Getting Started in QuickBooks Online
# Getting Started in QuickBooks Online

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Getting Started in QuickBooks Online Overview

Starting your journey in QuickBooks Online can be intimidating. No need to fear, this class is designed to help you get up and running and feeling confident in your QuickBooks skills. Whether you’re starting from scratch or taking over from someone else, this class will give you the tools to get a head start.

There are usually two different situations you find yourself in when you’re getting started in QuickBooks.

**New Business**

First, you may be a new business just getting started and you need to start tracking your accounting in QuickBooks. There are a few key steps to get going that you’ll learn here today. We’ll talk about your situation in part 1 of this class.

**Existing Business – Taking over from someone else**

Second, you may be taking over the books from someone else. This may be taking it over from a partner, accountant, or a previous bookkeeper. This requires a little extra work, but don’t worry we’ll show you the first few steps to review what’s in QuickBooks now and how to make some changes to get what you need from it.
Part 1: Starting QuickBooks Online from Scratch

After you’ve signed up for QuickBooks Online the program opens up to the Dashboard. Now you’re ready to get started working in QuickBooks.
Getting around QuickBooks Online

It’s important to get your bearings in the software. QuickBooks Online keeps it simple and provides you with just a few ways to navigate. There are three main ways to get around QuickBooks online. They are the following:

1. New menu
2. Navigation Bar
3. Gear Menu

New Menu

This menu includes all of your day-to-day transactions that you’ll enter in the process of your work. This includes all sales transactions like invoices, sales receipts, customer payments, expenses and more. This will be used more than any other area of QuickBooks. Click New on the left navigation bar to display the menu.
**Navigation Bar**

The navigation bar includes information about the different areas of your business and tracks information about the people you do business with like customers, suppliers, employees and others.

The Navigation bar is broken down into different categories that includes sub-menus full of useful information. A few of these areas includes Sales that displays the **Customers, Invoices, Products and Services** and more.
**Gear Menu**

The Gear menu includes additional information and tasks that you can use when needed. You will use the Gear menu less frequently than the New menu and Navigation bar.

This menu provides you access to various important lists, like the Chart of Accounts, Products & Services, Classes and more. Click the Gear in the top right corner to access the menu. It also gives you access to important parts of your company such as the Account & Settings and Manage Users.

### Pippas's Party Planning

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<thead>
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<th>Lists</th>
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<td>Account and Settings</td>
<td>All Lists</td>
<td>Import Data</td>
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<td>Manage Users</td>
<td>Products and Services</td>
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<td>Sign Out</td>
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Why do we use QuickBooks?

Small businesses use QuickBooks to track all of your business transactions. After recording all of your business transactions QuickBooks helps you stay organized and keep on top of managing your business. QuickBooks helps use with the following:

1. Track business transactions
2. Report internally the performance and position of the business
3. Report externally to different bodies like the CRA, Minister of Finance (PST) and other important organizations that you may work with in your business

It’s important to understand that all of your transactions go through your Chart of Accounts and QuickBooks uses the Chart of Accounts to create reports. See the diagram below.

The structure of QuickBooks lets you easily enter information into QuickBooks and QuickBooks creates reports for your business.
How QuickBooks is Built

QuickBooks uses a few basic elements to make it easy for you to enter information and do the required accounting tasks. QuickBooks uses lists and transactions to make the accounting entries.

Lists

QuickBooks lists include Customers, Suppliers, Employees, Products & Services, and most importantly the Chart of Accounts, etc. You add entries to a list, so they can be used whenever needed. This means that you don’t have to enter names or accounts each time they’re used. The purpose of lists in QuickBooks are:

- Make it easy for you to fill out transaction forms.
- Save time on data entry.

Chart of Accounts

The chart of accounts is the most important list in QuickBooks. The Chart of Accounts is used in every single transaction that is entered into QuickBooks. This means its critical to get it setup in a way that works for you.

When you first setup QuickBooks Online, a Chart of Accounts is created for you. You can add new account

To add a new account:

1. Click the Gear icon ➔ Chart of Accounts
2. Click New
3. Choose the **Category Type** and **Detail Type**. **Note:** these are required fields.
4. Enter the **Name**.

**Note:** The **Detail Type** is a required field, although it has no effect on anything in QuickBooks. This is a placeholder for future development of the product. If you don’t see an obvious choice, choose the closest type.
Expenses Accounts

You’ll add expense accounts like any other account, but you’ll have an additional option to add a tax code. Adding a tax code ensures that you add tax to their expense transactions.
Products & Services List

To easily track the services and products that you sell, you’ll add them to the Products and Services list. There are 2 main purposes of the products and services list:

1. Make it easy for you to fill out transaction forms
2. Act as “pointers” to do correct accounting entries. Debit and Credits are done using the accounts linked to the product or service and the type of form.

To create a new service:
1. Click Gear Icon ➔ Click Products and Services.
2. Click Add New ➔ Choose the Type of item to setup.

<table>
<thead>
<tr>
<th>Product/Service information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inventory</strong></td>
</tr>
<tr>
<td>Products you buy and/or sell and that you track quantities of.</td>
</tr>
<tr>
<td><strong>Non-inventory</strong></td>
</tr>
<tr>
<td>Products you buy and/or sell but don’t need to (or can’t) track quantities of, for example, nuts and bolts used in an installation.</td>
</tr>
<tr>
<td><strong>Service</strong></td>
</tr>
<tr>
<td>Services that you provide to customers, for example, landscaping or tax preparation services.</td>
</tr>
<tr>
<td><strong>Bundle</strong></td>
</tr>
<tr>
<td>A collection of products and/or services that you sell together, for example, a gift basket of fruit, cheese, and wine.</td>
</tr>
</tbody>
</table>
3. Complete the information including the **Name** of the service. This will be what displays on the customer’s sales form.

4. Enter the **Sales information** and **Sales price/rate** if necessary. These are optional fields, as they can be added to each sales form as needed.

5. Choose the **Income Account**. We recommend Sales if you don’t have anything else that sticks out to you. This account will increase every time you make a sale to a customer and this account will display on your Profit & Loss report as income.

6. Add the Tax Code  → Click **Save and Close**.
**Customer List**

Click the **Sales or Invoicing** link on the navigation bar and then **Customers**.

Click anywhere on the colorful bar below Customers to filter the customer list by **Estimates**, **Unbilled activity**, **Overdue** invoices, etc.
To Add a new customer.

1. Click the **New customer** button.
2. Complete the information on the new customer window.
   a. The **Display name as**...lets you choose what naming convention to use on the customer list.
   b. Add payment and billing details on the **Payment and billing** tab.
3. Click **Save**.
Import Lists

If you have lists in MS Excel or in any format that can be exported to Excel, QuickBooks lets you import multiple list entries in

To import a data a customer list:

1. Go to the Gear icon
2. Click Import Data.
3. Then choose the type of data you would like to import...Customers

4. Find your data.
5. Click **Next**.

6. Review the data to ensure it is mapping correctly.

7. Click **Next**.
8. Click **Import** to complete the import.
Basic Sales Tax Setup

Before you record any sales or expenses, it’s important to make sure that sales tax is setup. QuickBooks knows the location of your business based on their company information entered during the setup.

To complete the setup, you must enable the sales tax option. To turn on sales tax:

1. Click **Taxes**.
2. Click **Set up sales tax**.
3. Choose your **Province or Territory**.
4. Click **Save**.
5. Add the appropriate tax information for your business.
6. Click **Next**.

QuickBooks confirms the setup of sales tax.

Now you can add sales tax to your transactions, and record your sales tax payments in QuickBooks. Visit the sales tax page whenever you want to view your history, run reports, or track payments.
QuickBooks uses forms to make the accounting entries in QuickBooks. Each form in QuickBooks is going to create a journal entry behind the scenes. You will enter almost all forms in the same way. To display a form:

1. Click Create → Click Invoice
2. There are simple ways to complete the form:
   a. Who – Customer
   b. When – Date
   c. What – Products/Service sold to their customer
   d. How much – Quantity, Amount, and Sales tax
3. Click Save and Close to enter any form.
Make your First Sale

After getting started it’s important to make your first sale in QuickBooks. Remember you’ve already setup the Chart of Accounts and Products & Services list, so making your first sale should be easy.

Customer Invoice Workflow

We want to complete your first sale, and we also want to make sure you know what to do when a customer pays your first invoice. There are three steps in the invoice workflow.

Customer Promises to Pay Later

- Invoice
  - Receive Payment (Undeposited Funds)
  - Make Deposit

Follow these three transaction steps to create your invoice, receive a customer payment and then deposit the funds in the bank. (For more detailed information on this workflow attend the Money In: Sales & Customers in QuickBooks Online class)
Create the Invoice

1. Click the **New** menu
2. Click **Invoice**.
3. Complete the essential information
   a. **Customer Name**
   b. **Date**
   c. **Product/Service** for sales
   d. **Amount**
   e. **Sales Tax**
Receive Customer Payment

Next step is to receive the customer payment. To do this:

1. Click New
2. Click Receive Payment
3. Choose Customer
4. Enter Date
5. Choose the Payment Method
6. Choose Deposit to (we recommend using undeposited funds if you’re going to the bank at a later date)
7. Select the Invoice to pay and QuickBooks Online completes the Amount received field.
8. Click Save and Close
Make Deposit

The last step is to make the deposit of the customer payment. Do the following:

1. Click New.
2. Click Bank Deposit.
3. Choose the Account to deposit to under Account.
4. Select the Payments to Deposit.
5. Click to Save.
Setting up Bank feeds

QuickBooks Online lets you easily enter and manage your bank and credit card transactions. You can connect your QuickBooks directly to your accounts and QuickBooks will download the transactions into QuickBooks. All you need to do is review and categorize them and add sales tax. After your first few downloads, QuickBooks will learn how you handle most transactions and will begin auto-categorizing them for you.

1. Click **Banking**, and then click **Connect Account**.

2. Search for your bank or credit card name or choose from the list of common banks.
3. After finding the bank or credit card company click **Continue**.

4. Enter your banking or credit card information.

5. Click **Sign In**.
6. Select the Account.
7. Click Authorize.
8. In the **Connect an Account** choose the QuickBooks account that the online account will link to.

9. Click **Connect**.
You’re ready to review your banking or credit card transactions.

![Banking and Credit Cards interface in QuickBooks Online]
Process your first download

When you first download chances are that most transactions will be uncategorized income or expense. This means that QuickBooks doesn’t know what account to categorize them to and which tax rate to use. You will process each transaction and then the next time QuickBooks will remember your work and make recommendations for you. To process your banking transactions do the following:

10. Click the transaction
11. Choose the **Category** and choose the account to track the **expense**.
12. Choose a **Tax code**.
13. Add a **memo** for details if needed.
14. Click Add to save the transaction.

**NOTE:** Repeat the process for each transaction until complete.
Part 2: Taking QuickBooks Online over from someone

Whenever you take over from someone else, it’s a good idea to review your QuickBooks file. The following is a checklist of areas that you’ll want to review and edit to make sure that you’re getting what you need from QuickBooks.

- **Review and Edit the chart of accounts.** In part 1 we reviewed how to setup from scratch. In this section we learn how to clean up the chart of accounts to make sure you have what you need on reports.
- **Review Products and Services.** It’s a good idea to review how your products and services list is setup and make any changes if necessary.
- **Account & Settings.** Reviewing your Account & Settings is a good idea to make sure everything is setup correctly. In this section we’ll review a few key settings.
- **Customize Sales Forms.** Customizing your sales forms makes sure that they have the look and feel that works for you.

**Review and Edit the Chart of Accounts**

The chart of accounts tracks all the transaction information that gets entered into QuickBooks. QuickBooks uses the information in the chart of accounts to create reports. This means that it’s important to organize the chart of accounts to give you the information that’s most important to you and your business.

You should review your Chart of Accounts regularly to ensure that it’s tracking the information you need in your business. There are several tasks that you can do to better organize your chart of accounts:

1. **Edit Accounts** – change names and some other details
2. **Make Accounts Inactive** – QBO lets make accounts inactive
3. **Merge Accounts** – in this you can take the history from two accounts and merge them together to avoid duplicates
Edit Accounts

You can edit accounts directly on the Chart of Accounts. To edit an account:

1. Go to the Chart of Accounts
2. Choose an account to edit and click the down arrow next to the Account history.
3. Edit the information such as the Name, Is Sub-account, detail type, Default Tax Code, etc.
**Make Accounts Inactive**

QuickBooks lets you make accounts inactive so that they no longer display on your Chart of Accounts. They are not deleted, only suppressed from the Chart of Accounts. To make an account inactive:

1. Go to the **Chart of Accounts**
2. Choose an account to make inactive and click the down arrow next to the **Account history**.
3. Choose **Make Inactive**.
Merge Accounts

QuickBooks lets you merge accounts and other list items to avoid duplicates. To merge an account, do the following:

1. Go to the Chart of Accounts.
2. Choose the account you want to merge with another account click the down arrow next to choose Edit account.

3. Edit the name of the account to be the exact same name as the account that you want to merge with. Click to Save and Close.

NOTE: The Detail Type of both accounts that you’re merging together must be the same otherwise QuickBooks will not let you merge them.

4. Click Yes to complete the merging of the two accounts.

NOTE: This cannot be undone, so consider carefully which list entries you want to merge together.
Review Products & Services List

Make sure that you have your products and services setup correctly. A few best practices for managing the products & services list are the following:

- **Setup unique products & services** - For every service or product you sell, setup a unique product or service. This lets you get accurate sales reports. Example: If you’re an engineering firm and you have 10 different services, setup a service up for each of the 10 items. This will give you detailed sales reports.

- **Link your products & services to the right account** – make sure the income account is correct.

- **Link the correct sales tax to each product & service** – review the tax code to make sure it’s all correct.

- **Make Items Inactive** – make products and services inactive if they’re not in use.
Make Products & Services Inactive

Click the arrow next to any service to make it inactive. Make items inactive if they’re no longer in use.
**Getting Started in QuickBooks Online**

**Review Account & Settings**

The QuickBooks online settings let you customize QuickBooks Online to your business. You can activate features if needed and deactivate them if you’re not using them to make QuickBooks easy to work with. To access the settings, click the **Gear menu** and then click **Account & Settings**.

Click **Company** to edit the company settings including contact information and company logo.
Click **Sales** to edit sales settings. This section lets you edit your sales form content. This means you can add advanced features like discounts, deposits, and add other fields such as custom field and service date.

Add features in the bottom half of the window if needed by your business. It’s best not to add features unless you’re planning to implement. That way the QuickBooks window stays uncluttered.
Click **Expenses** to enable or disable features related to expense tracking.

**NOTE:** Deselect the option below if they’re not being used. These include tracking costs to jobs and billable expenses. Deselecting them will make the QuickBooks transaction window easier to work with.
Click **Advanced** to enable or disable advanced features. If you’re using QuickBooks to track locations, or different departments within your business, you can enable **Track Classes** and **Track Locations**. If not turn them off to make the QuickBooks Online transaction window easier to use. You can also enable **Project** tracking, **Account Numbers** and **Multiple currencies** from the **Advanced** settings.

<table>
<thead>
<tr>
<th>Categories</th>
<th>Track classes</th>
<th>Track locations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>On</td>
<td>Off</td>
</tr>
</tbody>
</table>

Click the **Other preferences** section to modify date and number formatting, and other reminders. Click to **Save** and then click done.
Customize invoices

You can update the look of your invoice templates in QuickBooks Online. To review and customize invoice templates:

1. Click the Gear icon.
2. Click Custom Form styles.

![Image of QuickBooks Online interface showing Custom Form Styles]
3. Click **New Style. d Invoice, Estimate or Sales Receipt**

4. There are 2 main elements that you can edit in the customization of forms. They are the **Design** of the form and the **Content** the form will contain.
5. Click Design to customize the appearance of the form. From this window, you can do the following:
   o Change the template. Click Change up the Template, and then choose from one of the 5 template options.

   o Click Make Logo Edits. Add or remove the logo, resize the logo and place it on the form, from this section.
- Click **Try Other Colours**. Choose from the color palette available or enter your own.

- Click **Get Choosy with your Font**. Select a font that works for your form.

- Click **When in Doubt Print it out** to edit the margins.
6. Click **Content** to customize the body of the form.

7. Click one of the three sections on the form template to the right. Click the Header, Body, or Footer to edit each section.
8. Click Header to edit the following:
   - Business name, phone, email, and other contact information.
   - Enter the Form name and choose Form Number options.
   - Add or remove fields to display under the Display options.

9. Click the Table section to edit the body portion of the template.
Add or remove columns from the body of the template. Reorder the columns by dragging the icon to the left of the field up or down.

Click **Edit Labels and Widths** to edit how the columns display.

10. Click the **Footer** portion of the page to edit the footer. Add or remove information from the footer.

11. Click **Done** to complete the setup of the form.
Conclusion

Now that you’ve started your QuickBooks Online journey, it’s a good idea to keep learning and improving your skills. View or attend the following classes to expand your QuickBooks knowledge in different areas of the software.

We recommend the following classes as next steps:

- Money In: Sales and Customers in QuickBooks Online
- Money Out: Expenses and Suppliers in QuickBooks Online