventory [Change type](#)

Name\*

Fertilizer

SKU

Category

Landscaping

Sales information

I sell this product/service to my customers.

Lawn and garden fertilizer

Sales price/rate

1.99

Income account

Landscaping Services

[SHOW MORE](#)

Save and close

**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. 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,**
- c. Select the income account associated with the item, and**

QBO uses this information when you select this item on sales transactions.

**6. Click the Show More link at the bottom of the window to display the Purchasing Information section (see Figure 4-23).**

**7. Select the Is Taxable check box if appropriate.**

**8. If appropriate, place a check in the I Purchase This Product/Service From a Vendor check box. Then, supply a default description, the cost you pay when you purchase the item, and the expense account associated with the item.**

QBO uses this information when you select this item on expense transactions.

The screenshot shows a web form for adding purchasing information to an item. The form is titled 'Category' and has a dropdown menu set to 'Landscaping'. Below this, there are two sections: 'Sales information' and 'Purchasing information'. The 'Sales information' section includes a checked checkbox 'I sell this product/service to my customers.', a text field containing 'Lawn and garden fertilizer', a 'Sales price/rate' field with the value '1.99', and an 'Income account' dropdown menu set to 'Landscaping Services'. There is also a checked checkbox 'Is taxable'. The 'Purchasing information' section includes a checked checkbox 'I purchase this product/service from a vendor.', a text field containing 'LGF-0265 fertilizer', a 'Cost' field with the value '0.75', and an 'Expense account' dropdown menu set to 'Purchases'. At the bottom right of the form is a green button labeled 'Save and close'.

**FIGURE 4-23:**  
Add purchasing  
information  
for the item.

## 9. Click Save and Close.

QBO saves the item and redisplay the Products and Services list; the new item appears in the list.

## Creating an inventory item

Creating an inventory item has a few additional types of information you need to supply. As you can see in Figure 4-24, in addition to the other information you supply when you create a service or non-inventory item, for an inventory item you supply quantity on hand information as well as the inventory asset account that tracks your inventory items.

Supply the quantity you have on hand and the date on which you determined the quantity on hand. 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, and that will update your quantities for you.

If you're using QBO Plus, you can supply a reorder point. Define your reorder point as the minimum quantity you judge that you need on hand at any given point in time. QBO uses the reorder point you establish to monitor the quantity of the item in stock, and when the quantity on hand falls equal to or below the established reorder point, QBO reminds you to order more.



TIP

You can set a reorder point after you have created an inventory item; find the item in the Products and Services list, click its Action column, and click Edit. Then, supply the reorder point and click Save and Close.

**FIGURE 4-24:** Supply quantity on hand and inventory asset account information for inventory items.

Supply this additional information.

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.

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.

QBO defines “low stock” as an item for which you have specified a reorder point and for which you have one or none on hand.

To order a low-stock or an out-of-stock item, click 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 after you select an item — and then choose Reorder. Then, repeat the process for items to reorder from a different vendor.

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.

If you weren't a QuickBooks Desktop user, think of a bundle as a collection of items — both products and services — that a customer buys from you at the same time. For example, assume you run a landscaping business that sells water features as well as lighting, trimming, and fertilizing services. If a customer buys a water feature, you typically need to sell the customer the water feature itself, concrete to set up the water feature, and a pump to pump the water through the water feature. You can set up the three items needed to create a water feature — the feature, the concrete, and the pump — as a bundle, because you'll need to sell all three at the same time. 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 instead of making you separately add each item that makes up the bundle to various sales documents.



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.

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**.

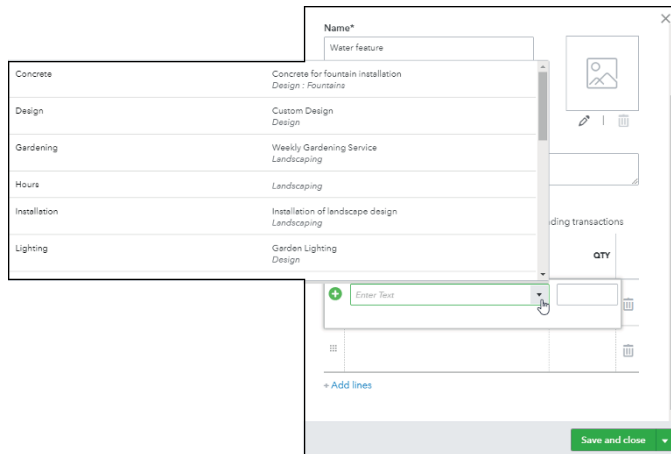
The screenshot shows a window titled "Product/Service information" with a "Bundle" icon. It contains the following sections:

- Name\***: A text input field containing "Water feature".
- SKU**: An empty text input field.
- Sales information**: A text input field containing "Water feature".
- Products/services included in the bundle**: A section with a checked checkbox labeled "Display bundle components when printing or sending transactions".
- Table grid**: A table with two columns: "PRODUCT/SERVICE" and "QTY". The table is currently empty.
- Buttons**: A "SHOW MORE" button and a "Save and close" button.

**FIGURE 4-26:**  
The panel where  
you establish  
a bundle.

4. Provide a name, if appropriate, an SKU, 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 that are included in the 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.





**FIGURE 4-27:**  
Choosing an item  
to include in  
a 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.

QBO saves the bundle; you'll find it at the bottom of the 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.

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 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.

## 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 or 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.

QBO displays a panel very similar to the one shown 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.

Changing the type of a single item using the method just described works well when you only need to change one or two items. But, when you need to change multiple items, use a different approach to save time when changing items of the same type to a different type; follow these two steps:

- 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.

	NAME	SKU	TYPE	SALES DESCR	SALES PRICE	COST	TAXABLE	QTY ON HAND	REORDER	ACTION
Design										
<input type="checkbox"/>	Design		Service	Custom D...	75					
Fountains										
<input checked="" type="checkbox"/>	Concrete		Service	Concrete ...	0		✓			Edit
<input type="checkbox"/>	Pump	P461-17	Inventory	Fountain ...	15	10	✓	25		Edit
<input type="checkbox"/>	Rock Fountain	R154-88	Inventory	Rock Fou...	275	125	✓	2		Edit
<input type="checkbox"/>	Lighting		Service	Garden Li...	0		✓			Edit
<input checked="" type="checkbox"/>	Rocks		Service	Garden R...			✓			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.

## 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.



TIP

You can edit any item to change descriptive information, 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, I'm talking about adjusting inventory item information, which encompasses more than editing descriptive information.

## Adjusting inventory quantities

You might discover, particularly after physically counting inventory, that you have a different number on hand of an inventory item than reported in QBO. In this case, you need to adjust the quantity in QBO to match what you actually have in stock.



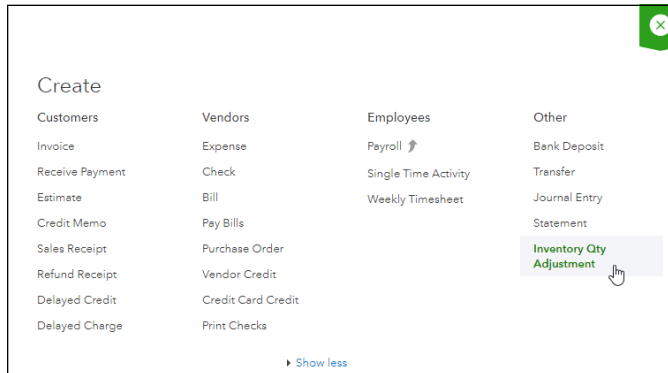
REMEMBER

Use 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 a just a few inventory items, follow these steps:

1. Click the Create menu (+ at the top of the QBO window) and choose Inventory Qty Adjustment (see Figure 4-29).

**FIGURE 4-29:**  
Starting an inventory item adjustment for a single inventory item.



QBO displays the Inventory Quantity Adjustment window (see Figure 4-30).

**FIGURE 4-30:**  
You can use this window when you have just a few adjustments to make.



2. If necessary, change the adjustment date and the Inventory Adjustment Account.
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, description, and quantity on hand. QBO also suggests the Qty On Hand value for the New Qty value.

If you've enabled class and location tracking, you can supply information for those fields as you complete the Inventory Quantity Adjustment window.



REMEMBER

#### 4. Enter either a new quantity or a change in quantity.

Suppose that the Qty On Hand field indicates you own 25 of your item and you need to reduce the quantity you own by 5. You do either of the following:

- a. Enter 20 in the New Qty field, or
- b. Enter -5 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 (see Figure 4-31).

	NAME	SKU	TYPE	SALES PRICE	COST	TAXABLE	QTY ON HAND	REORDER	
<input type="checkbox"/>	Design		Service	Custom D...	75				Make inactive
<input type="checkbox"/>	Concrete		Service	Concrete ...	0	✓			Adjust quantity
<input checked="" type="checkbox"/>	Pump	P461-17	Inventory	Fountain ...	15	10	✓	25	Reorder
<input checked="" type="checkbox"/>	Rock Fountain	R154-08	Inventory	Rock Fou...	275	125	✓	2	Make non-inventory

**FIGURE 4-31:** Selecting multiple inventory items to adjust.

Click the Batch Actions button and choose Adjust Quantity. QBO displays the Inventory Quantity Adjustment window shown previously in Figure 4-30, 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 Create menu plus sign (+) → Inventory Qty Adjustment to display the Inventory Quantity Adjustment window.
2. In the upper left corner of the window, click the Recent Transactions button (see Figure 4-32).

QBO displays recent inventory adjustment transactions.

The Recent Transactions button



**FIGURE 4-32:** Searching for a recent inventory adjustment transaction to edit.

Click here to search for more 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.

## 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.



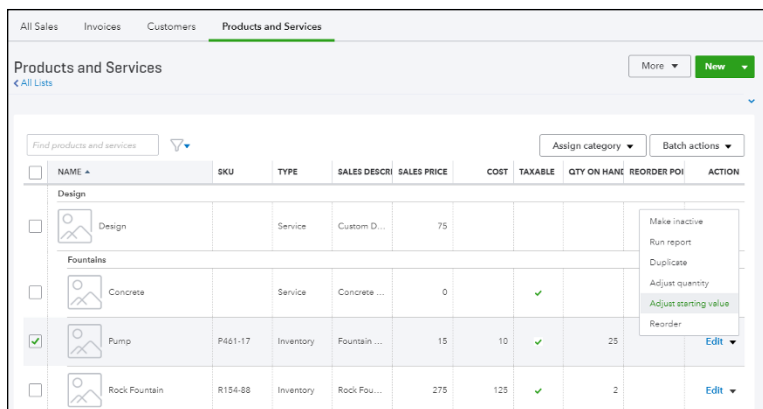
**WARNING**

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.

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.



**FIGURE 4-33:** Getting ready to adjust the starting value of an inventory item.

3. **Assuming you've heeded the warning above 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.**

Inventory Starting Value #START

Design:Fountains:Pump

VALUE  
\$160.00

Initial quantity on hand: 16    Adjustment date: 09/03/2017

Initial cost: 10

Inventory asset account: Inventory Asset

Inventory adjustment account: Opening Balance Equity

Memo: Opening inventory for Pump

**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 beside the company name 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.

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.

Lists

- Chart of Accounts**  
Displays your accounts. Balance sheet accounts track your assets and liabilities, and income and expense accounts categorize your transactions. From here, you can add or edit accounts.
- Recurring Transactions**  
Displays a list of transactions that have been saved for reuse. From here, you can schedule transactions to occur either automatically or with reminders. You can also save unscheduled transactions to use at any time.
- Products and Services**  
Displays the products and services you sell. From here, you can edit information about a product or service, such as its description, or the rate you charge.
- Product Categories**  
A means of classifying items that you sell to customers. Provide a way for you to quickly organize what you sell, and save you time when completing sales transaction forms.
- Custom Form Styles**  
Customize your sales form designs, set defaults, and manage multiple templates.
- Payment Methods**  
Displays Cash, Check, and any other ways you categorize payments you receive from customers. That way, you can print deposit slips when you deposit the payments you have received.
- Terms**  
Displays the list of terms that determine the due dates for payments from customers, or payments to vendors. Terms can also specify discounts for early payment. From here, you can add or edit terms.
- Attachments**  
Displays the list of all attachments uploaded. From here you can add, edit, download, and export your attachments. You can also see all transactions linked to a particular attachment.

**FIGURE 4-35:**  
The Lists page contains links to all available lists in QBO.



- » Writing checks
- » Entering expenses
- » Using purchase orders
- » Entering and paying bills

## Chapter 5

# Dealing with the Outflow of Money

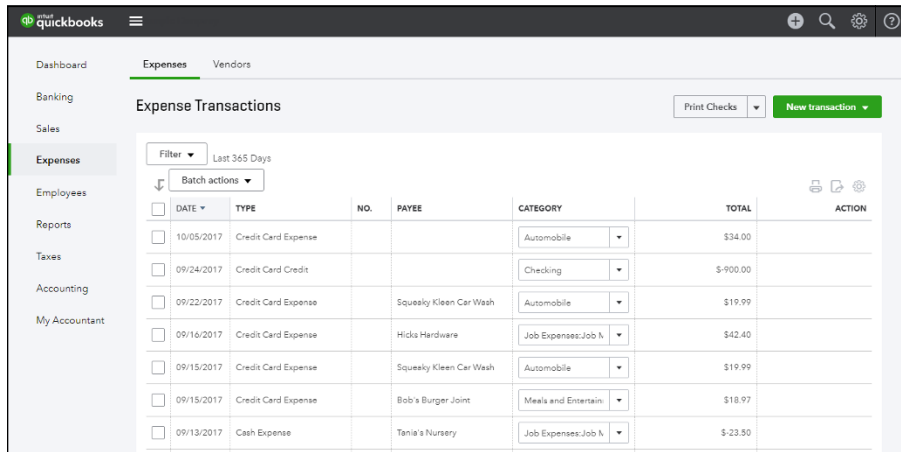
It's always more fun to make money than to spend it, but paying bills is part of life — unless you're living in *Star Wars: The Last Jedi*, where they have no bills — but, I digress. This chapter explores the transactions you use in QBO to meet your financial obligations.

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.

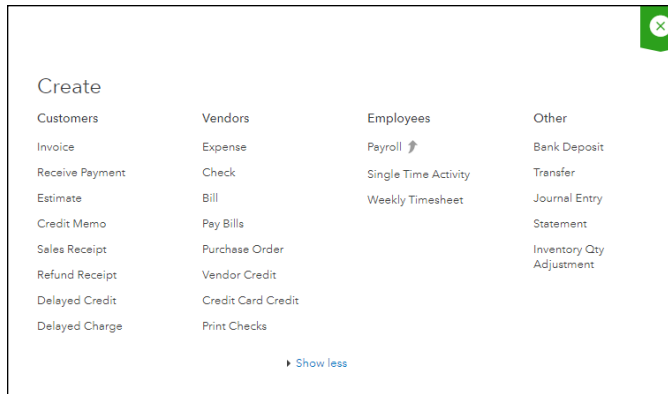
If the transaction type you want to record isn't available, click the Create plus sign (+) icon at the top of QBO and choose the type of transaction you want to record from the Create menu that appears; the Create icon changes to an X when you open the menu, and expense-related transactions show up in the Vendors column (see Figure 5-2).

# GETTING UP AND RUNNING

If you start using QBO after you've been in business for a while and 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 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.



**FIGURE 5-1:**  
The Expense Transactions page.



**FIGURE 5-2:**  
Expense transactions 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 the UPS guy has just made a delivery for which you owe money and you want to give him a check: Use the Check transaction. You can print the check immediately 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 Account Details section:** 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 Account Details section or the Item Details section, but not both. However, you can use both sections. 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:** 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.

**FIGURE 5-3:**  
The Header  
section of the  
Check window.

Check #To print

Hicks Hardware | Checking | Balance \$1,201.00

AMOUNT: \$228.75

Mailing address: Geoff Hicks, Hicks Hardware, 42 Main St, Middletown, CA 94303

Payment date: 10/06/2017

Check no. [To print]  Print later

Account details table:

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	TAX	CUSTOMER
1						
2						

Buttons: Add lines, Clear all lines



TIP

If a pane appears on the right side, it displays transactions you might want to link to the check you're writing — and, 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 make an appropriate selection in the Print Later check box.**
- 5. Assign part or all of the check to an expense account or an item using the Account Details section or the Item Details section (see Figure 5-4).**  
To assign a portion to an expense account:

**FIGURE 5-4:**  
The Account  
Details and Item  
Details sections  
of the Check  
window.

Account details table:

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	TAX	CUSTOMER
1						
2						

Item details table:

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	BILLABLE	TAX	CUSTOMER
1	Design:Fountains:Rock Founta	Rock Fountain	1	125	125.00			
2	Landscaping:Sprinklers:Sprink	Sprinkler Heads	15	0.75	11.25			
3	Landscaping:Sprinklers:Sprink	Sprinkler Pipes	25	2.50	62.50			
4	Design:Fountains:Pump	Fountain Pump	3	10	30.00			
5								

Buttons: Add lines, Clear all lines

Footer: Cancel, Clear, Print check, Order checks, Make recurring, More, Save and new

- Click in the Account 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.
- 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 (also shown in 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.

**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 you 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

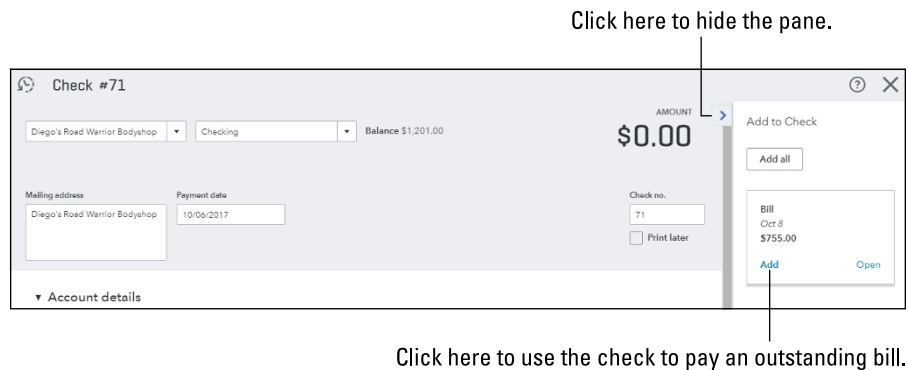
The Save and New button is a sticky preference. That means, if you click the drop-down arrow to the right of the button and select Save and Close, the next time you open the window to write a check, the default button will be the Save and Close button.

## 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 I 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 71, and it's still 71 in the Bill Payment window.

DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
Bill (09/08/2017)	10/08/2017	755.00	755.00	755.00

**FIGURE 5-6:**  
The Bill Payment window.

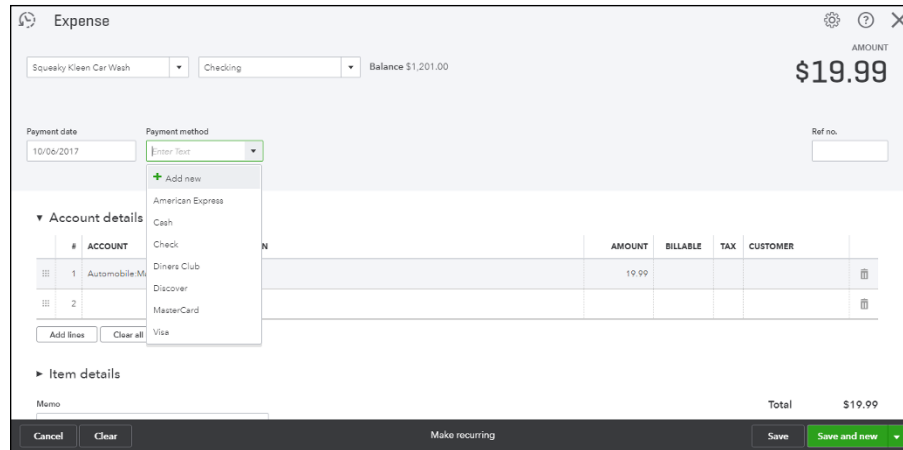
You complete the Bill Payment transaction the same way you complete a Check transaction; follow Steps 7 and 8 in the preceding section. If you add the wrong bill to a check, you can cancel the Bill Payment transaction without saving it.

## 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 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.

**FIGURE 5-7:**  
You can use the Expense transaction window to record 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 account 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 Account 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:

- To pay by check, use the Check transaction, select your credit card company as the vendor, and, in the Account Details section, select your credit card account.
- To pay by transfer (where you transfer money electronically or manually from a bank account to your credit card account, which reduces both accounts), use the Transfer transaction, selecting the bank account you'll use to pay the bill as the Transfer Funds From account and the credit card company/vendor you're paying as the Transfer Funds To 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 the 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. It is not available in QBO Essentials or QBO Simple Start.

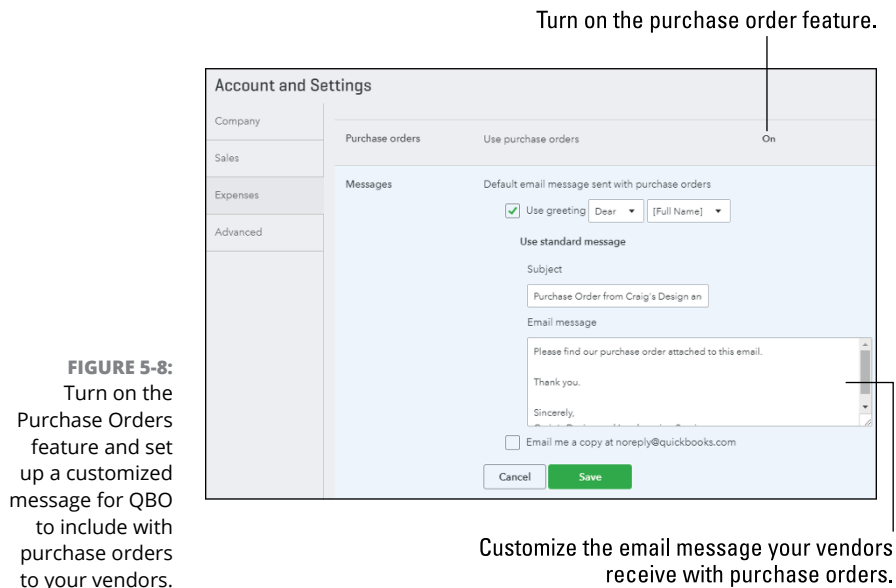
Purchase orders in QBO do not affect any of your accounts; instead, they simply help you keep track of what you order. And, when the order arrives, you can compare the goods that come in the door with the ones listed on the purchase order to make sure they match.

If you plan to use purchase orders, then your ordering process typically happens in the following way:

- » You place an order with a vendor and you enter a purchase order in QBO that matches the order you placed.
- » You receive the items you ordered, typically along with a bill for the items; you then match the items you receive to the purchase order and enter a bill for the items. Note that sometimes you receive the bill without the items or the items without the bill.
- » You 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 email message QBO sends to your vendors with purchase orders, as shown in Figure 5-8.





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

You enter a purchase order using the Purchase Order transaction window; you can open this window from either the Expense Transactions page or from the Create menu (the plus sign). A typical purchase order looks like the one shown in Figure 5-9, and you'll notice the window closely resembles the Check window shown earlier in Figure 5-4.

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	CUSTOMER	RECEIVED	CLOSED
1	Design:Fountains:Rock Founta	Rock Fountain	1	125	125.00		0	

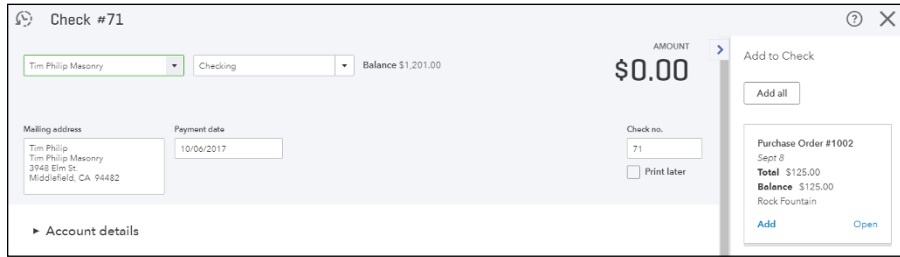
**FIGURE 5-9:**  
The Purchase Order window.

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 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.

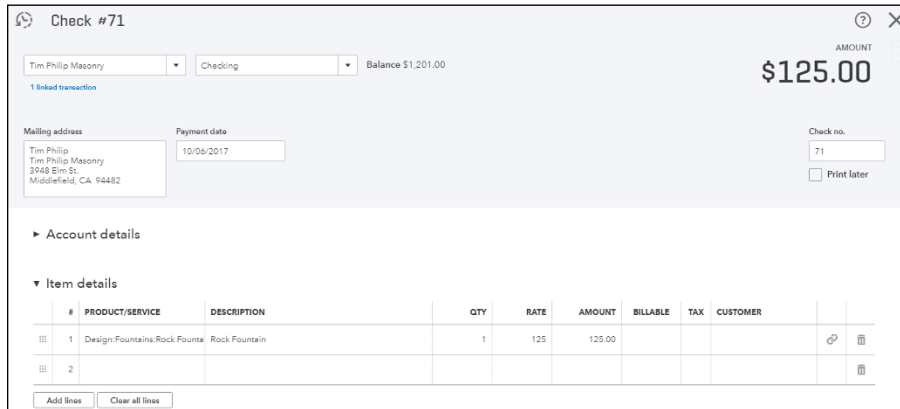
When you select a vendor who has open purchase orders on any of these types of transactions, a pane appears on the right side of the window, showing available purchase orders. You add a purchase order to the transaction the same way you added a bill to a Check transaction: by clicking the Add button in the pane. In Figure 5-10, I'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 I click Add to add the purchase order to my transaction, QBO adds the purchase order lines to the first available line in the Item Details section of my 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

You can add only part of a purchase order to a transaction to pay for the goods you received and leave the other items outstanding. 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 QBO 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; just click the Purchase Order status indicator below the vendor's name and change the status from Open to Closed (refer to Figure 5-9 to see the 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:

Purchase Order #1005

Mailing address: Geoff Hicks, Hicks Hardware, 42 Main St, Middlefield, CA, 94303

Ship to: Select customer for address

Purchase Order date: 10/06/2017

Crow #

Shipping address: Craig's Design and Landscaping Services, 123 Sierra Way, San Pablo, CA, 94966

Ship via

Sales Rep

Account details

Item details

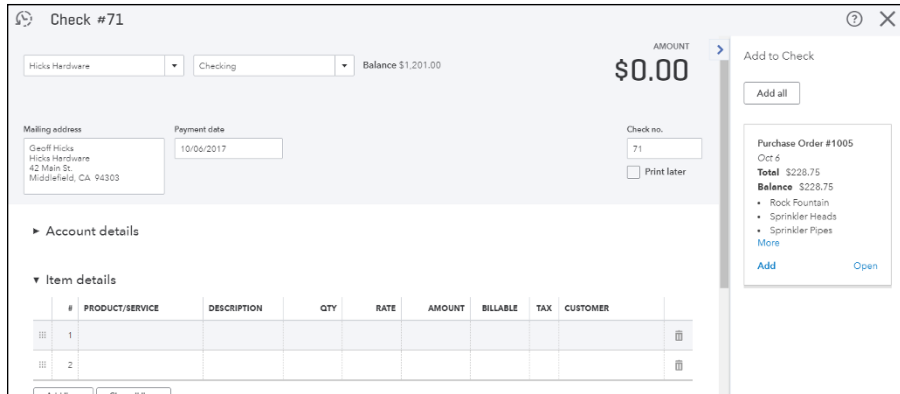
#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	CUSTOMER	RECEIVED	CLOSED
1	Design:Fountains:Rock Foun	Rock Fountain	1	125	125.00	Sushi by Katsuyuki	0	<input type="checkbox"/>
2	Landscaping:Sprinklers:Sprink	Sprinkler Heads	15	0.75	11.25	Sushi by Katsuyuki	0	<input type="checkbox"/>
3	Landscaping:Sprinklers:Sprink	Sprinkler Pipes	25	2.50	62.50	Sushi by Katsuyuki	0	<input type="checkbox"/>
4	Design:Fountains:Pump	Fountain Pump	3	10	30.00	Sushi by Katsuyuki	0	<input type="checkbox"/>

**FIGURE 5-12:**  
A purchase order with multiple lines.

- 1. Open the Create menu (the plus sign) and choose Bill, Check, or Expense, depending on the type of transaction you want to use. For this example, I'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).

**FIGURE 5-13:** A check showing an available purchase order with multiple lines for the selected vendor.



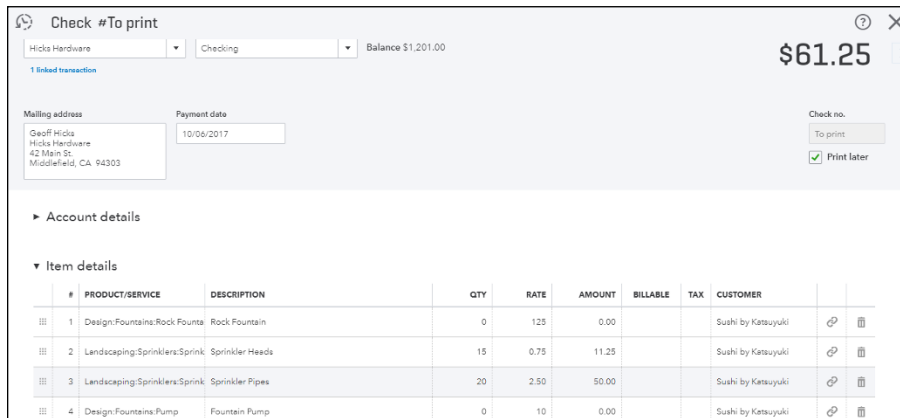
**3. Click Add on the purchase order in the panel.**

QBO adds all the lines on the purchase order to the Item Detail or Account Details section starting at the first available line in the appropriate section.

**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, I set the quantities on the first and last lines to zero to indicate I haven't received those items yet and so am not yet paying for them. I also set the third line to partially receive the ordered item.

**FIGURE 5-14:** Receiving and paying for part of a purchase order.



**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.

**5. Save the Bill, Check, or Expense transaction.**

If you reopen the purchase order, as I 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, while you can't see this in Figure 5-15, the purchase order is still open and shows one linked transaction.

**FIGURE 5-15:**  
Reviewing a purchase order after receiving some of the items on it.

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	CUSTOMER	RECEIVED	CLOSED
1	Design:Fountains:Rock Founta	Rock Fountain	1	125	125.00	Sushi by Katsuyuki	0	
2	Landscaping:Sprinklers:Sprink	Sprinkler Heads	15	0.75	11.25	Sushi by Katsuyuki	15	✓
3	Landscaping:Sprinklers:Sprink	Sprinkler Pipes	25	2.50	62.50	Sushi by Katsuyuki	20	
4	Design:Fountains:Pump	Fountain Pump	3	10	30.00	Sushi by Katsuyuki	0	
5								

This line is closed.

If I 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 I 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 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.



TIP

In Figure 5-16, I hide the Navigation pane by clicking the three horizontal bars in the upper left corner of the QBO window; I wanted to give the report more screen real estate.

**FIGURE 5-16:**  
The Open Purchase Orders Detail report.

DATE	NUM	VENDOR	PRODUCT/SERVICE	ACCOUNT	QTY	RECEIVED QTY	BACKORDERED QTY	TOTAL AMT	RECEIVED AMT	OPEN BALANCE
10/06/2017	1005	Hicks Hardware	Design:Fountains:Pump	Cost of Goods Sold	3.00	0.00	3.00	\$30.00	\$0.00	\$30.00
Total for Pump					3.00	0.00	3.00	\$30.00	\$0.00	\$30.00
Total for Fountains					3.00	0.00	3.00	\$30.00	\$0.00	\$30.00
Total for Design					3.00	0.00	3.00	\$30.00	\$0.00	\$30.00
TOTAL					3.00	0.00	3.00	\$30.00	\$0.00	\$30.00

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, it might be a candidate for a recurring bill; see the next section.



1. Choose Transactions → Expenses.
2. Click the New Transaction button in the upper right corner of the Expenses page and select Bill.

QBO displays the Bill transaction window shown in Figure 5-17.

Bill

Norton Lumber and Building Mat

BALANCE DUE  
**\$205.00**

Mailing address: Julie Norton, Norton Lumber and Building Materials, 4529 Country Road, Middlefield, CA 94303

Terms: [dropdown] Bill date: 10/07/2017 Due date: 10/31/2017

▶ Account details

▼ Item details

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	BILLABLE	TAX	CUSTOMER
1	Design:Fountains:Pump	Fountain Pump	8	10	80.00			
2	Design:Fountains:Rock Founte	Rock Fountain	1	125	125.00			
3								

Cancel Clear Make recurring Save Save and new

**FIGURE 5-17:**  
The Bill transaction window.

3. Select the vendor from whom you received the bill.  
QBO fills in the vendor's mailing address information.
4. Check and, if necessary, change the bill date and the due date.
5. Use the Account Details section, the Item Details section, or both to record information about the bill.

See the section "Writing a Check" for details on filling out the Account Details section and the Item Details section. Be aware that I hid the Account Details section in Figure 5-17 so that you could see the information in the Item Details section.

6. 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.
7. Click Save.

## 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, I'm using 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 with a Type of Reminder, as described in the next section.

## Creating a recurring transaction

You can create a recurring transaction in a number of ways; in my 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:

The screenshot shows the 'Recurring Bill' setup window. The 'Template name' is 'Rent-Hall Properties' and the 'Type' is 'Scheduled'. The 'Payee' is 'Hall Properties'. The interval is set to 'Monthly' on the '1st' of every '1' month(s). The 'Start date' is blank and the 'End' is 'None'. The mailing address is 'Melanie Hall, Hall Properties, P.O. Box 357, South Orange, NJ 07079' and the terms are 'Net 30'.

**FIGURE 5-18:**  
Setting up a  
recurring  
transaction.

- 1. From the Type list, choose one of the following:**
  - **Scheduled:** If you select this type, QBO will automatically create the transaction and enter 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 will display a reminder for you to complete and process 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 or 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, I chose Reminder, because it has basically the same options as Scheduled except that I can control its entry into QBO. For an Unscheduled transaction type, you don't establish the interval, start date, or end date.

**2. Fill in the number of days before the transaction date that you want QBO to remind you (or schedule the transaction).**

**3. Ensure that the payee is correct.**

**4. In the Interval section, select the frequency with which you pay the bill, along with the time frame.**

- 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.
- Specify the first date on which you want 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.

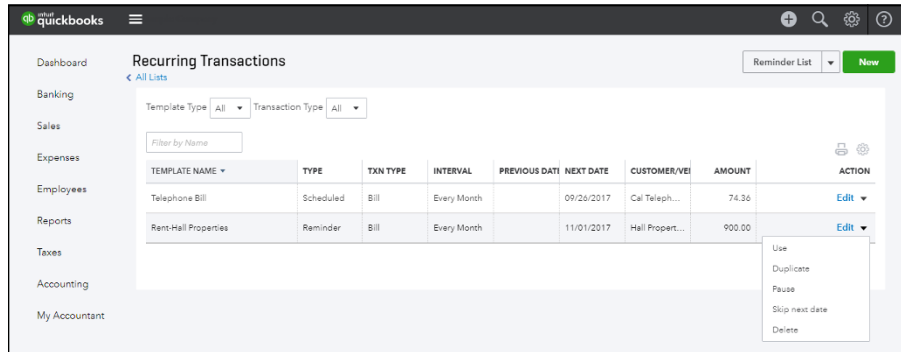
**5. Confirm that the mailing date, terms, and detail section of the transaction are correct, and add any memo information or attachments to the transaction.**

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).



TEMPLATE NAME	TYPE	TXN TYPE	INTERVAL	PREVIOUS DATE	NEXT DATE	CUSTOMER/VEI	AMOUNT	ACTION
Telephone Bill	Scheduled	Bill	Every Month		09/26/2017	Cal Teleph...	74.26	Edit
Rent-Hall Properties	Reminder	Bill	Every Month		11/01/2017	Hall Propert...	900.00	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.
- » **Pause:** If you select this option, QBO doesn't enter the transaction or send you reminders to enter the transaction. QBO maintains the "paused" state until you return to the Recurring Transactions list and "resume" the transaction.

- » **Skip next date:** This option does exactly what you think it does. It lets you skip the next occurrence of a recurring transaction.
- » **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 All Reports and choose Accountant Report. Last, click Recurring Template List to display a report like the one shown in Figure 5-20.

TRANSACTION TYPE	TEMPLATE NAME	PREVIOUS DATE	NEXT DATE	NAME	MEMO/DESCRIPTION	ACCOUNT	AMOUNT
- Scheduled							
Bill	Telephone Bill		09/26/2017	Cal Telephone		Accounts Payable (A/P)	-74.36
Total for Scheduled							\$ -74.36
- Reminder							
Bill	Rent-Hall Properties		11/01/2017	Hall Properties		Accounts Payable (A/P)	-900.00
Total for Reminder							\$ -900.00

**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 and then apply it when you pay the vendor's bill. If a vendor issues a refund check to you, you still enter a vendor credit, but you also enter a deposit and then link the deposit to the vendor credit.

Follow these steps to enter the vendor credit:

1. **On the Expense Transaction page, choose New Transaction ⇨ 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.**

Vendor Credit

Squeaky Klean Car Wash

CREDIT AMOUNT  
**\$10.00**

Mailing address: Squeaky Klean Car Wash  
Payment date: 10/07/2017  
Ref no.:

Account details

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	TAX	CUSTOMER
1	Automobile	Car wash refund	10.00			
2						

Add lines Clear all lines

**FIGURE 5-21:**  
A Vendor Credit transaction.

4. **Enter the credit amount.**
5. **In the Account 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.
6. **You can optionally scroll down and attach an electronic 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 Account 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 issued 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 Create plus (+) sign and, from the Other section of Create menu that appears, choose Bank Deposits.**

QBO displays the Deposit transaction window shown in Figure 5-22.

Select Existing Payments								
<input type="checkbox"/>	RECEIVED FROM	DATE	TYPE	PAYMENT METHOD	MEMO	REF NO.	AMOUNT	
<input type="checkbox"/>	Cool Cars	09/11/2017	Payment	Enter Text			1675.52	
<input type="checkbox"/>	Freeman Sporting Goods 0969 Ocean View Road	09/11/2017	Payment	Enter Text			387.00	
							Total	2062.52
							Selected Payments Total	0.00

Add New Deposits						
#	RECEIVED FROM	ACCOUNT	DESCRIPTION	PAYMENT METHOD	REF NO.	AMOUNT
1	Squeaky Klean Car Wash	Accounts Payable (A/P)				10.00

**FIGURE 5-22:**  
The Deposit transaction window.

2. **In the Add New Deposits 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.
  - In the Amount column, enter the amount of the check.
3. **Click the arrow beside Save and New in the lower right corner of the window and choose Save and Close. QBO redisplay the QBO Home page.**

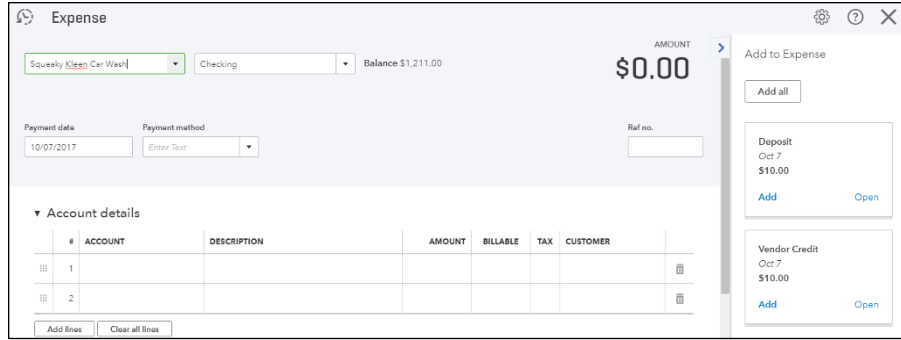
The Save option functions as a sticky preference and you might not see Save and New because you previously made a different choice.
4. **Click the Create plus (+) sign and, from the Create menu that appears, choose Expense.**



REMEMBER

**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).



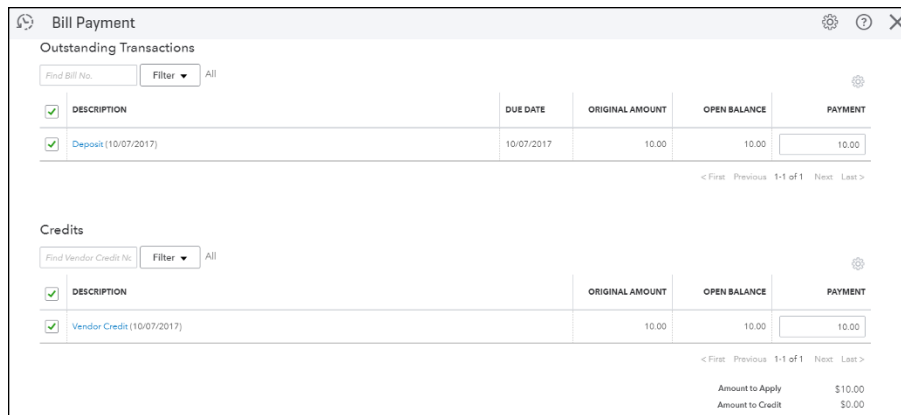
**FIGURE 5-23:**  
Open transactions for the selected vendor appear.

**6. Click Add in the Deposit transaction.**

**7. Click Add in the outstanding 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 5-24:**  
Adding the vendor credit and the bank deposit of the vendor's check results in a \$0 bill payment transaction.



# Paying bills

If you want to pay your bills online, skip this section and explore QBO's interface with Bill.com. You'll find the Bill.com app available in the Intuit App Store. You can visit the store by choosing Apps from the Navigation pane. If you want to pay your bills in QBO, read on.

If you've been entering bills from vendors, then, at some point, you need to pay those bills. Most people sit down once or twice a month and pay outstanding bills. To pay bills in QBO, follow these steps:

1. **Click the Create plus (+) sign and, from the Create menu that appears, choose Pay Bills in the Vendors column.**

QBO displays the Pay Bills page shown in Figure 5-25. Overdue bills display a red flag.

PAYEE	REF NO.	DUE DATE	OPEN BALANCE	CREDIT APPLIED	PAYMENT	TOTAL AMOUNT
PG&E		08/27/2017	\$86.44	Not available		\$0.00
Norton Lumber and Bul...		09/11/2017	\$205.00	Not available		\$0.00
Robertson & Associates		09/11/2017	\$315.00	Not available		\$0.00
Brosnahan Insurance Ag...		09/14/2017	\$241.23	Not available		\$0.00
Diego's Road Warrior Bo...		10/09/2017	\$755.00	Not available		\$0.00

**FIGURE 5-25:** The Pay Bills page lists bills you owe but have not yet paid.

Overdue bills

2. **In the Payment Account list, select an account to use to pay the bills.**
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

5. **In the Filter list, 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.

<input type="checkbox"/>	PAYEE	REF NO.	DUE DATE	OPEN BALANCE	CREDIT APPLIED	PAYMENT	TOTAL AMOUNT
<input checked="" type="checkbox"/>	PG&E		08/27/2017	\$86.44	Not available	86.44	\$86.44
<input checked="" type="checkbox"/>	Norton Lumber and Bul...		09/11/2017	\$205.00	Not available	205.00	\$205.00
<input checked="" type="checkbox"/>	Robertson & Associates		09/11/2017	\$315.00	Not available	250.00	\$250.00
<input checked="" type="checkbox"/>	Bronnahan Insurance Ag...		09/14/2017	\$241.23	Not available	241.23	\$241.23
<input type="checkbox"/>	Diego's Road Warrior Bo...		10/09/2017	\$755.00	Not available		\$0.00
4 bills selected				\$847.67	\$0.00	\$782.67	\$782.67

**FIGURE 5-26:** QBO uses the bill amount less any vendor credits to calculate a payment amount.



REMEMBER

**7. In the lower right corner of the window, click Save and Print, or click the arrow beside Save and Print to choose either Save or Save and Close.**

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 instead of 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.

#### 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

## Chapter 6

# Managing the Inflow of Money

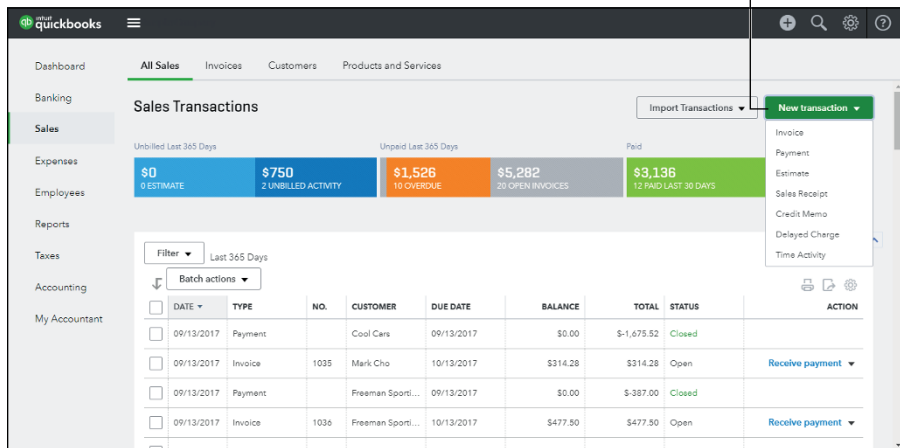
**T**his is where the fun starts. “Why?” you ask. Because this chapter covers stuff related to bringing money into the business, which, from any businessperson’s perspective, is the reason you started your business — and therefore the most fun part!

To record most sales-related transactions, you can click Sales in the Navigation pane to display the Sales Transactions page shown in Figure 6-1; then click the New Transaction button. If the transaction type you want to record isn’t available on the New Transaction menu, open the Create menu by clicking the Create button — the plus sign (+) icon at the top of QBO, which changes to an X after you click it. Then, choose the type of transaction you want to record; sales-related transactions appear in the Customers column (see Figure 6-2).

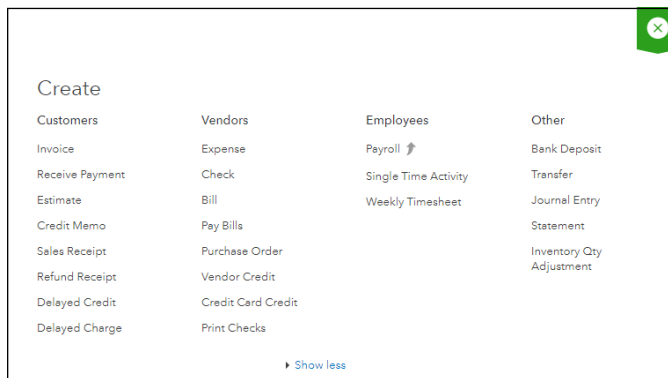
# GETTING UP AND RUNNING

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.

Click here to start a new sales transaction.



**FIGURE 6-1:**  
The Sales Transactions page.



**FIGURE 6-2:**  
Sales transactions appear in the Customers column of the Create menu.

# Customizing Forms to Handle Subtotals

Before we dive into preparing various types of forms, you should address a house-keeping task: setting up sales forms so that you can include subtotals on them. If you have no need to subtotal information on your sales forms, you can skip this section and move on to the next one.



TIP

If you are an iOS user, you can customize forms using the iOS mobile app for QBO. Unfortunately, at the time of this writing, the Android version does not currently have this feature, but Android users can customize from Android devices by opening the browser on the device and signing in to their accounts using browser-based QBO.

You can subtotal lines on an invoice, an estimate, or a sales receipt. First, turn on the feature; for this example, I'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.

## 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, E-mails, and Payments pages. The right side of the page is devoted to previews.

## 3. From the buttons on the top of 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 visible and available to edit (see Figure 6-3).

Table

Account summary

Show on invoice

Activity table

COLUMNS [EDIT LABELS AND WIDTHS](#)

Date

Description

Include Quantity and Rate

Product/Service

Include description here

Category

Quantity

Craig's Design and Landscaping Services  
123 Sierra Way  
San Pedro, CA 90709  
merry@qbo.com

INVOICE

BILL TO: Smith Co. DATE: 01/10/2019  
123 Main Street DATE DATE: 02/10/2019  
City, CA 92145 TERMS: NET 30

INVOICE# 12345

CREW # CUSTOM-1

ACTIVITY	QTY	RATE	AMOUNT
Item name Description of the item	2	225.00	450.00
Item name Description of the item	1	225.00	225.00

Thank you for your business and have a great day!

SUBTOTAL 675.00  
DISCOUNT 2% -13.50  
TOTAL TAX 101.25  
TOTAL \$762.75  
BALANCE DUE \$776.25

**FIGURE 6-3:**  
The Content page  
after choosing  
the Table section  
to edit.

**5. Scroll down the left side of the page and click Show More Activity Options.**

QBO displays additional options for the Table section of the form (see Figure 6-4).

**6. Select the Group Activity By check box and make a selection from the list.**

For my example, I chose Type.

Check this box to enable subtotaling.

Amount

SKU

Hide activity options

Group activity by Type

Subtotal group

Collapse activity row

Show markup on bill

Show billable time

Include employee

Include hours

Day

Week

Month

Type

**FIGURE 6-4:**  
Turning on the  
setting to enable  
grouping on  
the selected  
sales form.



**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.

**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.

# 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.

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 at the end of Chapter 4. To enter an invoice, follow these steps:

- 1. Choose Sales in the Navigation pane to display the Sales Transactions page.**

You might need to click All Sales to display the Sales Transactions page.

- 2. Click the New Transaction button and, from the list that appears, click Invoice.**

- 3. 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."

## QBO AND GOOGLE CALENDARS

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 store, 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 time frame 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.

**4. 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.

If you opt to send invoices by email, you can click Cc/Bcc to provide email addresses to which you want to send copies — regular and blind — of the invoice.



TIP

If you want to send email copies of every invoice to specific people (who don't change), you can set global defaults for Cc and Bcc email addresses in the Account and Settings dialog box. You can send copies of invoices, estimates, purchase orders, sales receipts, credit memos, and refund receipts.

**5. Fill in the products and 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.

**6. 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 6-5, I clicked the third line of the invoice.
- b. Click the Add Subtotal button, which appears below the lines on the invoice.

QBO adds a line that subtotals the ones above it. You can continue adding lines to the invoice, as I did in Figure 6-5, and you can add more subtotals.

**7. You can scroll down in the Invoice window, as shown in Figure 6-6, 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.



Click the last line to include in the subtotal.

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1	Design:Fountains:Rock Foun	Rock Fountain	1	275	275.00	✓
2	Design:Fountains:Pump	Fountain Pump	1	15	15.00	✓
3	Design:Fountains:Concrete	Concrete for fountain installation	50	1.00	50.00	✓
4					Subtotal: \$340.00	
5	Design:Design	Custom Design	2	75	150.00	
6						

Subtotal \$490.00  
 Taxable subtotal \$340.00

**FIGURE 6-5:** Click the last line that should be part of the subtotaled group, and then click Add Subtotal.

Click here to add a subtotal.

QBO adds the subtotal.

Click here to control whether QBO applies the discount before or after taxes.

Message displayed on invoice

Thank you for your business and have a great day!

Statement memo

Attachments Maximum size: 25MB

Drag/Drop files here or click the icon

Show existing

Subtotal \$490.00  
 Taxable subtotal \$340.00  
 California 8% 27.20  
 Discount percent 0.00  
 Total \$517.20  
 Deposit  
 Balance due \$517.20

**FIGURE 6-6:** Use the bottom of the Invoice window to handle sales tax, discount information, messages, and attachments.

You can apply a discount to the invoice if you have turned on the company preference to display the Discount box; 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 Discount check box from the panel that appears on the right side of the form.

- 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.**

## 9. 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.



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. The option you choose will appear the next time you display the Invoice window. In fact, in any transaction window, the choice you make appears the next time you open the window.

## Recording a Customer Payment

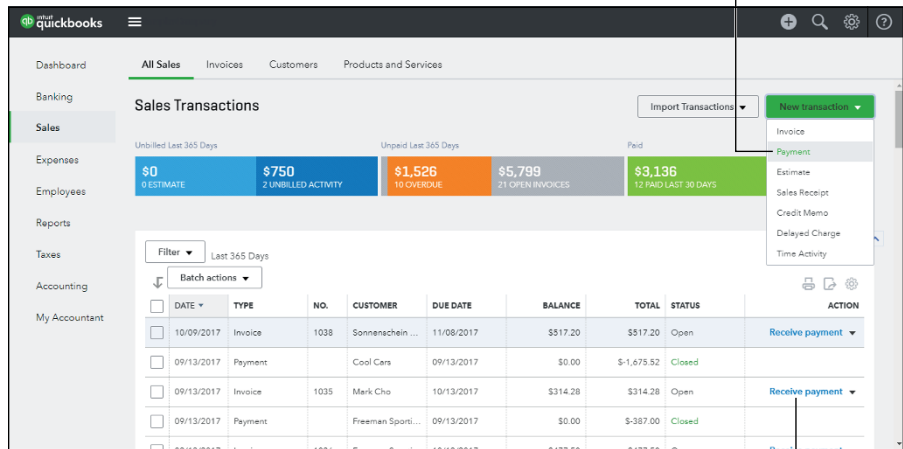
Let me start by mentioning that QBO interfaces with QuickBooks Payments, Intuit's online merchant service offering, so that you can accept ACH and credit card payments from your customers and record them directly into QBO. Visit <http://quickbooks.intuit.com/payments> or contact Intuit for details.

In this section, you explore how to record payments in QBO using traditional QBO tools.

When you receive a payment from a customer, you record it in QBO. 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 6-7).
- » You can click the New Transaction button on the Sales Transactions page and select Payment (also shown in Figure 6-7).
- » You can click the Create menu and select Receive Payment.

Click here to open a blank Receive Payments window.

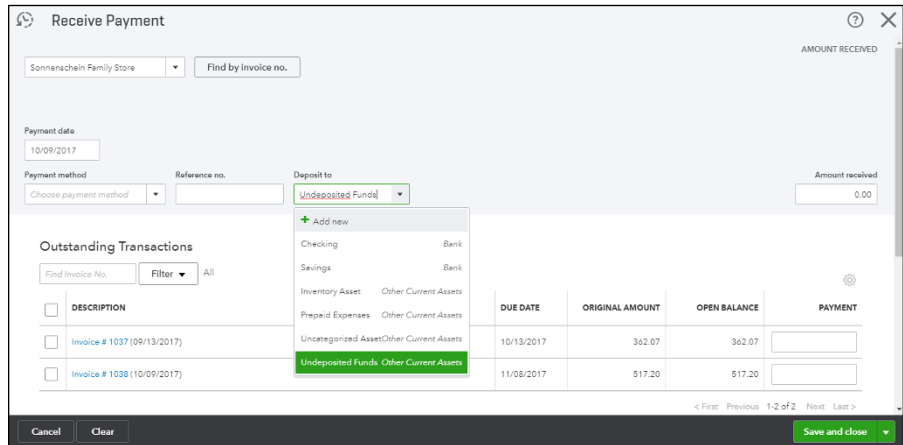


**FIGURE 6-7:** Opening the Receive Payments window from the Sales Transactions list.

Click here to receive payment for a specific invoice.

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.

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 6-8).



**FIGURE 6-8:** 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.

## 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 take several checks to your bank on a given day (or your bank receives several checks electronically on a given day), most banks typically don't record the individual checks as individual deposits. Instead, the bank records the sum of the checks as your deposit — 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. This fact is important because, 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.

Herald the arrival of the Undeposited Funds account in QBO, which acts as a holding tank for customer payments before you've prepared a bank deposit slip. If you place customer payments in the Undeposited Funds account, you can then use the Bank Deposit feature in QBO to sum up the payments you receive and intend to deposit at your bank simultaneously — and, if you don't go to your bank daily to make deposits, there's no problem. QBO records, as the deposit amount in your QBO Bank account, 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 quick and easy — well, okay, maybe not quick and easy, but certainly quicker and easier than if you were trying to figure out which customer payments made up various bank deposits.

See Chapter 8 for details on preparing a bank deposit and reconciling a bank statement.

## 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 tip.

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 credits 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. Fill in the full amount you received from the customer, including the overpayment amount, in the Amount Received field. Then, do one of the following:

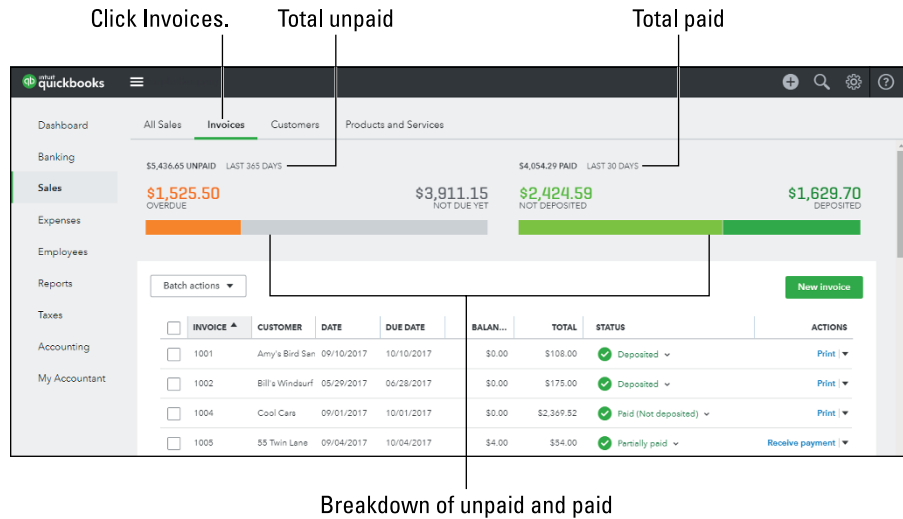
- To apply the overpayment to an existing invoice, in the Outstanding Transactions section of the Receive Payment window, select the invoices to which you want to apply the payment. Typically, the payment will fully pay at least one invoice and partially pay another invoice. QBO automatically reduces 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 will automatically apply the credit amount to the new invoice.
- If you intend to keep the overpayment as income, create a Tip income account and a Tip service item assigned to the Tip income account. Then, create a new invoice for the customer using the Tip 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 your invoices. Is an invoice unpaid? Partially paid? Paid but not deposited? You can see where I'm 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 6-9).



**FIGURE 6-9:** 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 6-10 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 in the Status column for the transaction to hide its details.

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 6-11 shows that the Status column also supplies you with additional information; you see invoices that are coming due as well as invoices that are overdue. And, to help you visually identify overdue invoices, QBO displays them in orange (not obvious in my black and white image).

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.

**FIGURE 6-10:** Click anywhere in the Status column to see the details for the specific transaction.

The screenshot shows the 'Invoices' page with a table of invoices. Invoice 1004 is highlighted, showing a progress bar and a detailed view of its payment history.

INVOICE	CUSTOMER	DATE	DUE DATE	BALAN...	TOTAL	STATUS	ACTIONS
1001	Amy's Bird San	09/10/2017	10/10/2017	\$0.00	\$108.00	Deposited	Print
1002	Bill's Windsurf	05/29/2017	06/28/2017	\$0.00	\$175.00	Deposited	Print
1004	Cool Cars	09/01/2017	10/01/2017	\$0.00	\$2,369.52	Sent Viewed Paid Deposited	Print
<ul style="list-style-type: none"> <li>Payment on 09/06/2017: You recorded the payment on 09/06/2017. Payment: \$694.00   Method: Check</li> <li>Payment on 09/13/2017: You recorded the payment on 09/13/2017. Payment: \$1,675.52</li> </ul>							
1005	55 Twin Lane	09/04/2017	10/04/2017	\$4.00	\$54.00	Partially paid	Receive payment
1006	55 Twin Lane	08/05/2017	09/04/2017	\$0.00	\$86.40	Deposited	Print

**FIGURE 6-11:** In addition to fully and partially paid invoices, you also see which invoices are coming due and which are overdue.

The screenshot shows the 'Invoices' page with a list of invoices. Some invoices are highlighted in orange to indicate they are overdue.

INVOICE	CUSTOMER	DATE	DUE DATE	BALAN...	TOTAL	STATUS	ACTIONS
1035	Mark Cho	09/13/2017	10/13/2017	\$314.28	\$314.28	Due in 4 days (Not sent)	Receive payment
1034	Rondonuwu Fr	09/12/2017	10/12/2017	\$78.60	\$78.60	Due in 3 days (Not sent)	Receive payment
1033	Geeta Kalepati	09/12/2017	10/12/2017	\$629.10	\$629.10	Due in 3 days (Not sent)	Receive payment
1032	Travis Waldron	09/10/2017	10/10/2017	\$414.72	\$414.72	Due tomorrow (Not sent)	Receive payment
1031	0969 Ocean Vi	06/29/2017	07/29/2017	\$0.00	\$387.00	Paid (Not deposited)	Print
1030	0969 Ocean Vi	05/29/2017	06/28/2017	\$0.00	\$226.75	Deposited	Print
1029	Dukes Basketb	07/27/2017	08/26/2017	\$0.00	\$460.40	Deposited	Print
1028	55 Twin Lane	07/27/2017	08/26/2017	\$81.00	\$81.00	Sent Viewed Paid Deposited	Receive payment
Overdue 44 days Send invoice							
1027	Bill's Windsurf	07/27/2017	08/26/2017	\$85.00	\$85.00	Overdue 44 days (Not sent)	Receive payment
1025	Amy's Bird San	07/27/2017	08/26/2017	\$0.00	\$205.00	Deposited	Print

## Working with Estimates

You can use estimates — you might call them quotes or bids — to prepare documents that estimate what you need to charge a client to complete a project; estimates don't update your QBO accounts 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 copy the estimate to a purchase order to easily order the items needed to complete the job. You also can copy the estimate to an invoice.

## NON-POSTING TRANSACTIONS

Estimates and purchase orders are two examples of non-posting transactions. Non-posting transactions don't affect your accounts in any way, but they are helpful because they enable you to enter potential transaction information you don't want to forget. In addition to the estimate and the purchase order, QBO Essentials and Plus also enable you to record two other non-posting transactions: the Delayed Charge and the Delayed Credit.

You can use a Delayed Charge transaction pretty much the same way 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 accounts when you enter it, but a Delayed Credit transaction updates your accounts 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."



WARNING

You can copy only those estimates with a status of Pending. Copying an estimate to an invoice automatically changes the estimate's status from Pending to Closed. Therefore, if you want to copy an estimate to both a purchase order and an invoice, make sure you copy the estimate to the purchase order first.

## Preparing an estimate

You prepare an estimate in much the same way you prepare an invoice. To display the Estimate window, click the Create menu and choose Estimate. Or, if you prefer to work from the Sales Transactions page, choose 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 6-12).

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. Figure 6-12 also shows a Crew # field that appears because the estimate was customized. You can read more about customizing forms in Chapter 3.



Estimate

Sonnenschein Family Store | Familystore@intuit.com

AMOUNT: \$337.50

Pending | Send later | Co/Rec

Billing address: Russ Sonnenschein, Sonnenschein Family Store, 3047 Cypress Hill Ave., Middlefield, CA 94033

Estimate date: 10/10/2017 | Expiration date: 11/10/2017

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1	Design:Fountains:Rock Founta	Rock Fountain	1	275	275.00	✓
2	Design:Fountains:Pump	Fountain Pump	1	15	15.00	✓
3		Concrete for fountain installation	5	9.50	47.50	✓

Subtotal: \$337.50

**FIGURE 6-12:** Creating an estimate.



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.

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 6-13.

Click here to control whether a discount is pre- or post-taxable.

Concrete for fountain installation

Subtotal: \$337.50

Taxable subtotal: \$337.50

Select a sales tax rate: 0.0%

Discount percent: \$0.00

Total: \$337.50

Estimate Total: \$337.50

Attachments: Maximum size: 25MB

Drag/Drop files here or click the icon

Show existing

Privacy

Cancel Clear Print or Preview Make recurring Customize Save Save and send

**FIGURE 6-13:** 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 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.

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 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 did a good job on your estimate, and now your customer wants to purchase based on the estimate you provided. In this case, you often want to use the estimate information to prepare a purchase order for a vendor. QBO Plus enables you to copy an estimate with a status of Pending or Accepted to a purchase order; QBO Plus turns 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 — the 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. So, if you intend to copy an estimate to a purchase order, 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 copy any estimate with a Pending or Accepted status to a purchase order; follow these steps:

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 Copy to Invoice button and choose Copy to Purchase Order (see Figure 6-14).**

Click here.

Estimate #1001

Sonnenschein Family Store Familystore@intuit.com

Accepted  Send later [Go/Rec](#)

AMOUNT \$337.50

Copy to Invoice  Copy to purchase order

Billing address: Russ Sonnenschein, Sonnenschein Family Store, 5647 Cypress Hill Ave, Middlefield, CA 94303

Estimate date: 10/10/2017 Expiration date: 11/10/2017

Crew #

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1	Design:Fountains:Rock Founai	Rock Fountain	1	275	275.00	✓

**FIGURE 6-14:** Getting ready to copy an estimate to a purchase order.

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 6-15).

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	CUSTOMER
1	Design:Fountains:Rock Fountain	Rock Fountain	1	125	125.00	
2	Design:Fountains:Rock Fountain	Rock Fountain	1	10	10.00	

**FIGURE 6-15:**  
A purchase order  
QBO created  
from an estimate.

4. **Edit the purchase order as necessary, selecting a vendor and adding any more items to the purchase order.**
5. **Save the purchase order.**

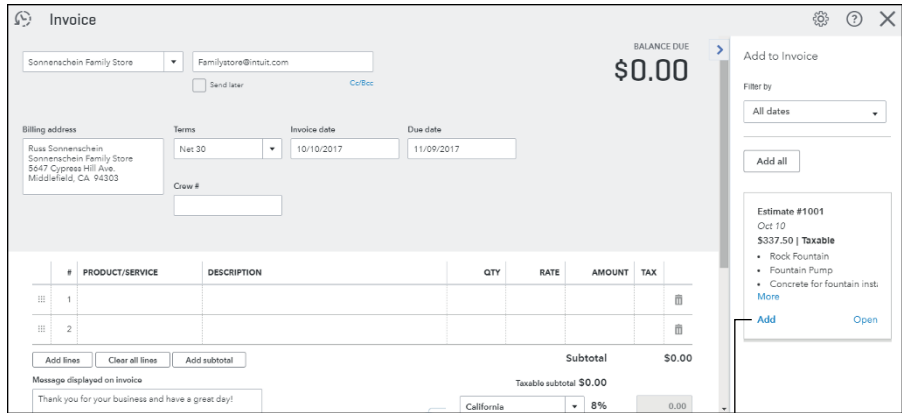
## Converting an estimate to an invoice

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 convert the estimate's information to an invoice. You can, if necessary, make adjustments to the invoice by adding or removing lines. You can convert an estimate's information to an invoice using any of several approaches. Be aware that converting 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 6-16). Click the Add button at the bottom of an estimate, and QBO automatically adds the estimate information to the Invoice window.

Second, you can filter the Sales Transactions page to display only estimates, and click the Start Invoice link in the Action column beside the estimate you want to convert (see Figure 6-17). QBO displays an invoice that contains all the lines available on the estimate.

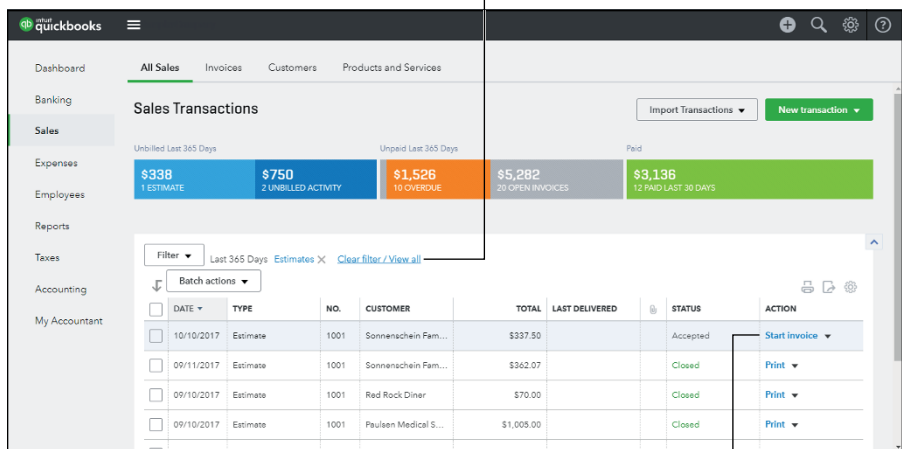
Third, from the Sales Transactions page, you can click the estimate to open it (and review its content, if you want). In the Estimate window of any estimate with a status of Pending or Accepted, you'll find a Copy to Invoice button, as shown in Figure 6-18; click that button, and QBO displays the Invoice window containing all the information from the estimate.



**FIGURE 6-16:** Converting an estimate to an invoice from the Invoice window.

Click here to add estimate information to the invoice.

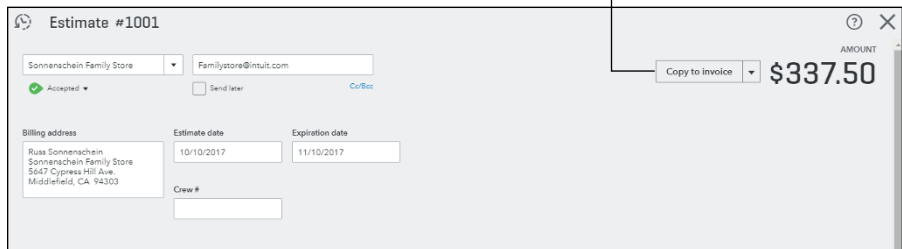
Filtering to view only estimates.



**FIGURE 6-17:** Click the Start Invoice link to use estimate information on an invoice.

Click this link to start an invoice based on an estimate.

Click here to copy estimate information to an invoice.



**FIGURE 6-18:** Click Copy to Invoice to display estimate information on an invoice.

Regardless of the method you use, after you have converted an estimate to 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.

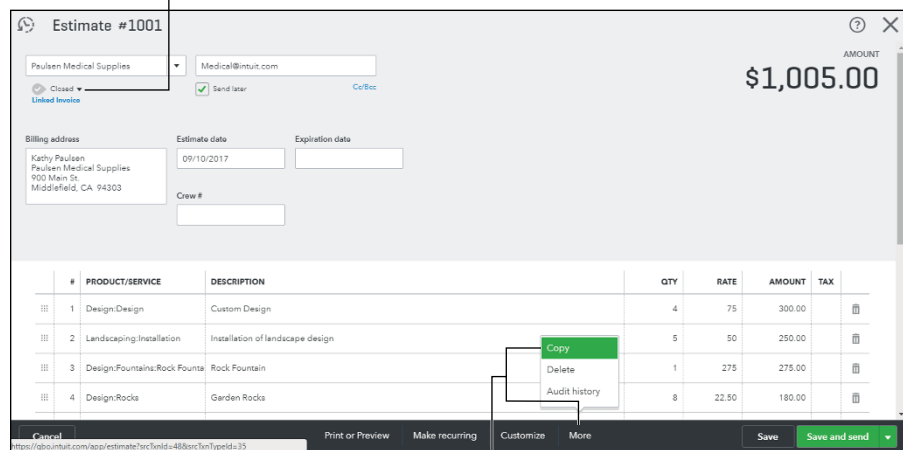
## Copying an existing estimate

Suppose that you have an existing estimate — even one you've already converted to an invoice — and you want to create a new estimate using most of the information on the existing invoice. You can make a copy of the existing estimate, edit the copy as needed, and then save the new estimate. Making a copy 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 copy to open it in the Estimate window. Notice that, in Figure 6-19, I'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.



**FIGURE 6-19:** Click Copy to duplicate an estimate, even if it's closed.

Click More and then click Copy.

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 6-20). 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.

The message indicating you're working in a duplicate estimate

The screenshot shows the 'Estimate' window in QuickBooks Online. At the top, there's a header with 'Estimate' and a refresh icon. Below that, there are dropdown menus for 'Paulson Medical Supplies' and 'Medical@intuit.com'. A 'Pending' status indicator is visible. A large message box in the center reads: 'This is a copy. This is a copy of an estimate. Revise as needed and save the estimate.' To the right, the amount '\$1,005.00' is displayed. Below the message, there are fields for 'Billing address', 'Estimate date' (10/10/2017), and 'Expiration date'. The billing address is: 'Kathy Paulson, Paulson Medical Supplies, 900 Main St., Middlefield, CA, 94303'. There is also a 'Create #' field.

**FIGURE 6-20:**  
Edit the duplicated estimate and save it.

## 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 sell goods or render services. In these situations, you don't need to enter an invoice; instead, you can enter a sales receipt. And, if you're shipping the items to the customer, you can print a packing list, which shows the quantities of the items the customer purchased without price information.

### Entering a sales receipt

To enter a sales receipt, choose **Create** ⇨ **Sales Receipt** or, from the **Sales Transactions** page, choose **New Transaction** ⇨ **Sales Receipt** to display the window shown in Figure 6-21.

The sales receipt form closely resembles other sales forms you've seen 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 send Cc and Bcc emails for invoices, estimates, purchase orders, sales receipts, credit memos, and refund receipts. Then, 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.

**Sales Receipt**

Kate Whelan | Kate@Whelan.com | Put your billing on cruise control. Set up recurring sales receipts

AMOUNT: \$225.00

Billing address: Kate Whelan, 45 First St, Menlo Park, CA, 94304 USA

Sales Receipt date: 10/10/2017

Payment method: Choose payment method | Reference no. | Deposit to: Undeposited Funds

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1	Design/Design	Custom Design	3	75	225.00	
2						

Subtotal: \$225.00

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

**FIGURE 6-21:**  
A sales receipt.

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.

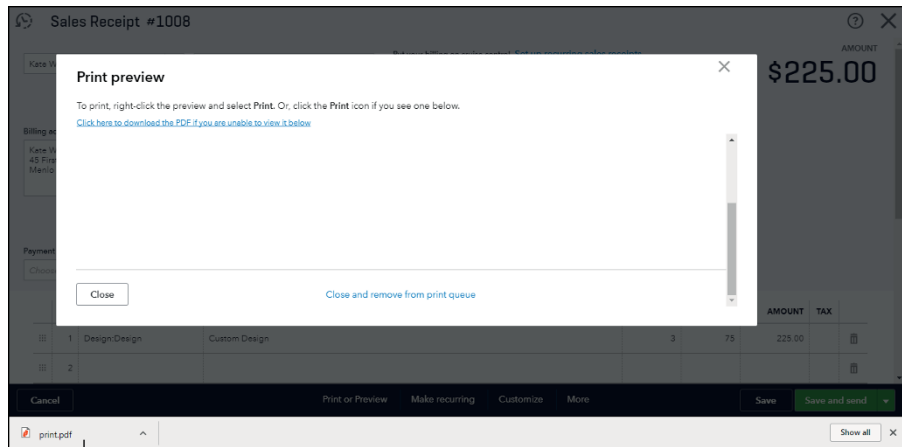
## Printing sales receipts and packing slips

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. Regardless of the document you opt to print, QBO saves the sales receipt and then downloads a PDF copy of the document; if you’re using Chrome, you’ll see a window like the one in Figure 6-22, and you can click the PDF document shown in the lower left corner to display it in the PDF viewer stored on your computer. Figure 6-23 shows the PDF document in Nitro Reader, a free PDF viewer available for download from the Internet.

Notice that the sales receipt displays all pertinent information, including the prices of items.

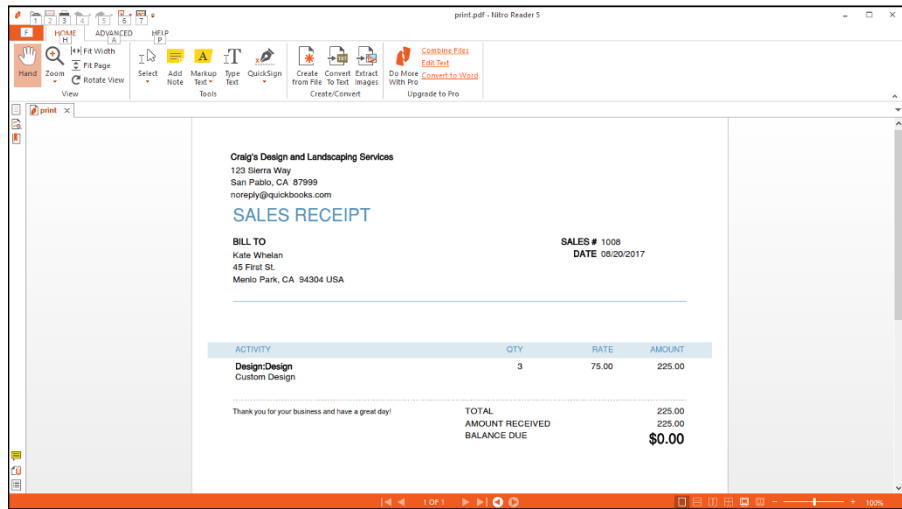
If you opt to print the packing slip, QBO again saves the sales receipt if you haven’t already saved it. Then, QBO downloads the document and displays a preview window like the one shown in Figure 6-22. When you click the downloaded PDF document, it opens in your computer’s PDF viewer; the difference 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.





**FIGURE 6-22:**  
The Print Preview window for a sales receipt.

Click here to open the downloaded document QBO creates.



**FIGURE 6-23:**  
The PDF version of the sales receipt QBO creates.

## 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.

If a customer returns merchandise to you, issue a credit memo. Alternatively, if you need to refund money to a customer — perhaps because goods arrived damaged and the customer doesn't want to reorder them — issue a refund receipt.

## Recording a credit memo

If a customer returns goods previously purchased or 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 click the Automatically Apply Credits option.

You enter a Credit Memo transaction pretty much the same way you enter an invoice; to display the Credit Memo window shown in Figure 6-24, you can click the Create menu button and choose Credit Memo or, from the Sales Transactions page, you can click the New Transaction button and choose Credit Memo.

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1	Landscapeing Soil	2 cubic ft. bag	1	10	10.00	✓
2						

**FIGURE 6-24:**  
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 will automatically apply the credit memo to the invoice.

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 6-25).

Dashboard | All Sales | Invoices | Customers | Products and Services

Banking | Sales Transactions | Import Transactions | New transaction

Unbilled Last 365 Days | Unpaid Last 365 Days | Paid

\$0 0 ESTIMATE	\$750 2 UNBILLED ACTIVITY	\$1,526 10 OVERDUE	\$5,272 29 OPEN INVOICES	\$3,136 13 PAID LAST 30 DAYS
-------------------	------------------------------	-----------------------	-----------------------------	---------------------------------

Filter: Last 365 Days Invoices X Clear filter / View all

DATE	TYPE	NO.	CUSTOMER	DUE DATE	AGING	BALANCE	TOTAL	STATUS	ACTION
09/14/2017	Invoice	1035	Mark Cho	10/14/2017		\$314.28	\$314.28	Open	Receive payment
09/14/2017	Invoice	1037	Sonnensche...	10/14/2017		\$362.07	\$362.07	Open	Receive payment
09/14/2017	Invoice	1036	Freeman Sp...	10/14/2017		\$467.50	\$477.50	Partial	Receive payment
09/13/2017	Invoice	1033	Geeta Kalap...	10/13/2017		\$629.10	\$629.10	Open	Receive payment

**FIGURE 6-25:**  
An invoice to which QBO has applied a credit memo.

Invoice with a credit memo applied

If you click the invoice to view it and scroll to the bottom, you'll see the credit amount on the Amount Received line at the bottom of the invoice (see Figure 6-26).

Invoice #1036

QTY	DESCRIPTION	UNIT	RATE	AMOUNT	TAXES	STATUS
1	Design:Fountains:Rock Fountai	Rock Fountain	275	275.00		✓
1	Design:Fountains:Pump	Fountain Pump	15	15.00		✓

Subtotal: \$477.50

Taxable subtotal: [ ]

Select a sales tax rate: [ ]

Discount percent: [ ]

Total: \$477.50

Amount received: \$10.00

Balance due: \$467.50

**FIGURE 6-26:**  
By default, QBO applies credit memos to an existing outstanding invoice.

The credit amount appears here.

## 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, I'm 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 Invoice window, so, if you need more details than I supply here, see the section "Preparing an Invoice." To display the Refund Receipt window shown in Figure 6-27, click the Create button — the plus (+) sign — and choose Refund Receipt in the Customers column. Select a customer, and QBO fills in related customer information.

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1	Refunds & Allowances	Refund check, no items returned	1	25.00	25.00	

**FIGURE 6-27:** Issuing a refund check.

Select a payment method and an account; if you select a Bank account like I 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 my example, the customer isn't returning any items, so I 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 & Allowances service shown in Figure 6-27.

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 serious time-tracking needs and you need more power than QBO offers by default, consider using T-Sheets, an app that fully integrates 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 store (click the Apps link in the Navigation pane or visit [appcenter.intuit.com](http://appcenter.intuit.com)).

Your employees might work directly for you on 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 might want to track the time employees spend on client-related projects and then bill your customers for your employees' time.

To track time, 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 **Create plus (+) sign button to open the Create menu.**
2. **In the Employees column, click Single Time Activity.**  
QBO displays the Time Activity window shown in Figure 6-28.
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.**

**FIGURE 6-28:**  
The Time Activity  
window.

- 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 6-29, is for you. To enter time using this window, follow these steps:

- 1. Click the Create button — the plus (+) sign — to open the Create 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.**

#	DETAILS	MON 11	TUE 12	WED 13	THU 14	FRI 15	SAT 16	SUN 17	TOTAL
1	Rondonuwu Fruit and Vegi Landscaping/Trimming Tree and Shrub Trimming Billable 15.00 /hr Taxable		2.00						2.00 \$30.00
2	Rondonuwu Fruit and Vegi Design/Lighting Garden Lighting Billable 15.00 /hr Taxable		3.00						3.00 \$45.00
3	Amy's Bird Sanctuary Design/Lighting Garden Lighting Billable 15.00 /hr Taxable			3.00					3.00 \$45.00

**FIGURE 6-29:**  
The Weekly  
Timesheet.

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.

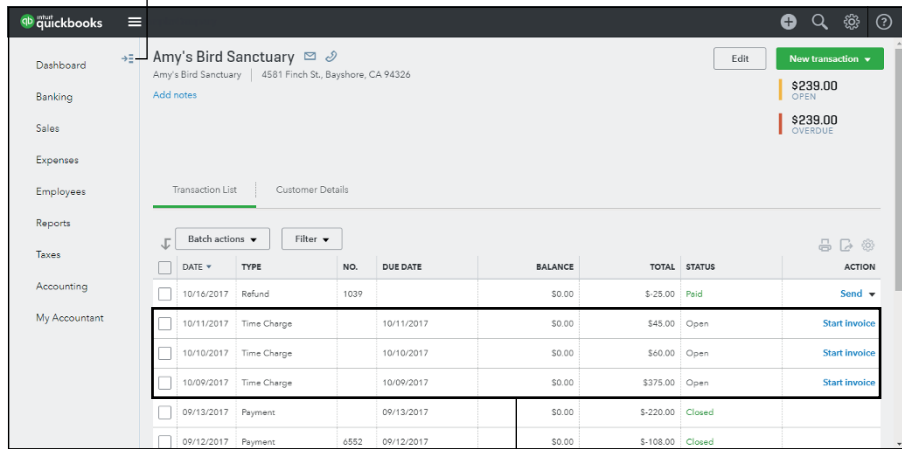
## Adding a billable expense to an invoice

You can add 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 outstanding transactions, as shown in Figure 6-30. In the Action column of any billable time entry, QBO displays a Start 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.

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 time entries exist. Start an invoice (from the Create menu — the plus sign — click Invoice) and select a customer. If the customer has billable time entries, they appear in the pane on the right side of the screen (see Figure 6-31).

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.

Click here to display your customer list and select a different customer.

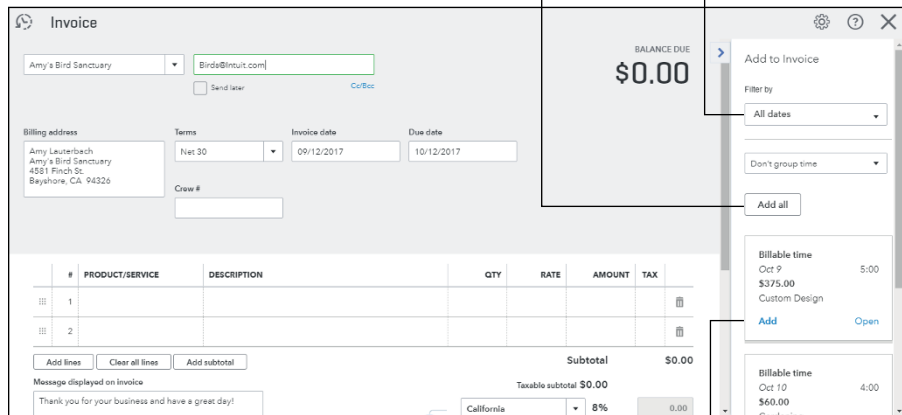


**FIGURE 6-30:**  
Viewing a customer's page in QBO.

These lines contain billable expenses.

Click here to filter the time entries QBO displays.

Click here to add all entries to the invoice.



**FIGURE 6-31:**  
Creating an invoice for a customer with billable time entries.

Click here to add a single entry to the invoice.

Don't forget that you can add a subtotal for time entries, if you choose. See the first section in this chapter, "Customizing Forms to Handle Subtotals," for details.



# Managing Projects

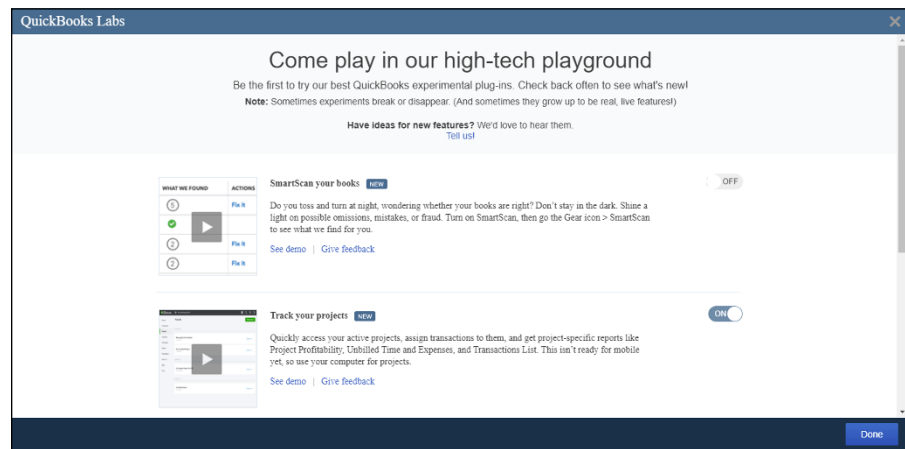
QBO's Projects feature helps you organize, in one centralized location, all the pieces — that is, associated transactions, time spent, and necessary reports — that make up . . . well, a project. And, the reports included in the Projects feature help you determine each project's profitability and keep on top of unbilled time and expenses as well as non-billable time.

If you're using QBO Plus in Canada, the UK, United States, or Australia, you can take advantage of the Projects feature. Currently, the feature is in "preview" mode — which means it's available only in QuickBooks Online Labs. To turn on the feature, follow these steps:

- 1. Click the Gear, and then QuickBooks Labs.**

You'll find QuickBooks Labs at the bottom of the Your Company column.

QBO displays the page shown in Figure 6-32.



**FIGURE 6-32:**  
The QuickBooks  
Labs page.

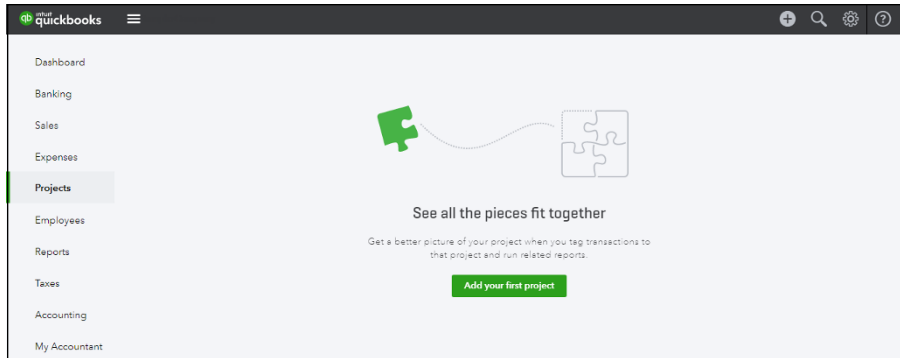
- 2. Click the Off button beside Track Your Projects to turn on the Projects feature.**

The Off button changes to On, and a message appears, telling you that QBO has activated the Projects plug-in.

- 3. Click Done to return to your QBO company.**

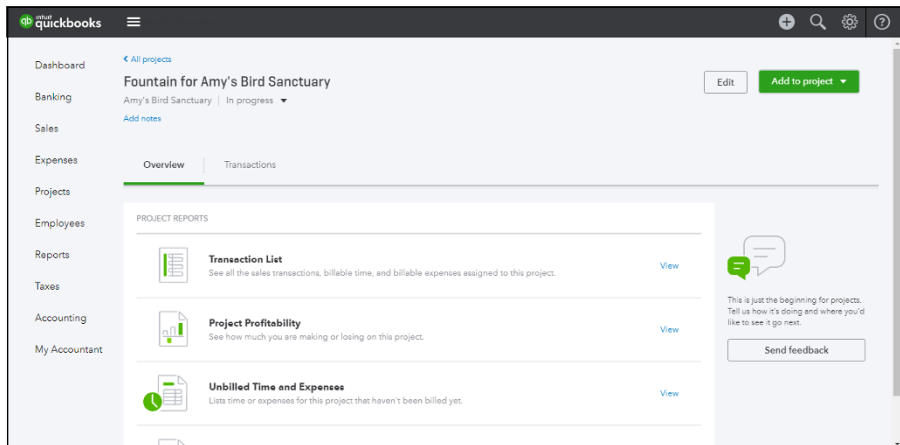
A new option, Projects, appears in the Navigation pane (see Figure 6-33). When you click the option, QBO prompts you to set up your first project.

**FIGURE 6-33:**  
The new Projects  
page in QBO.



Click **Add Your First Project** to get started using the Projects feature. 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 6-34 appears.

**FIGURE 6-34:**  
The Overview  
page for a  
project's details.



The terminology here can get a little confusing; in Figure 6-34, you're looking at the Overview page for the *details* of a project. This page shows you the list of reports related to the project's information that you can view and, in my humble opinion, would be better titled "Project Reports" instead of "Overview." The Transactions page (click the link beside Overview) lists all transactions associated with the project. If you click **Projects** in the Navigation bar at this point, the page shows a list of projects you've established; you can click any project to display the page shown in Figure 6-34 for the selected project.

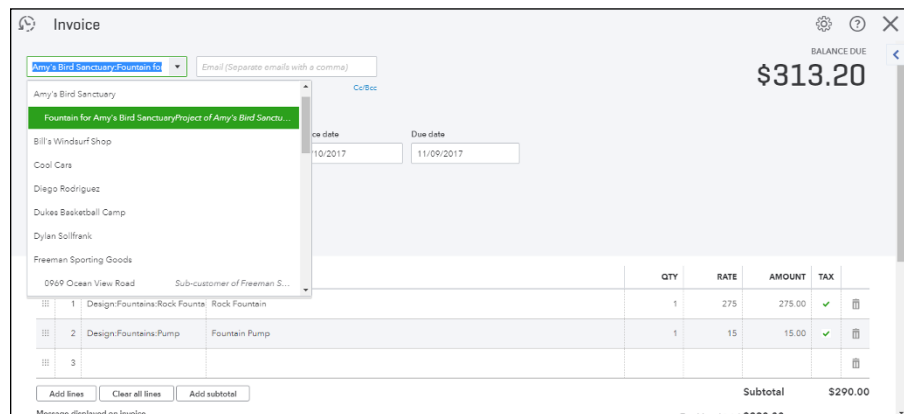
Even though you select a customer when you create the project, QBO doesn't pull in existing transactions for the customer to the Projects page. Newly created projects have no transactions — and therefore, logically, the Transactions page is empty and reports contain no information.



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 through QBO. For example, if you try to change the customer assigned to a payment transaction that you have deposited, QBO will warn 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. Things can get complicated very quickly.

To add new transactions to the project, use the techniques described throughout this chapter for the various types of transactions, making sure that you choose the project from the Customer drop-down list as you create the transaction instead of the customer. In Figure 6-35, I'm creating an invoice transaction for the project. And, you have a new place to start when you want to add a transaction to a project; although you can start from the Create menu or from Sales in the Navigation bar, you also can click the Add to Project button after you click Projects in the Navigation bar. Note that you can't create a Sales Receipt from the Projects page; use the Create menu or the Sales page.



**FIGURE 6-35:**  
Creating an invoice for the project.

Once your project collects transactions, reports become meaningful. The Transactions 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 6-36.

	TOTAL
▼ INCOME	
▼ Landscaping Services	230.00
▼ Job Materials	
Fountains and Garden Lighting	275.00
Plants and Soil	150.00
<b>Total Job Materials</b>	<b>425.00</b>
▼ Labor	
Maintenance and Repair	50.00
<b>Total Labor</b>	<b>50.00</b>
<b>Total Landscaping Services</b>	<b>705.00</b>
Pest Control Services	35.00
Sales of Product Income	290.00
<b>Total Income</b>	<b>\$1,030.00</b>
▼ COST OF GOODS SOLD	
Cost of Goods Sold	135.00
<b>Total Cost of Goods Sold</b>	<b>\$135.00</b>
<b>GROSS PROFIT</b>	<b>\$895.00</b>
EXPENSES	
<b>Total Expenses</b>	
<b>NET OPERATING INCOME</b>	<b>\$895.00</b>
<b>NET INCOME</b>	<b>\$895.00</b>

**FIGURE 6-36:**  
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 check Project in the Navigation bar and then click the Options button for a particular project, you can opt to mark the project as completed, mark the project as canceled, or delete the project. Note that you can't delete any project that has transactions associated with it; you must mark the project completed or canceled.

- » Examining registers
- » Working with registers and transactions

## Chapter 7

# Working in Registers

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 are more comfortable entering transactions, particularly checks, into a register.

And many people 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

You use registers to see every transaction that affects a particular account. Registers in QBO contain much of the same information you find in the paper registers that banks give you along with handwritten checks. To view the register for a particular account, click Gear ⇨ Chart of Accounts. 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.

NAME	TYPE	DETAIL TYPE	QUICKBOOKS BALANCE	BANK BALANCE	ACTION
Checking	Bank	Checking	1,201.00	-3,621.93	View register
Savings	Bank	Savings	800.00	200.00	View register
Accounts Receivable (A/R)	Accounts receivable (A/R)	Accounts Receivable (A/R)	5,281.52		View register
Inventory Asset	Other Current Assets	Inventory	596.25		View register
Prepaid Expenses	Other Current Assets	Prepaid Expenses	0.00		View register

Click here.

When you switch to a register, QBO assumes you want to enter a new transaction and displays a new transaction window at the bottom of the register. In Figure 7-2, I've closed that new transaction window so that you can see a Bank account register in QBO as it appears by default.

**FIGURE 7-2:**  
A typical Bank account register.

Account balance at the bank

DATE	REF. NO. TYPE	PAYEE ACCOUNT	MEMO	PAYMENT	DEPOSIT	BALANCE
09/29/2017	CC-Credit	Mastercard		\$900.00		\$1,201.00
09/18/2017	Cash Purch	Tania's Nursery	Job Expenses:Job Materials/Plants and ...	\$23.50		\$2,101.00
09/15/2017	76	Pam Seitz		\$75.00		\$2,124.50

The register page displays the name of the account — in this case, Checking — and its ending balance at the top of the register.



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.”

Because the Bank account register shown in Figure 7-2 is electronically connected to its counterpart at a banking institution, you also see the balance in the account as that financial institution reports it — and in this case, the balance at the bank is negative.

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 10000, all liability accounts begin with 20000, and all equity accounts begin with 30000. 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.



**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.**  
Refer to Figure 7-3.
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.



To switch back to the register’s regular appearance, repeat the steps above; 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 adjustments 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.

DATE	REF NO. TYPE	PAYEE ACCOUNT	MEMO	PAYMENT	DEPOSIT	BALANCE
09/29/2017				\$900.00		\$1,201.00
09/18/2017	CC-Credit	Mastercard				\$2,101.00
09/18/2017		Tania's Nursery		\$23.50		\$2,101.00
	Cash Purch	Job Expenses:Job Materials/Plants and...				
09/15/2017	76	Pam Sells		\$75.00		\$2,124.50

**FIGURE 7-4:**  
Resizing a column.

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 (see Figure 7-5), 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.

**FIGURE 7-5:**  
Options you can use to control the appearance of the register.

Columns

- Memo
- Reconcile and Banking Status
- Attachments
- Tax
- Running Balance

Other

- Show in one line
- Paper Ledger Mode

Rows

150

To save space vertically, place a check mark 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 7-6 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.

**FIGURE 7-6:**  
A register displaying one line for each transaction.

DATE	REF NO.	TYPE	PAYEE	ACCOUNT	PAYMENT	DEPOSIT	BALANCE
09/29/2017		CC-Credit		Mastercard	\$900.00		\$1,201.00
09/18/2017		Cash Purch	Tania's Nursery	Job Expenses:Job ...	\$23.50		\$2,101.00
09/15/2017	76	Expense	Pam Seitz	Legal & Professional...	\$75.00		\$2,124.50
09/15/2017	75	Check	Hicks Hardware	-Split-	\$228.75		\$2,199.50
09/15/2017		Deposit		-Split-		\$868.15	\$2,428.25
09/14/2017		Cash Purch	Chin's Gas and Oil	Automobile:Fuel	\$63.15		\$1,560.10
09/14/2017	108	Expense	Tania's Nursery	Job Expenses	\$46.98		\$1,623.25
09/14/2017	45	Bill Payment	Tim Philip Masonry	Accounts Payable (A...	\$666.00		\$1,670.23

## Entering and Editing Transactions

Many people are comfortable using a Bank account register to enter a check, a sales receipt, or a bill payment. But, even if you're not comfortable entering transactions in a register, many people find viewing a transaction in a register very easy and helpful.



REMEMBER

You can't enter transactions in all of QBO's registers; particularly, you can't enter transactions in the Accounts Receivable register or the Accounts Payable register because these transactions must be tied to a specific customer or vendor.

You open a register from the Chart of Accounts page. As I previously mentioned, you open the Chart of Accounts page, click the Gear button and, from the menu that appears, click Chart of Accounts in the Settings column. From the Chart of Accounts page (shown earlier in Figure 7-1), you click the View Register link in the Action column beside any account that displays the link to display that account's register; all accounts displaying the link are balance sheet accounts.

## Entering a transaction

Because checks are the transaction most often entered using a register, I'm focusing 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 need to add attachments to transactions you enter, display the Attachment column in the register; click Table Gear Settings ⇨ Attachments. You can see the open Table Gear Settings menu in Figure 7-5 (shown previously). Displaying the Attachments column automatically gives you the option to add an attachment as you enter a transaction.

By default, QBO helps you enter the most logical transaction for the open 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 let's suppose that you want to enter a different type of transaction. To start a new transaction and enter it, follow these steps:

### 1. Click the down arrow beside the Add button.

QBO displays the list of available transaction types for the account (see Figure 7-7).

For you keyboard fans, you can press Ctrl+Alt+N to open the Add list box.

QBO displays only those types of transactions available in 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.



TIP



REMEMBER

Click here to display the available transaction types.

DATE	REF NO.	PAYEE	MEMO	PAYMENT	DEPOSIT	BALANCE
TYPE	ACCOUNT					
Add check						
Check				\$900.00		\$1,201.00
Deposit	CC-Credit	Mastercard				
Sales Receipt		Tania's Nursery		\$23.50		\$2,101.00
Receive Payment	Cash Purch	Job Expenses:Job Materials:Plants an...				
Bill Payment	76	Pam Seitz		\$75.00		\$2,124.50
Refund	Expense	Legal & Professional Fees				
Expense	75	Hicks Hardware		\$228.75		\$2,199.50
Transfer	Check	-Split-				
Journal Entry						
09/15/2017					\$868.15	\$2,428.25
	Deposit	-Split-				

**FIGURE 7-7:** Select the type of transaction you want to enter.

**2. From the list that appears, select the type of transaction you want to enter. For this example, I selected Sales Receipt.**

QBO fills in today's date and displays lines so that you can complete the transaction (see Figure 7-8).

DATE	REF NO.	PAYEE	MEMO	PAYMENT	DEPOSIT	BALANCE
TYPE	ACCOUNT					
Add sales receipt						
10/11/2017	1039	JeR's Jalopies	Memo	Payment	35.00	0
	Sales Receipt	Account				
Add Attachment						
Cancel Save						
09/29/2017				\$900.00		\$1,201.00
	CC-Credit	Mastercard				
09/18/2017		Tania's Nursery		\$23.50		\$2,101.00
	Cash Purch	Job Expenses:Job Materials:Plants a...				
09/15/2017	76	Pam Seitz		\$75.00		\$2,124.50
	Expense	Legal & Professional Fees				

**FIGURE 7-8:** Entering a sales receipt in a Bank account register.

**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.

**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.

## 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.

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.



WARNING

## 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, click the Add Attachment button in the lower left corner of the 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.

## 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, sort to help you find a particular transaction.

You can sort by any column in the register simply by clicking that column heading. In Figure 7-9, 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.

DATE	REF NO. TYPE	PAYEE ACCOUNT	MEMO	PAYMENT	DEPOSIT	BALANCE
10/11/2017	1039	Jeff's Jalopies			\$35.00	\$1,220.38
10/11/2017	71	Bob's Burger Joint	Lunch: Emily & John	\$15.62		\$1,185.38
09/29/2017	CC-Credit	Mastercard		\$900.00		\$1,201.00

**FIGURE 7-9:** 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, 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 working with filters. 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 7-10).

Click the Filter funnel button to view filter options.

Currently selected filter

▼ All

Find  
Memo, Ref no., Samt, >Samt, <Samt

Reconcile Status	Transaction Type	Payee
All ▼	All ▼	All ▼

Date

All dates ▼      From:      To:

Reset      Apply

**FIGURE 7-10:**  
Displaying  
available filters.



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.

If you're looking for a transaction of a certain dollar amount, enter the amount, making sure that you don't forget the currency symbol. When you filter by amounts, use these examples as a guideline:

- » 1234 will find all checks or reference numbers with 1234.
- » \$500 will find all transactions that equal \$500.
- » >\$25 will find all transactions with amounts over \$25.

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 time frame.

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 7-11). 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	PAYMENT	DEPOSIT
10/11/2017	71	Bob's Burger Joint	Lunch: Emily & John	\$15.62	
	Check	Meals and Entertainment			
09/11/2017		Bob's Burger Joint		\$3.86	
	Cash Purch	Meals and Entertainment			
09/06/2017		Bob's Burger Joint		\$5.66	
	Cash Purch	Meals and Entertainment			

**FIGURE 7-11:** A list of transactions QBO found based on criteria specified in the Filter window.



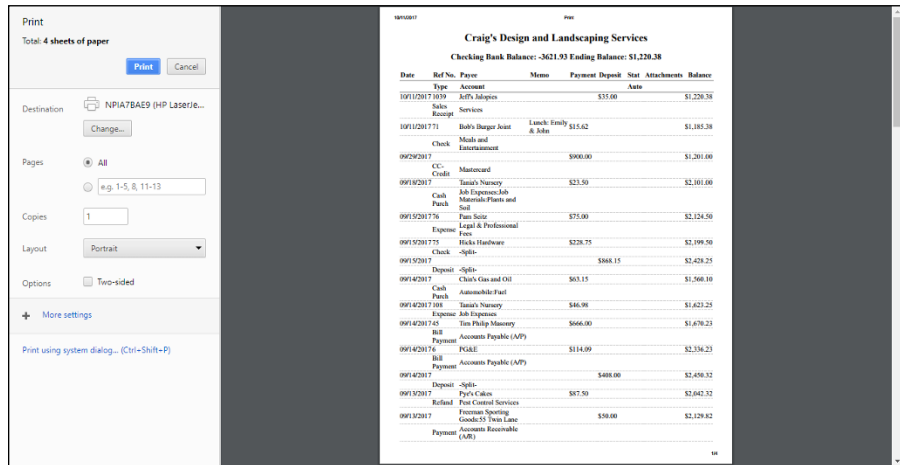
TIP

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 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 7-12).



**FIGURE 7-12:** Printing a register.

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.



#### IN THIS CHAPTER

- » Managing the order and appearance of Bank accounts
- » Connecting QBO Bank and Credit Card accounts to accounts at financial institutions
- » Making bank deposits
- » Reconciling a Bank account

## Chapter 8

# Handling Bank and Credit Card Transactions

**T**he real title of this chapter should have been “Handling Bank and Credit Card Transactions and Other Banking Tasks,” but my 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 also find out how to make bank deposits and reconcile your bank statement.

## Controlling the Appearance of Bank Accounts

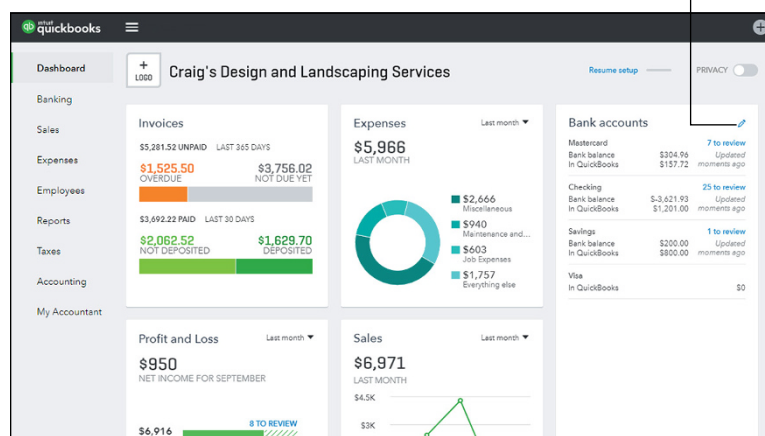
Before diving into using Bank accounts, let's take a look at a few things you can do to make your life easier while working with Bank accounts.

All Bank accounts (and Credit Card accounts) appear on the QBO Dashboard page, and connected accounts also appear on the Banking page. 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 (see Figure 8-1). The pencil changes to the Save button. Then using the icon that appears to the left of an account, 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 here 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. Once I've shown you how to connect accounts, the Banking page will be more meaningful, and I'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 have a fourth option: You don't have to connect at all. If you choose this fourth option, skip to the end of this chapter, where I 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

I don't think Shakespeare would mind if I 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. I 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 I 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.

## 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. As I discuss later in this chapter, you need to review every downloaded 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 transactions and use connected account information to confirm QBO balances.

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 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 also can later connect an account you previously created but did not connect even if you use it for a while before deciding to connect. But the whole process starts with you creating a Bank or Credit card account.



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.

## Setting up a Bank or Credit Card account

In Chapter 3, I show you how to create a new Bank account in QBO, and I don't connect that account to a financial institution. 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.**  
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 Category Type list and choose Credit Card.**
- 4. If you're using account numbers, supply a number for the new account.**
- 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.**

**FIGURE 8-2:**  
The dialog box  
you use to create  
an account.



**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. I suggest that you not enter a balance.

## 7. Click **Save and Close**.

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



**REMEMBER**

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 looks like the page shown in Figure 8-3. After you connect an account, the Banking page becomes more meaningful, as you see after you finish the steps in this section.

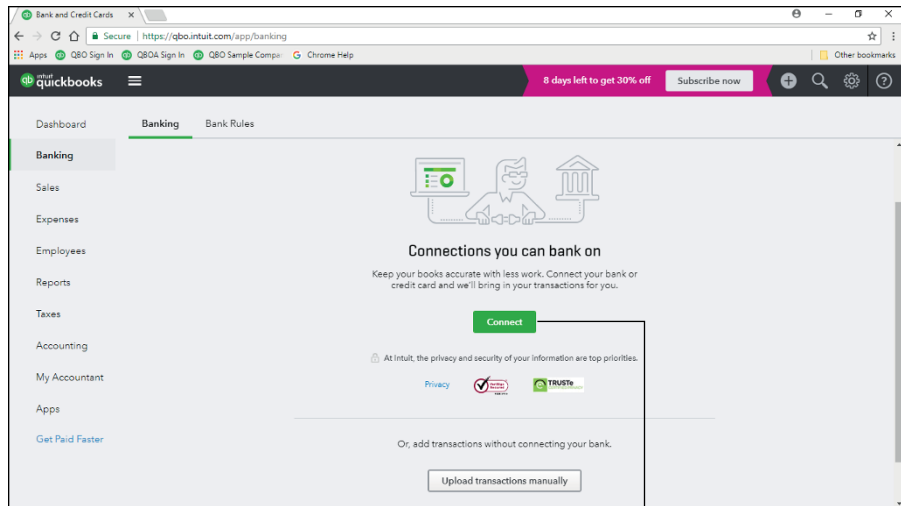


**TIP**

The Banking page looks like Figure 8-3 only until you connect an account to a financial institution. If you need to connect another account later, you won't see the Connect button; instead, you'll see and click the Add Account button.

To create an account 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 these steps:

**FIGURE 8-3:**  
The Banking page  
before setting up  
any connected  
accounts.



Click here.



REMEMBER

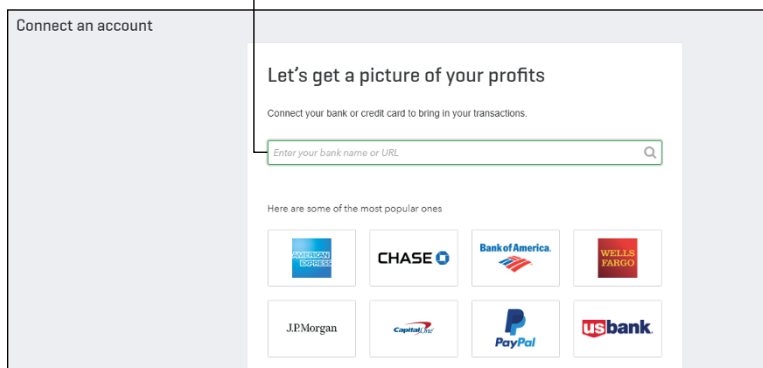
You can use the steps in this section to connect an account that you created earlier and have used for a while to its financial institution. The rule is that you must first create accounts in QBO's Chart of Accounts as described in the preceding section for each account you intend to connect.

- 1. Make sure you've set up the account in QBO as described in the preceding section.**
- 2. In the Navigation bar, choose Banking.**  
QBO displays the Banking page.
- 3. Click the Connect button.**  
QBO starts a wizard that helps you connect to a financial institution.
- 4. On the first wizard page, shown in Figure 8-4, you either provide your financial institution's website address, or you can click your financial institution's name if it appears on the page.**  
To search for banks, you just need to type in the Search box.
- 5. On the page that appears, supply your user ID and password and click the Log In button.**

To ensure that the connection is secure, QBO makes 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.



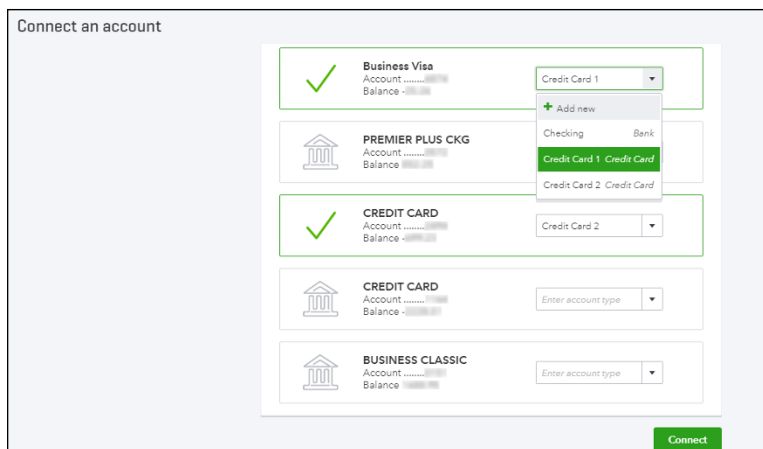
Type a web address here.



**FIGURE 8-4:**  
Identify your financial institution.

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 8-5).

For each account you select, QBO downloads 90 days of transactions.



**FIGURE 8-5:**  
Select the accounts you want to connect to QBO and their types.

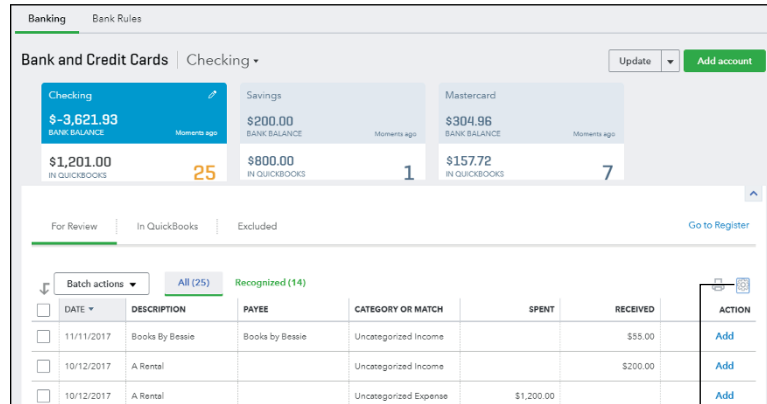
## 6. Select the accounts you want to connect to QBO.

## 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 8-6). In most cases, QBO automatically downloads activity from your financial institution nightly. For some financial institutions, QBO downloads less frequently.



**FIGURE 8-6:** After connecting an account, the appearance of the Banking page changes, and you can alter the information in the page's table.

Click here to change the table information.

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.
- » Make the date field editable so that you can change it if necessary.
- » Display more detailed information about a transaction by displaying information provided by the bank.
- » Copy bank detail information into the Memo field.

To change to the page's table, click the Gear button that appears just above the Action column and add or remove check marks 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 to QuickBooks" link or a "QuickBooks Web Connect QBO" link. If you can't find the link, contact your financial institution and let it 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 1, 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)

If you save your file to some other format, QBO won't be able to upload it.

- 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 Windows desktop.

**6. To upload the file to QBO, log in to QBO and, in the Navigation bar, choose Banking.**

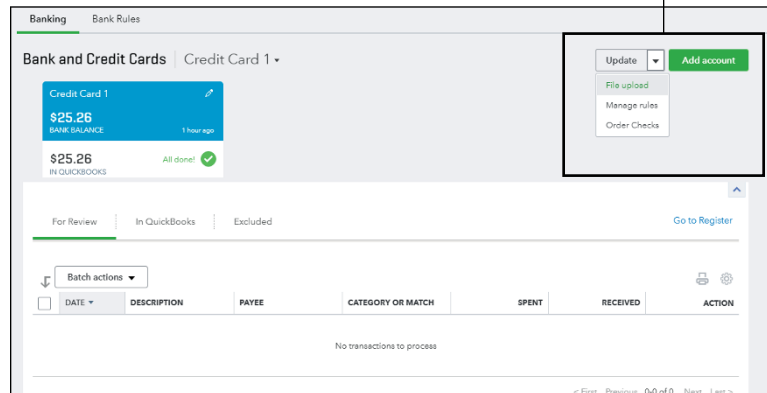
QBO displays the Bank and Credit Cards page.

- If you have connected other accounts, you'll see the Update and Add Account buttons on the right side of the page (see Figure 8-7).
- If you haven't connected accounts, you'll see the Connect button, and below it, the Upload Transactions Manually button (refer to Figure 8-3).

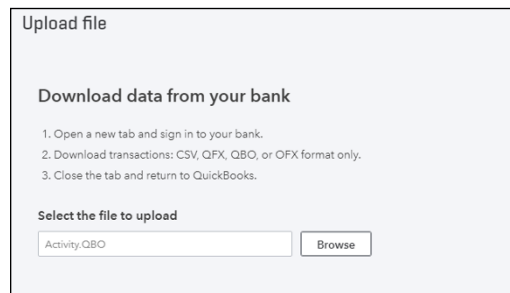
**7. Click the Upload Transactions Manually button or the arrow beside the Update button on the right side of the page and choose File Upload.**

QBO starts the Upload File Wizard and displays the screen shown in Figure 8-8.

The Update and Add account buttons



**FIGURE 8-7:** Click the arrow beside the Update button and select File Upload.



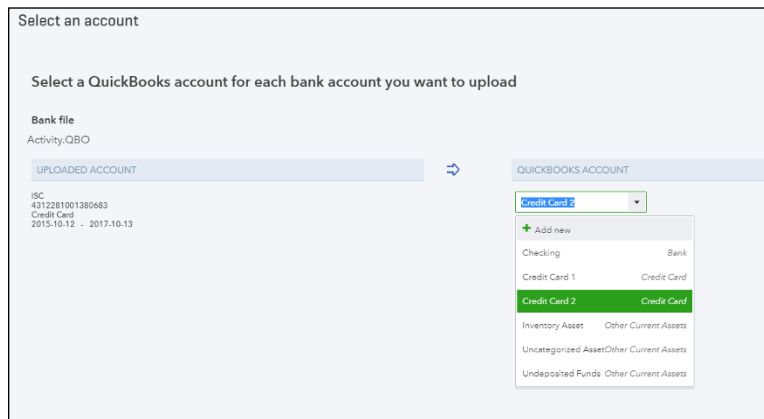
**FIGURE 8-8:** Use this screen to navigate to the transactions you downloaded from your financial institution.

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.

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 8-9).



**FIGURE 8-9:**  
Select the account where QBO should place the transactions from your bank.

QBO uploads the transactions to the selected QBO account. (The process can take a few minutes.)

11. When you see the confirmation screen, click **Let's Go**.



**WARNING**

To handle the transactions you loaded into QBO, see the section “Handling 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), you can download your banking activity to a CSV format and then import it into your QBO Bank account. First, log in to your bank’s website and save your banking transactions. QBO can import CSV files formatted in either three or four columns, as shown in Tables 8-1 and 8-2.

**TABLE 8-1****An Acceptable Three-Column Format**

Date	Description	Amount
1/1/2019	Example payment	-100.00
1/1/2019	Example deposit	200.00

**TABLE 8-2****An Acceptable Four-Column Format**

Date	Description	Credit	Debit
1/1/2019	Example payment	100.00	
1/1/2019	Example deposit		200.00

Open your CSV file using Excel and make sure it matches one of these formats; if necessary, edit it. Then, follow these steps to import the transactions:

**REMEMBER**

- 1. Set up the account in your QBO Chart of Accounts.**

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 Banking in the Navigation bar.**

- 3. Click the arrow beside the Update button and, from the menu that appears, click File Upload.**

The Upload File page, shown earlier in Figure 8-8, 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. Select the account into which you want to import transactions and click Next in the lower right corner.**

- 6. On the Map CSV Columns screen that appears, match the fields in QBO to the fields in your CSV file and then click Next (see Figure 8-10).**

The transactions you can import from your CSV file appear, with a check box to the left of each transaction. To avoid importing a particular transaction, select its check box.

- 7. Click Next.**

QBO displays the transactions it will import and gives you the option to exclude transactions.

Map CSV columns

For each bank account field, select a QuickBooks field

First row in .csv file is a header row

QuickBooks Online fields	↔	Your statement fields
Date		Column 1 :Date <input type="text" value="MM/dd/yyyy"/>
Description		Column 2 :Description <input type="text"/>
Amount		Amount Column 3 :Amount <input type="text"/>

CSV file has amounts in:

- 1 column: both positive and negative numbers
- 2 column: separate positive and negative numbers

**FIGURE 8-10:** Match QBO fields to the fields in your CSV file.

### 8. If appropriate, deselect transactions; then click Next.

QBO displays the number of transactions it will import and asks if you want to import the transactions.

### 9. Click Yes to import the transactions.

When QBO finishes importing the transactions, a confirmation screen appears.

### 10. Click Let's Go.

QBO redisplay the Bank and Credit Cards page.

To handle the transactions you loaded into QBO, see the section “Handling Downloaded Activity.”

## Handling Downloaded Activity

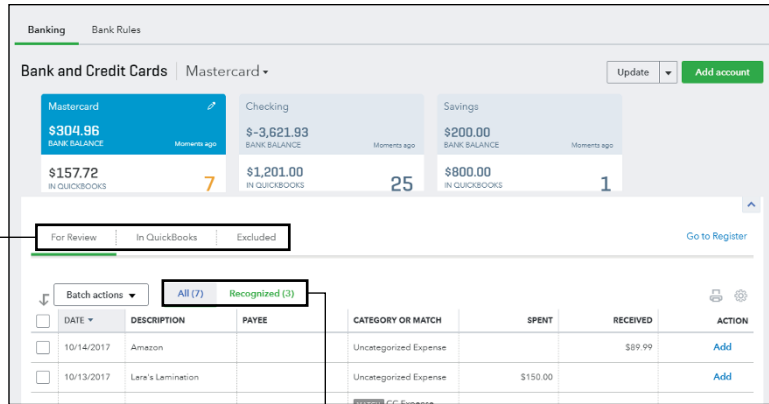
After QBO downloads transactions from your financial institution, you evaluate each transaction and, as appropriate, update QBO with the downloaded transactions. From the Bank and Credit Cards page, you match, exclude, or add transactions downloaded from a financial institution to your QBO company.



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 Banking from the Navigation pane to display the Bank and Credit Cards page (see Figure 8-11) 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.



**FIGURE 8-11:** Use this page to specify how QBO should handle each downloaded transaction.

Transaction Status tabs

Tabs used to view and filter downloaded transactions

Just below the accounts, QBO displays three transaction status tabs:

- » If you click For Review, transactions appear that you have downloaded but have not yet specified how you want to handle.
- » If you click In QuickBooks, transactions appear that you have downloaded and added to QBO.
- » If you click Excluded, transactions appear that you have downloaded and decided not to include in QBO.

To view the transactions you need to consider, click For Review. QBO displays a button you can use to take batch actions — I discuss that button in a moment — and two additional tabs:

- » The All tab lets you view all downloaded transactions for the selected account.
- » The Recognized tab displays downloaded transactions that QBO thinks it knows how to handle.

Both the All tab and the Recognized tab display the same information; think of the Recognized tab as a filtered version of the All tab.

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 *auto-add rules* to accomplish that behavior. See the section “Establishing rules to accept transactions” later in this chapter for details.

When QBO finds no matches, the words “Uncategorized Expense” or “Uncategorized Income” appear in the Category or Match column. When QBO finds only one possible match, QBO assumes the match is accurate and assigns the transaction accordingly; transactions like these appear in green in the Category or Match column; you can still make changes to the transaction before you accept it. If QBO finds multiple possibilities, it doesn’t actually assign information to the transaction but notifies you of possible matches by displaying the match information in the Category or Match column in gray.

Read on to learn how to handle these situations.

## Excluding transactions

Let’s examine that Batch Actions button now. As you evaluate new transactions, you need to decide first whether they belong in QBO. I suggest that you identify transactions to exclude and then exclude them before you deal with transactions you intend to include in QBO. That way, you 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.

When you reconcile your statement, remember that the statement balance will include all transactions, not just those you included in QBO.

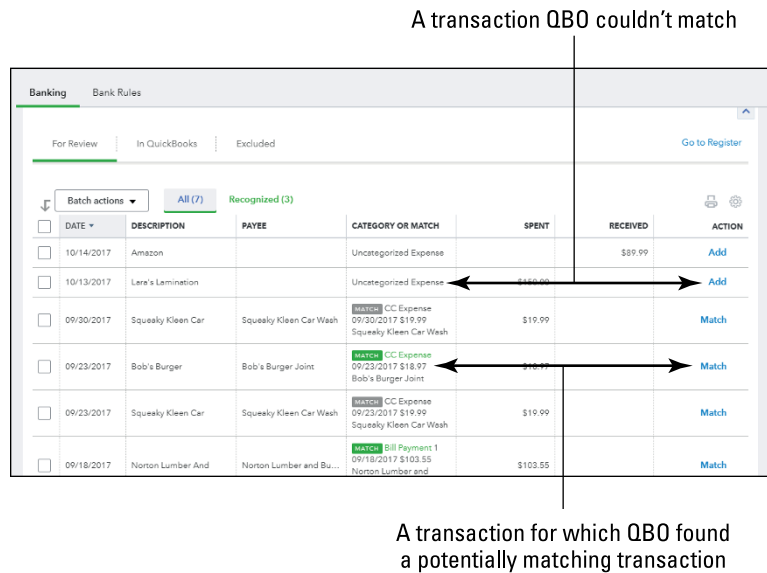
To exclude a transaction, follow these steps:

- 1. On the For Review tab, select the check box beside each transaction you intend to exclude.**
- 2. Click the Batch Actions button above the list of transactions.**
- 3. From the menu that appears, click Exclude Selected.**

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 In QuickBooks 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 in the Action column, QBO did find a potentially matching transaction (see Figure 8-12). QBO makes its best guess for adding or matching transactions, but it isn't perfect.



**FIGURE 8-12:** The Action column helps you identify transactions QBO matched and transactions QBO couldn't match.

## 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 3, click Accept Selected.

If you need to make the same change to a number of transactions, select those transactions and choose the Modify Selected option in the Batch Actions list.

## 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 . . .

Let's first examine a transaction QBO isn't sure how to handle. You can easily identify these transactions 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, QBO expands the transaction information so that you can change the details of the transaction (see Figure 8-13).

Click here to add the transaction.

**FIGURE 8-13:** 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.

Click here to add an attachment.

Click here to change QBO's behavior when assigning categories.

DATE	DESCRIPTION	Category	Amount	Action
10/14/2017	Amazon	Uncategorized Expense	\$89.99	Add
10/13/2017	Lara's Lamination	Uncategorized Expense	\$150.00	Add
09/30/2017	Squeaky Klean Car Wash	Match CC Expense 09/30/2017 \$19.99	\$19.99	Match
09/23/2017	Bob's Burger	Match CC Expense 09/23/2017 \$18.97	\$18.97	Match

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 8-13, I changed the category from Uncategorized Expense to Office Expenses. You also can click the Split button 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 Edit This Setting link just below the

vendor's name. When you click the link, you can choose to leave future transactions uncategorized or to create a custom rule; I talk about rules in the next section, "Establishing rules to accept transactions."

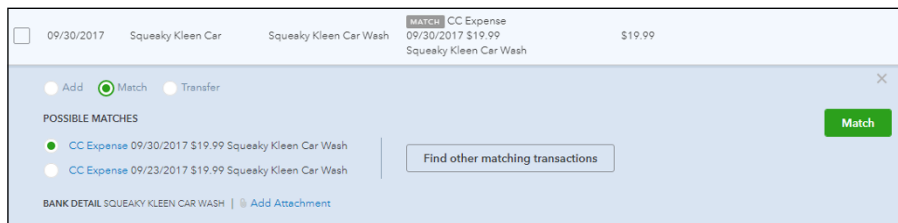
You also can add attachments to any transaction using the Add Attachment link at the bottom of the expanded transaction information window. After you make your changes, you can click the Add button to add the transaction to QBO.

## 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 8-14). You can:

- » **Select the correct matching transaction.** In the Possible Matches 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 Possible Matches 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 Matching Transactions 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 Add 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 Transfer 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 8-14.

**FIGURE 8-14:** 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 In QuickBooks tab; see the section "Fixing mistakes" for more information on using the In QuickBooks tab.

## Establishing rules to accept transactions

I'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 specify 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. Last, you stipulate the information QBO should assign to transactions that meet the criteria. For example, you can specify a transaction type and a category.

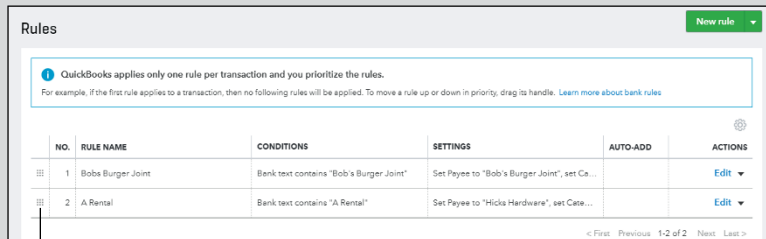
The rules you establish can work in one of two ways:

- » QBO can use your rule to suggest changes to downloaded transactions that you then review and approve.
- » 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, as shown in Figure 8-15.

# THE ORDER OF RULES

The order of the rules you establish matters. QBO uses 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 waffle icon that appears to the left of the rule on the Rules page.



Drag here to reorder rules.

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.

A transaction to which QBO applied a rule

The screenshot shows the 'Banking' page in QBO. At the top, there are tabs for 'Banking' and 'Bank Rules'. Below the tabs, there are filters for 'For Review', 'In QuickBooks', and 'Excluded'. There is a 'Go to Register' button. Below the filters, there is a 'Batch actions' dropdown and 'All (24)' and 'Recognized (16)' buttons. Below that is a table with columns: DATE, DESCRIPTION, PAYEE, CATEGORY OR MATCH, SPENT, RECEIVED, and ACTION. The table contains several transactions:

DATE	DESCRIPTION	PAYEE	CATEGORY OR MATCH	SPENT	RECEIVED	ACTION
11/13/2017	Books By Bessie	Books by Bessie	Uncategorized Income		\$55.00	Add
10/14/2017	A Rental	Ellis Equipment Rental	RULE Equipment Rental	\$1,200.00		Add
09/21/2017	A Rental	Ellis Equipment Rental	RULE Equipment Rental	\$900.00		Add
09/18/2017	Pam Seitz	Pam Seitz	MATCH Expense 76 09/18/2017 \$75.00 Pam Seitz	\$75.00		Match
09/18/2017			MATCH Deposit 09/18/2017 \$868.15		\$868.15	Match
09/18/2017	Hicks Hardware	Hicks Hardware	MATCH Check 75 09/18/2017 \$228.75 Hicks Hardware	\$228.75		Match
09/17/2017	B&E	B&E	MATCH Bill Payment 6 09/17/2017 \$114.00	\$114.00		Match

A vertical line points from the text 'A transaction to which QBO applied a rule' to the green 'RULE' icon in the 'CATEGORY OR MATCH' column of the 'A Rental' transaction on 10/14/2017.

**FIGURE 8-15:** QBO displays a Rule icon for transactions for which it finds a rule.



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 — the one that suggests changes and you must review them, and the one that automatically adds transactions based on a rule — using the same steps. There’s only one step where you do things differently; I point out that step when I get there.

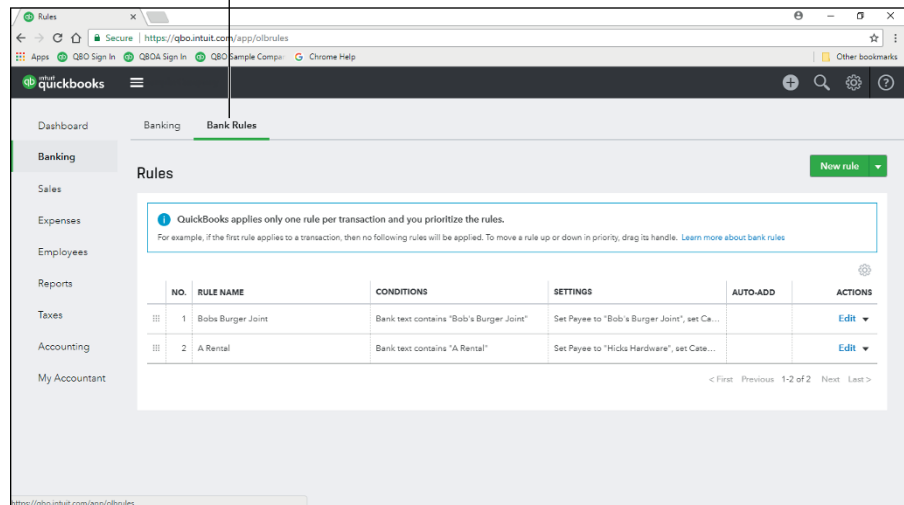
### 1. Choose Banking from the Navigation pane.

The Bank and Credit Cards page appears.

### 2. Click Bank Rules above the list of bank and credit cards.

QBO displays the Bank Rules page shown in Figure 8-16.

Click here to display the Bank Rules page.



**FIGURE 8-16:**  
The Bank Rules  
page.

### 3. Click the New Rule button in the upper right corner of the Bank Rules page.

QBO displays the Rule dialog box shown in Figure 8-17.

**FIGURE 8-17:**  
The Rule dialog box, where you set the information you want QBO to apply to transactions when it uses the rule.

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 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 Line 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 Figures 8-13 and 8-14.

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 select one or more of the following:**



**FIGURE 8-18:**  
Provide the information QBO should use on transactions that meet the rule's criteria.

- a. Select the Transaction Type QBO should assign to the transaction.
- b. Select the Payee and one or more categories to apply to transactions that meet the rule's conditions.
- c. 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."

- d. 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 I refer 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.

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.

# THE MEMO FIELD AND TRANSACTION RULES

QBO uses different special icons to identify transactions added using rules and transactions automatically added using rules. These icons follow the transactions into QBO registers. 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

You can easily identify transactions to which QBO has applied rules because QBO uses different icons to identify transactions added by rules and transactions added automatically by rules. In Figure 8-15, you see that the Rule icon appears in the Category or Match column when QBO finds a transaction to which QBO wants to apply a rule. And you can see how QBO handles each downloaded transaction in your company when you click the In QuickBooks tab on the Bank and Credit Cards page (see Figure 8-19).

[Click here to view accepted transactions.](#)

[Click here to undo an accepted transaction.](#)

**FIGURE 8-19:**  
Use the In QuickBooks tab to find transactions you've accepted into QBO.

DATE	DESCRIPTION	AMOUNT	ADDED OR MATCHED	RULE	ACTION
10/13/2017	Lara's Lamination	\$-150.00	Added to: Expense 10/13/2...	Lara Lamination	Undo
09/30/2017	Squeaky Klean Car	\$-19.99	Added to: Expense 09/30/2...	Squeaky Clean	Undo
09/23/2017	Squeaky Klean Car	\$-19.99	Added to: Expense 09/23/2...	Squeaky Clean	Undo

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 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 In QuickBooks 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, click it, 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, I show you how to record payments from customers, and I suggest that you use the Undeposited Funds account as you record a Receive Payment transaction. So, after receiving a customer payment and placing it in the Undeposited Funds account, your Bank account — where the money will eventually show up — hasn't yet been updated. That updating happens when you prepare a bank deposit.

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, you don't want to go there.

For example, if you receive more than one customer payment on any given day, you'll take several checks to your bank that day. And you'll probably deposit all of them as a single deposit. Most banks typically don't record the individual checks that make up a deposit as individual deposits. 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 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 my advice and using the Undeposited Funds account before you prepare a bank deposit slip, you then use the Bank Deposit feature in QBO to sum up the payments you receive and intend to deposit simultaneously at your bank. QBO records, as the deposit amount in your QBO Bank account, 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 quick and easy — okay, maybe not quick and easy, but certainly quicker and easier than if you were trying to figure out which customer payments make up various bank deposits.

To set up a bank deposit, follow these steps:

- 1. Click the Create button — the plus (+) sign — and, from the Create menu, select Bank Deposit.**

QBO displays the Deposit transaction window shown in Figure 8-20. Existing payment transactions appear at the top of the window in the Select Existing Payments section. You can use the lines in the Add New Deposits section to add new payment transactions that are not associated with an outstanding invoice.

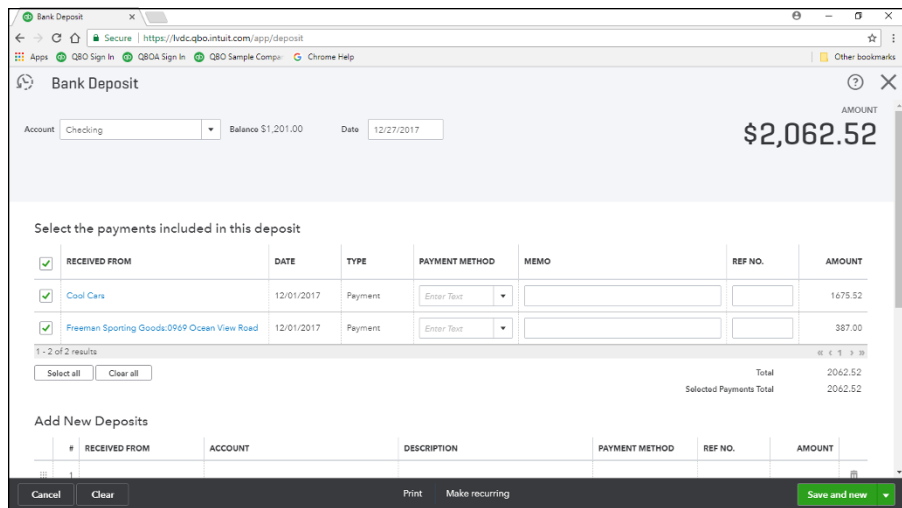


WARNING

Don't try to record a payment from a customer for an outstanding invoice in the Add New Deposits section. QBO is unlikely to match the line on the Deposit transaction to the outstanding invoice. Instead, record the Receive Payment transaction; the transaction will then appear in the Select Existing Payments section of the 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 Existing Payments section, click the check box beside each transaction you want to include on the deposit.**

**FIGURE 8-20:**  
Use the Deposit window to select payment transactions to 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, I 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.

**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 New Deposits section — appears below the Select Existing Payments list.

**6. Scroll down the 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.

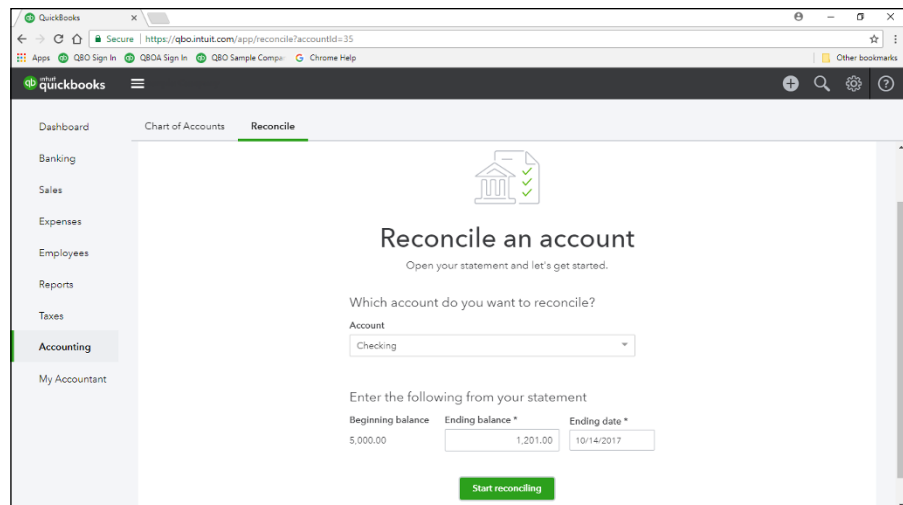
# Reconciling a Bank Account

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, from the Tools portion of the menu that appears, click Reconcile.
2. From the Reconcile page that appears (see Figure 8-21), select the account you want to reconcile.

Note that you should also reconcile credit card statements.

You might see a Reconcile an Account button on the Reconcile page; click it, and a dialog box appears that summarizes the reconciliation process. Click Start reconciling to continue.



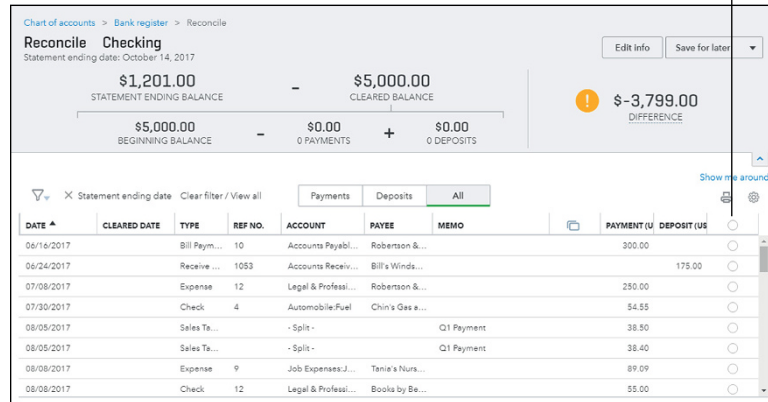
The screenshot shows the QuickBooks interface for reconciling an account. The page title is "Reconcile an account" with the subtitle "Open your statement and let's get started." Below this, there is a section titled "Which account do you want to reconcile?" with a dropdown menu showing "Checking". Underneath, there is a section titled "Enter the following from your statement" with three input fields: "Beginning balance" (5,000.00), "Ending balance \*" (1,201.00), and "Ending date \*" (10/14/2017). A green "Start reconciling" button is located at the bottom of the form.

**FIGURE 8-21:**  
Enter information  
found on your  
bank statement.

**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.

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.

**4. Select each transaction that appears on your bank statement and in the Reconcile page by clicking in the rightmost column.**

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 check mark 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 Reconcile 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 Reconcile 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 (see Figure 8-23).**

Click here to complete reconciliation.

The screenshot shows the 'Reconcile Checking' interface in QuickBooks Online. At the top, it displays the 'Statement ending date: October 14, 2017'. The 'STATEMENT ENDING BALANCE' is \$1,201.00, and the 'CLEARED BALANCE' is also \$1,201.00. The 'DIFFERENCE' is \$0.00, indicated by a green checkmark. Below this, it shows 'BEGINNING BALANCE' of \$5,000.00, '32 PAYMENTS' totaling \$7,070.35, and '11 DEPOSITS' totaling \$3,271.35. A 'Finish now' button is visible in the top right. Below the summary, there is a table of transactions with columns for DATE, CLEARED DATE, TYPE, REF NO., ACCOUNT, PAYEE, MEMO, PAYMENT (U), and DEPOSIT (US). The table lists several transactions from 06/16/2017 to 08/08/2017, including bill payments, receipts, and expenses.

DATE	CLEARED DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (U)	DEPOSIT (US)
06/16/2017		Bill Paym...	10	Accounts Payabl...	Robertson &...		300.00	
06/24/2017		Receive ...	1053	Accounts Receiv...	Bill's Winds...			175.00
07/08/2017		Expense	12	Legal & Professi...	Robertson &...		250.00	
07/30/2017		Check	4	Automobile Fuel	Chin's Gas e...		54.55	
08/05/2017		Sales Te...	- Split -			Q1 Payment	38.50	
08/05/2017		Sales Te...	- Split -			Q1 Payment	38.40	
08/08/2017		Expense	9	Job Expenses J...	Tania's Nurs...		89.09	
08/08/2017		Check	12	Legal & Professi...	Books by Be...		55.00	

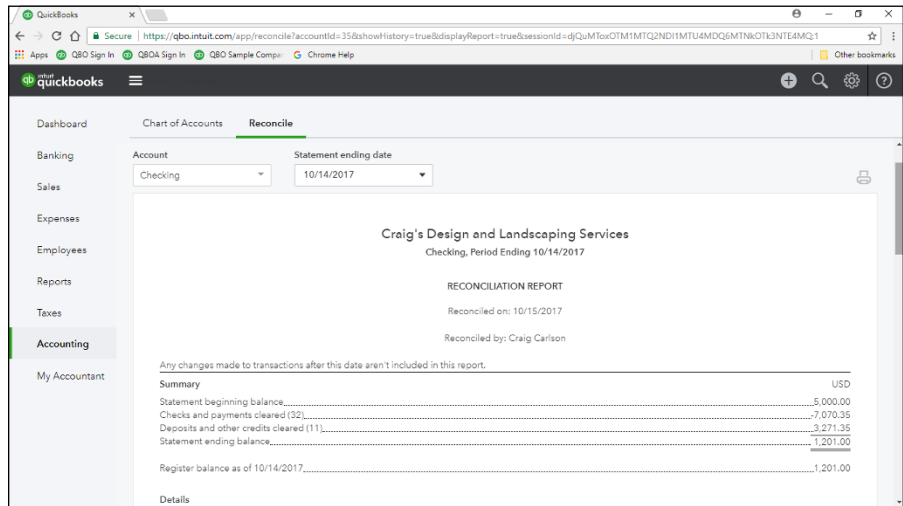
**FIGURE 8-23:**  
The goal of reconciliation is to make the Difference amount equal \$0.

QBO displays the Success message and gives you the opportunity to view the Reconciliation report, which 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.

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.

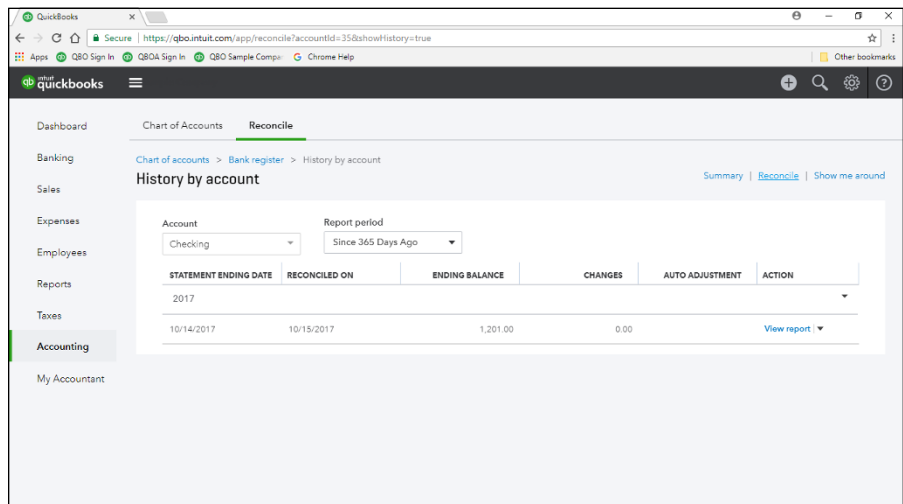


**FIGURE 8-24:**  
A typical  
reconciliation  
report.



You can view the reconciliation report at any time. Just redisplay the Reconcile page (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, 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 Reconcilia-  
tion 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 will give you ways to correct the transaction. Once you correct the transaction on the Reconciliation Discrepancy report, the account will be ready to reconcile.

#### IN THIS CHAPTER

- » Turning on payroll and setting payroll preferences
- » Preparing paychecks
- » Handling payroll tax payments and returns

## Chapter 9

# Paying Employees

It's important to understand that QBO users can prepare payroll in one of two ways: using QBO with Enhanced Payroll (which I call QBOP) or using QBO with Full Service Payroll. Although both of these options work in QBO, this chapter explores using QBOP, where you use QBO to do the work yourself. There isn't much point for me to describe QuickBooks Online with Full Service Payroll because Intuit does the work for you if you choose that plan.

### WHAT ABOUT INTUIT ONLINE PAYROLL?

A third alternative is to use Intuit Online Payroll; using this option, Intuit also prepares payroll, manages all payroll tax payments, and prepares and files 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 <http://payroll.intuit.com/payroll-services/fullservice-payroll/>. Be aware that Intuit Online Payroll doesn't integrate with QBO.

"So, what's the difference between Intuit Online Payroll and QuickBooks Online with Full Service Payroll?" you ask. If you or your accountant opt to use Intuit Online Payroll, payroll is prepared outside of QBO, and you can import the data you enter using Intuit Online Payroll into QBO. Generally speaking, Intuit Online Payroll is a pretty straightforward online payroll processing tool; you can take a tour at <http://payroll.intuit.com/online-payroll/>, and you can watch videos that show you the basics of using it. You also can sign up for a 30-day free trial.

# Understanding the 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 electronically deposit withheld payroll taxes, remit amounts withheld for deductions and benefits to the appropriate parties, and file payroll tax returns with the appropriate taxing authorities. And all this work needs to be done according to a timetable that the IRS has established based on the size of your business's payroll tax liability.

## 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. You will remit federal and state payroll taxes to the appropriate tax authorities. You will also remit any required deductions and contributions that affect each employee's paycheck to appropriate agencies.

This section examines the payroll setup process in QBOP and assumes that you are just starting out in business and have not paid any employees yet.

### Turning on QBOP

QBOP uses a wizard to walk you through the payroll setup process. You start by first turning on payroll in QBO. Then, the wizard walks you through setting up your company so that you can pay your employees.



REMEMBER

Note from Figure 9-1 that you can click Add an Employee to 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 will be 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. I 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.

## SEASONED EMPLOYERS AND ENTERING PAYROLL HISTORY

If you're a seasoned employer who's been in business for a while 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.

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 needs 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. Last, seasoned employers enter prior payrolls, totaled for all employees, once again using the Payroll Summary report from QuickBooks Desktop.

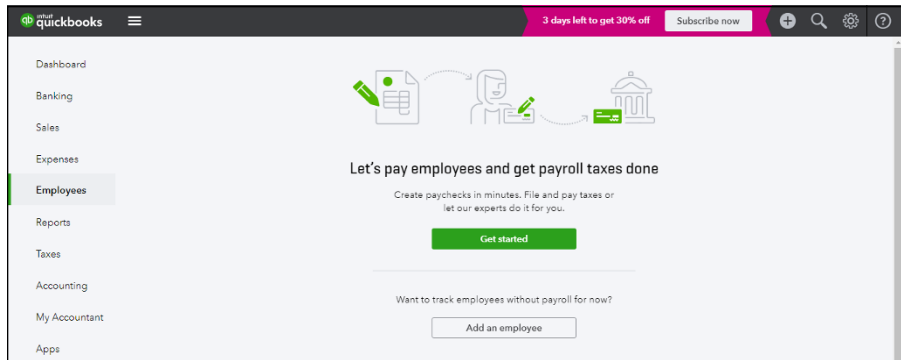
You enter the total payroll for each pay period in the current quarter. As you enter these numbers, you are entering information paid to *all* employees (not individuals) for the date — which makes the task less onerous because there's less data entry. Similarly, you enter total taxes paid by tax for 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.

Click the **Employees** link in the Navigation bar, and then click the **Get Started** button (see Figure 9-1).

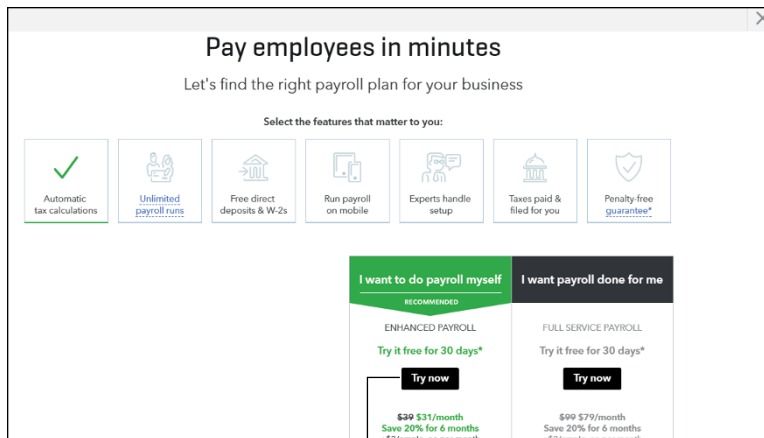
**FIGURE 9-1:**  
Turning on QBOP.



The Payroll Wizard starts. On the first page, shown in Figure 9-2, you select payroll features that are important to you so that QBO can help you select the right payroll plan for you. As soon as you select Automatic Tax Calculations, QBO offers you two options for payroll:

- » I Want to Do Payroll Myself
- » I Want Payroll Done for Me

**FIGURE 9-2:**  
Choosing an option for payroll.



Click here.

If you scroll down the page, QBO shows you a comparison of the features in the two different services. Because this chapter is about using QBOP, I chose the Try Now button in the I Want to Do Payroll Myself option — and if you want to use QBOP, you too should choose this option.

QBO redisplay the Employees page, telling you that you've signed up for QBOP. Click the Get Set Up button to start the payroll setup process.

On the first page of the Get Ready for Payroll Wizard, QBO displays the information you provided when you initially set up your company. Double-check the information and click the Continue button in the lower right corner of the screen.

On the next screen of the wizard, you indicate whether you've been paying employees during the current year or whether you are about to start paying employees for the first time.

If you indicate that you have previously done payroll and are now switching to QBOP, the wizard displays two additional questions for you to answer, as shown in Figure 9-3. 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 Continue in the lower right corner of the screen.

**FIGURE 9-3:**  
Indicate whether you've previously paid employees during the current year.

Every employer's a little different...  
Tell us your payroll story.

Have you paid any W-2 employees in 2017?

No, I have not paid employees in 2017.  
I have not paid employees manually, through an accountant, or using another service in 2017.

Yes, I've paid employees in 2017.  
I am switching to QuickBooks Online Payroll.

What's the difference between W-2 and 1099 employees?

When will you first run payroll with QuickBooks Online Payroll?

Before 01/01/2018

On or after 01/01/2018

How did you pay your employees?

Paychecks (direct deposit or check, with taxes taken out).

Lump sum payments (cash or check, with no taxes taken out).

As I mention in the beginning of this chapter, I'm going to assume that you've not previously paid any employees. 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.

The next page of the wizard asks if you have collected completed W-4 forms from your employees (see Figure 9-4). W-4 forms are 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 click the Need W-4 Forms link in the Payroll Setup Wizard to display and print or save a PDF version after printing the form; the form QBO displays is not an editable form. For an editable form that you can complete using your computer, visit [www.irs.gov](http://www.irs.gov) and click the W-4 link in the Forms & Pubs section to display editable PDF forms.

**FIGURE 9-4:** Specify whether you have W-4 information from all or most of your employees.

How about employee forms?  
This info helps us calculate paychecks.

Do you have W-4 forms filled out by your employees?

Yes, I have completed W-4 forms from all (or most) of my employees.

No, I don't have W-4 forms for my employees yet.

[Need W-4 forms?](#)

After you indicate that you have received completed W-4 forms from your employees, click Continue. The wizard prompts you to enter one of your employees. Click Add an Employee to display a screen like the one shown in Figure 9-5.

**FIGURE 9-5:** Provide information for the first employee.

Jessica Hogan
?
X

Let's add one of your employees

First name\*

M.I. Last name\*

Email

Hire date

1 How often do you pay Jessica?  
Every Month starting 10/20/2017

2 How much do you pay Jessica?  
Salary \$ 55,000.0 per year

Jessica works part-time

[Add additional pay types](#)

Sample check (Based on the pay schedule and rate you enter)

Landscaping Heroes  
1234 Crimson Terrace  
Phoenix, AZ 85005

PAY TO Jessica Hogan \$3,489.89

SAMPLE CHECK

GROSS PAY	
Regular	\$4,583.33
TAXES WITHHELD	
Federal Income Tax	\$742.81
Social Security	\$284.17
Medicare	\$66.46

Delete employee
Done



If you don't have a Form W-4 from the employee, you can invite the employee to fill in the information himself using a secure portal. If you want the employee to provide the information, provide the employee's email address and click Send Email. Alternatively, choose No, I Want to Enter the Info Myself and fill in the page with the following information:



- » Name
- » Hire Date
- » 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 apply to subsequent employees you create.

- » The amount you pay the employee
- » Whether the employee has any deductions
- » Form W-4 information

This information includes the employee's address, social security number, marital status, withholding amount, and state payroll tax — which varies from state to state, but QBOP prompts you to supply information for the state in which your business operates. The prompts for all this information appear when you click the Enter W-4 Form button.

To identify your state's payroll tax requirements, visit your state's website and search for *payroll taxes*.



TIP

- » The method you want to use to pay the employee (such as paper check or direct deposit)

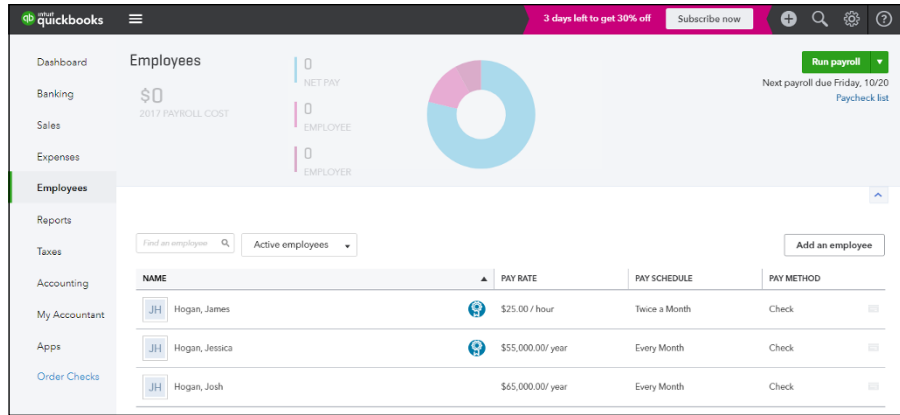
If you choose Direct Deposit, specify the bank account information for the employee (account type, routing number, and account number).

After you answer questions 2–5, if you need to make changes, click the pencil icon beside the answer. As you supply information, QBOP updates the preview of the sample check on the right side of the window.

When you finish supplying the employee's information, click Done, and QBO displays the Run Payroll page, listing employees being paid using the same pay schedule. If QBO displays a page with a Preview Payroll button in the bottom right corner, you can click the down arrow beside the button and opt to do so later.

Once you add an employee being paid using some other pay schedule, QBO displays the Employees page shown in Figure 9–6; the employees you set up appear in the list, and you can click an employee to edit the employee's information, or you can click the Add an Employee button to add more employees.

**FIGURE 9-6:**  
Add or edit employees.

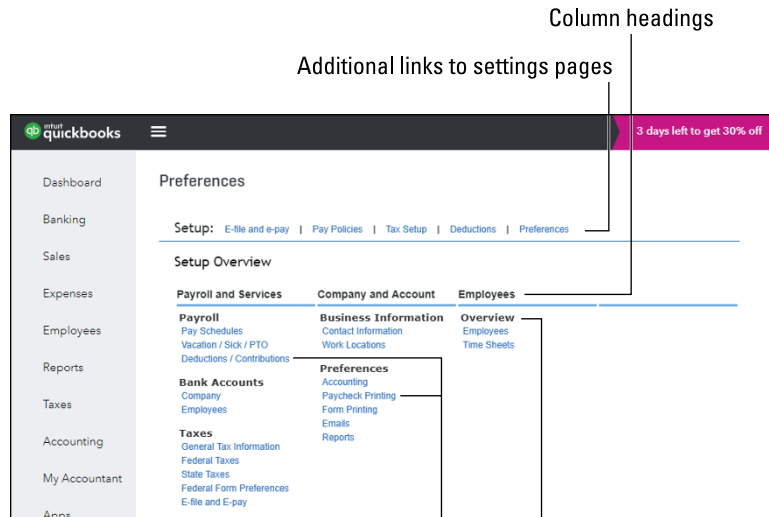


## Setting payroll preferences

In addition to adding employees, you should review payroll preferences and set up payroll taxes.

To review payroll preferences, click the Gear button. From the menu that appears, click Payroll Settings (in the Settings column) to display the Preferences page shown in Figure 9-7. The page contains a series of links that you can click to review or establish various settings related to payroll. Understanding this page might make you feel less overwhelmed by what you see.

**FIGURE 9-7:**  
The Payroll Preferences page.



Links to settings pages

Examples of section headings

The Setup Overview page is divided into three columns: Payroll and Services, Company and Account, and Employees. Within each column, you find additional headings — I refer to these additional headings as *section headings* — that summarize the types of settings you find as you click each link in that section. For example, under the Company and Account column, you find section headings for Business Information and Preferences. In the following bullets, I describe the kind of information you find as you click the links under each section heading on the Setup Overview page.

In addition, links appear above the Setup Overview heading; good news here — these aren't additional settings that you need to review. Instead, these links lead to the same pages as some of the links listed in the columns and section headings on the Setup Overview page. For example, the E-file and E-pay link at the top of the page displays the same page as the E-file and E-pay link in the Taxes section under the Payroll and Services column heading. And clicking the Pay Policies link displays the same page as clicking the Pay Schedules and Vacation/Sick/PTO links in the Payroll section under the Payroll and Services column heading.

In the bullets that follow, you find a description of the pages that appear as you click the links beneath each section heading:

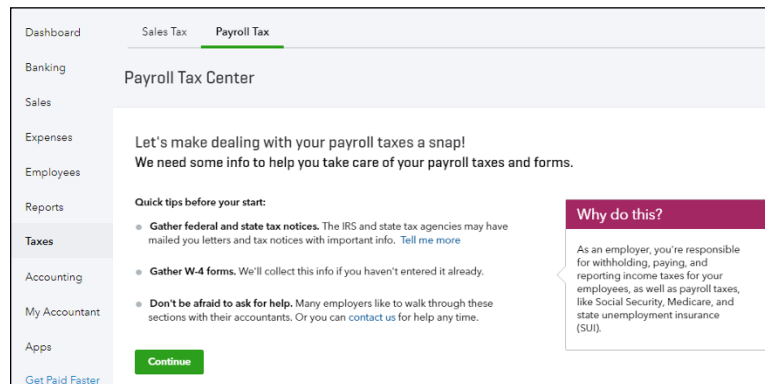
- » In the Payroll section (under Payroll and Services), you can set up additional pay schedules; establish vacation, sick, and paid time off policies; and define deductions and contributions used by your company during payroll.
- » In the Taxes section, you establish general company tax information (such as your company's legal organization); set up your federal tax ID number and your filing and tax deposit schedule requirements; set up your state's payroll requirements, which vary from state to state; and designate whether you have a third-party or paid form preparer. You also can enroll in electronic services for filing and paying payroll taxes. To identify your state's payroll tax requirements, visit your state's website and search for *payroll taxes*.
- » Use the Business Information section to ensure that your contact information is accurate.
- » Use the Preferences section to establish the following:
  - Wage and tax accounts for payroll
  - Paycheck and W-2 form printing settings
  - Payroll-related email preferences such as receiving reminders about preparing payroll, making tax payments, and filing tax forms
  - Report settings to identify reports you want available after you prepare payroll

- » In the Overview section, the Employees link takes you to the Employees page; clicking Employees on the Preferences page has the same effect as clicking Employees in the Navigation bar.
- » Use the Time Sheets link in the Overview section to establish the way you want to enter employee hours.

## Setting up payroll taxes

Before you start using payroll, you should use the wizard QBOP provides to set up payroll tax form and filing information. The wizard asks you for federal and state tax details such as your federal Employer ID number (EIN) and your corresponding state account number, how often you're required to remit payroll taxes, and whether you want to file and pay taxes electronically or manually using paper coupons. Choose Taxes in the Navigation bar and then click the Payroll Tax tab to display the Payroll Tax Center before you set things up (see Figure 9-8).

**FIGURE 9-8:**  
The Payroll Tax Center before you establish settings for payroll tax forms and payments.



Click Continue, and the wizard displays the Employee Details page, which lists each of your employees. Fill in a birth date and hire date (in mm/dd/yyyy format) and click the W-4 Info link to confirm that the employee's W-4 details are correct.

After you check each employee, click Continue. On the next screen, the wizard displays the Business Details page. Confirm or change information the wizard supplies about your business, including the address you use when filing tax forms, the first time you'll be running payroll using QBOP, the time frame during which you hired your first employee, and your workers' compensation insurance status. Then click Continue.



TIP

The date you start using QBOP determines the “as of” date of historical information you need to collect. 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.

If you indicate that you are a new employer, the wizard displays a list of the items it will set up for you. Click Continue.

The Payroll Tax Setup Wizard next displays the Federal Tax Details page shown in Figure 9-9. Supply your federal 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).

Payroll Taxes Setup and Compliance

Federal tax details

Do you know your federal Employer Identification Number (EIN)? [How do I get all the federal tax info?](#)

Yes, it is

No, I haven't received it yet, or I don't have it handy

Which payroll tax form do you file with the IRS?

How often does the IRS require you to pay federal taxes (your deposit schedule)?

Is your business a 501(c)(3) non-profit?

Yes, and I don't pay federal unemployment taxes (FUTA)

No (most common)

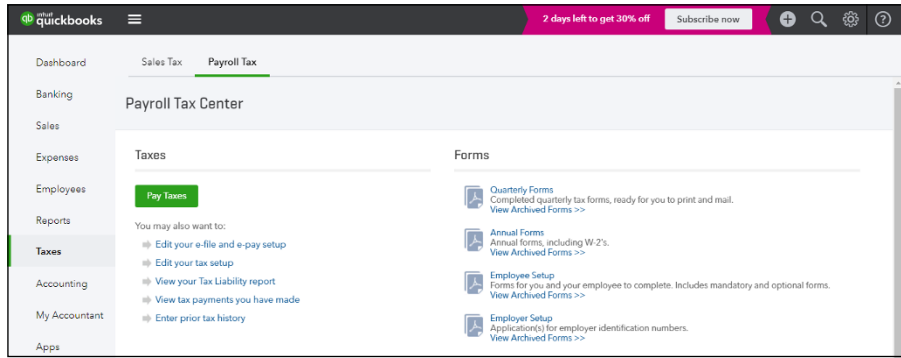
**FIGURE 9-9:**  
The Federal Tax  
Details page.

Click Continue in the lower right corner of the page, and the Payroll Tax Setup Wizard displays the State Tax Details page. This page is the state counterpart of the Federal Tax Details page. On the State Tax Details page, you supply details about your state payroll account, including the number, the State Unemployment Insurance (SUI) rate assigned to your business, and your state payroll tax deposit schedule. You also supply details for other taxes, if any, in your state.

Click Save, and QBO displays the E-pay and E-file Setup page, where you specify whether you want to file and pay payroll taxes electronically or manually, using paper coupons. If you opt to file and pay electronically, you then supply information about the bank account from which you want to pay, including your routing and account number.

When you finish supplying information about how you want to file and pay your taxes, click Next. QBO confirms that you've finished setting up your payroll taxes. Click Done, and QBO redisplay the Payroll Tax Center screen (see Figure 9-10).

**FIGURE 9-10:**  
The appearance  
of the Payroll Tax  
Center screen  
now that you've  
finished setting  
things up.



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 wizard.

## 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 Employees link in the Navigation bar. On the Employees page, click the Run Payroll button on the top right side of the page.

QBO starts the Run Payroll Wizard by displaying the window shown in Figure 9-11, which lists all your employees (I have only three employees in this company, so my list is short). If you use multiple pay schedules, QBO will prompt you to choose a pay schedule before showing you the page in Figure 9-11.

EMPLOYEE	SALARY	REGULAR PAY HRS	MEMO	TOTAL PAY
<input checked="" type="checkbox"/> JH Hogan, James \$25.00 / hour		80.00		\$2,000.00
<input checked="" type="checkbox"/> JH Hogan, Jessica \$55,000.00 / year	\$2,291.67			\$2,291.67
<input checked="" type="checkbox"/> JH Hogan, Josh \$65,000.00 / year	\$2,708.33			\$2,708.33
TOTAL	\$5,000.00	80.00		\$7,000.00

**FIGURE 9-11:** Use this screen to enter payroll information for your employees.

At the top of the window, select the bank account from which you'll pay employees and double-check pay period and pay date information. By default, QBO places a check mark 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.

## Reviewing and generating payroll checks

Once 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 (refer to 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.

## LETTING EMPLOYEES USE TIMESHEETS

If you use QBO Plus, you can set up *time tracking users* who can log in with limited privileges that enable them to complete timesheets (and do nothing else).

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 Manager Users in the Your Company column.**
- 2. Click the New 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. Because many employers don't pay their employees based on hours reported on timesheets — those employers instead use timesheets to bill clients for time spent on client projects — see Chapter 6 for details on entering time.

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 time frame. For information on reports, see Chapter 10.

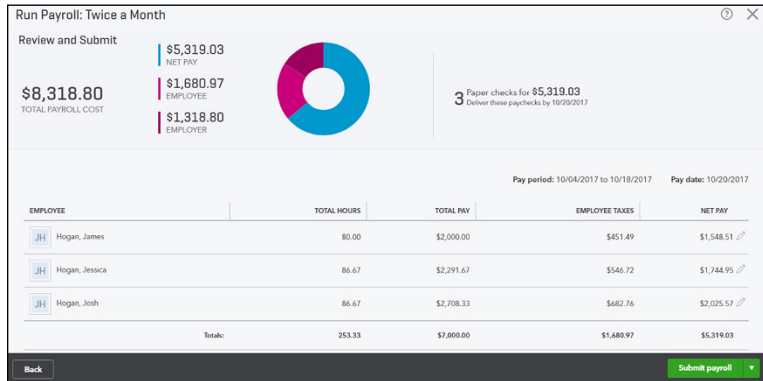
And don't forget that, if tracking time is important to your business, you can subscribe to TSheets Time Tracking, the add-on app that integrates with QBO and enables time tracking from any mobile device.



TIP

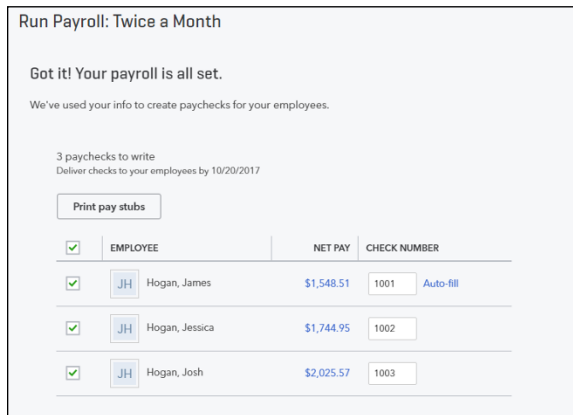
You can click the pencil at the right edge of the line for any employee to see the details associated with the employee's paycheck. If necessary, you can make changes to some paycheck details; for example, for hourly employees, you can change the hours an employee worked and the Federal and State income tax amounts.





**FIGURE 9-12:**  
Reviewing  
paychecks before  
generating them.

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 9-13:**  
When you don't  
directly deposit  
paychecks, you'll  
see a page like  
this one.

On the last screen of the Run Payroll Wizard, click Finish Payroll in the lower right corner to record the payroll information in QBO.

## Correcting payroll exemptions (without calling Tech Support)

It happens. You pay an employee, perhaps several times, and then discover that the employee should have been exempt from State Unemployment Insurance. Or you discover that the employee was set up as exempt and shouldn't have

been exempt. You can fix this issue yourself, without calling Intuit Technical Support. And, once you've updated the employee's settings, QBO will adjust payroll information and, if appropriate, set up a reimbursement for the employee. You might need to pay additional taxes based on the change, and you will probably need to deal with your state to amend tax returns you filed and arrange for payments or credits to future taxes due, as needed.

In the United States, it doesn't matter where you live; QBO makes adjustments for all 50 states and District of Columbia. In general, when you change the exempt status for SUI for an employee, QBO will, *for the current calendar year only*:

- » Recalculate employee paid taxes (such as CA SDI).
- » Pay amounts owed to employees on the next check.
- » Recapture amounts owed from employers on the next check.
- » Recalculate Federal unemployment tax (FUTA) to 6%.

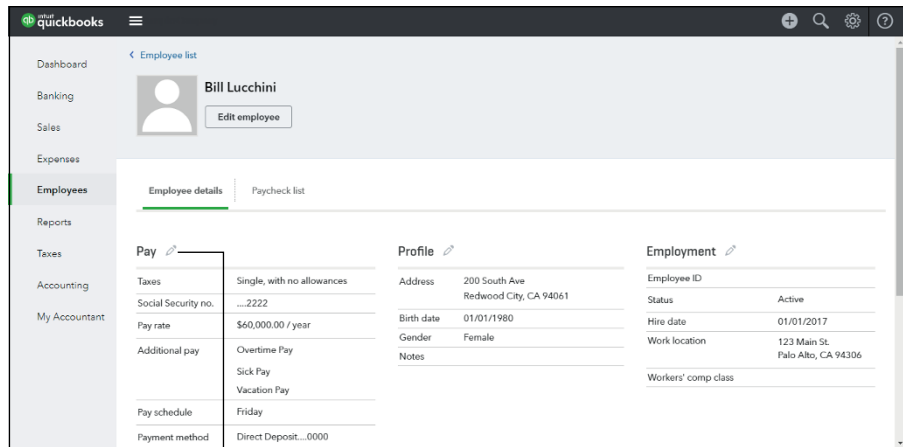


WARNING

Although you also can change exemption status for Social Security/Medicare and for FUTA, QBO will *not*, at this time, adjust your books for erroneously withheld Social Security/Medicare and FUTA the way it will make adjustments for erroneously withheld SUI. To adjust your books (and tax liabilities) for Social Security/Medicare and FUTA, you need to talk to your accountant or to Intuit Technical Support. Watch for additional payroll-related changes that you'll be able to make without calling Intuit Technical Support as QBO advances over time.

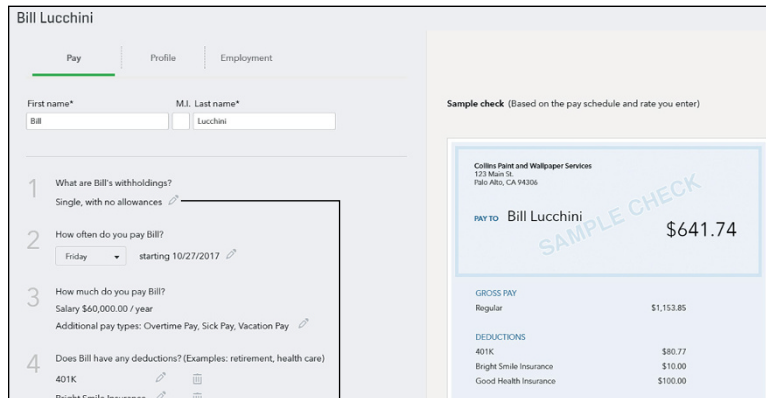
Here's how you change an employee's SUI exemption settings in QBO:

- 1. Click Employees in the Navigation pane and click 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 withholdings question (see Figure 9-15).**
- 4. On the Payroll Taxes Setup and Compliance page that appears, scroll down and click Tax Exemptions (see Figure 9-16).**
- 5. Click the state tax to be exempted.**  
In the figure, I clicked CA SUI and ETT and CA SDI.
- 6. Click Done in the lower right corner of the page.**



**FIGURE 9-14:** Click the pencil icon in the Pay section to edit pay information.

Click here.



**FIGURE 9-15:** Click the pencil icon in the withholdings question to edit the employee's withholdings.

Click here.

QBO displays a message like the one in Figure 9-17, explaining what's going to happen when you click Continue. After you click Continue, the page you see in Figure 9-15 appears, with a message at the top explaining that you successfully updated tax exemptions and, if appropriate, QBO adjusted for FUTA and SUI employer taxes. The message contains a link to the Payroll Tax Center, where you find details of additional payroll tax payments you might need to make; don't forget to file amended tax returns. And, QBO will ensure that the employee's next paycheck includes any appropriate reimbursements if you added exemptions or deductions if you removed exemptions.

**FIGURE 9-16:**  
Click Tax Exemptions to display taxes for which an employee might be exempt.

Click here.

**FIGURE 9-17:**  
A message like this one explains what QBO will do based on the changes you made.



TIP

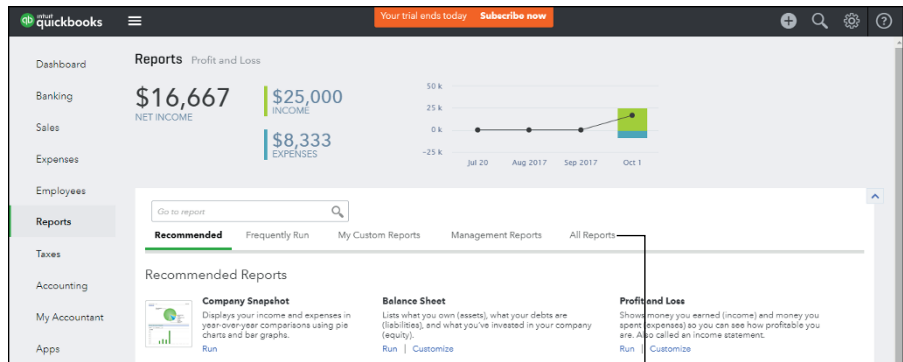
Do you need to void or delete a paycheck? Display the list of paychecks you've issued by clicking Paycheck List in the upper right corner of the Employee page, just below the Run Payroll button (click Employees in the Navigation pane). Select the paycheck you need to void or delete and click the Void or Delete button above the list. QBO will walk you through a series of questions that will help 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 (see Figure 9-18).

Then, click the All Reports link on the page and QBO displays the All Reports page. Scroll down the page to find the Manage Payroll link and click it.

You can click any payroll report to print it to the screen and, subsequently, to your printer. To customize reports, see Chapter 10.



**FIGURE 9-18:**  
From the Reports page, display all reports.

Click here.

## Managing Payroll Taxes

As I mention 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.

### 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.

Last, but not least, 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 state to state; to determine the due dates for your state and locality, check at the state's website.

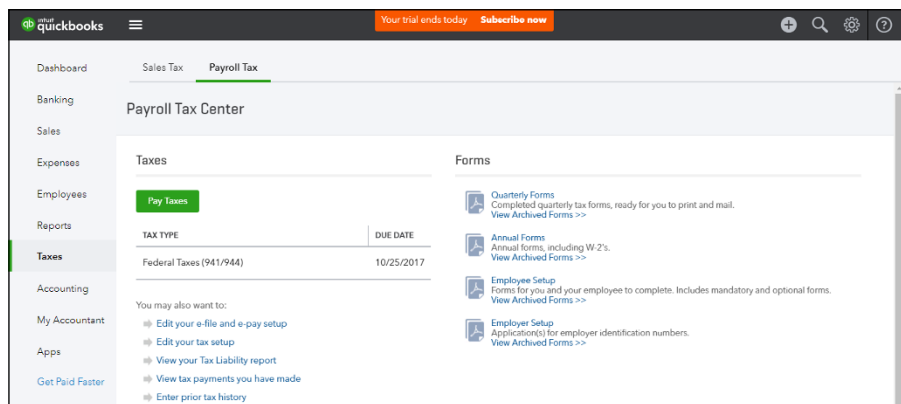
# Paying payroll taxes

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*).

You must make Federal tax deposits by electronic funds transfer. Most people make Federal tax deposits using the Electronic Federal Tax Payment System (EFTPS), a free service provided by the United States Department of Treasury, and QBO makes use of the EFTPS.

To pay your payroll taxes, 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.



When you click the Pay Taxes button, QBO displays the Pay Taxes page (see Figure 9-20), which shows payroll tax amounts that you owe; if you owe money to more than one payroll tax authority, QBO separates your liabilities by payroll tax authority and displays appropriate due dates.

If you expand the Upcoming Tax Payments line, QBO displays estimated amounts of your upcoming liabilities.

When you click the Record Payment link beside a line, QBO shows you the amount you owe, allocated by tax item (see Figure 9-21). At the top of the screen, you can opt to pay the liability electronically using EFTPS or make the payment yourself.

**FIGURE 9-20:**  
Your payroll tax liabilities.

TAX TYPE	DUE DATE	AMOUNT
<b>Tax Payments Due</b> (You need to take action on these tax payments soon.)		
Federal Taxes (941/944)	10/25/2017	\$2,216.47 <a href="#">Record payment</a>
<b>Upcoming Tax Payments</b> (You don't need to pay these yet. We'll remind you when they are due.)		
AZ Unemployment Tax	01/31/2018	\$741.30 <a href="#">Record payment</a>
Federal Unemployment (940)	01/31/2018	\$42.00 <a href="#">Record payment</a>

Note: Some of these tax amounts are estimates based on accrual to date. You'll see the actual amount when you click Create Payment.



I'm working in a sample company, so I deliberately did not set up electronic payment capabilities. Therefore, you don't see, in Figure 9-21, any reference to paying manually or paying electronically.

**FIGURE 9-21:**  
A payroll tax payment.

TAX ITEM	AMOUNT
Federal Income Tax	\$1,145.47
Social Security	\$434.00
Social Security Employer	\$434.00
Medicare	\$101.50
Medicare Employer	\$101.50
<b>Total</b>	<b>\$2,216.47</b>

When you finish reviewing the details for the payment, including the bank account from which you'll make the payment, and the payment date, click the E-pay button or the Record Payment button (depending on whether you're paying electronically or making the payment yourself) in the lower right corner of the screen. QBO displays a payment confirmation window that describes the payment method, type, liability, due date, payment date, and payment amount.



If you're not paying electronically, click the arrow beside Record Payment and choose Record and Print. Then, QBO will provide detailed instructions for making the payment.

TIP

Repeat this process for each payroll tax liability currently due.

## Preparing 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.

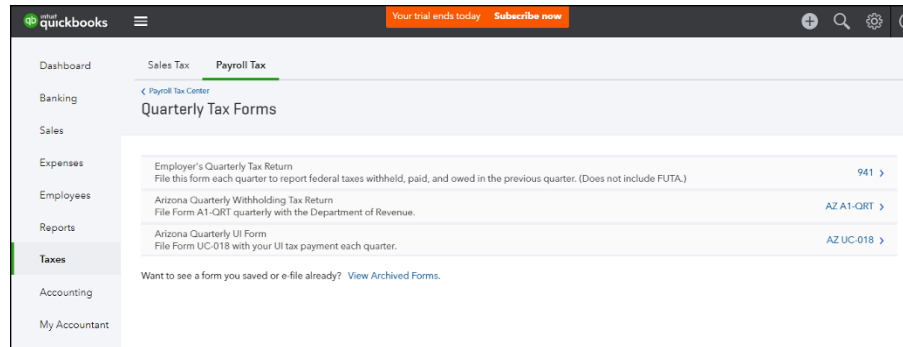


If you live in a state that imposes a personal income tax, then you typically must also file a similar form for your state; check your state's website for the rules you need to follow for payroll tax reporting. Your state probably has a state unemployment form you need to prepare and submit as well.

TIP

When you click Quarterly Forms on the Payroll Tax Center page (refer to Figure 9-19), QBOP displays the reports you need to prepare and submit (see Figure 9-22).

**FIGURE 9-22:**  
The payroll tax returns you need to prepare and submit appear on the Quarterly Tax Forms page.



Click the link to the right of each form, and QBOP displays a page where you can opt to file the form electronically and preview the form in a PDF viewer. Click the View button to preview the form, and it appears prefilled with information in your PDF viewer (see Figure 9-23). As you scroll to the bottom of the form, filing instructions appear.

Repeat the process of reviewing and printing each form as appropriate.



ViewPdfForm.pdf - Nitro Reader 5

HOME ADVANCED HELP

Hand Zoom Rotate View Select Add Note Markup Text+ Tools

Create Convert Extract from File To Text Images Create/convert

Combine Files Edit Text Convert to Word Do More With Pro Upgrade to Pro

ViewPdfForm x

Form **941 for 2017: Employer's QUARTERLY Federal Tax Return** 950117  
(Rev. January 2017) Department of the Treasury - Internal Revenue Service OMB No. 1545-0022

Employer identification number (EIN)

Name (not your trade name)

Trade name (if any)

Address   
Number Street State or union number

City State ZIP code

Foreign country name Foreign postal code Foreign postal code

**Report for this Quarter of 2017**  
(Check one)

1: January, February, March  
 2: April, May, June  
 3: July, August, September  
 4: October, November, December  
Instructions and prior year forms are available at www.irs.gov/form941.

Read the separate instructions before you complete Form 941. Type or print within the boxes.

**Part 1** Answer these questions for this quarter.

1 Number of employees who received wages, tips, or other compensation for the pay period including: Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), or Dec. 12 (Quarter 4) 1

2 Wages, tips, and other compensation . . . . . 2

3 Federal income tax withheld from wages, tips, and other compensation . . . . . 3

4 If no wages, tips, and other compensation are subject to social security or Medicare tax  Check and go to line 6.

5a Taxable social security wages . . . . .      
Column 1 Column 2

5b Taxable social security tips . . . . .      
Column 1 Column 2

5c Taxable Medicare wages & tips . . . . .      
Column 1 Column 2

**FIGURE 9-23:**  
 A sample Federal Tax Form 941 used to report payroll tax information to the Federal government.



- » Understanding the Reports page
- » Finding reports
- » Printing and saving reports

## Chapter **10**

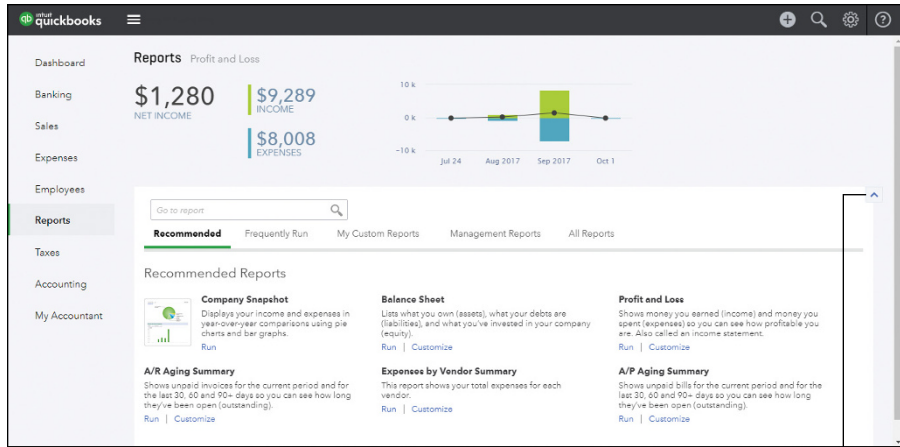
# How's the Business Doing?

**N**o 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

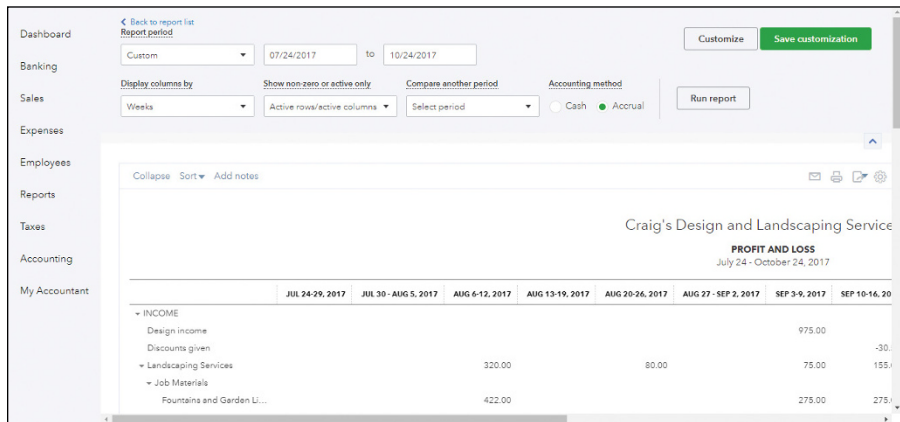
When you click Reports on the Navigation bar, you see a page like the one shown in Figure 10-1.

The graphic at the top of the page shows profit and loss information and is interactive; for example, if you click anywhere in the graphic — on the Net Income number, on either the Income or the Expenses number, or on any of the bars in the chart — QBO displays the Profit and Loss report shown in Figure 10-2. This version of the Profit and Loss report breaks down income and expenses by week for the period shown on the graphic.



**FIGURE 10-1:**  
The Reports page.

Click here to hide the graphic.



**FIGURE 10-2:**  
A Profit and Loss report by week.

You can click Reports in the Navigation bar to redisplay the Reports page shown in Figure 10-1, or you can click the Back to Report List link just above the report period.



TIP

Don't want the income and expense numbers displayed onscreen? Click the upward-pointing carat at the bottom right edge of the graphic on the Reports page, and QBO hides the graphic. Click the carat while viewing a report, and QBO hides the report's settings.

# Finding the Report You Want

Reports in QBO are organized into five categories:

- » Recommended Reports
- » Frequently Run Reports
- » My Custom Reports
- » Management Reports
- » All Reports

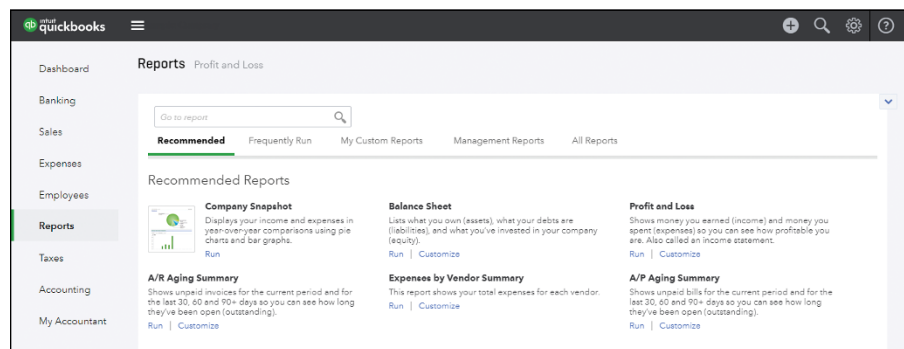
These categories appear on the Reports page below the graphic and function as tabs; that is, you click a tab to see the reports in that category. And, if you're an accountant using QBOA, you'll see one more category of reports: Accountant Reports, which are covered in Chapter 15.

## Examining recommended reports

QBO lists reports on the Recommended tab of the Reports page based on features you use in QBO, preferences, and add-ons.

In Figure 10-3, I've hidden the graphic at the top of the Reports page to give the reports on the Recommended tab a bit more screen real estate. Remember, the reports I display in the figure might differ from the ones you see when you review recommended reports.

**FIGURE 10-3:**  
Typical  
recommended  
reports.



## Looking at frequently run reports

Again, no surprise here: On the Frequently Run tab, QBO lists the reports you run most often. When you first start using QBO and haven't run reports yet, the Frequently Run tab doesn't contain any reports. Instead, it contains a message that describes what you'll see after you start running reports.

## Finding reports you customize

The My Custom Reports tab lists reports you have printed — whether to your display or a printer — customized, and saved, either as single reports or in a report group. Like its cousin, Frequently Run reports, the My Custom Reports tab remains empty until you print, customize, and save a report as described later in this chapter in the section “Saving a customized report.” In that section, I also show you how to place a customized report into a group, and you get a look at the My Custom Reports page after it contains a report saved to a group.



TIP

If you're a former QuickBooks Desktop user, be aware that saving a report in QBO is the equivalent of memorizing a report in the QuickBooks Desktop product, and 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 10-4, lists three predefined management report packages you can prepare and print by clicking the View link in the Action column.

Click here to customize a management report package.

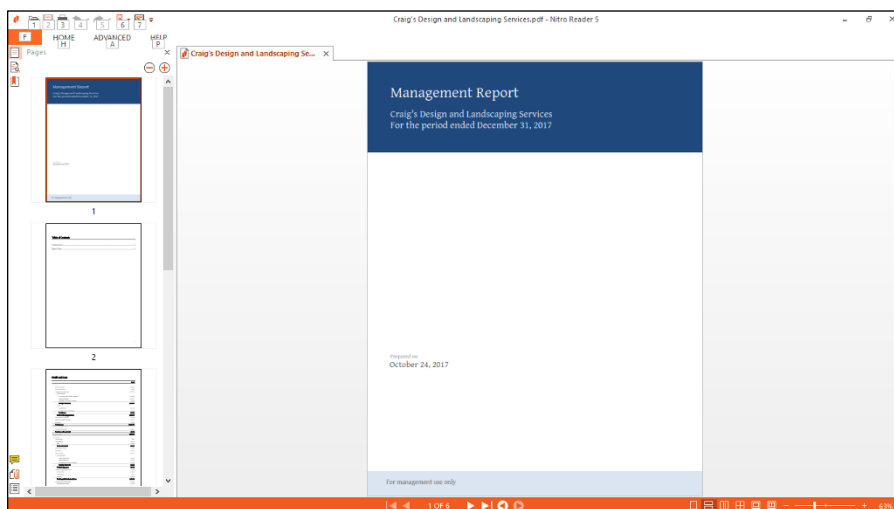
NAME	CREATED BY	LAST MODIFIED	REPORT PERIOD	ACTION
Sales Performance	QuickBooks		This Year	View
Expenses Performance	QuickBooks		This Year	View
Company Overview	QuickBooks		This Year	View

**FIGURE 10-4:**  
The Management Reports page.

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 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.
- » The Company Overview management report contains the Profit and Loss report and the Balance Sheet report.

When you click View in the Action column beside a management report, QBO typically creates a PDF version of a management report. You can click the PDF link at the bottom of the browser or in the Print Preview window that appears to open the report in the PDF viewer you have installed on your computer. You might be able to print the management report directly from QBO, but, if you can't, your PDF viewer will definitely give you the option to scroll through and print the report. In Figure 10-5, I've already downloaded the Company Overview management report into my PDF viewer; you can see the cover page and, in the thumbnail section on the left, the Table of Contents and the Profit and Loss report page.

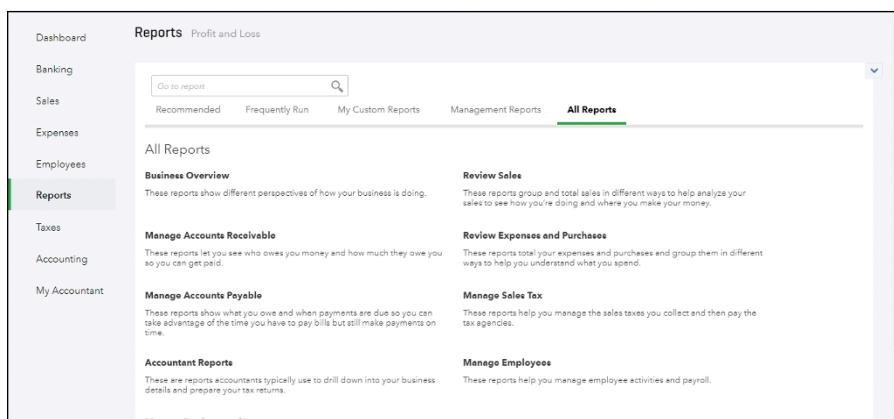


**FIGURE 10-5:**  
An example management report open in a PDF viewer.

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.

## Exploring all QBO reports

The All Reports tab gives you a way to find any QBO report. The page lists a series of categories for reports, such as Business Overview and Manage Accounts Receivable (see Figure 10-6). When you click a particular category, you see a page that lists all the reports for the selected category. Once you select a category, you can redisplay the All Reports page by clicking the All Reports link that appears above the report category name.



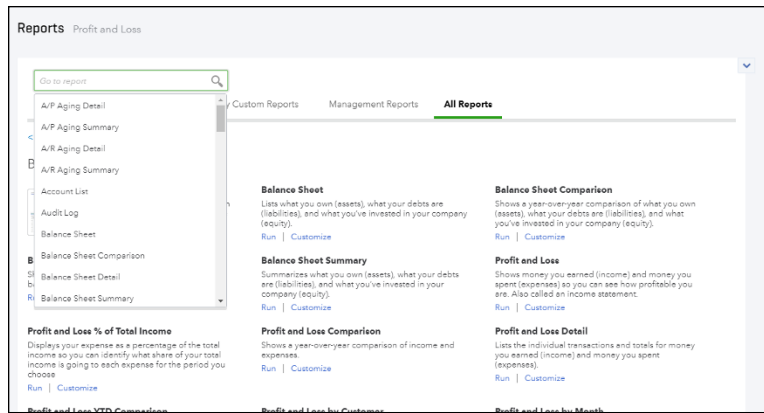
**FIGURE 10-6:**  
The categories of  
available reports  
in QBO.

## Searching for a report

You don't need to use the tabs to find a report. Instead, you can click in the Go to Report box; when you do, QBO displays all reports, listed alphabetically, in a drop-down list (see Figure 10-7).

If you see the report you want, you can click it, and QBO displays it onscreen. If you don't see the report you want, you can type some keywords into the Go to Report box, and QBO narrows the reports displayed in the drop-down list to those whose name contains the keywords you typed.





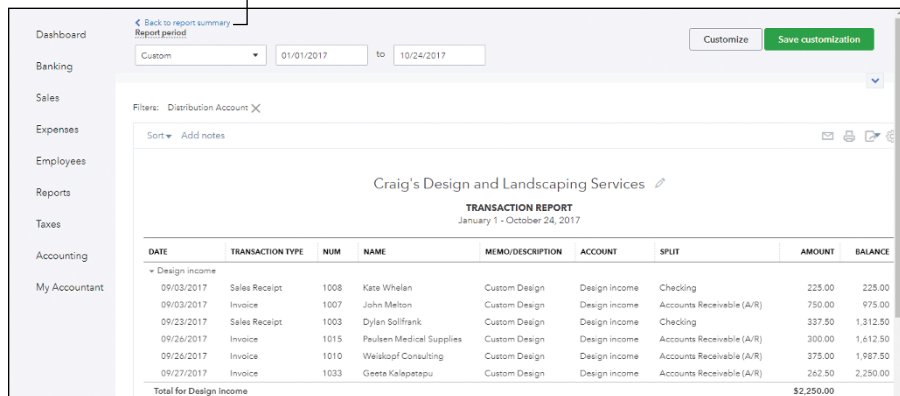
**FIGURE 10-7:** Searching for a report.

## Printing a Report

To produce any report, simply click the report's title. QBO automatically displays the report with a standard set of settings. To redisplay reports, 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. I clicked the dollar amount for Design income, and QBO displayed the Transaction report shown in Figure 10-8.

Click here to redisplay the original report.



**FIGURE 10-8:** The Transaction report that appears after clicking an income account on the Profit and Loss report.

To redisplay the original 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 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. To duplicate a tab in Firefox, press and hold down the Ctrl key as you click the browser refresh button, which appears at the right edge of the address bar.

## Customizing a report

You can customize most reports in a variety of ways. For all 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, QBO automatically refreshes the report and displays information only in the date range you selected.

You can establish more detailed custom settings for any report; throughout this section, I 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 10-9, you see the details of the General section, from which you can, for example, opt to display the report using the accrual basis of accounting rather than the cash basis of account.

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 10-10), you can control the columns and rows that appear on the report as well as the order in which they appear. You also can add a variety of comparison columns.

From the Filter section, shown in Figure 10-11, you can control the entries from the Account, Customer, Vendor, Employee, and Product/Service list that QBO includes on the Profit and Loss report.

Figure 10-12 shows the settings you can control in the Header and Footer sections of the report as well as the report alignment.

**FIGURE 10-9:**  
The General section of the panel you use to customize a report in greater detail.

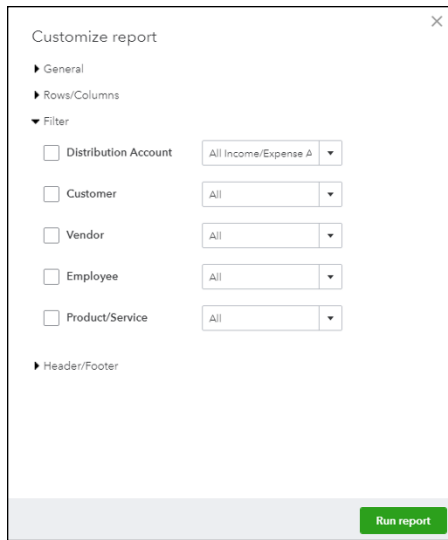
The screenshot shows the 'Customize report' dialog box with the 'General' section expanded. The 'Report period' is set to 'This Year-to-date' with dates '01/01/2017' to '10/24/2017'. The 'Accounting method' is 'Accrual'. Under 'Number format', 'Divide by 1000' and 'Without cents' are unchecked, while 'Except zero amount' is checked. Under 'Negative numbers', '-100' is selected and 'Show in red' is unchecked. Collapsible sections for 'Rows/Columns', 'Filter', and 'Header/Footer' are visible but collapsed. A green 'Run report' button is at the bottom right.

**FIGURE 10-10:**  
Use these settings to control the rows and columns that appear on the report.

The screenshot shows the 'Customize report' dialog box with the 'Rows/Columns' section expanded. The 'Columns' dropdown is set to 'Total Only' and 'Show non-zero or active only' is checked with 'Active rows/active cc' selected. Under 'Period Comparison', 'Previous period (PP)', 'Previous year (PY)', and 'Year-to-date (YTD)' are all unchecked. At the bottom, '% of Row', '% of Column', '% of Income', and '% of Expense' are all unchecked. Collapsible sections for 'General', 'Filter', and 'Header/Footer' are visible but collapsed. A green 'Run report' button is at the bottom right.

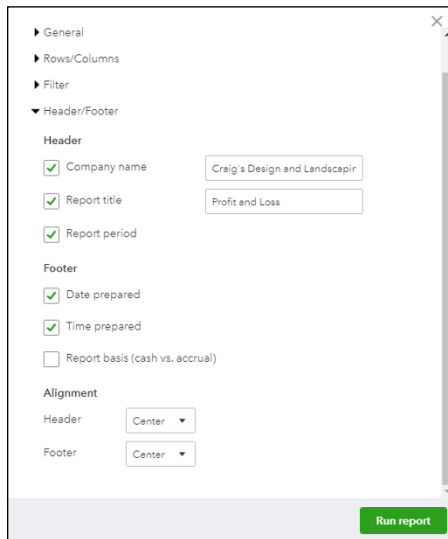
When you're finished customizing the report, click Run Report, and QBO displays the report onscreen using your customized settings (see Figure 10-13). With the report onscreen, you can click the Print button to print the report to paper or to a PDF file. Or, you can click the Email button to email the report or the Export button to export the report to Excel or to a PDF file.

**FIGURE 10-11:**  
The filtering options you can control on the Profit and Loss report.



The screenshot shows a 'Customize report' dialog box with a close button (X) in the top right corner. It is organized into sections: 'General', 'Rows/Columns', 'Filter', and 'Header/Footer'. The 'Filter' section is expanded, showing five items, each with a checkbox and a dropdown menu: 'Distribution Account' (checkbox unchecked, dropdown 'All Income/Expense A'), 'Customer' (checkbox unchecked, dropdown 'All'), 'Vendor' (checkbox unchecked, dropdown 'All'), 'Employee' (checkbox unchecked, dropdown 'All'), and 'Product/Service' (checkbox unchecked, dropdown 'All'). The 'Header/Footer' section is collapsed. A green 'Run report' button is located at the bottom right.

**FIGURE 10-12:**  
The Header/Footer settings you can customize on the Profit and Loss Report.



The screenshot shows the 'Customize report' dialog box with the 'Header/Footer' section expanded. Under the 'Header' sub-section, there are three checked checkboxes: 'Company name' (text box 'Craig's Design and Landscapir'), 'Report title' (text box 'Profit and Loss'), and 'Report period'. Under the 'Footer' sub-section, there are three checked checkboxes: 'Date prepared', 'Time prepared', and 'Report basis (cash vs. accrual)'. Under the 'Alignment' sub-section, there are two dropdown menus: 'Header' (set to 'Center') and 'Footer' (set to 'Center'). A green 'Run report' button is at the bottom right.



REMEMBER

When you use Chrome to 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 the local hard drive; mine appeared in the Downloads folder. If you don’t delete the reports, QBO increments the report name for subsequent reports you export to Excel.

Click here to print.  
Click here to email. Click here to export.

	TOTAL
INCOME	
Design income	2,250.00
Discounts given	-89.50
Landscaping Services	1,477.50
Job Materials	
Fountains and Garden Lighting	2,246.50
Plants and Soil	2,351.97
Sprinklers and Drip Systems	138.00
Total Job Materials	4,736.47
Labor	

**FIGURE 10-13:**  
The report after customizing.



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.

## 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 10-14.

Customize Save customization

Custom report name  
Elsine's Profit and Loss

Add this report to a group  
None

New group name  
Elsine's Group Add

Share with  
None

Save

**FIGURE 10-14:**  
Use this panel to save a customized report.

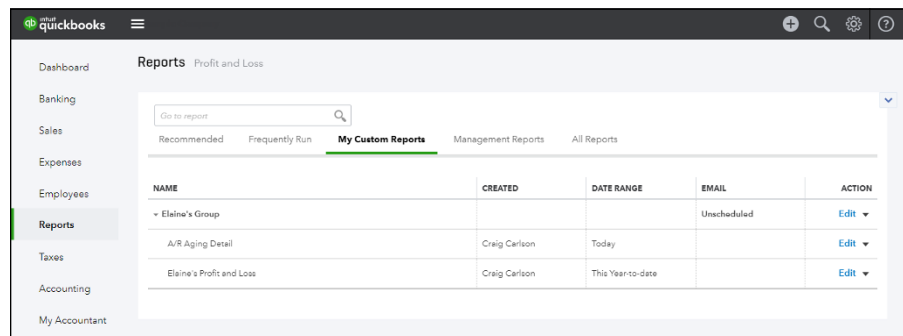
Supply a name for the customized report; you can use the QBO name for the report, but you'd be better off including some information in the name that helps you remember the customizations — unlike the one I used in the figure, which really doesn't tell you much other than the report isn't the standard 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, 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 with the other users on your account; click the Share With list box and select All.

Once you save your settings in the Save Customizations dialog box, the saved report appears on the My Custom Reports tab of the Reports page. And, if you created a group, the report appears in that group. In Figure 10-15, my customized version of the Profit and Loss report appears in a group called (uninspiringly) Elaine's Group.

**FIGURE 10-15:**  
The My Custom Reports page after creating a custom report.



To print the report, I click its title, and the report appears onscreen. I also can take any of the following actions if I 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 My Custom Reports page. If you click Delete in the drop-down list in the 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 10-16. Toggle the Set Email Schedule button to the On position to display and edit scheduling information.

**FIGURE 10-16:**

Set an email schedule for a report group.

By default, QBO chooses Daily as the email interval, but you can customize the email schedule. Fill in the Email information; QBO will use the same subject each time it emails the report group.

At the bottom of the page, not visible in Figure 10-16, 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 HTML format.







**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.

## IN THIS CHAPTER

- » Signing up for QBOA
- » Signing into 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

# Chapter **11**

# Setting Up Shop in QBOA

**P**art 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 the needs of a client — for example, accountants need to work in multiple QBO companies and clients usually work in only one company. 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 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, Essentials, Self-Employed, or Plus.



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.

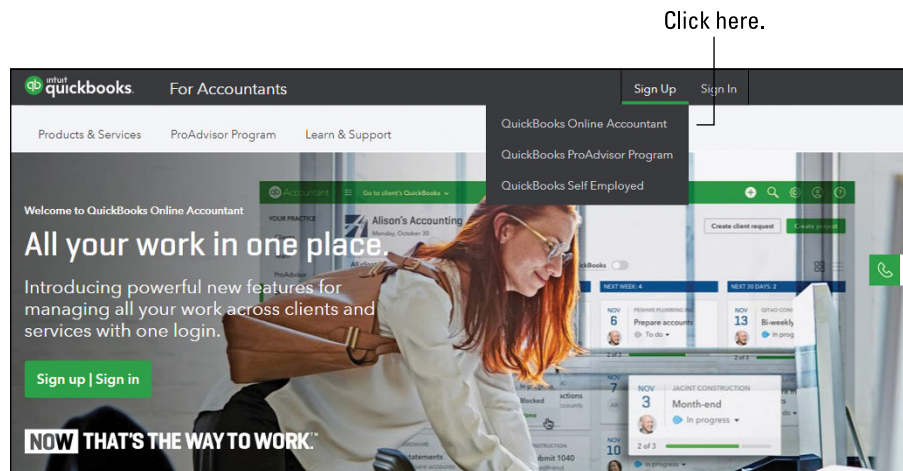
# Signing Up for and into QBOA

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 rates for each client subscription you manage; contact Intuit for details.

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 for your own QuickBooks company.

To create a QBOA account, open your browser and navigate to <http://quickbooks.intuit.com/accountants/online>. On the web page that appears, click the Sign Up link in the upper right corner and then click QuickBooks Online Accountant (see Figure 11-1).



**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. If necessary, click the Change link to select the region where you do business if it differs from the one shown onscreen. Then, provide the rest of the requested information, including a password, and then click the Continue button (not visible in Figure 11-2) at the bottom of the page.

**FIGURE 11-2:**  
Provide a limited amount of information to create a QBOA account.

The screenshot shows the 'Sign Up for QuickBooks Online Accountant' page. At the top left is the Intuit QuickBooks logo. At the top right, it says 'Call Sales: (888) 666-7917 M-F 5am-5pm PT'. Below the logo, there's a message: 'You are signing in in The United States. Change'. The main heading is 'Sign Up for QuickBooks Online Accountant'. Below that, it asks 'Already have an Intuit account? Sign In'. The form fields include: 'Email Address (User ID)', 'First Name', 'Last Name', 'Phone' (with a dropdown for country code), and 'Password'. On the right side, under 'QuickBooks Online Accountant', there are three benefits listed with icons: 'No credit card needed' (credit card icon), 'Quick and easy setup' (cloud and gear icon), and 'Live expert help' (headset icon).

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."

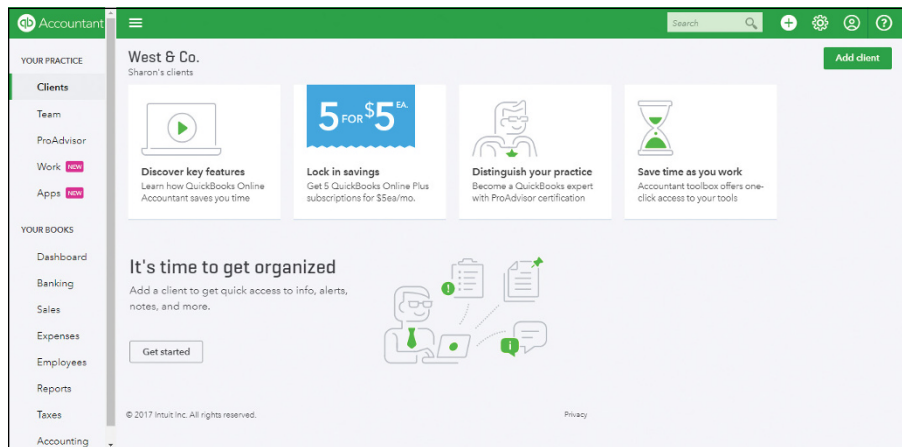
After supplying your firm name and zip code, click Finish. QBOA creates your account and signs you in; your QBOA Home page looks similar to the one shown in Figure 11-3.



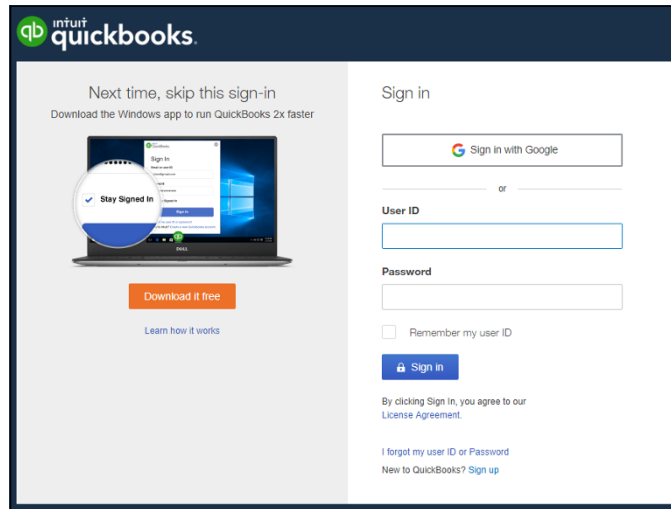
**REMEMBER**

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.

**FIGURE 11-3:**  
A typical QBOA Home page after creating a QBOA account.



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, including, for example, getting discounts on QBO Plus subscriptions. If you don’t want to see a particular card, slide the mouse over the card and then click the X 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.



**FIGURE 11-4:**  
The page you use to sign in to QBOA after you set up a QBOA account.

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.

## Examining the QBOA Interface

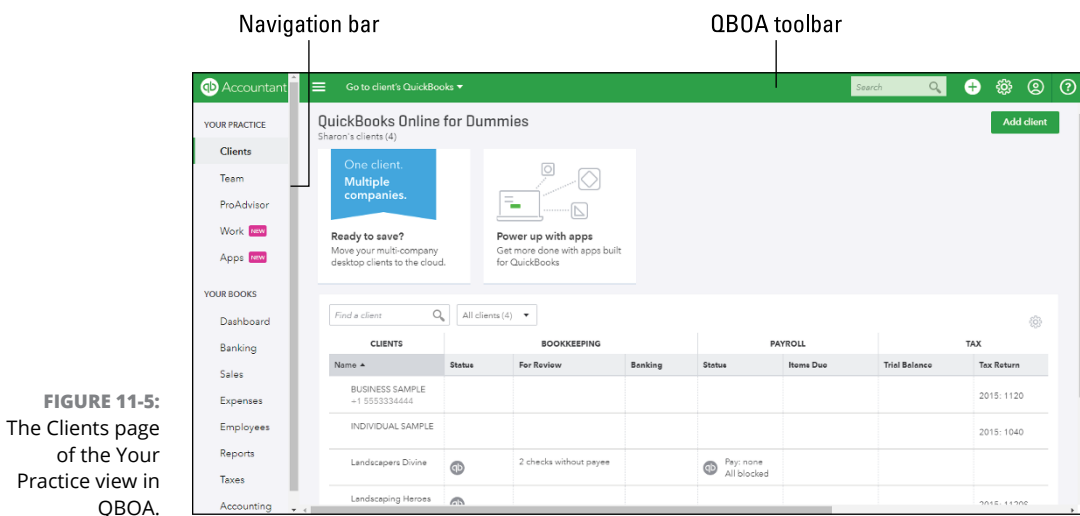
The QBOA interface focuses on giving accountants access to tools they need to manage multiple clients. Although the view in the QBOA interface changes, depending on where you’re working, two common elements appear:

- » The Navigation bar runs down the left side of the page.
- » The green QBOA toolbar runs across the top of the page.

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 into 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 who will have access to various client companies. For more information, see the section "Setting Up Your Team."

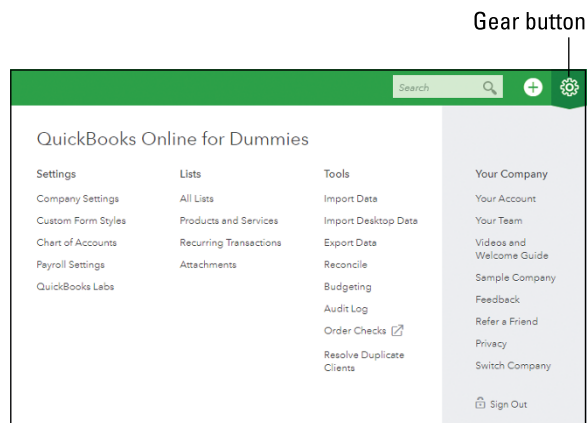
When you click ProAdvisor, you see information about the Intuit ProAdvisor program. If you weren't previously a member of the ProAdvisor program, QBOA automatically establishes a free Silver membership for you; for details on what that means, visit <https://quickbooks.intuit.com/accountants/tools-proadvisor>.

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 Accountant button:** This button contains the QuickBooks logo and offers you another way to display the Client List shown in Figure 11-5.
- » **The Menu button:** This button acts as a toggle to hide and display the Navigation bar.
- » **The Go to Client's 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 Search box:** When you click in this box, a list of recent transactions or reports appears; you can type in the box to search for the transaction or report of your choice, or you can click an item in the list.
- » **The plus sign (+) icon:** This button displays the Create menu, which you use to create a client or a user.
- » **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.



**FIGURE 11-6:**  
The choices  
available from  
the Gear menu.





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 displays the ProAdvisor Profile page, where you can set up information that Intuit includes in the ProAdvisor directory. Potential clients use the ProAdvisor directory to find you, so, here’s the place to toot your horn.
- » **The Help button:** Click this button to open the Help menu so that you can search for help on any topic. Help in QBOA is context sensitive and available from all screens. When you open the Help menu from a transaction screen, the suggested choices that appear are based on the type of transaction you were viewing when you clicked Help.

## Working with the Your Books view

When you click Your Books in 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.

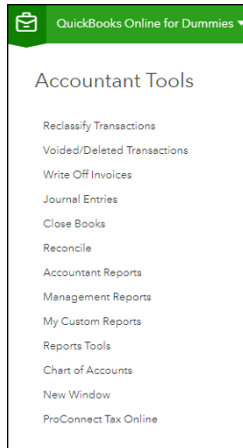
The view when you open your own company’s books in QBOA matches the view you see when you open any client’s QBO company from QBOA; the only difference onscreen is the name of the company that appears on the QBOA toolbar.

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, I haven’t entered any data into my company, so there’s no reason to click anything.

The QBOA toolbar in a QBO company changes somewhat when you click any link in the Your Books view. In particular, beside the Menu button, you see a suitcase button that I call the Accountant Tools button; you can click this button to display, well, tools accountants need frequently when working in a client’s company (see Figure 11-7). See Chapter 15 for details on these tools and on practice management tools available in QBOA.

The List Box button beside the Accountant Tools button displays the name of the currently open QBO company; when you click Your Books, your company’s name appears.

**FIGURE 11-7:**  
The tools  
available to  
accountants while  
working in a  
client company.



The Search box, Create button (the plus sign), the Gear button, the ProAdvisor Profile button, and the Help button all work the same way in the Your Books view as they do in the Your Practice view.



REMEMBER

While any company is open, you can use the QBOA toolbar to open the list box displaying the company's name to switch to a different client company. Also, you can redisplay the Clients page at any time by clicking the Accountant button on the QBOA toolbar.

## Setting Up Your Team

If your accounting firm has more than one person who need 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. 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.

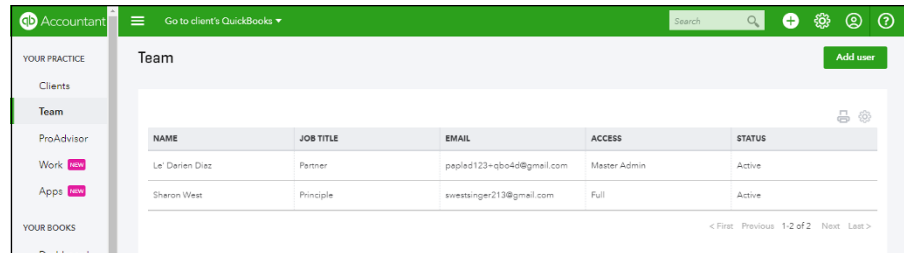
So, what's the difference, status-wise, between basic, full, and custom access?

- » 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, I 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).

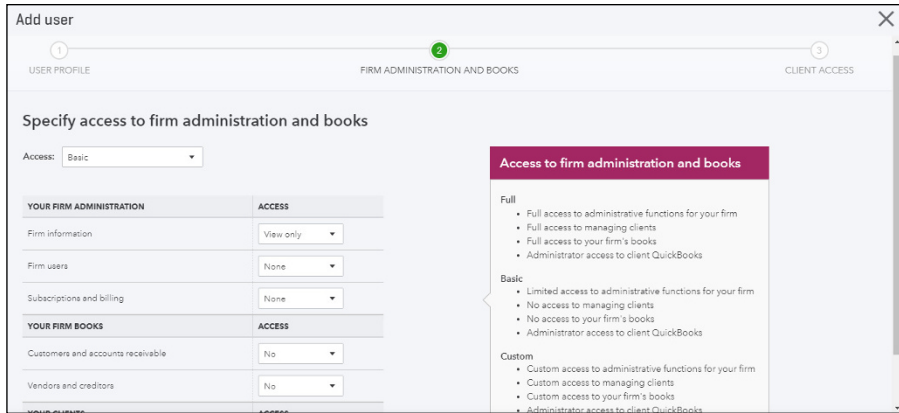


**FIGURE 11-8:** View, edit, and add members to your QBOA team.

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, I 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.

**FIGURE 11-9:**  
Specify the new user's access level to your firm's administration and books.



**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.

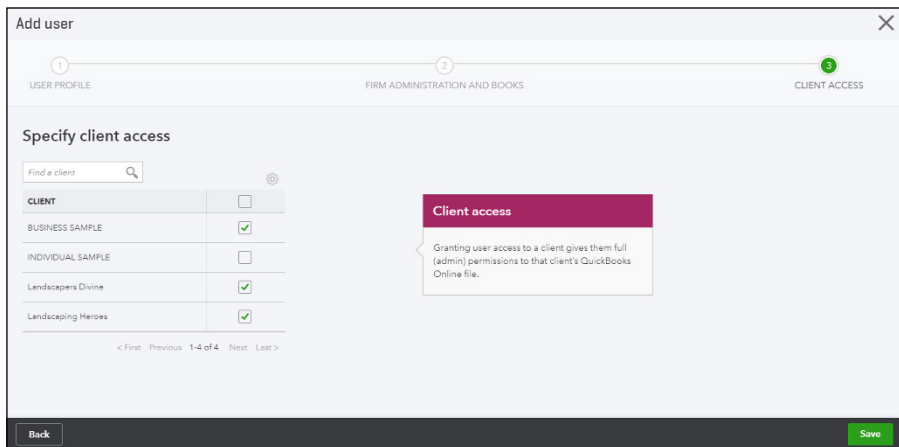


TIP

**7. Click Next in the lower right corner of the page.**

You can make changes to individual settings; if you do, QBOA sets the team member's access to Custom by default. 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.

**FIGURE 11-10:**  
You can provide a team member access to your firm's clients on a selective basis.

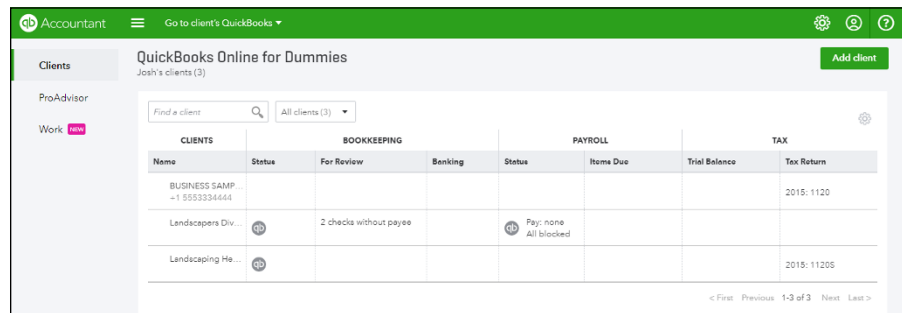


8. **Deselect clients as needed.**
9. **Click Save.**

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.

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 into 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.

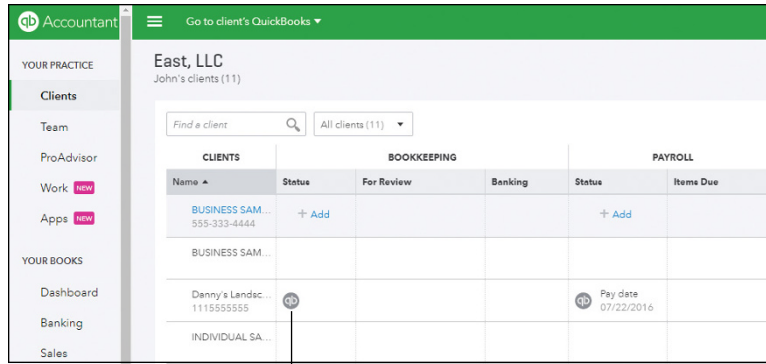
To make the team member inactive, click the Team page (refer to Figure 11-9) and click the team member. QBOA opens the Edit User dialog box; from the Status list box, choose Inactive and save your changes.

## 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.

**FIGURE 11-12:**  
Click a QuickBooks logo or use the Go to Client's QuickBooks list to open a client QBO company.



Click here to open a client QBO company.

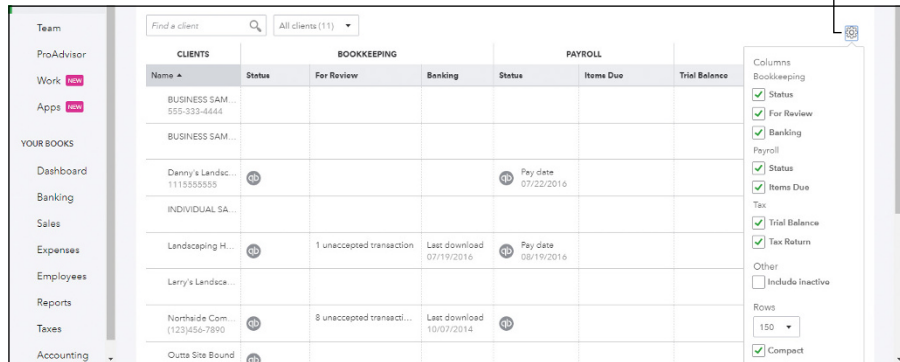


REMEMBER

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. And the QuickBooks logo that appears in the Payroll Status column opens the client's company and displays payroll information for the client company.

You can control the appearance of the Client List page. For example, you can control the number of clients listed on the page by limiting the number of rows that appear. You also can specify 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).

**FIGURE 11-13:**  
Control the number of rows and the information appearing on the Client List page.





REMEMBER

QBOA actually contains two 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.

## Understanding and Using the Free QBOA Company

As I 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 — Your Books in the Navigation bar, and QBOA opens your company. 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 desktop QuickBooks, you can, with some limitations, import information from your desktop QuickBooks 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 desktop QuickBooks information, and you can import only list information. For details on importing lists, see Chapter 4. If you want to try importing a desktop QuickBooks 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.



# 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:

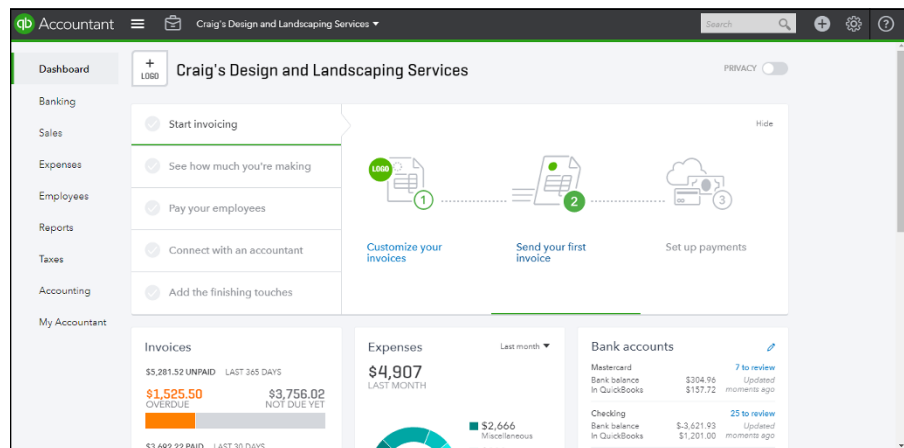
1. **Click the Gear button on the QBOA toolbar.**
2. **In the Your Company section, click Sample Company.**

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.

**FIGURE 11-14:**  
Craig's Design and Landscaping Services, the QBO and QBOA sample company.



End users (your clients) also have access to this sample company, but opening it isn't quite as easy as it is for you. Direct your clients to <https://accounting.quickbooks.com/redir/testdrive> and tell them to click the I'm Not a Robot check box and answer the questions the security verification poses — as I write this, the security verification is a “matching pictures” thing.

# Closing Companies and QBOA

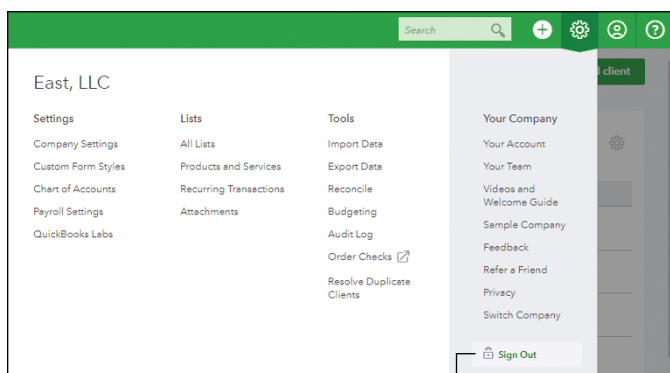
When you finish working in a company, you don't close it in QBOA the way you might using QuickBooks Desktop. When you switch from one client QBO company to another, QBOA automatically closes the first client's company.



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.

To close QBOA, click the Gear button on the QBOA toolbar and choose Sign Out (see Figure 11-15).



**FIGURE 11-15:**  
Exit from QBOA  
by signing out.

Click here.

## Working with Wholesale Billing

As I 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. The bill you receive from Intuit is a single consolidated bill for all the QBO subscriptions you manage. I provide some details on the Wholesale Pricing program here; for more information, contact Intuit.



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.

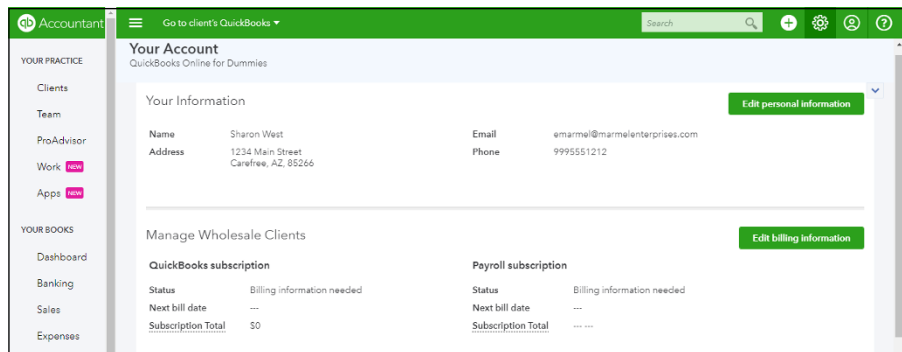
## Signing up for Wholesale Billing

Accounting professionals are automatically signed up for the free Wholesale Billing program when they log into 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. **Select Your Account under Your Company.**

The Your Account page appears. In Figure 11-16, I'm working in a dummy QBOA company, so you don't really see any data, but you do see what the page looks like.



**FIGURE 11-16:**  
The Your Account page in QBOA.

3. **Click the Edit Billing Information button.**
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.

## 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 I 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.

Suppose that some of these clients later decide that they want you to manage their QBO subscriptions — for example, they might want to take advantage of the price break you can provide through a Wholesale Billing subscription. In these cases, you can move these clients from their retail subscriptions to your Wholesale Billing subscription.

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 Client 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 Canada).
- » 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.

- Wholesale Billing is not available to QBSE/Turbo Tax bundle users because QBOA has its own default tax software.
- 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 Your Account.**

The Your Account window appears.

- 4. In the Wholesale Clients section, click the Move Clients to Wholesale button in the Actions column.**

The Move Clients to Wholesale Billing page appears, displaying only those clients not currently part of your Wholesale Billing subscription. 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 Next.**
- 6. Review your selections and, when you’re satisfied they are correct, click Move Clients.**

A page appears that identifies clients that migrated correctly and clients whose migration failed.



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 that 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.

## 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 or QBO Plus. You cannot add QBO Simple Start companies to a Wholesale Billing subscription.

## Removing clients from your Wholesale Billing subscription

Sometimes, things just don't work out between you and a client. If you have previously added that client's QBO company to your Wholesale Billing subscription and you need to part ways, 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 Your Account.**  
The Your Account window appears.
3. **Scroll down to the Wholesale Clients section and find the company you want remove from your Wholesale Billing subscription.**
4. **In the Actions column, click Remove from Wholesale.**



REMEMBER

Once you remove a QBO company from your Wholesale Billing subscription, that QBO company will no longer be eligible for the wholesale discount, and all previous discounts will be removed as well. The client QBO subscriber will be billed the standard rate for his subscription 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. **Click the name of the client you want to make inactive.**

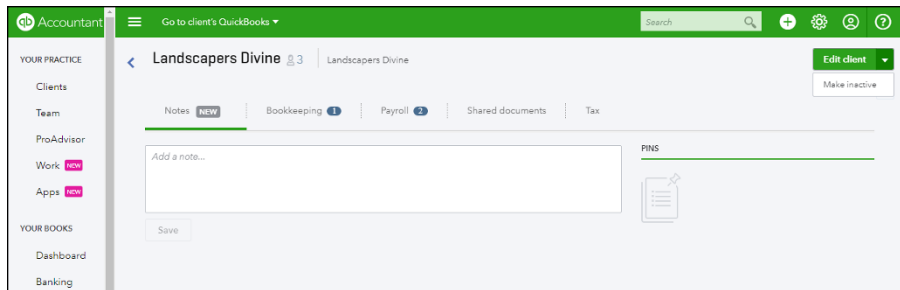


REMEMBER

It's very important to click the client's name in the Name column; clicking anywhere else on the client's line won't work.

A page like the one shown in Figure 11-17 appears.

**FIGURE 11-17:**  
The page you use to make a client inactive.



3. **Click the down arrow beside the Edit Client button.**
4. **Click Make Inactive.**

QBO asks if you're sure you want to make the client inactive.

5. **Click Yes.**

QBO redisplay the page shown previously in Figure 11-17, but "(deleted)" appears beside the client's name and the Edit Client button becomes the Make Active button.

6. **Click Clients in the Navigation bar.**

The client no longer appears on the Clients page.



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 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, repeat the steps in this section, clicking the Make Active button in Step 4.



# 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 Your Account.**  
The Your Account window appears.
3. **Scroll down to the Wholesale Clients section.**
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.

#### IN THIS CHAPTER

- » Adding client QBO companies to the QBOA Client List
- » Importing company data from desktop QuickBooks to QBO
- » Switching between client QBO company files in QBOA

## Chapter **12**

# Adding Companies to the QBOA Client List

**A**fter 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 desktop QuickBooks 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.

## Having a client invite you to be the accountant user

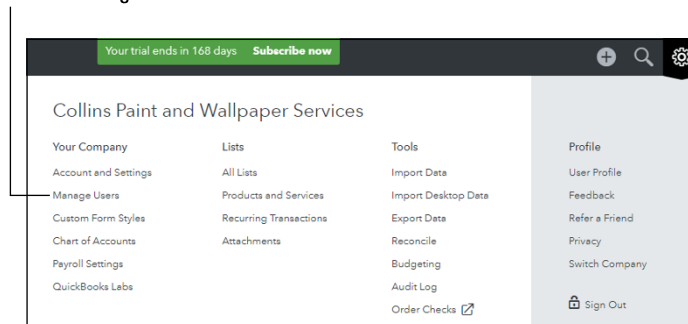
When a client creates his own company, he accepts the responsibility to pay for the company's QBO subscription. Even so, your client can invite you to access the company using the Invite Accountant process in QBO. You can manage any type of QBO subscription in QBOA, including Schedule C and Pro-Connect 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).

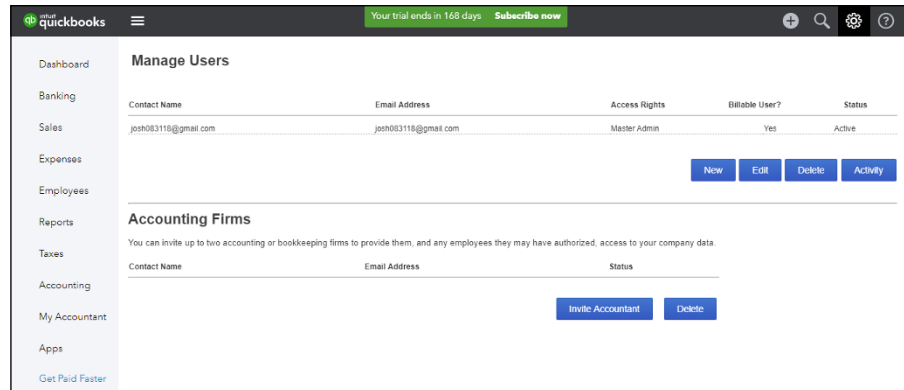
Click Manage Users.



**FIGURE 12-1:**  
The Gear menu  
in QBO.

## 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, enables the client to add users to the QBO subscription (assuming it is not a Simple Start subscription), and also displays accounting firms the client has invited to access the QBO file (see Figure 12-2).



**FIGURE 12-2:**  
The Manage  
Users page.



**TIP**

## 3. Have your client click the Invite Accountant button.

If your client hasn't allowed pop-ups in the browser, he might see a message indicating that a pop-up was blocked. Have your client enable pop-ups for qbo.intuit.com.

The window shown in Figure 12-3 appears.

## 4. Have your client provide your email address and click Next.

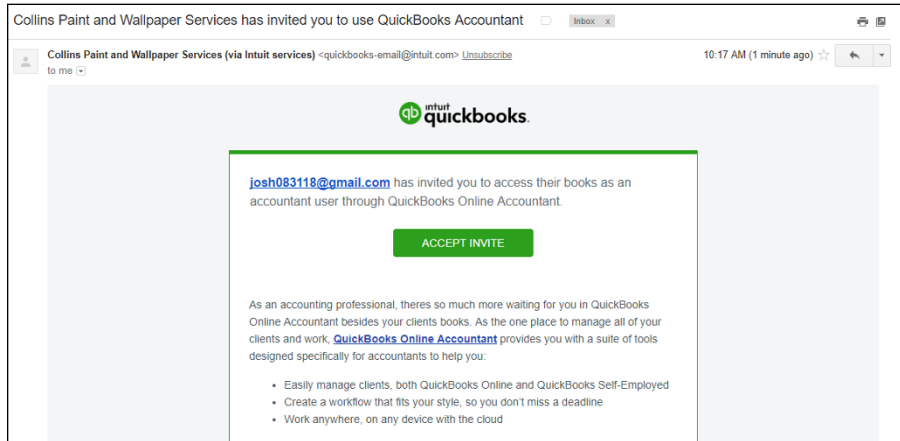
The Finish Inviting Accountant page appears, explaining that, when the client clicks Finish, an email will be sent to the accountant that invites the accountant to sign in to the client's company.

## 5. Click Finish.

The email message is sent and the Manage Users page is updated to indicate that the accountant has been sent an 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 Invite button, and your default browser opens to the QBOA login page. Fill in your QBOA email or user ID and password, and a Success! message appears. Click Continue, and QBOA opens; the new client appears in your list on the Client List page. 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.

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, choose 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.**

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 *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 12-5).

Client contact information

Business  Individual

Business name \*  Email \*

Display name as  Mobile

[+ Add more info](#)

QuickBooks subscription [Compare](#)

Wholesale discount (firm is billed)  Direct discount (client is billed)

Plus **Most Popular** \$50/mo 50% off for life of the subscription<sup>1</sup> **\$25/mo**

Wholesale discount

Grow your practice by bundling QuickBooks into the services you provide clients.

[Learn more](#) about the benefits of the wholesale discount.

Essentials

**FIGURE 12-5:**  
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.
6. In the QuickBooks Subscription section, choose whether the client is billed directly or whether you want to add the client to your Wholesale Billing description.
7. Select a type of QBO subscription (Plus, Essentials, or Self-Employed).
8. 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.



**9. Identify firm team members who should have access to the client QBO company.**

You can change access privileges later.

**10. Click Save.**

QBOA does some work and creates the company, which appears in the list of companies on the Clients page.

## **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.

The process of transferring the master administrator role to a client involves first inviting the client to become a company administrator. After the client accepts the invitation to become a company administrator, you can 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. Follow these steps:

**1. Open the client company using the Go to Client's QuickBooks list on the QBOA toolbar.**

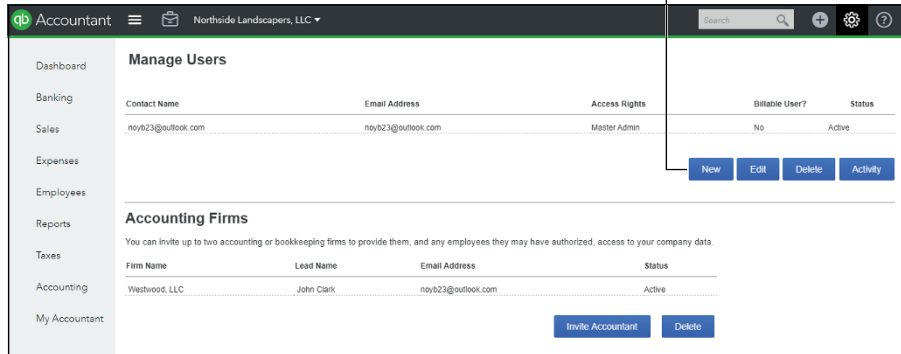
**2. Click the Gear button on the QBOA toolbar and choose Manage Users.**

QBO displays the Manage Users page, which also contains the list of accountant users in the Accounting Firms section. In Figure 12-6, note that the accountant user in the Accounting Firms section at the bottom of the page and the master administrator in the Manage Users section at the top of the page belong to the same QBOA user.

**3. Click New in the Manage Users section to add a new company administrator user.**

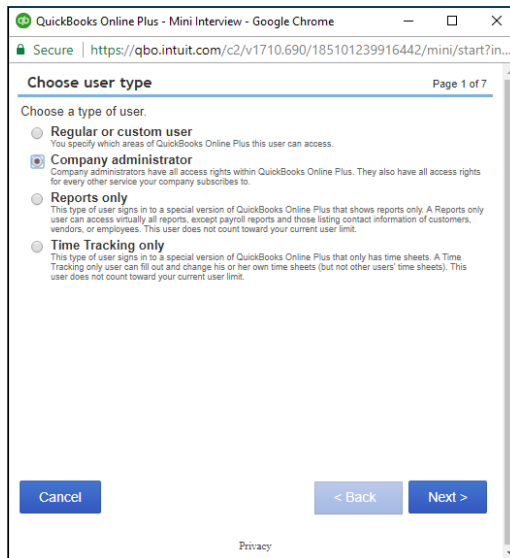
A wizard starts.

Click here to invite your client to become the company administrator for his QBO account.



**FIGURE 12-6:**  
The Manage Users page for a company created for a client by a QBOA user.

**4. On the Choose User Type page, shown in Figure 12-7, select Company Administrator and click Next.**



**FIGURE 12-7:**  
Select Company Administrator.

**5. On the Enter User's Email Address page, shown in Figure 12-8, provide the client's email address (and optionally, name) and click Next.**

The Finish Adding User page appears and explains that QBO will send an email invitation to the user to sign into the company. The email explains that he must create a QBO user ID unless he already has one. In most cases, if you set up a company for a client, the client doesn't yet have a QBO login.

**Enter user's email address** Page 6 of 7

Email address of user to add

Confirm email

Name (Optional)  
 First  MI  Last

The user will be sent an email that contains a link for signing into your company.  
 The user will be asked to create a user ID before signing in the first time, unless they already have an account with Intuit Business Services.  
 Until the user signs in, their status on the Manage Users page is "Invited." After accepting the invitation, their status changes to "Active."

[Privacy](#)

**FIGURE 12-8:** Identify the user you want to set up as a Company Administrator.

## 6. Click Finish.

The new user appears on the Manage Users page in Pending status (see Figure 12-9).

**Manage Users**

Contact Name	Email Address	Access Rights	Billable User?	Status
John Clark	noy623@outlook.com	Master Admin	No	Active
josh083110-master@gmail.com	josh083110-master@gmail.com	Company Admin	Pending	Invited <input type="button" value="Resend"/>

**Accounting Firms**  
 You can invite up to two accounting or bookkeeping firms to provide them, and any employees they may have authorized, access to your company data.

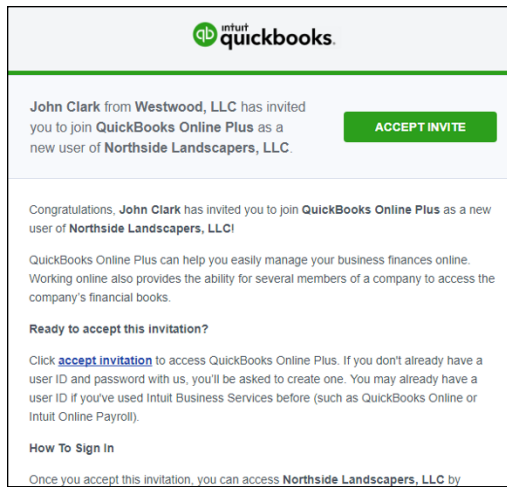
Firm Name	Lead Name	Email Address	Status
Westwood, LLC	John Clark	noy623@outlook.com	Active

**FIGURE 12-9:** The Manage Users page after successfully sending a message to a client to become a company administrator.

When the client receives the email invitation to become the company administrator, the invitation looks something like the one shown in Figure 12-10.

When the client clicks the Accept Invitation button in the email to accept the invitation, a QBO login screen appears using the qbo.intuit.com web address. Typically, the client doesn't have a QBO login yet and so goes through the process of creating a new one; when he finishes, he's logged in to QBO and receives a message indicating that he successfully accepted the invitation.

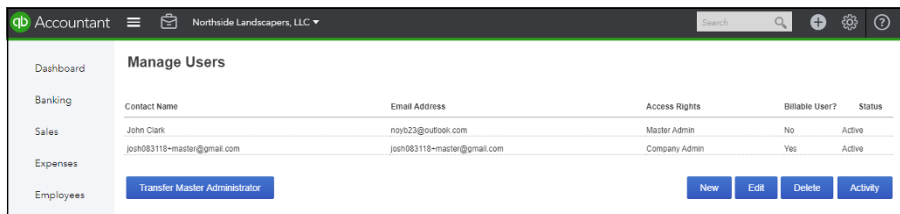
**FIGURE 12-10:**  
The sample email a client receives when invited to become a QBO Company Administrator.



## Transferring the master administrator role to the client

In the meantime, you, the QBOA user, can use QBOA to open the client's QBO company. On the Manage Users page, you can see that the status of the client's company administrator role is no longer Pending, but you are still listed as the master administrator (see Figure 12-11).

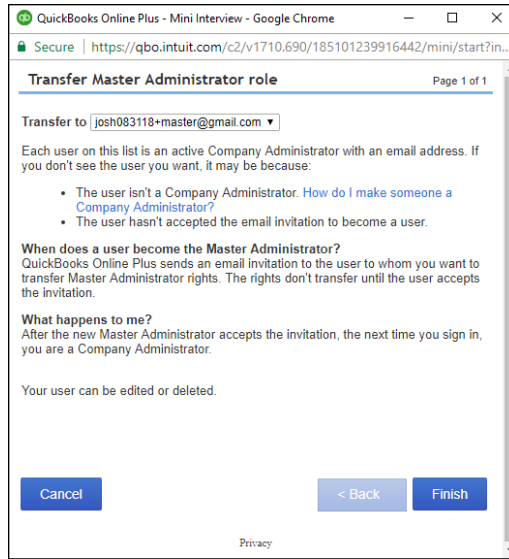
**FIGURE 12-11:**  
The client's new role as company administrator is now active, but you're still the master administrator.



Now that you've established a company administrator for the client company, you can follow these steps to transfer the master administrator role to the client:

- 1. In QBOA, open the client's company.**
- 2. Click the Gear button on the QBOA toolbar and choose Manage Users.**  
The Manage Users page still lists you as the master administrator.
- 3. Click Transfer Master Administrator.**  
The Transfer Master Administrator Role page appears (see Figure 12-12).

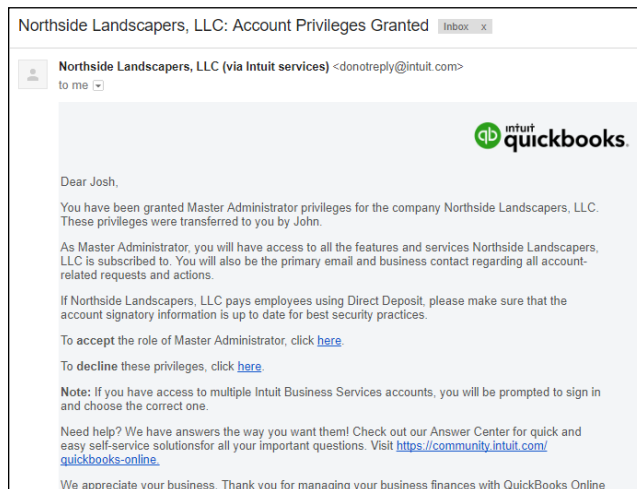
**FIGURE 12-12:**  
Use this page to transfer the role of Master Administrator to your client.



4. Select a user who should assume the master administrator role.
5. Click Finish.

QBOA sends an email invitation to your client to become the master administrator; email looks very much like the one shown in Figure 12-13, 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.

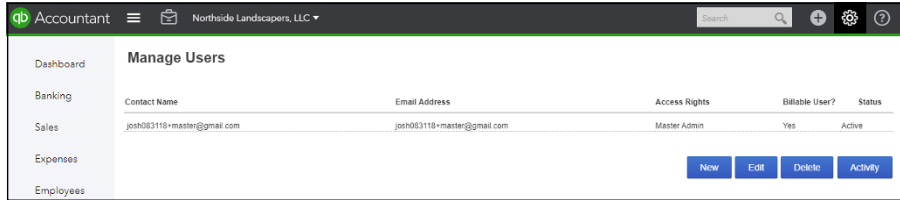
**FIGURE 12-13:**  
A sample of the email the client receives when you invite him to become the master administrator.



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 (see Figure 12-14).

**FIGURE 12-14:**

The client company's Manage Users page after transferring the master administrator role.



## Importing Desktop QuickBooks Information

If you've been using 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 company's information into a QBO company. Accountants also can help clients import their QuickBooks Desktop companies into QBO companies.



**TIP**

Users in countries other than the U.S. and Canada 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.

Assuming that you meet the criteria previously outlined, read on.

### General conversion considerations

Before you dive into converting your data, stack the odds 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 12-15. In particular, take note of the number of targets listed. If your data file's number of targets falls below 350,000, you can proceed.

## Total targets

Product Information	
Product	QuickBooks Premier Edition 2015 Release R14P
License number	0349-5940-6483-108 REGISTERED
Product number	192-484 R14_32
User Licenses	5
Installed	07/27/2016
USAGE INFORMATION	
Date First Used	07/26/2016
Audit Trail	Enabled since 12/15/2007 01:27:10
Number of Uses	673
FILE INFORMATION	
Location	C:\Users\Public\Documents\Intuit\QuickBooks\Sample Company Files\QuickBooks 2015\sample_product-based business.qbw
Versions Used on File	
File Size	36412 K
Page Size	4096
Total Transactions	1221
Total Targets	5947
Total Links	2500
Dictionary Entries	196
DB File Fragments	2
Schema version	107.23
Server Port	0
Server IP	192.168.1.18
Server Name	QB_data_engine_25
# of Users Logged In	1
Current Cache Size	128
Max Cache Size	256
LOCAL SERVER INFORMATION	
Hosting:	Off
Initial Cache	128
Cache	256
Server IP	0
Server Port	0
Server Name	
DB Engine version	11.0.1.2584
SERVICES INFORMATION	
AuthID	
Company Realm ID	null
Online Billing Token	
Shopping Source Token	
INTEGRATED APPLICATION INFORMATION	
# of apps	3
Last accessed	08/23/2007 11:08:12
CONDENSE INFORMATION	
Last run	None
Last as of date	None
Last payroll deleted	None
Last inventory deleted	None
List Information	
Total Accounts:	116
Total Names:	212
Customers:	146
Vendors:	54
Employees:	3
Free Memory	2878740 K

**FIGURE 12-15:** 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.

Next, using the U.S. version of the QuickBooks Desktop product, 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.

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.

## Importing a QuickBooks Desktop company

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 using QuickBooks U.S., including companies with the multicurrency feature turned on, as long as the company meets the target limitation of 350,000. You also can import QuickBooks Desktop companies using U.K. 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:



REMEMBER

- » 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.

When I say “accountant company files,” I’m 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 U.K. and Canadian.
- » You cannot import non-Intuit accounting software company files. If you need to import company data from a non-Intuit product, you 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. I suggest you review Appendix A 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 following list identifies some of the more visible things that don’t convert. For details, see Appendix A.



## PAYROLL AND DATA CONVERSION

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 set up QuickBooks Online Payroll until after you convert your desktop data.



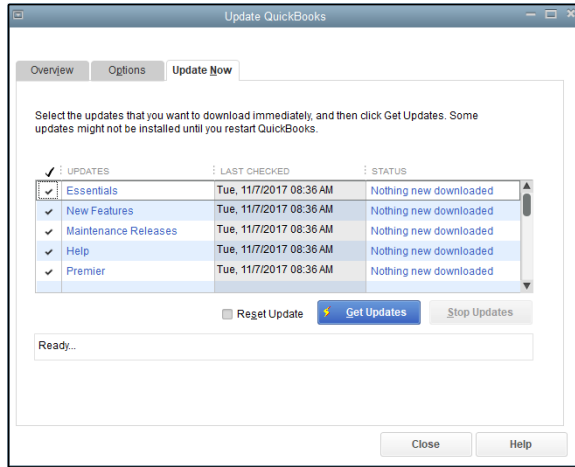
TIP

- » 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.
- » Reports: Find a similar report in QBO and customize it to your preference. See Chapter 10, and you can check out QBO's 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 don't convert except for estimates and purchase orders.

### Updating your edition of QuickBooks

The first step you should take in the process of importing data from a desktop QuickBooks company is to make sure that your edition of QuickBooks Desktop is up to date. Follow these steps:

- 1. Open the desktop edition of QuickBooks.**
- 2. Choose Help ⇨ Update QuickBooks.**  
The Update QuickBooks window appears.
- 3. Click the Update Now tab (see Figure 12-16) 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 12-16:**  
Select all update areas.

Next, exit from QuickBooks and restart it; if QuickBooks downloaded updates, it will prompt 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.
- » 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

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, I set up an empty QBO company before I 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.

A wizard starts to walk you through the process of exporting the data.

**2. Sign in to your QBO account.**

If you don't have a QBO account yet, you can click Create a New 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.

**3. 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.

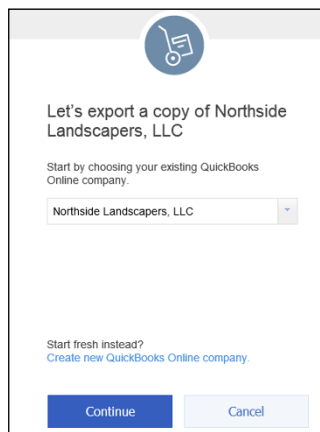


REMEMBER

Only QBO Plus supports inventory. If you opt to import inventory, your accounting method will change to FIFO and you will need to file Form 3115 with the IRS. If QBO identifies any errors with inventory during the importing process, the process will fail 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 will flag any errors with inventory if they appear during import.

**4. Select your QBO company (see Figure 12-17).**

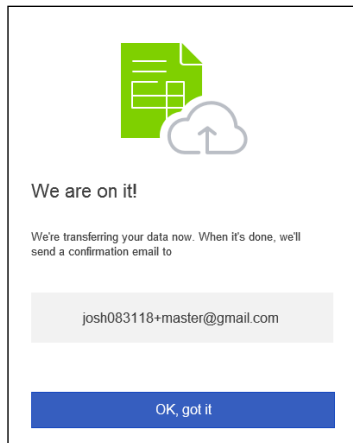
**FIGURE 12-17:** Select whether you want to overwrite an existing QBO company or create a new one for your desktop QuickBooks company data.



I selected an existing empty company; choosing an existing company makes QBO overwrite any data already in that company.

**5. Click Continue.**

QBO makes a copy of your QuickBooks Desktop company file and imports it into your QBO company. A message appears, letting you know that you'll receive an email when the process finishes (see Figure 12-18).



**FIGURE 12-18:** This message appears after you finish your part of the export/import process.

**6. Click OK, Got It.**

**7. You can close the QuickBooks Desktop product.**

When the email arrives, the message will resemble the one shown in Figure 12-19. You can click the Complete Your Setup button to log in to the QBO company, or you can use the QBO interface.



**FIGURE 12-19:** A sample of the email message you receive after exporting a desktop QuickBooks company to QBO.



If you click the Continue to Account Setup button in the email, a new browser tab appears displaying the QBO sign-in page.

TIP

## After converting . . .

After conversion finishes, you need to double-check things to make sure that the data looks the way you expected. Check your email; you'll find a message to you, the accountant, confirming that the data was imported and containing an attached Import Summary report — an Excel file that helps you determine what information in the QuickBooks Desktop company didn't make it to the QBO company.



If your client does the conversion and you are the accountant user for the QBO account, you'll receive the report and your client won't unless you send it to him.

TIP

In addition to reviewing the Import Summary report, I 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.



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.

TIP

## 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 or Plus and the subscription is 90 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 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.

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.

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.

## 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.

- » Opening a client QBO company from QBOA
- » Reviewing client QBO company settings

## Chapter **13**

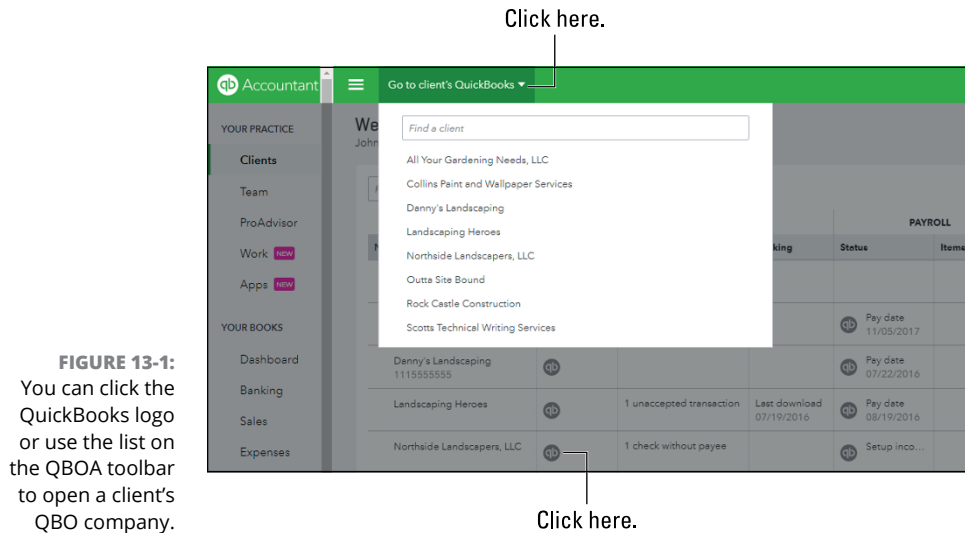
# Exploring a Client's Company from QBOA

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). Alternatively, you can use the Go to Client's 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).

You don't need to take any special action to close a client QBO company; you can simply open another client QBO company, or you can sign out of QBOA from 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. In particular, you'll want to review the settings, the Chart of Accounts, and the lists of client QBO companies.

### Examining company setup information

You review company setup information to make sure that the client QBO company uses the correct accounting method, employer identification number (EIN), and legal business organization. To review company settings, follow these steps:

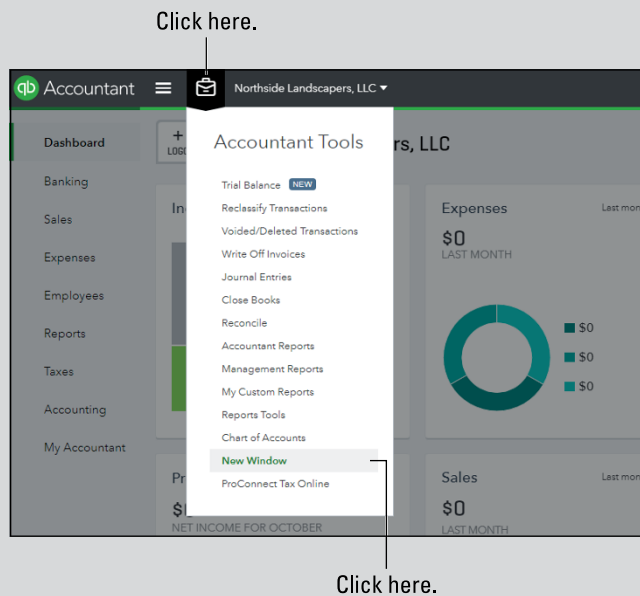
- 1. Open the client QBO company you want to review.**

You can click the QuickBooks logo on the Clients page of QBOA, or you can use the list of clients in the QBOA toolbar.



## WORKING IN MULTIPLE WINDOWS

While working in one client QBO company, you can open different QBO pages. Click the Accountant Toolbox 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.

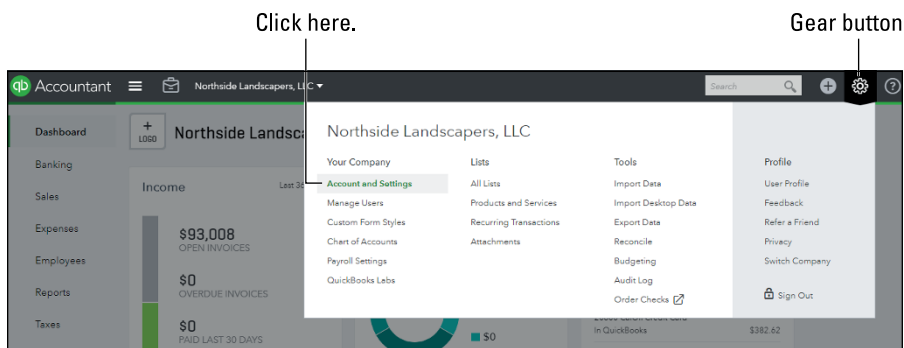


To access two different client companies simultaneously, you can't just open another browser tab. Instead, you need to use separate browsers. Or, if you're using Chrome, you can sign into Chrome as a different user. See Chapter 17 for details on Chrome users.

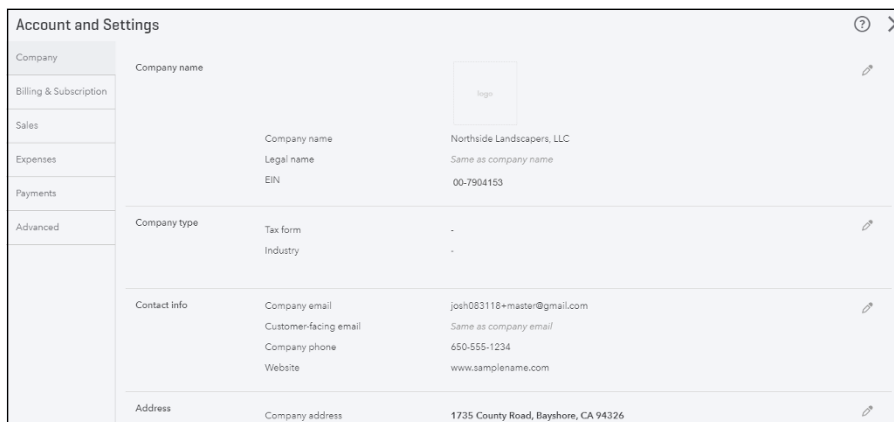
- 2. Click the Gear button on the right side of the QBOA toolbar to display the Gear menu (see Figure 13-2).**
- 3. From the Your Company group on the left side of the Gear menu, click Account and Settings.**

The Company tab (selected on the left side of the Account and Settings dialog box) appears (see Figure 13-3).

**FIGURE 13-2:**  
The Gear menu.



**FIGURE 13-3:**  
The 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 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 13-4).

#### 6. 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

**FIGURE 13-4:**  
Review and, if necessary, make changes to settings on the Advanced tab of the Settings dialog box.

Account and Settings			
Company	Accounting	First month of fiscal year	January
Billing & Subscription		First month of income tax year	Same as fiscal year
Sales		Accounting method	Accrual
Expenses		Close the books	Off
Payments	Company type	Tax form	
Advanced	Chart of accounts	Enable account numbers	On
		Shipping account	Shipping Income
		Markup income account	40150 Construction Income
	Categories	Track classes	On
		Track locations	Off
	Automation	Pre-fill forms with previously entered content	Off
		Automatically apply credits	Off
		Automatically invoice unbilled activity	Off
		Copy estimates to invoices	Off

- The settings in the Chart of Accounts section
- The settings in the Other Preferences section, which isn't shown in Figure 13-4 but includes displaying warnings when duplicate check numbers and bill numbers are used

## 7. 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. In the client QBO company, click Accounting to display the Chart of Accounts page shown in Figure 13-5. Be aware that you might see a screen suggesting that you take a peek under the hood; if you see this screen, click the See Your Chart of Accounts button.

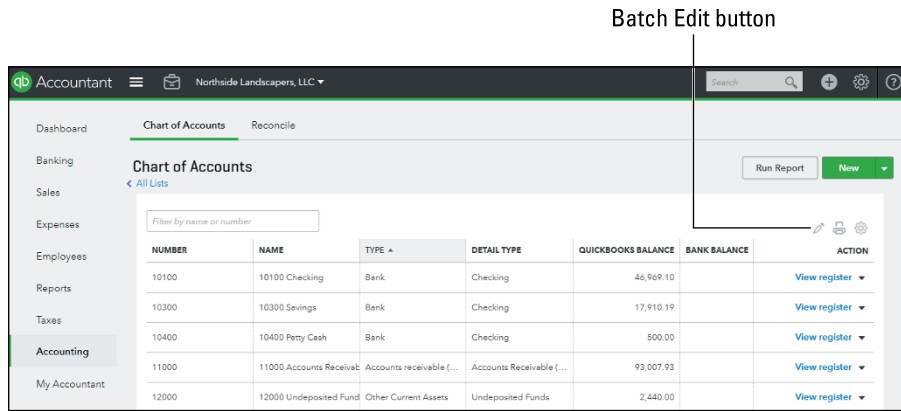


TIP

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 13-4), the Chart of Accounts page displays a column for account numbers at the left edge of the Chart of Accounts page and the Batch Edit button in the upper right corner — it looks like a pencil. You'll use the Batch Edit button to add account numbers, as described later in this chapter in the section “Adding account numbers.”

**FIGURE 13-5:** From the Chart of Accounts page, you can add and edit 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.

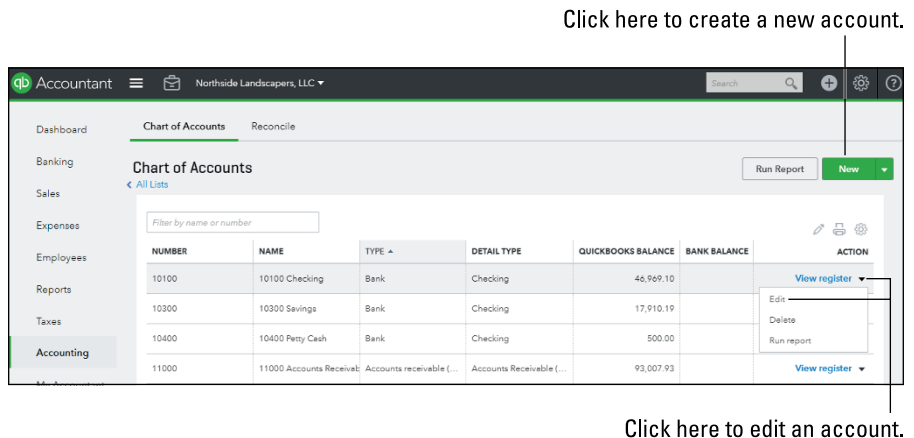


TIP

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 I'll 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 13-6).

**FIGURE 13-6:** 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. Beside any Income or Expense account, you can click Run Report to display a QuickReport for the account.

## Adding account numbers

I promised I'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 13-4.

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 13-7.

**FIGURE 13-7:** Use this page to set up account numbers for the Chart of Accounts.

NUMBER	NAME	TYPE	DETAIL TYPE	QUICKBOOKS BALANCE	BANK BALANCE
10000	Checking	Bank	Checking	37,455.87	
11000	Inventory	Other Current Assets	Inventory	0.00	
11150	Inventory Asset	Other Current Assets	Inventory	0.00	
11200	Uncategorized Asset	Other Current Assets	Other Current Assets	0.00	
11300	Undeposited Funds	Other Current Assets	Undeposited Funds	0.00	
20000	Visa	Credit Card	Credit Card	5.67	
	Payroll Liabilities	Other Current Liabilities	Payroll Tax Payable	642.74	

Type account numbers in the Number column. Save buttons appear at the top- and bottom-right corners of the page; click either button after you finish entering the account numbers.

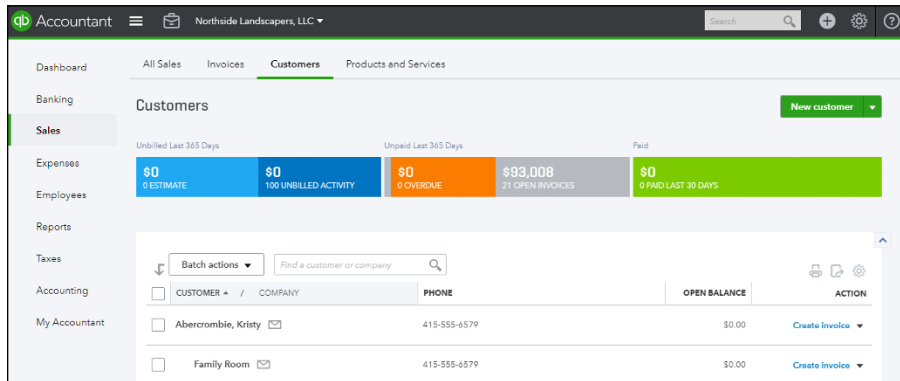


TIP

Because a QBOA session times out by default after 60 minutes of nonuse, you might want to save periodically as you enter account numbers. Also, after you enter 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 13-8, you click Sales in the Navigation bar and then click the Customers tab at the top of the page.



**FIGURE 13-8:**  
The Customers  
page.

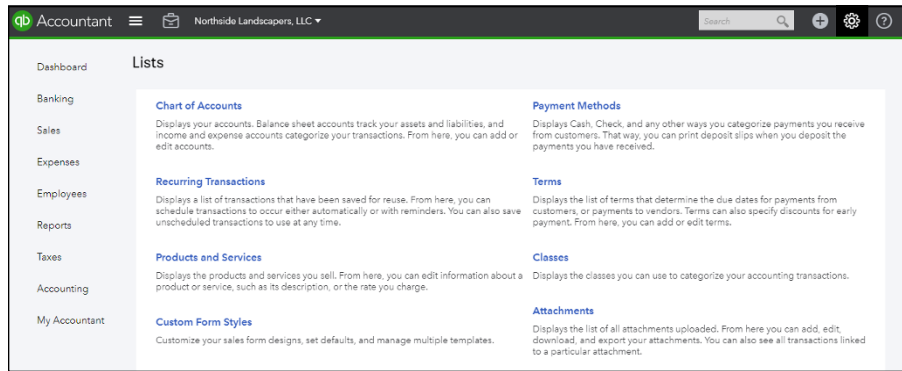
To view vendor information, click Expenses in the Navigation bar and then click the Vendors tab at the top of the page. Your path to the list of employees is more direct; simply click Employees in the Navigation bar.

On any of these pages, 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. And you can use the Batch Actions button (just below the filter bar) 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 13-9, which you can use to navigate to any list other than a people-oriented list.

For more extensive details on working with lists, see Chapter 4.

**FIGURE 13-9:**  
Use this page to open any list other than the Customers, Vendors, or Employees list.



## Exporting and importing bank feed rules

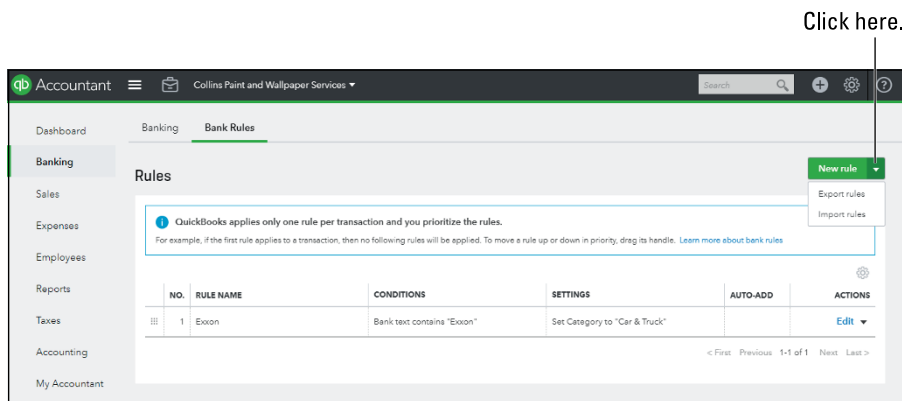
When your client takes advantage of bank feeds and downloads transactions from the bank to his QBO company, you can help ensure that the transactions post properly. In many cases, the rules used by one client can apply to another, so, rather than re-creating rules, export them from one client and import 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 from the Navigation bar.**
2. **On the Bank and Credit Cards page, click the Bank Rules tab.**  
QBO displays the Rules page (see Figure 13-10).
3. **Click the down arrow beside the New Rule button.**

**FIGURE 13-10:**  
Use this page to export rules from one client and import them to another.



**4. 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 I outline in the following steps. Click Close in the QBO message.

**5. Switch to the company to which you want to import these rules.**

**6. Repeat Steps 1 to 4; in Step 4, choose Import Rules.**

QBO starts a wizard that helps you import the rules.

**7. On the first Import Rules Wizard screen, select the file you created in Step 4 and click Next.**

**8. On the second wizard screen, select the rules you want to import and click Next.**

**9. 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.

**10. Click Finish.**

QBO redisplay the Rules page for the client you opened in Step 5, where you can verify that the rules you wanted to import appear.

For more detail on working with rules, see Chapter 8.



- » Navigating with shortcuts
- » Working with transactions
- » Documenting miscellaneous client information
- » Communicating with clients

## Chapter **14**

# Working in a Client's Company

**Y**ou 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, I focus on ways you can navigate easily, search for and review transactions, and communicate with clients.

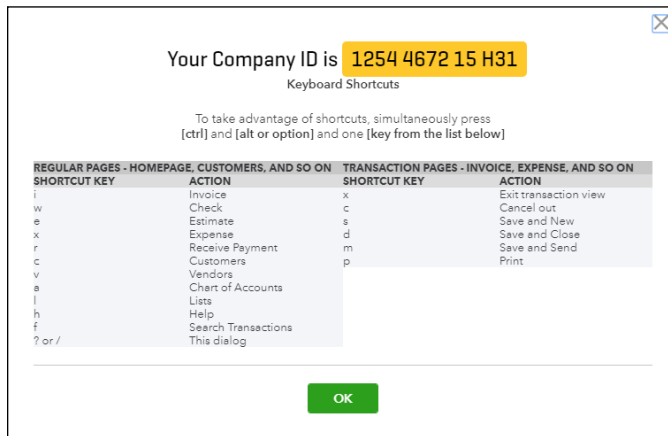
## Making Navigation Easy

Much of mouse navigation is obvious; click here and 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 17 and 18 for more information.

### Using keyboard shortcuts

Hidden away in QBO companies are keyboard shortcuts that you might want to use. I show them here in Figure 14-1, and you also can find them on this book's cheat sheet.

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.



**FIGURE 14-1:** Keyboard shortcuts you can use while working in a client QBO company.

To view these shortcuts (and the current client QBO Company ID), press and hold Ctrl+Alt and then press the forward slash (/) key. Mac users, substitute Option for Alt 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.

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

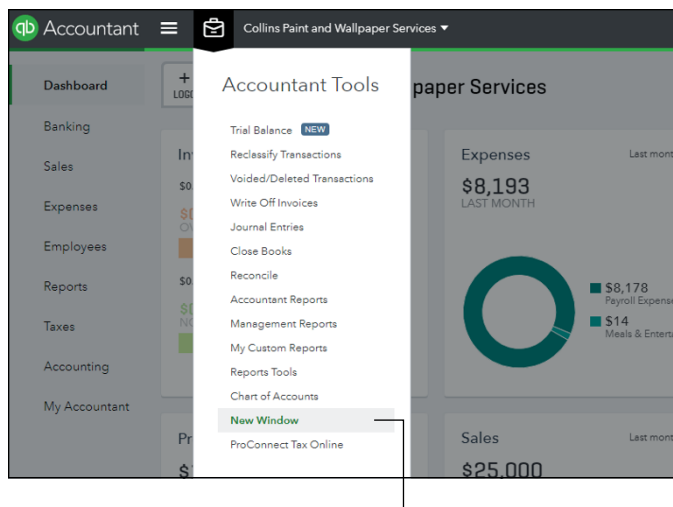
Many times, accountants want to work with multiple windows, and you can do that in QBO. Within the same QBO company, you can duplicate a browser tab using the New Window command on the Accountant Tools menu on the QBOA toolbar (see Figure 14-2). You can read more about the other commands on the Accountant Tools menu in Chapter 15.



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.

**FIGURE 14-2:**  
Use the New Window command while working in a QBO company to duplicate the window you're viewing.



Click here to duplicate the current browser tab.

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.

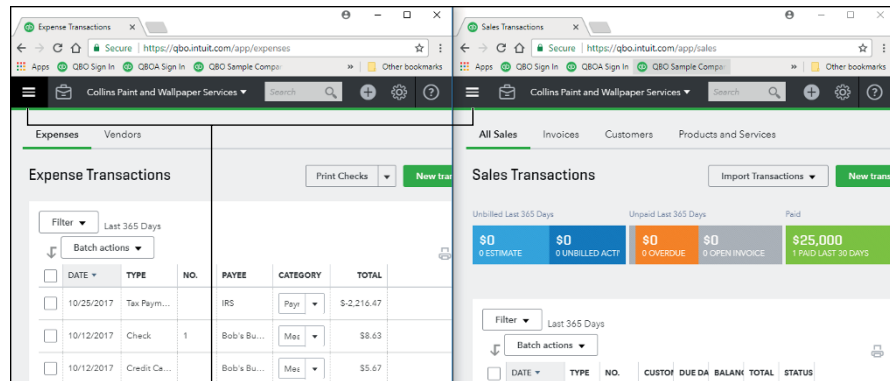
If you're a fan of "split screen," you can use a Windows shortcut to display two tabs side by side or top to bottom (one on top of the other). Follow these steps in either Chrome or Firefox:

- 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.
- Press the up arrow key to pin the active window to the top of the monitor.
- Press the down arrow key to pin the active window to the bottom of the monitor.

**4. Click the other available window to make it the active window and repeat Step 3.**

In Figure 14-3, I pinned two windows side by side onscreen.



**FIGURE 14-3:**  
Two windows  
pinned side  
by side.

Click here to hide the Navigation bar.



**TIP**

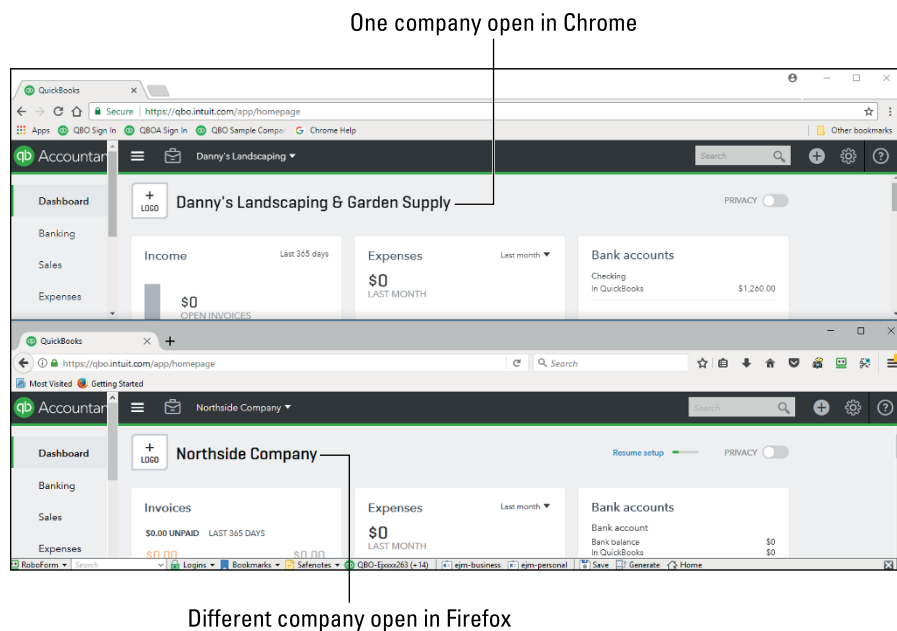
You can click the menu button in either or both windows to hide the Navigation bar (giving more screen real estate to the data as I did in Figure 14-3).

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 Client's 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 for the client QBO company 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 into QBOA, and open a second client QBO company. For example, if you’re working in Chrome, you could open Firefox using the same QBOA login information. You can then open two different companies, as I did in Figure 14-4.



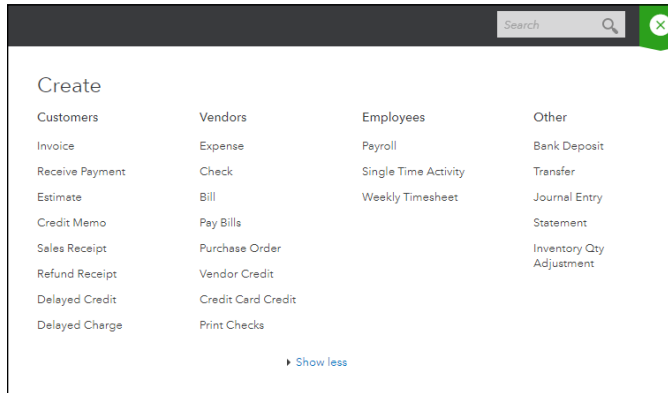
**FIGURE 14-4:** To work in two companies at the same time, you can use two browsers.

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, I cover transactions in some detail, so I’m not going to repeat that information here. But you can see the available transactions by opening a client QBO company and then clicking the Create menu (the plus sign). Figure 14-5 shows the Create menu open; remember that the Create menu button appears as a plus sign before you click it and an X after you click it.

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.



**FIGURE 14-5:** The transactions you can create while working in a QBO company.

If you want to view only the more commonly used transactions, click the Show Less link at the bottom of the Create menu. The link changes to the Show More link so that you can redisplay all types of transactions.

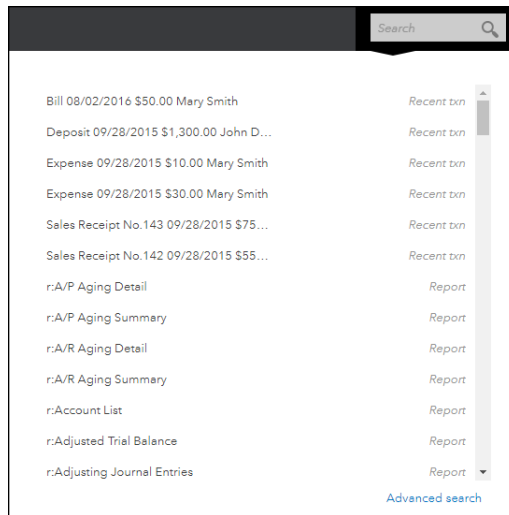
## Searching for Transactions

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 reports.

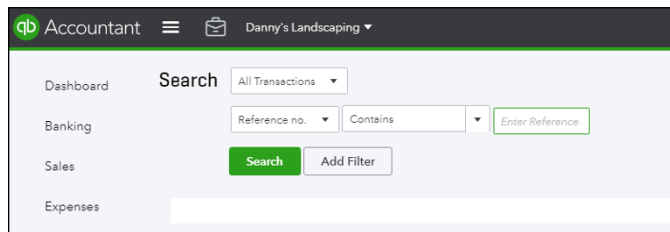
If you see the transaction or report you want, you can click it to open it in the appropriate window. If you *don’t* see the transaction or report you want, you have a couple of options.

First, you can type in the Search box, and QBO responds with sample results. If you still don’t see the result you want, try your second option: Click Advanced Search in the lower right corner of the menu, and QBO displays the Search page (see Figure 14-7).

**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.



**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.



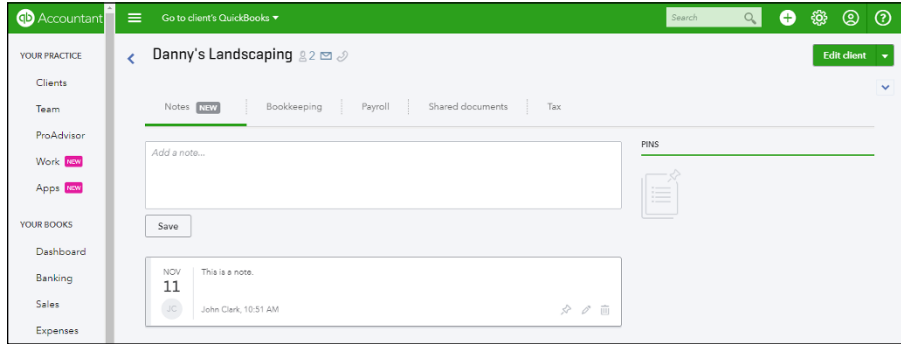
TIP

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, click Clients in the Navigation bar and, in your Client list, click the name of the client for whom you want to create a note. 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. Once you save a note, you can pin it; move the mouse pointer over the note 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.
- » Click the trash can icon to delete the note.

If notes exist for a client, you'll see a piece of paper beside the client's name on the Clients page. Click the piece of paper to open the Notes page.

## Communicating with a Client

Communication is essential in all walks of life, including between a client and an accountant. In QBO and QBOA, you can communicate with your clients in two ways:

- » You can communicate about specific transactions.
- » You can communicate in a general way.



# Communicating about a specific transaction

QBO and QBOA enable you to communicate with your client about existing transactions. The communication is two-way; you or your client can send a message, and the message recipient can answer.



REMEMBER

You can communicate about certain types of transactions but not others. In general, you can communicate about posting transactions such as invoices, deposits, bills, payments to customers, checks to vendors, and credit card transactions. But you won't find the Conversation button referred to in this section in windows for cash and non-posting transactions such as sales receipts, expense transactions, billable expenses, delayed charges, credit memos, and paycheck and payroll-related windows.

Although either you or your client can initiate messaging, I start from the QBOA interface and post a message to a client. Follow these steps:

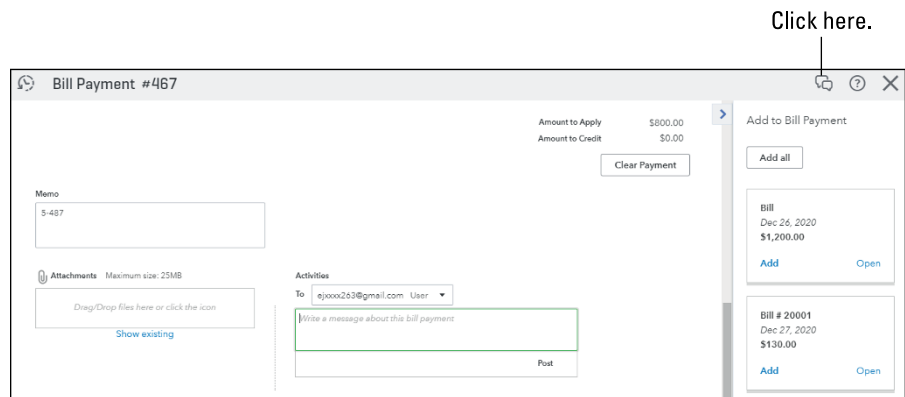
1. **Open the client company.**
2. **Open the transaction you question.**  
For this example, I opened a bill payment.
3. **In the upper right corner of the transaction window, click the Conversation button (see Figure 14-9).**

QBOA displays the bottom of the transaction window, which contains an Activities section.



REMEMBER

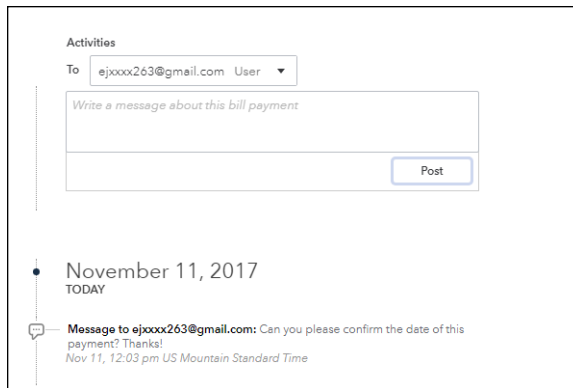
The Activities section doesn't appear while you're creating a new transaction; it appears only on previously created transactions.



**FIGURE 14-9:**  
Creating a message to a client.

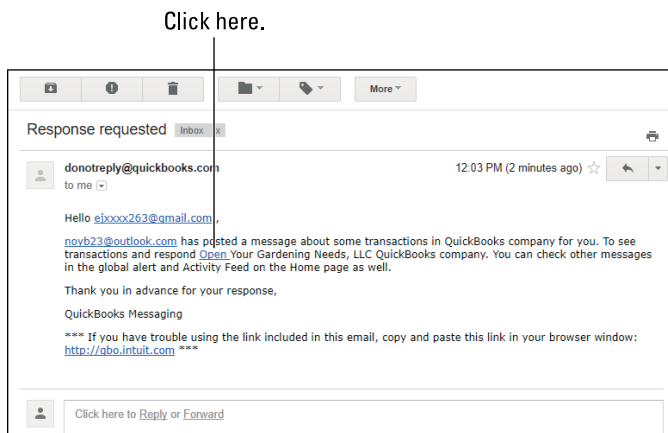
4. In the Activities section, click the drop-down list to select a message recipient.
5. Type your message.
6. Click Post.

QBOA sends an email message to the recipient, and the posted message appears at the bottom of the Activities section, along with the date and time the message was posted (see Figure 14-10).



**FIGURE 14-10:** Posted messages appear below the Activities section.

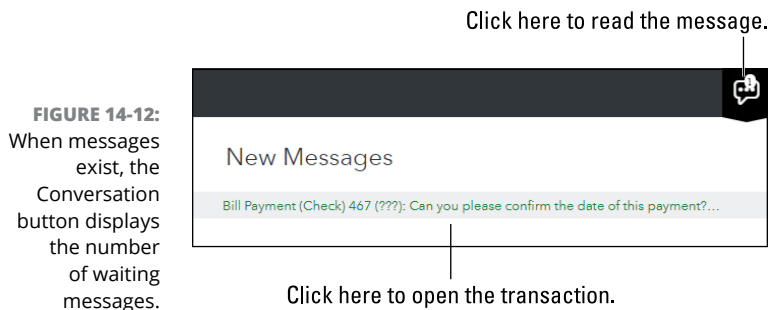
When the message recipient opens email, a message like the one shown in Figure 14-11 appears, explaining that a message concerning a particular transaction has been posted in the recipient's QBO company.



**FIGURE 14-11:** An email message about a transaction.

To view the message and respond, the recipient can click the link in the message; the link initially displays the QBO sign-in page so that the client can sign in to his company. If your client initiates the conversation, the QBOA sign-in page appears.

Once the client signs in, the Conversation button appears in the upper right corner of the QBO company Home page, beside the Gear button (see Figure 14-12). The Conversation button contains the number 1, indicating that the client has one message, and the client can click the Conversation button to view the message.



**FIGURE 14-12:** When messages exist, the Conversation button displays the number of waiting messages.

If the client then clicks the message, the transaction from which the message originated opens. The client can then scroll to the bottom of the message, and, in the Activities area shown earlier in Figure 14-9, respond to the message by selecting a recipient, typing a message, and posting it. The process continues as each party to the communication sends an email notification of a message to a recipient, who clicks the link in the message to open the company and read and respond. The message conversation continues to appear at the bottom of the transaction.

## 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 only visible when a QBO user signs into the company. In this way, a client might have multiple accountants from different firms (no, I don't know why a client might want to do that, but it can happen); 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.

# Communicating on any subject

You also can communicate with clients who have a QBO subscription in a general way, without using a specific transaction. You can, for example, request that your client send you a bank statement. You use Client Requests to communicate in a general way; you send a message from QBOA and it appears on the My Accountant page of the client's QBO company. Follow these steps:



TIP

If you prefer, you can skip using QBOA and QBO to communicate with clients in a general way; you can just use email.

## 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 14-13).

Create client request

Request name \*

Bank Statement

Client \*

Collins Paint and Wallpaper s

Due date \*

11/16/2017

Status

To do

Details

Please send me your October 31 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 QuickBooks

**FIGURE 14-13:** Use this panel to communicate with a QBO client in a general way.

## 3. Type a name for the request.

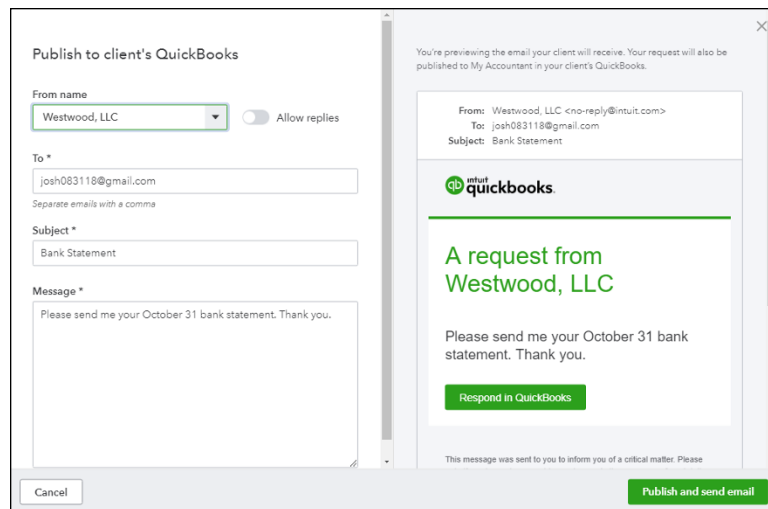
Think of this as the subject line of an email message.

## 4. Select a client.

Only clients with QBO subscriptions will appear in the list.

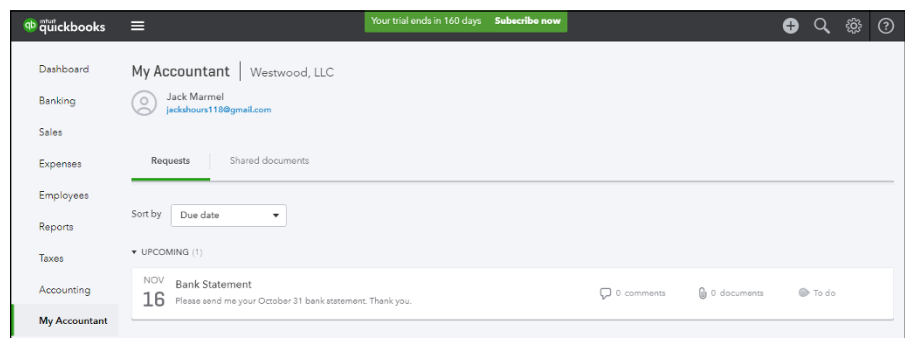
5. Supply the due date for the request.
6. Optionally, complete the rest of the fields on the request form, including adding any documents you want to send to your client.
7. You can optionally select the Notify Client check box to send a QBOA-generated email to the client, notifying him of the request.
8. Click Publish to Client's QuickBooks.

If you selected Notify Client in Step 7, QBOA displays a preview of the message you will be sending to your client (see Figure 14-14). After you review it, click Publish and Send Email.



**FIGURE 14-14:**  
A preview of a Client Request message.

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 14-15).



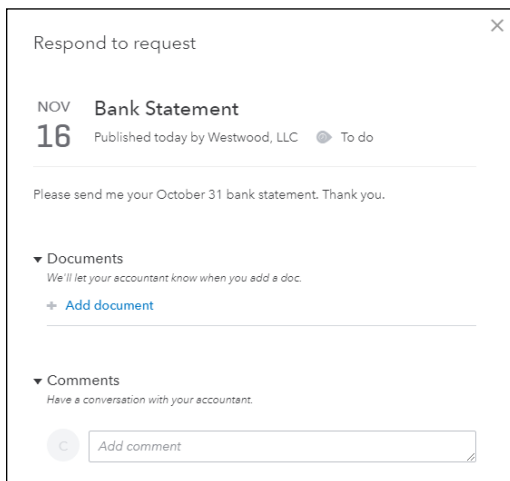
**FIGURE 14-15:**  
A Client Request in a client's QBO company.

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 14-16, where the client can write a message and attach any needed documents.



REMEMBER

Documents can be no larger than 30MB.



**FIGURE 14-16:** The panel your client uses to respond to a Client Request you generated.

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. 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 will appear on the Work tab.

- » Working with sales tax
- » Reviewing tools for accountants

## Chapter **15**

# Using Accountant Tools

**A**ccountant tools are available to anybody who opens a client QBO company from QBOA.

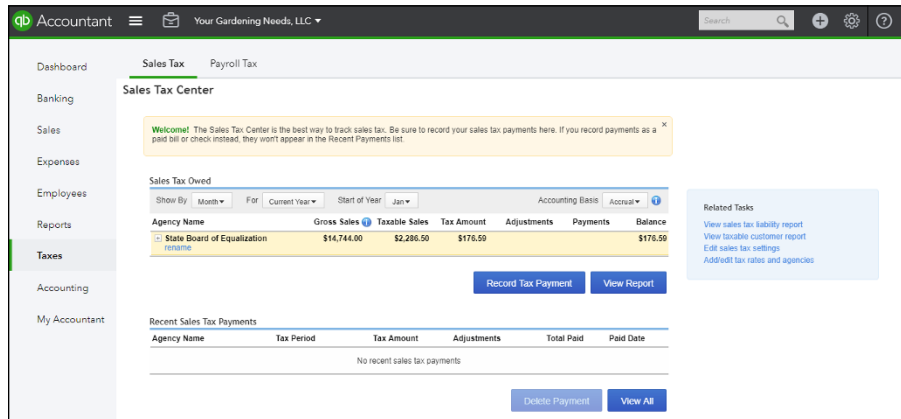
You can become a user in a QBO company in one of two ways:

- » 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 I 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 start off with that information.

# 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 to display the Sales Tax Center shown in Figure 15-1. The first time anyone displays the Sales Tax Center, that person will be prompted to set up sales taxes; a wizard walks you through the process.



**FIGURE 15-1:** Use the Sales Tax Center to manage and pay sales tax.

You can click the View Report button to display the Sales Tax Liability Report, and on the right side of the Sales Tax Center page, in the Related Tasks box, you'll find a link to view a list of taxable customers. Also in the Related Tasks box, you'll find links you can use to edit sales tax settings and add or edit tax rates and agencies.

To pay a particular taxing authority, you select the taxing authority by clicking its name and then click Record Tax Payment to pay sales tax; when you do, QBO displays the Record Sales Tax Payment dialog box shown in Figure 15-2.

QBO calculates the amount due to a sales tax agency, and you can confirm the amount or adjust it. Notice that the payment is made to the sales tax agency. Be aware that QBO doesn't treat the agency as a vendor. You won't see the sales tax agency on the Vendor List page, and you can't use the Check window or the Pay Bills window to pay a sales tax agency. In this way, QBO helps avoid applying sales tax payments incorrectly.



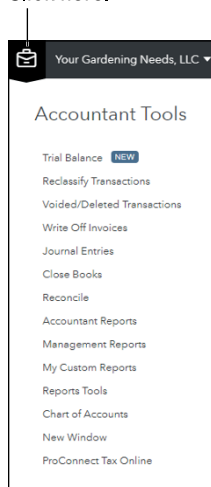
**FIGURE 15-2:**  
Use this dialog box to record a sales tax payment.

## 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.

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 15-3.

Click here.



**FIGURE 15-3:**  
The Accountant Tools menu contains commands specifically designed to aid the accountant.

# Managing your practice

Before we dive into using the tools on the Accountant Tools menu, let's examine 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 and all your clients are listed on the Clients page in QBOA.

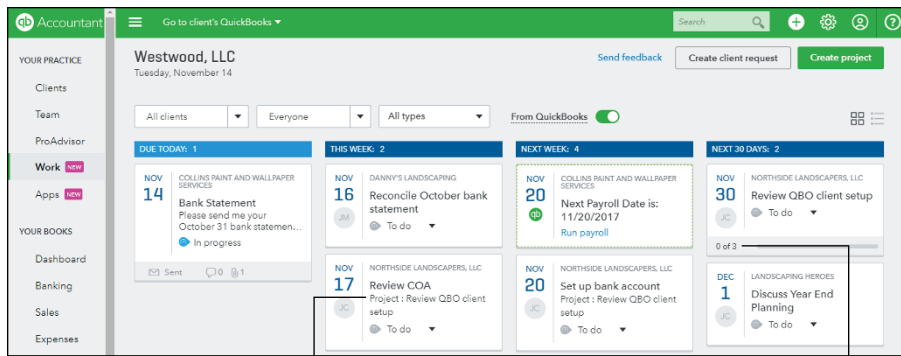


REMEMBER

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 clients — the ones to whom your team member has access.

## Working with the Grid view

When you click Work in the Navigation pane, QBOA displays the default Grid view of the page (see Figure 15-4). The Grid view displays cards organized into date ranges (Due Today, This Week, Next Week, and in the Next 30 days).



**FIGURE 15-4:** The Grid view of the Work page in QBOA.

The project associated with this task

Project containing three tasks

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 particular clients and 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

At the present time, 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 page organizes projects and tasks by due date, you won't see any type of visual connection between a project and a task; that is, no lines appear, connecting a task to a project, because the Grid page isn't a flow chart. But, QBOA identifies projects with tasks and the tasks associated with a project. For projects with tasks, QBOA displays the number of tasks in a project in the lower left corner of the project's card (refer to Figure 15-4). And, on each task associated with a project, you see the project name just below the task name (again, refer to Figure 15-4).

## 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 things that need to be done. You assign dates to the projects to ensure that you know the deadlines attached to the project. You identify the client with whom the project is associated and the team member who has responsibility for the project. Projects are typically general things you need to do by a specified deadline date.

You can 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.

To create a project and tasks, follow these steps:

- 1. Click Work in the Navigation pane.**

QBOA displays the Work page for your firm.

- 2. Click Create Project.**

QBOA opens a panel on the right side of the page that you use to create a project (see Figure 15-5).

- 3. Fill in a name for the project, select the QBO client with whom the project is associated, set a due date, and assign the project to one of your team members.**

You can add details for the project if you want.



REMEMBER

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.



TIP

Some projects, like reconciling a bank statement, need to repeat on a regular basis; for those projects, tap the Repeat slider to set up the time frame QBOA should use to repeat the project.

The screenshot shows a 'Create project' dialog box. At the top, it says 'Create project' with a close button. Below that is a text input field for 'Project name \*' containing 'Review QBO client setup'. Underneath are two dropdown menus: 'Client \*' set to 'Northside Landsc' and 'Due date \*' set to '11/30/2017'. To the right of the due date is a 'Repeat' toggle switch. Below these is an 'Assigned to \*' dropdown menu set to 'Me'. A 'Details' section contains a text area with the placeholder text 'Be as detailed as you want. You've got lots of room.'. Below the details is a 'Tasks' section with the note 'For you and your team. Tasks aren't shared with clients.' It features a calendar view for 'NOV' with the date '17' highlighted, and a task card for 'Review COA' with a 'To do' status and a menu icon. An 'Add a task' button is below the calendar. At the bottom right of the form is a green 'Save' button.

**FIGURE 15-5:**  
Creating a project  
with tasks.

**4. To add a task to a project, click Add a Task.**

QBOA displays a form for task information.

**5. Supply a task name, due date, and team member to whom you want to assign the task (see Figure 15-6).**

**6. To add another task, repeat Steps 4 and 5.**

There is no limit to the number of tasks you can create, and you don't save individual tasks; instead, you save the project.

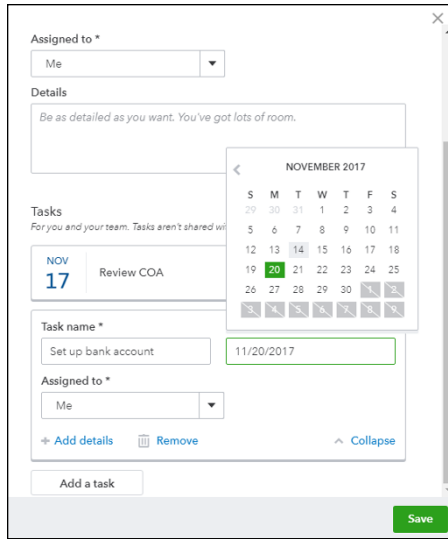
**7. Click Save to save the project and its tasks.**

QBOA redisplay the Work page, and your new projects and tasks appear on it.



TIP

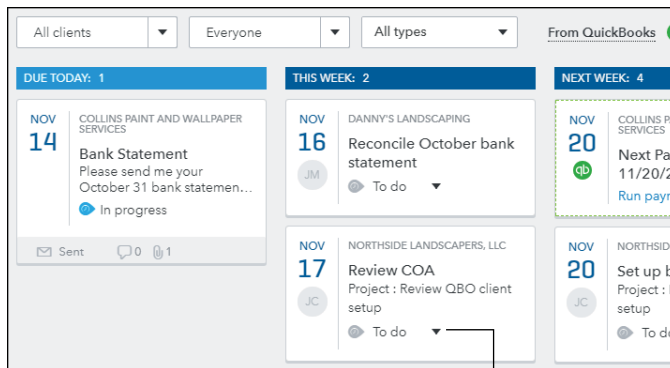
Many of the projects you create are similar to each other, so save yourself some work and duplicate an existing project or task to create a new one. Click the name of the existing project or task to open the Edit Project panel on the right side of the screen and then click the Duplicate button.



**FIGURE 15-6:**  
A task's due date can't be scheduled after the project due date.

## Editing and deleting project and task information

As you make progress on a task or project, you can update its status directly from the Grid view of the Work page. Click the down arrow on a task or project card to change its status (see Figure 15-7).



**FIGURE 15-7:**  
Use the down arrow on a task or project card to display the list of available statuses.

Click here to change a project or task status.

Projects can have a status of To Do, In Progress, Blocked, Done, or Canceled. Tasks can have any of these statuses except Canceled. You use the Blocked status when something is stopping you from completing a project or task.

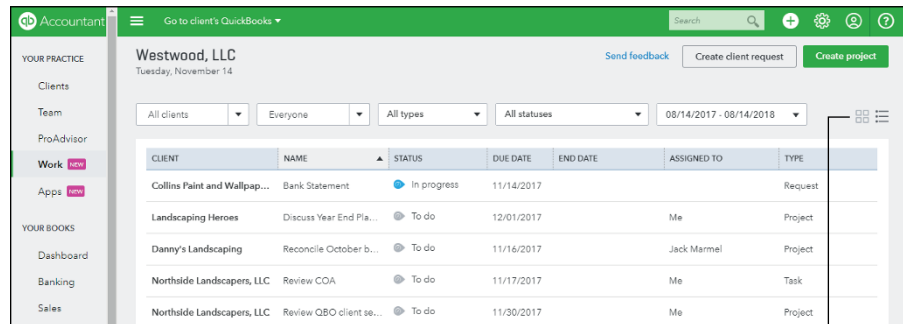
You can edit any project or task except those created automatically from a QBO company — you can only hide or display those automatically created tasks using the From QuickBooks slider.

To edit any project or task you created, click its name; QBOA then opens the Edit Project panel on the right side of the screen shown earlier in Figures 15-5 and 15-6; from there, you can make changes to information. You can delete any project by editing it and then clicking the trash can icon in the lower left corner of the Edit Project panel. Delete any task by clicking it to open the project in the Edit Project panel; QBOA places the focus in the panel on the task you clicked, and you'll find a Remove trash can icon for the task.

Although you can edit project and task information, you cannot change a project into a task or a task into a project.

## Working in the List view

The Grid view of the Work page — the default view shown earlier in Figures 15-4 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 a list view, as shown in Figure 15-8, by clicking the List View button in the upper right corner of the Work page (just below the Create Project button).



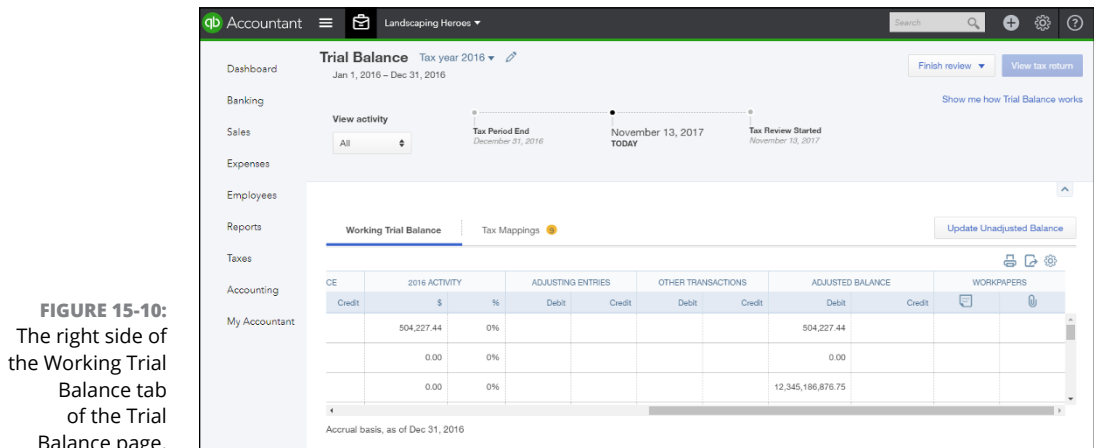
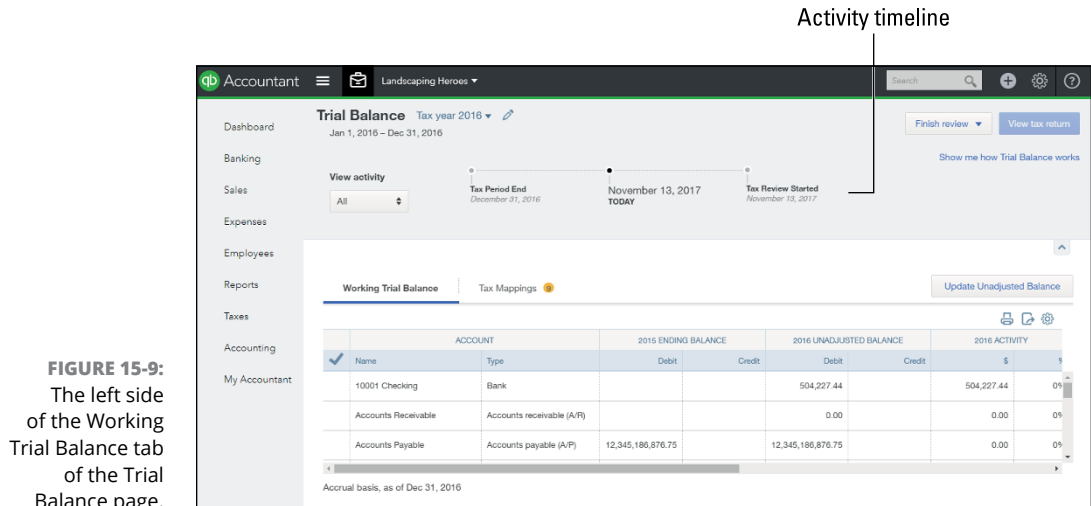
**FIGURE 15-8:**  
The Work page  
in List view.

Click here to switch between Grid and List views.

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.

# Understanding the Trial Balance page

You use the Trial Balance tool to, well, display the Trial Balance page. The page you see initially presents a working trial balance like the ones shown in Figures 15-9 and 15-10.



- » At the top of the page, you see the **Activity Timeline**, which shows client and accountant activities that impact the balances shown on the page.
- » The values in the **Unadjusted Balance** column are locked on the Trial Balance page to protect the integrity of the data in the Trial Balance

**workspace.** If you scroll to the right on the page (refer to Figure 15-5), you'll find columns that enable you to create adjusting entries as journal entries. As you move your mouse over the boxes in the Debit or Credit columns under the Adjusting Entries column, a plus sign (+) appears; click it and QBOA opens a journal entry window, where you can record the adjusting entry. Once you save the entry, QBOA redisplay the Trial Balance page and your adjustment appears; in addition, QBOA changes the Adjusted Balance column to reflect your adjustment.

- » **You can click the dollar value in the Adjusted Balance column to view, in a new browser tab, 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. The changes you make appear in the Other Transactions column on the Trial Balance page. When you redisplay the Trial Balance page, you can click the Update Unadjusted Balance button to have QBOA move data from the Other Transactions column to the Unadjusted Balance column.
- » **You can use the Workpapers column** to add notes and attach documents to a particular line to help you remember why you made a particular adjustment.
- » **As you finish reviewing lines, you can click the leftmost column** (refer to Figure 15-4) to place a check in it and mark the line as complete. You don't have to finish reviewing a Trial Balance page in one sitting; you can, instead, click the Finish Review button to either freeze the workspace and return later to unfreeze it and continue reviewing, or archive your work to a Zip file that QBOA downloads to your computer.

If you use ProConnect Tax Online, Intuit's cloud-based tax preparation software, to prepare a client's tax return, then you'll want to make sure that your client's accounts are mapped properly to lines on tax forms. The Trial Balance 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, 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.

Click the Tax Mappings tab on the Trial Balance page to see the page you use to map last year's client QBO company information directly into tax forms (see Figure 15-11).



TIP

If you haven't yet selected a tax form for the QBO company, the first time you select the Tax Mappings tab, you'll be prompted to select one. Or, you can click the Edit button (the pencil) beside the Tax year in the upper left corner of the Trial Balance page and select a tax form.



**FIGURE 15-11:**  
The Tax Mappings tab of the Trial Balance page.

ACCOUNT	TYPE	BALANCE	ACTION
30700 Members Contributions	Equity	500,000.00	Assign tax line
Retained Earnings	Equity	12,345,186,876.75	Assign tax line
<b>Line 1a, Gross receipts or sales</b>		<b>7,800.00</b>	
Sales	Income	7,500.00	Edit tax line

To assign an account to a tax form line or edit the line to which an account is assigned, click the appropriate link in the Action column. QBOA displays a list box from which you select the appropriate tax form line, and then click Save.

When you finish reviewing the Trial Balance page and making adjustments to entries, you can click View Tax Return to transfer the information to ProConnect Tax Online and generate a tax return. You don't pay anything to use the Trial Balance feature; you pay only when you print or e-file a return from ProConnect Tax Online.



If you don't use ProConnect Tax Online or you are not the tax preparer, you have the option to export the adjusted Trial Balance so that it can be imported into a separate application. Click the Export button immediately above the Action column.

## Reclassifying transactions

When you choose Reclassify Transactions from the Accountant Tools menu, the Reclassify Transactions page appears (see Figure 15-12). You can use this page to reclassify transactions without worrying about the company's closing date.

**FIGURE 15-12:**  
Use this page to reclassify transactions.

Date	Type	Num	Name	Memo	Account	Amount
09/23/2015	Bill		Bridge O'Brien	Opening Balance	Miscellaneous	19,000.00
09/23/2015	Bill		Jennie Tan	Opening Balance	Miscellaneous	1,004.00
09/23/2015	Bill		Nicholas Anderson	Opening Balance	Miscellaneous	10,999.00
09/23/2015	Vendor		Tommy Lepp	Opening Balance	Miscellaneous	-12,345.87
09/23/2015	Bill		Aaron E. Berthau	Opening Balance	Miscellaneous	1,234.00
09/23/2015	Bill		Kristen Bierman	Opening Balance	Miscellaneous	235,788.01
09/23/2015	Vendor		Adam Saraceno	10001 Checking	Bank	-1,000.88
09/04/2015	Vendor		Jon D Fassil	Accounts Receivable	Accounts receivable (A/R)	-9,000.00

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.

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.**

## 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 15-13) 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 here to display more than voided or deleted transactions.

**FIGURE 15-13:**  
Use the Audit Log  
to view all kinds  
of activity in the  
QBO company.

DATE CHANGED	USER	EVENT	NAME	DATE	AMOUNT	HISTORY
Nov 11, 11:57 am ...	Import Adminis...	Voided Check No. 188	City of East Bay...	08/05/2018	\$0.00	<a href="#">View</a>
Nov 11, 11:57 am ...	Import Adminis...	Voided Check No. 187	City of East Bay...	08/05/2018	\$0.00	<a href="#">View</a>
Nov 11, 11:57 am ...	Import Adminis...	Voided Check No. 439	Thomas Kitchen...	11/01/2019	\$0.00	<a href="#">View</a>
Nov 11, 11:57 am ...	Import Adminis...	Voided Check No. 438	Kershaw Comp...	11/01/2019	\$0.00	<a href="#">View</a>
Nov 11, 11:57 am ...	Import Adminis...	Voided Bill Payment (Check) No. 376	Holly Heating a...	08/18/2019	\$0.00	<a href="#">View</a>

## 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.

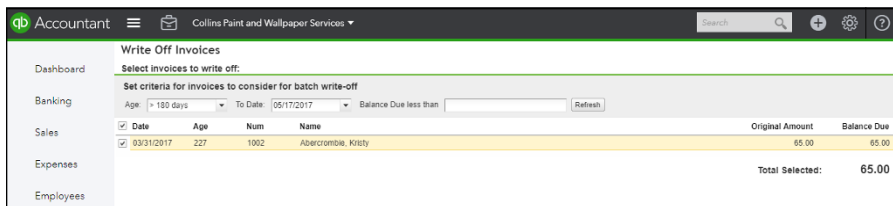
As you can see in Figure 15-14, QBOA displays the date, age, invoice number, customer name, original invoice amount, and the amount still due on the invoice. To write off any invoices, click the check box beside them. Then, at the bottom of the page, select the account you want to use to write off the invoices and click the Preview and Write Off button.



**WARNING**

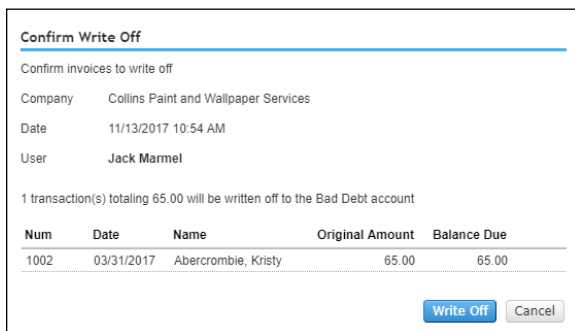
The Write Off feature does not make adjusting entries in the current period; instead, it makes adjustments in the period in which the transaction was originally created — and can negatively affect closed periods. To write off an item in a closed period, see this article online: <https://community.intuit.com/articles/1145951-write-off-bad-debt>.

**FIGURE 15-14:**  
Writing off  
invoices.



QBOA displays the Confirm Write Off dialog box shown in Figure 15-15. If the information in the dialog box is correct, click Write Off. Otherwise, click Cancel.

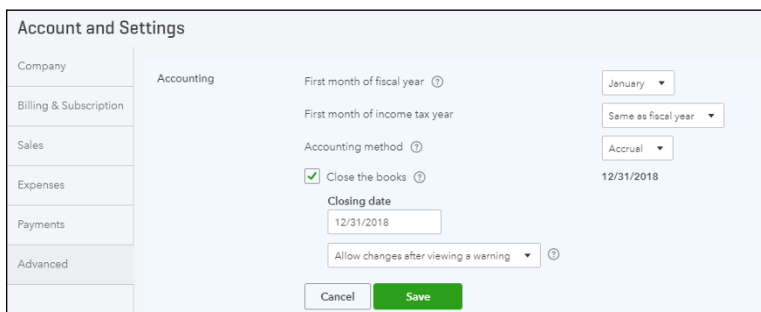
**FIGURE 15-15:**  
Confirm that you  
want to write off  
the selected  
invoices.



## Closing the books

You 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 15-16. You can click anywhere in the Accounting section to edit the fields in that section, which include the closing date for the books.

**FIGURE 15-16:**  
Setting a  
closing date.



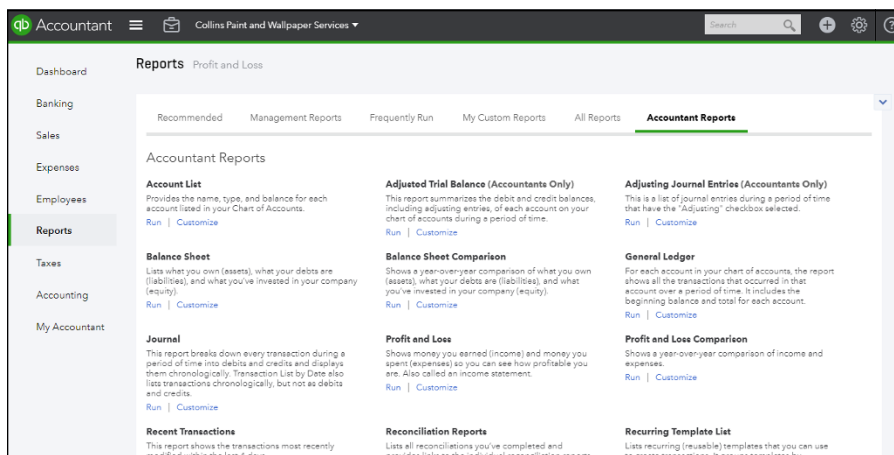
You can set a closing date and then allow changes prior to the closing date after QBO issues a warning, or you can require a password to enter changes prior to the closing date. Click Done to save your changes.

## 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. Below the Profit and Loss graphic, the Accountant Reports tab spotlights the reports available to QBOA users. In Figure 15-17, I hid the Profit and Loss graphic (click the arrow in the lower right corner of the graphic to hide and display it) so that you can see more of the reports on the Accountant Reports tab. But I still couldn't show all of them; when you're checking out these reports, be sure to scroll down the page.

**FIGURE 15-17:**  
Accountant-oriented reports available in QBOA.



If you choose Management Reports from the Accountant Tools menu (or if you click the Management Reports link that appears on the Reports page shown in Figure 15-17), QBOA displays two customized management-style reports: Expanded Company Financials and Basic Company Financials. Both reports display a collection of reports, complete with an elegant cover page and a table of contents.

The Expanded Company Financials report contains the P&L, Balance Sheet, Statement of Cash Flows, and the A/R Aging Detail and A/P Aging Detail reports. The Basic Company Financials report contains all reports except the Aging Detail

reports. Using the Edit link in the Action column, you can edit either 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 down arrow that appears in the Action column, you can print these reports, send them via email, export the information to PDF files or DOCX files, and make copies of them so that you can make your own set of management reports.



TIP

Copying one of these reports before you change it is a great idea; that way, you keep the original report intact but create your own version of it as well.

If you choose My Custom Reports from the Accountant Tools menu or from the Reports page, reports you have customized and saved appear. And you can click Reports Tools on the Accountant Tools menu to set default report dates and accounting basis. You also can see account reconciliation status for cash and credit card accounts and view and set company closing date information.

## A brief look at other accountant tools

The Accountant Tools menu contains a few other tools that make an accountant's life easier, such as the Reconcile page; from this page, you can opt to reconcile an account you select, or you can review existing reconciliation reports. For more detail on reconciling accounts, see Chapter 8.

Also from the Accountant Tools menu, you can choose Journal Entries to display the Journal Entry window, or Chart of Accounts to display the Chart of Accounts window; I describe working in the Chart of Accounts window in Chapter 13. You also can use the New Window command described in Chapter 14 to quickly open a new window in QBOA.

Last, from the Accountant Tools menu, you can choose ProConnect Tax Online, which opens a new browser window and takes you to the Tax Hub of ProConnect Tax Online, where you can see 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.

# 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.



- » Becoming familiar with Chrome users
- » Working with Chrome windows and tabs
- » Using the Omnibox
- » Understanding the star
- » Learning about the Chrome Menu
- » Signing in to and out of Chrome
- » Using the Chrome Web Store

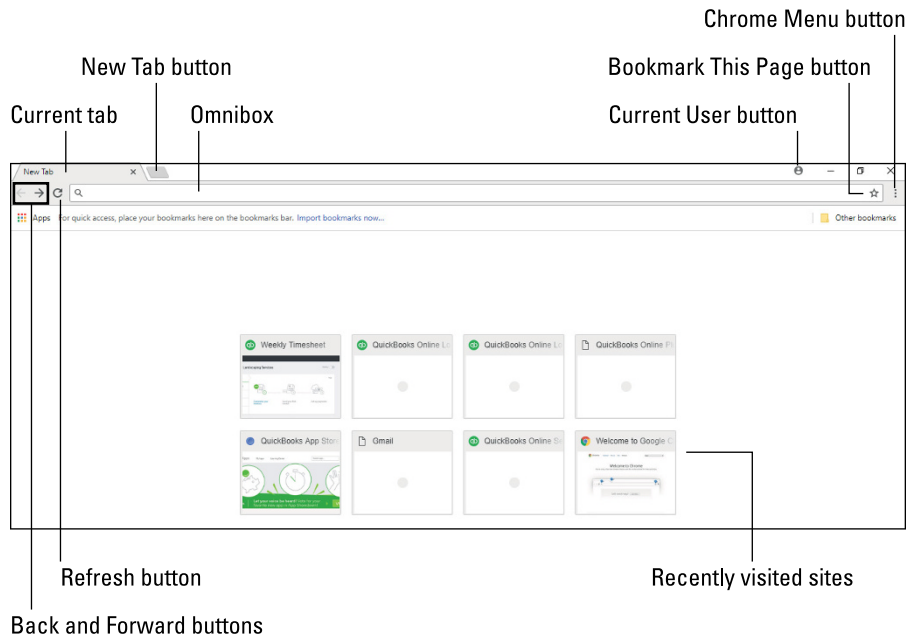
## Chapter **16**

# Almost Ten Things about the Chrome Browser Interface

**C**hrome — 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 Gmail for email, Google Maps, and Google Docs, 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 my experience, I 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.



**FIGURE 16-1:** Reviewing the Chrome interface.



TIP

If you don't already have Chrome installed on your computer, you can visit [www.google.com/chrome/browser](http://www.google.com/chrome/browser). From this web page, you can download and install Chrome.

## Understanding Users

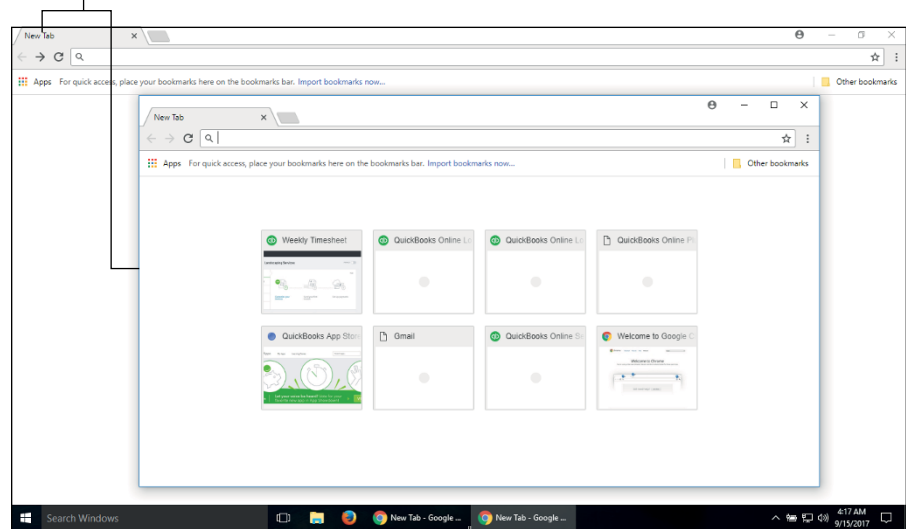
The Current User button in the top right corner of the screen represents a Chrome user. The icon may appear generically, as you see it in Figure 16-1, or it may display your name or email address. In Chrome, you can set up multiple users, each of whom can have different Chrome settings. In this way, 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, I'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



**FIGURE 16-2:** When you open a new Chrome window, two instances of Chrome run simultaneously.

Two Chrome icons appear on the taskbar.

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 short-cuts 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 back 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 (read on).

# 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.

A gray icon appears to the left of each suggestion in the Omnibox; the icon indicates the type of suggestion:

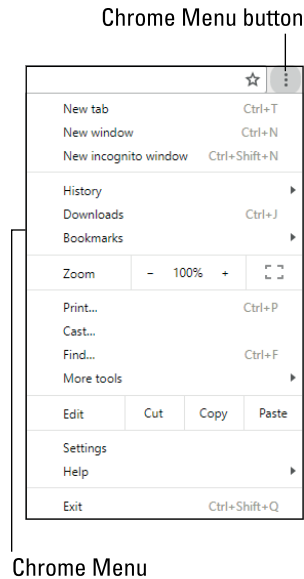
- » A piece of paper represents a page you've viewed previously or a website related to what you're typing.
- » A magnifying glass indicates that the suggestion is a potential search term.
- » A star identifies a suggestion as one of your existing bookmarks (see the next section, "What's the Star?" for more on bookmarks).

# 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.

# Examining the Chrome Menu

You can click the Chrome Menu button 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 me 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

I'm going to repeat myself in this section because it's important for you to understand the ramifications of signing in and signing out of Chrome. Let me 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

I 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. And, I'll be repeating this warning again in this section (editors, take note that I know I'm going to repeat myself) because it's important to the security of your financial data.

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:



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 into it.

1. **Navigate to `www.google.com`.**
2. **Click the Sign In button in the top right corner of the page.**
3. **On the page that appears, click the More Options link and then click Create Account.**

The More Options link appears below the box where you would ordinarily provide your email address.

4. **Provide the requested information.**

The requested information includes your name, a username, which is a proposed Gmail email address and associated password, birth date, gender, mobile phone number, current email address, and the country in which you live. Note that your mobile phone number is actually optional.

5. **Click the Next Step button.**
6. **Scroll down and check the I Agree to the Google Terms of Service and Privacy Policy box.**

You can click the links for Terms of Service and Privacy Policy to review the statements.

7. **Click Next Step.**

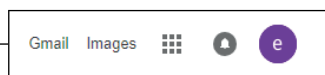
At this point, you might be prompted to verify your account using either a text message or a voice call; select a method and, when you receive the verification information, provide it onscreen. You'll see the Welcome! screen and your new Gmail address.

8. **Click Continue.**

Google displays the page found at `www.google.com`. And, you'll be signed in to your Google account. Some new buttons you can use to navigate while signed in to your account appear in the upper right corner of the page (see Figure 16-4).

**FIGURE 16-4:** The buttons in the upper right corner are associated with your Google account.

These buttons help you navigate while signed in to your Google account.



# 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.



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.

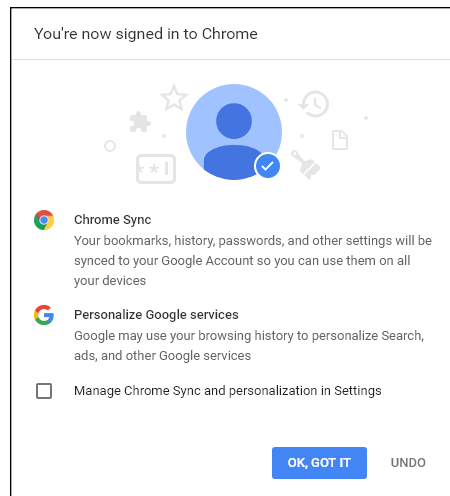
To sign in to Chrome, follow these steps:

1. **Click the User icon in the top right corner of the browser.**
2. **Click Sign in to Chrome.**

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.**

A message appears, letting you know you are signed in to Chrome (see Figure 16-5).



**FIGURE 16-5:** Once you've signed in to Chrome, this message appears.

5. **Click OK, GOT IT.**

The Current User button changes to reflect your email address — an indication that you are signed in to Chrome.



# 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.

But, an option appears during the sign-out process that you can select to eliminate all traces of you on the computer. The option deletes saved information on the local computer about the Chrome user who signed in.

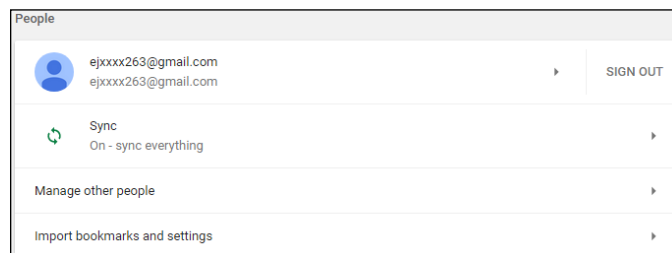


On your own private computer, deleting all traces of the user who signed in, including the user profile, might be a bit more drastic than you want. You can opt to clear history separately and less drastically; see Chapter 17 for details on clearing history. But, if you're working on a public computer, you should delete the user as well as the user's settings.

Follow these steps to sign out of Chrome and eliminate all traces that you signed in:

1. **Click the Chrome Menu button to open the Chrome Menu.**
2. **Click Settings.**

The Chrome Settings page appears (see Figure 16-6).

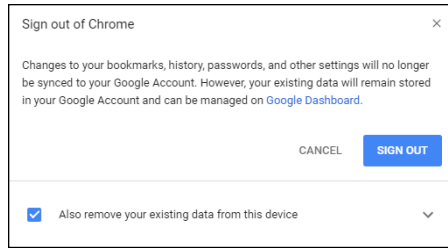


**FIGURE 16-6:**  
The Sign  
Out section of  
the Chrome  
Settings page.

3. **In the People section at the top of the page, click Sign Out.**

A confirmation dialog box appears (see Figure 16-7).

**FIGURE 16-7:** A dialog box appears, asking you to confirm disconnecting from your Google account.



4. **Select the Also Remove Your Existing Data from This Device check box if you want to eliminate all trace on the computer of the user who signed in to Chrome.**



**WARNING**

Checking this box deletes everything on the computer associated with the user — your account history, bookmarks, settings, and other Chrome data saved on the computer. I can't repeat this mantra often enough: If you are working on a public computer, you should safeguard your privacy and check this box. However, if you're working on a private computer, you can safely keep the user and optionally clear history. To keep the user, do not check this box; see Chapter 17 for details on clearing history.

5. **Click Sign Out.**

Google signs you out of your Google account and Chrome. The appearance of the Current User button returns to a generic form.

## 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 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.

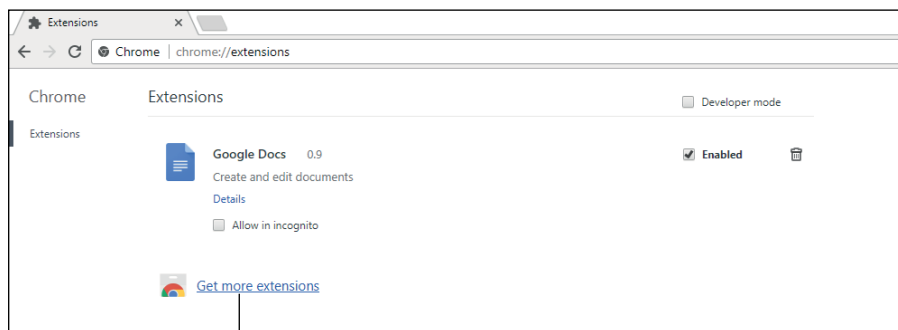
Extensions run by default when you open Chrome. You can view a list of installed extensions from the Settings page. Choose Chrome Menu ⇨ More Tools ⇨ Extensions to display the installed extensions (see Figure 16-8).

## 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.



**FIGURE 16-8:** You can view and enable or disable extensions from the Settings page.

Click here to display the Chrome Web Store.

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.



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.

## Selecting a Theme

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You can use *themes* to change the appearance of Chrome. Themes can change the color of the Chrome window, or they can add background pictures to the entire browser. The idea here is to provide some interest to the browser page background.

You can find available themes in the Chrome Web Store; choose Chrome Menu ⇨ Settings. In the Appearance section, under Themes, click Open Chrome Web Store. The Chrome Web Store opens to a page where you can preview themes.

If you install a theme and then later change your mind about using it, choose Chrome Menu ⇨ Settings. On the Settings page, in the Appearance section, under Themes, click Reset to Default.

#### IN THIS CHAPTER

- » Setting and using a Home page in Chrome
- » 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 **17**

# Ten Ways to Use Chrome Effectively

**C**hapter 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.

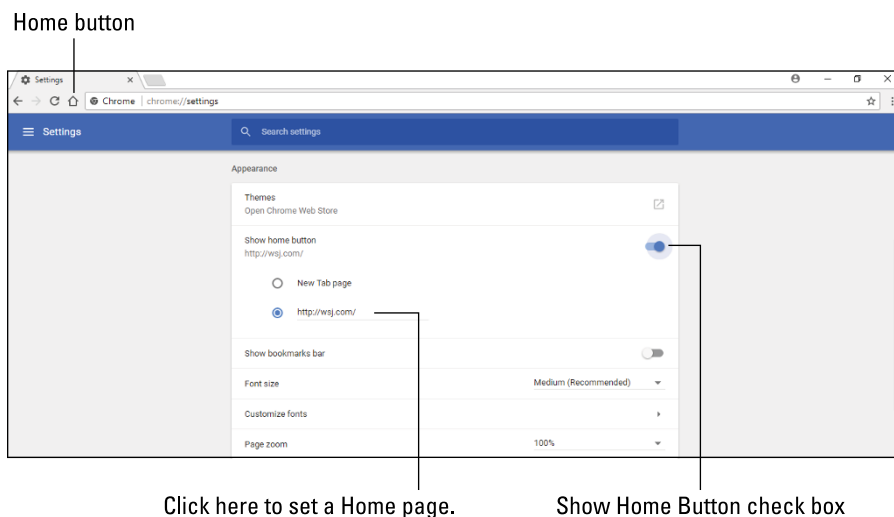
Before you begin the following steps, make sure you know the web address of the page you want to set as your Home page:

**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, you can pin each page as a tab. See the section "Duplicating and Pinning Tabs."

# 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.

Using *plug-ins*, hackers can gain access to your computer. Plug-ins 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 section, the Protect You and Your Device from Dangerous Sites option warns you if Chrome detects that the site you're trying to visit might contain phishing or other malware.
- From the Manage Certificates section, you can manage your 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**.**

From the Content Settings dialog box, you can make a variety of changes. In the following sections, I list the settings you might be most likely to change. If I 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. In most cases, websites you visit place *cookies* 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.



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.

## 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.



## Allowing plug-ins

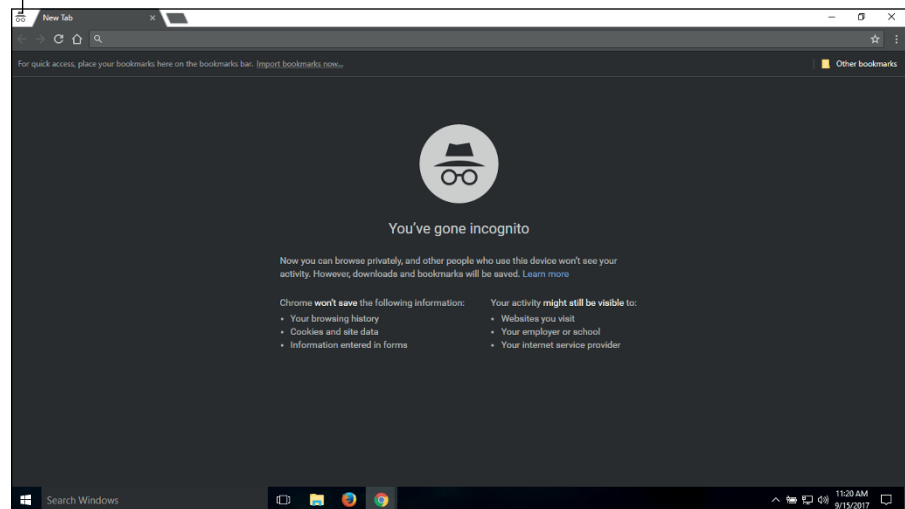
Plug-ins such as Adobe Flash Player appear on specific websites and are used by website developers to process web content that browsers can't inherently handle. Chrome allows plug-ins to run by default, and, if you disable this feature, various websites might not function as expected.

## 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 17-2, and the Incognito icon appears in the upper left corner of the browser window, immediately to the left of the New Tab tab. 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.

Incognito icon



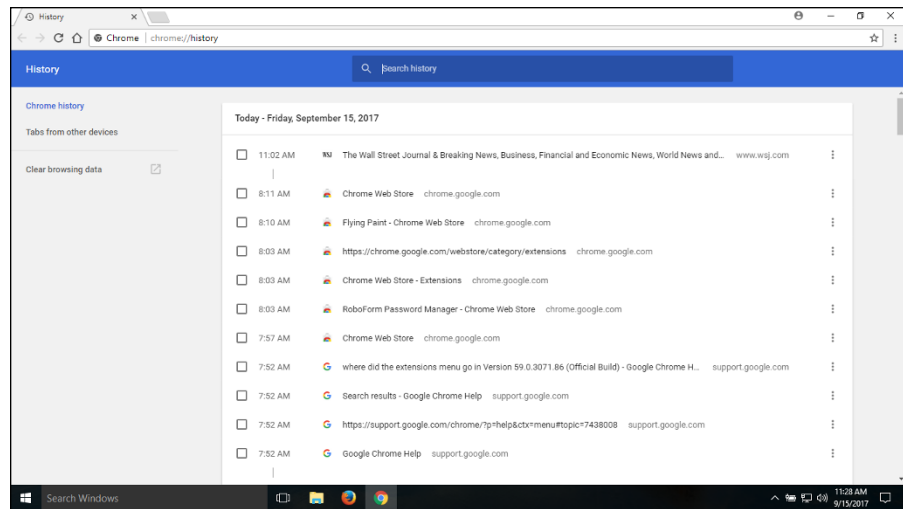
**FIGURE 17-2:**  
An Incognito  
window.

To stop browsing incognito, you must close the instance of Chrome that's running incognito.

## Deleting browsing history

Like all browsers, if you work in a regular Chrome window (rather than an Incognito window), Chrome 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 17-3 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 17-3:** Use your browsing history to revisit a web page you visited previously.

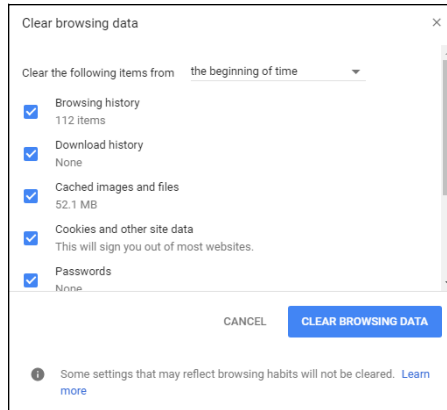
You also can delete all or only part of your browsing history, typically to maintain your privacy. To clear selected sites, click the check box beside each site; the number of sites you select appears in a bar across the top of the Chrome History page. To delete the selected sites, click Delete at the 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 17-4 appears; you can choose the type of data you want to delete and the time frame over which to delete that data.



REMEMBER

If you delete all your cookies, you might need to reidentify 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 17-4:**  
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 such as games want to disable your mouse pointer.
- » 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.

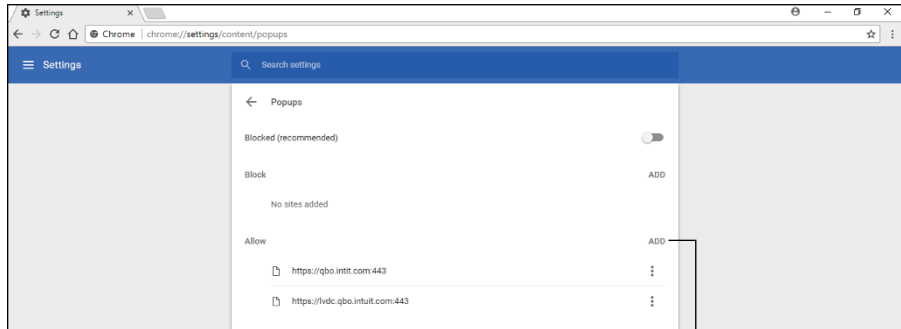


TIP

To use Chrome (or any browser) effectively with QBO and QBOA, you cannot block *all* pop-ups. You can take advantage of a tool Intuit offers to optimize your browser for use with QBO and QBOA. Visit <https://fixit.intuit.com> and follow the prompts on the page.

Using Chrome, you can turn on pop-ups selectively for any website. Follow these steps:

1. Choose Chrome Menu ⇄ Settings.
2. Click Advanced.
3. In the Privacy and Security section, click the Content Settings button.
4. On the Content Settings page, scroll down, find, and click Pop-ups.  
The page where you manage pop-up exceptions appears (see Figure 17-5).
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.



**FIGURE 17-5:** Use this page to identify websites whose pop-ups you want to allow or deny.

Click here to add websites for which you want to allow pop-ups.

## 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. Visit <https://myaccount.google.com/intro>; from this website, you can, for example, use the Ads Settings to log in to your Google account and adjust the ads Chrome shows you.

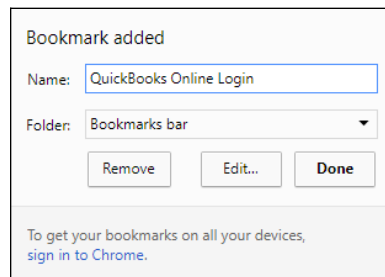
# Using Bookmarks in Chrome

*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 17-6).



**FIGURE 17-6:** This dialog box appears when you create a bookmark.

You can change the bookmark's name (I shortened mine) and the folder in which Chrome stores it. By default, Chrome offers two folders:

- » The Bookmarks bar folder
- » 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 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."

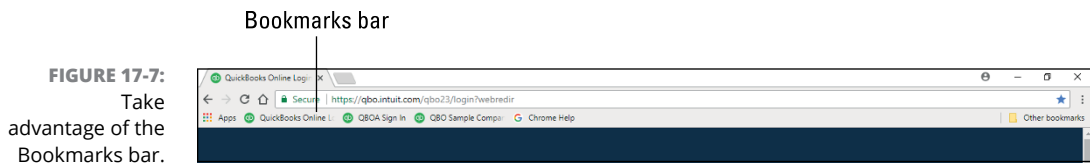


REMEMBER

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.

## 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 17-7).

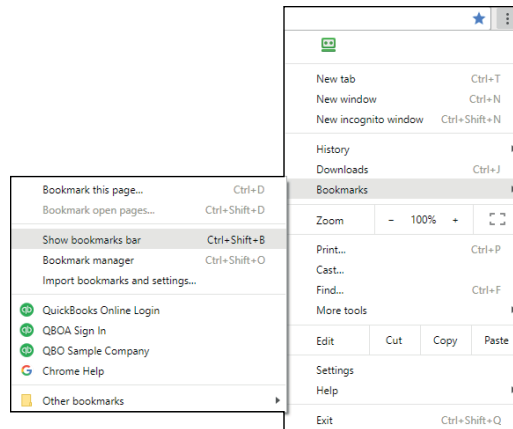


The Bookmarks bar makes using bookmarks faster and easier because bookmarks are always visible. You can simply click the appropriate bookmark on the Bookmarks bar to display its associated web page.

To take full advantage of the Bookmarks bar, you should display it on all Chrome tabs (instead of just the New Tab tab). Press **Ctrl+Shift+B** or choose Chrome Menu ⇨ Bookmarks ⇨ Show Bookmarks Bar (see Figure 17-8).

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.

**FIGURE 17-8:**  
Opt to display the  
Bookmarks bar  
on all tabs in  
Chrome.

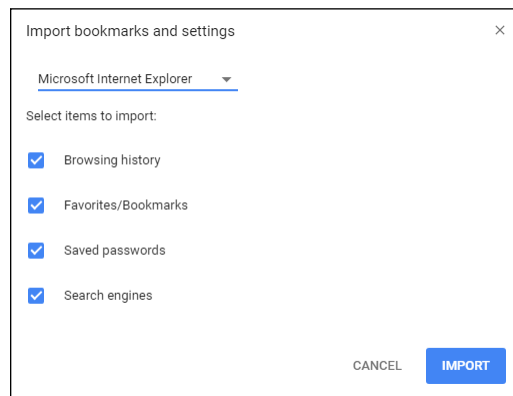


## Importing bookmarks

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 17-9).

Select the browser from which to import them 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 17-9:**  
Use this dialog  
box to identify  
what you want to  
import.



# Managing bookmarks

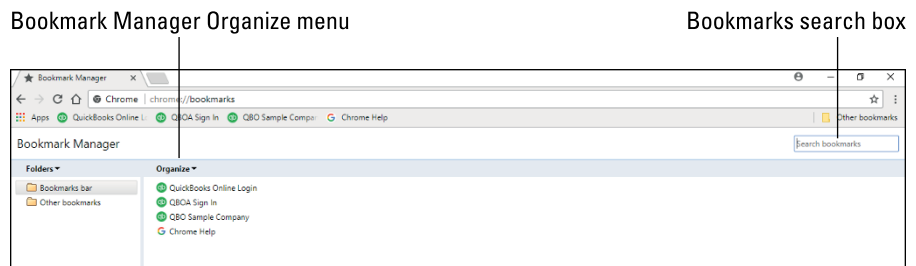
If you're like me, you'll learn to love bookmarks — perhaps to your detriment. As you accumulate bookmarks, finding them to be able to use them becomes a project. You have a few avenues available to you:

- » 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, 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 17-10 appears.



**FIGURE 17-10:**  
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 just above the left pane to make organization 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; I like to organize my bookmarks by subject. Although you can add new folders to the Other Bookmarks folder at the bottom of the list on the left, I 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, choose Organize⇄ 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 17-6).

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.

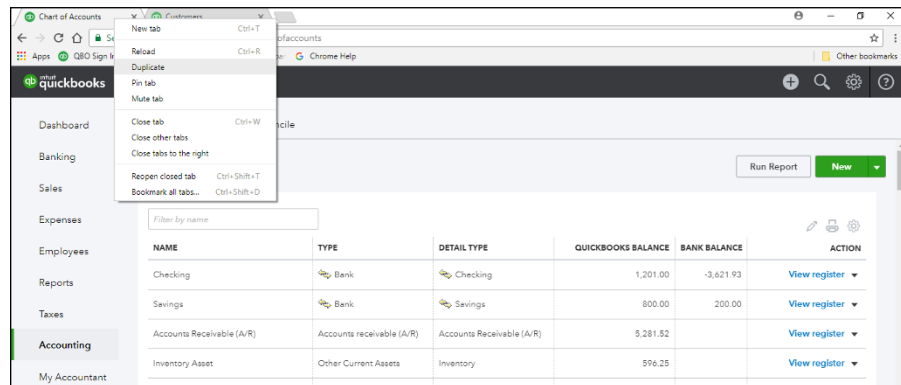
Suppose that, after this wonderful organizing you've done, you can't remember where you put a particular bookmark. No problem. Use the Bookmarks Search box (refer to Figure 17-10). Type an address or search term into the Search box and press Enter. Chrome displays any bookmarks that match the address 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 17-11). 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.



**FIGURE 17-11:**  
Duplicate a browser tab in Chrome.

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 17-11).



**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

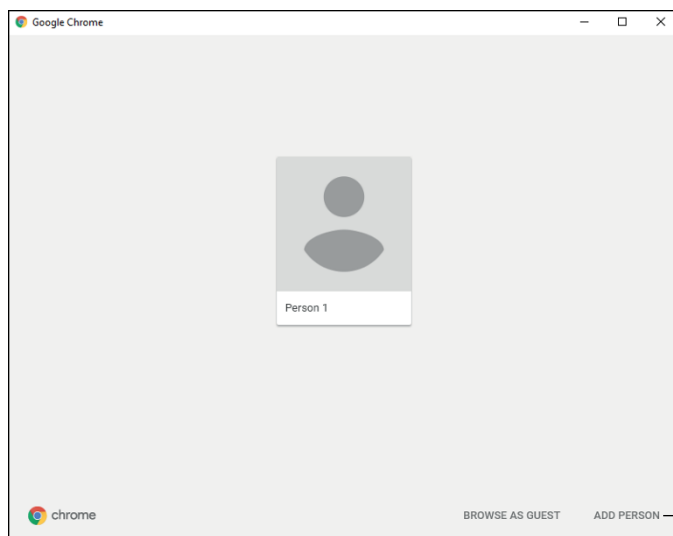
Here's another tab-related trick: If you have more than one monitor, you can pull one tab out of the Chrome window and drag it to your other monitor so that you can work in QBO/QBOA on multiple screens. Again, because tabs in Chrome function independently, the work you do in each window is independent 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. (Yes, if you have three monitors, you can repeat this process.)

## Setting Up Chrome Users

In Chapter 16, I explain that you can set up multiple users, each of whom can have different Chrome settings. In that chapter, I promised that I'd show you how to set up multiple Chrome users — and, here we are.

If you want to log into 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 17-12. Then, click Add Person in the lower right corner to display the dialog box shown in Figure 17-13.



**FIGURE 17-12:** Use this dialog box to start the process of adding a user.

Click here to add a user.

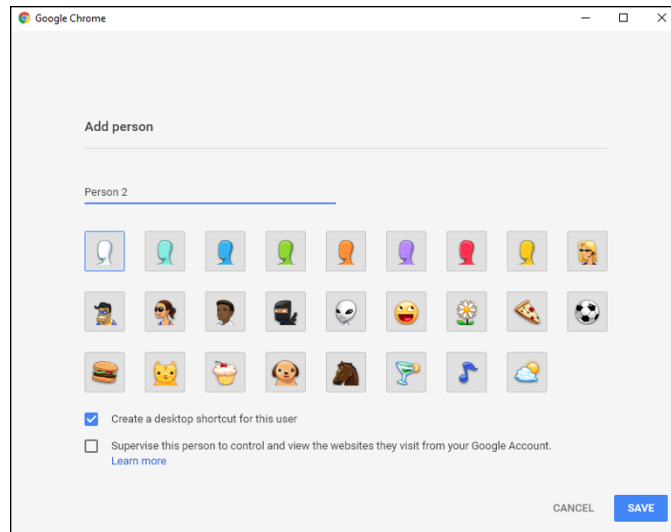
Enter a name for the user and select an icon for the new user; the name will appear in the Current User button, and the icon will appear when you click the Current User button in the upper right corner of the Chrome window. Optionally, you can

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 Save.



REMEMBER

If you click the last check box in the dialog box, you can control the websites the user visits, review the websites the user visits, and manage other settings for the user. When you create a supervised user, you are not creating a Google Account for that user.



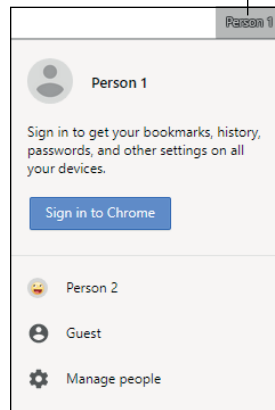
**FIGURE 17-13:** Establish settings for the new user.

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. Let's assume that you have opened only one instance of Chrome, so only one button appears on the Windows taskbar. To switch users, choose Current User ⇄ Switch Person. Chrome displays a window listing the currently defined users (see Figure 17-14); click one or click Manage People to go through the process of creating a new user.

Assuming you select an existing user, Chrome opens a new browser window. If you don't maximize Chrome, you can easily see the open windows.

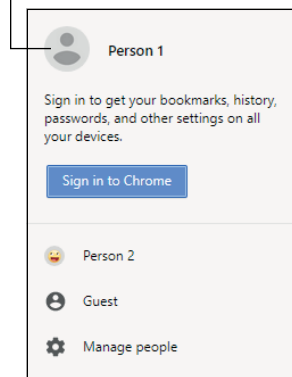
You can use the menu that appears when you click the Current User button to easily change the current user's name or icon. Click the Current User button and then click the picture currently displayed (see Figure 17-15).

Click here to switch users.



**FIGURE 17-14:**  
To initiate switching users, use the Current User button.

Click here to change the current user's name or icon.



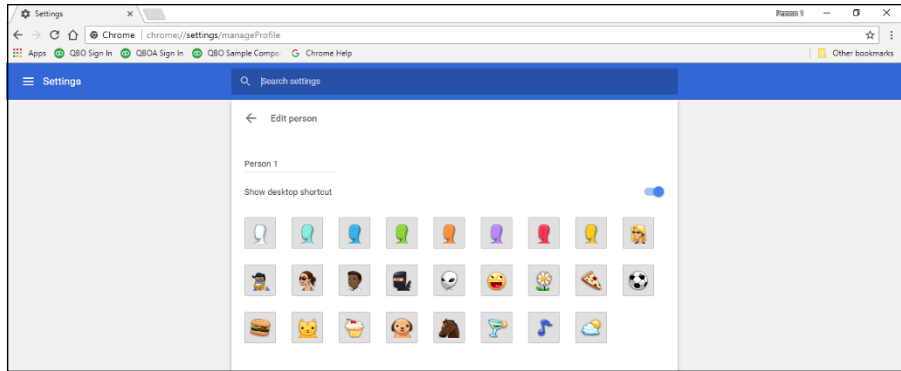
**FIGURE 17-15:**  
Edit the current user.

Chrome opens the Edit Person window shown in Figure 17-16. Just select a different icon. And you can change the user's name here, too.

To remove a user, follow these steps:

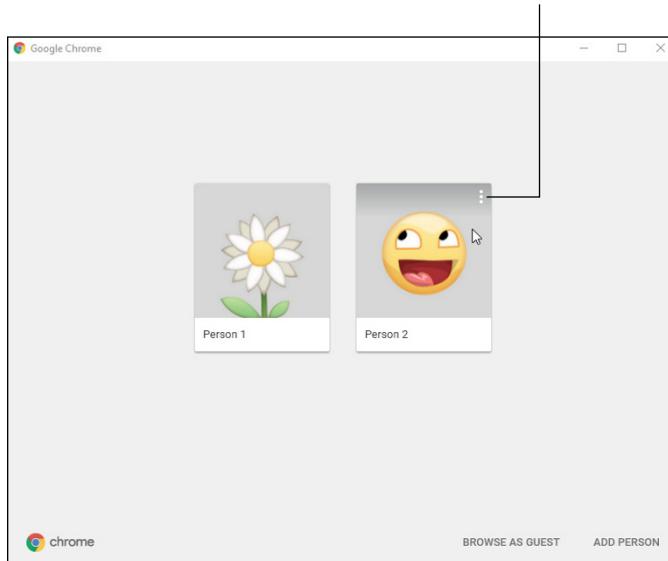
- 1. Click the Current User button.**
- 2. Click Manage People.**  
A window like the one shown in Figure 17-17 appears.
- 3. Slide the mouse pointer over the icon of the user you want to remove.**  
A menu icon (three vertical dots) appears.

**FIGURE 17-16:**  
Make changes to the current user's name, icon, or both.



Click here and choose Remove This Person.

**FIGURE 17-17:**  
Use this window to select a user to remove.



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) to make the information in the window larger (known as *zooming in*) and Ctrl+- (minus sign) to reduce the size of the information in the window (you guessed it: *zooming out*).



WARNING

Note that, while 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%.

# 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 to your computer.

Instead of clicking the file's link — which is always tempting — right-click the link and, from the menu that appears, click Save Link As. Then, in the dialog box that appears, navigate to the folder on your computer where you want to save the file, give the file a name you'll recognize, and click Save. The file downloads, and you can monitor the download progress in the lower left corner of the Chrome browser window.

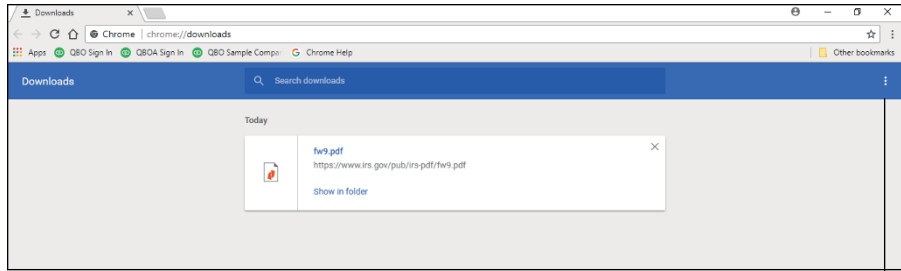


REMEMBER

If you click a link to a file, it might download automatically or it might open within the Chrome browser. To prevent a file from opening in Chrome, make sure that you right-click the link.

To view and open any downloaded file, use the Downloads tab (see Figure 17-18). 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.



**FIGURE 17-18:**  
Files you've  
downloaded  
using Chrome.

Click here to clear all downloads.

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 functions.



## IN THIS APPENDIX

- » 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

## Appendix **A**

# QBO, QuickBooks Desktop, and Data Conversion

**A**lthough 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 2015 or later. If you are trying to converting a company from an older version of QuickBooks Desktop, you are likely to run into problems. Ideally, update your company data file to QuickBooks Desktop 2015 or later before you attempt importing your company to QBO.

## What Doesn't Import

Since most of your QuickBooks Desktop data will import, let's start by identifying what won't import. Table A-1 provides that information.

**TABLE A-1** QuickBooks Desktop Data That Won't Import

What Doesn't Import	Recommendation
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 like QuickBooks Desktop could.
Shortcut list and icon bar settings	QBO has its own 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 (probably your best bet) or try using recurring transactions set to remind you instead of schedule themselves.
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 Chapter 6.
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. <b>Note:</b> All other recurring transactions will import.

What Doesn't Import	Recommendation
Memorized reports	Find a similar report in QBO and customize it to your preference.
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.

There. Now, that wasn't painful, was it?

## Features Not Fully Available in QBO

Currently, Intuit doesn't recommend QBO to QuickBooks Desktop users who need the following features:

- » Progress Invoicing, Billing, and Receiving
- » To Do notes
- » Complete Job Costing
- » Sales Orders
- » Online Bill Payment (including Direct Deposit for Vendor/Contractors)
- » 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 store at [Apps.Intuit.com](https://apps.intuit.com) to see a full list.

## 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, I exclude the Item list; I 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 (choose Reports ⇨ All Reports ⇨ Accountant Reports ⇨ Account List) to review the detail types the import process assigned. If you click on 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 your customers from QuickBooks Desktop to QBO. And, all 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	Alt Ph.
Company Name	E-Mail
Mr./Ms./?	Terms
First Name	Bill to Address (except Note)
M.I.	Ship To Address (except Note)
Last Name	Tax code/item
Phone	Preferred Payment Method
FAX	Note (up to 4,000 characters)



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.

But, the following customer and job information doesn't convert:

Inactive status	Credit Limit
Contact	Job Status
Alt. Contact	Start Date
Customer Type	Projected End
Rep	End Date
Price Level	Job Description
Custom Fields	Job Type
Account	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.

## 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 will convert memorized transactions, but you will be able to see your memorized transactions only in QBO Plus, which supports recurring templates. If you import to any other 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.

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 will only use 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 will post as regular checks, and sales tax adjustments will 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 your vendors, but not all their detail.

The import process converts the following vendor-related information:

Vendor	E-Mail
Company Name	Terms
Mr./Ms.	Print on Check as
First Name	Address
M.I.	Account
Last Name	Tax ID
Phone	1099 (U.S. only)
FAX	

But, the import process does *not* convert the following vendor-related information:

Contact	Credit Limit
Alt. Contact	Custom Fields
Note	Alt. Contact
Inactive	Alt Ph.
Vendor Type	

## Exploring Payroll Conversion

Most QuickBooks Desktop payroll information converts to QBO Payroll (QBOP), with some exceptions. For example, the import process will convert 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)
- » Addresses for states outside those Intuit supports, such as Payroll Setup wizard, AS, and VI



REMEMBER

Paychecks and liability payments convert as regular checks rather than as checks 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 custom pay item mapping section in "What to do after completing an import to QBO from QuickBooks Desktop Mac/Windows (US) by visiting <https://community.intuit.com/articles/1274215-what-to-do-after-completing-an-import-to-quickbooks-online-from-quickbooks-desktop-mac-windows-us>" 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 will only need to verify the totals. But, if the information is missing, you'll need to enter it, and the interview will guide you through entering these year-to-date totals in order to get going again.



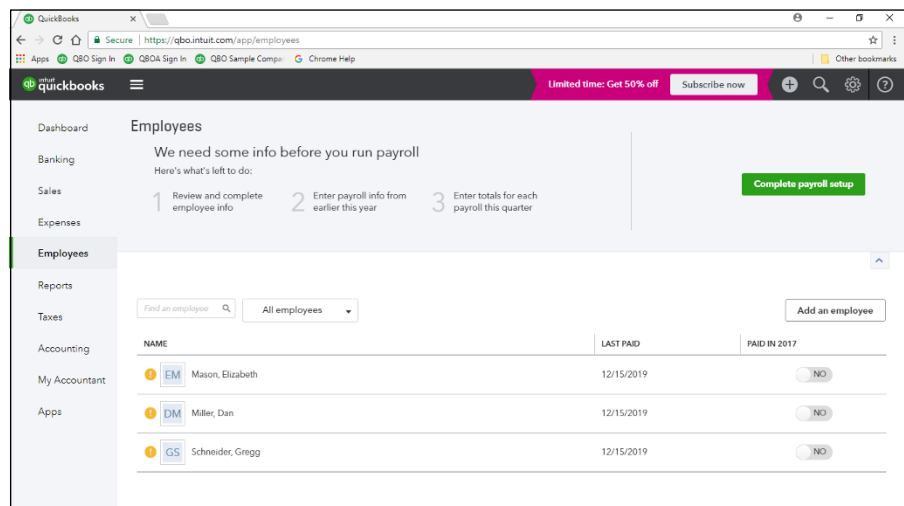
# Completing payroll setup

To complete your payroll setup, follow these steps:

1. **Select Employees from the left menu.**
2. **In the Paid in [Year] column, be sure each employee who received a paycheck this year is switched to Yes (see Figure A-1).**

Employees who have not been paid in the current year will automatically be listed as No.

The Paid in [Year] column appears only before you complete payroll setup.



**FIGURE A-1:** The Employees page after importing data but before completing setup.

3. **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 will pick 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.

## 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, to continue to use your stand-alone 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, see “Export IOP data to QuickBooks Online” or visit the URL <https://community.intuit.com/articles/1437517-setup-export-of-iop-data-to-quickbooks-online-qbo>.

If you prefer to start using QBOP, complete the steps in this Appendix's section “Completing payroll setup.”

## 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 reenroll for this service in QBO. Simply log in, and follow the steps on the Payroll Preferences page (choose Gear ⇨ Payroll Settings) to enroll for Electronic Services.
- » If you were using or want to use Direct Deposit for your employees, you will need to add your employer and employee's individual bank account information. This can be done from the Payroll Preferences page (choose 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 will ask 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 will 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/Stock section of "Import Limitations – QuickBooks Desktop to QuickBooks Online," an online article updated regularly by Intuit folks, to resolve the issues. The article walks you through the process of resolving the issues encountered in the import process.

## 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 will 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 use finance charges in QuickBooks Desktop, after importing, QBO has an element on the Products and Services 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 %, or Total %.

The following element 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 instead of 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 online article "Unlinking/linking my merchant account."

## Multicurrency

The import process will convert 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. Read the Multicurrency section of the online article, "Import Limitations - QuickBooks Desktop to QuickBooks Online" for details on resolving these and other multicurrency issues.

## Online Bill Payment

The import process converts checks marked “To be Sent,” but does not convert their online bill payment status.

Intuit has partnered with Bill.com to provide Online Bill Payment in QBO. To use Online Bill Payment in QBO, you must sign up for the service — and it has different features than you find using the regular Bill.com app. Further, if you currently have a Bill.com account, you cannot use it with QBO. For details, you can review the online article “What is Online Bill Pay for QuickBooks Online?”

## 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 and Plus 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 Excel, and use the data to print mailing labels from Excel.

## Purchase orders

The import process will not link closed purchase orders to their corresponding bills.

## 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 instead of 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 \$1,000 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 sent from QBO.

## 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 Book to Tax feature, which integrates with Intuit Tax Online.

## 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.



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## About the Author

**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 systems 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, 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.

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