



QuickBooks Online Foundations

Sushi Coma Inc.





QuickBooks Online Foundations

presented by

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(School)



(Address)



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(Phone)

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Important Information about the Structure of this Training

Our QuickBooks Online Training is intended as the foundation for using QuickBooks® as a bookkeeping, business management and cash flow building tool. The material provides a critical basis for establishing bookkeeping best practices and ensuring accurate financial information.

Please ask questions throughout the presentation.

In addition to what you will learn today this manual is a
post-training reference guide.

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

The most important reason to advance our knowledge of QuickBooks® and basic bookkeeping principles, whether you are a business owner or employee, is to improve business performance.

While we identify specific learning objectives at the beginning of each section, 3 Overall Objectives include:

1. Introduction to basic features in QuickBooks and how they apply to best practice bookkeeping principles.
2. How to effectively and efficiently use QuickBooks to manage daily bookkeeping tasks and develop an understanding of how the data is entered, processed and reviewed.
3. How to customize QuickBooks to meet the specific needs of a business.

Why we teach Cash Flow with QuickBooks®

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

The foundation of business success is in the daily use of accurate, real-time financial data. *“What we measure, we manage; what we manage, we improve.”*

It is important to focus on the areas of our business that contribute most to profitability.

QuickBooks helps us quickly identify areas of focus if we know where to look.

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

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



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

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

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

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Online Foundations Training

SECTION 1

GETTING STARTED

Objectives
Features
Subscriptions
Student Setup
About Sushi Coma Inc.
Navigation
Practice Test
Case Study Activities

Upon completion of Section 1, each participant will be familiar with:

- How to choose the right subscription.
- How to use additional features.
- How to import company data.
- How to setup a company file.
- How to view and use the Dashboard.
- How to navigate using QuickBooks Online Plus.

Important: As part of your Intuit Education student subscription, you will receive a free 1-year trial of QuickBooks Online Plus that includes a 12-month subscription.

The purpose of this section is to familiarize yourself with the different available options as if you were a business owner deciding which subscription is right for your business.

Video links are available throughout this manual. Use **Ctrl + Left Click** for direct access.

If you choose to build a company from scratch, follow the Case Study Activities at the end of each section.



The screen shots used throughout the training are based on a Case Study that has already been completed. They may not match yours until you have completed the Case Study Activities. Also, while this training is updated throughout the year, keep in mind Intuit may introduce an update that results in a screen shot that is not an exact match.

Chrome Browser

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

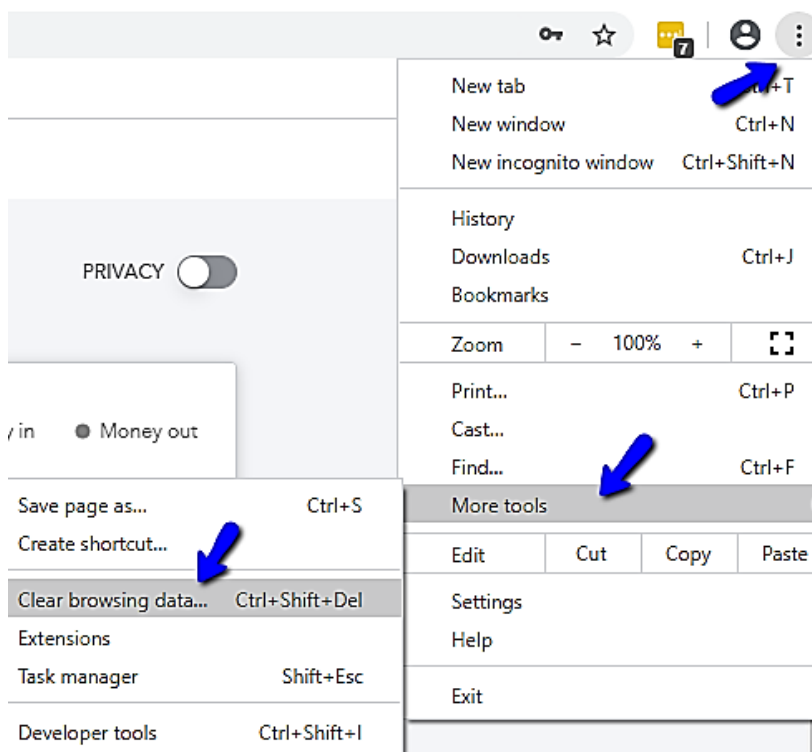
Cookies and Cache

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

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

Click **More Tools**.

Click **Clear browsing data**.




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

Click **Clear data**.

Clear browsing data

Basic Advanced

Time range All time 

☐ Browsing history
1,025 items

☐ Download history
None

☒ Cookies and other site data
From 189 sites

☒ Cached images and files
319 MB

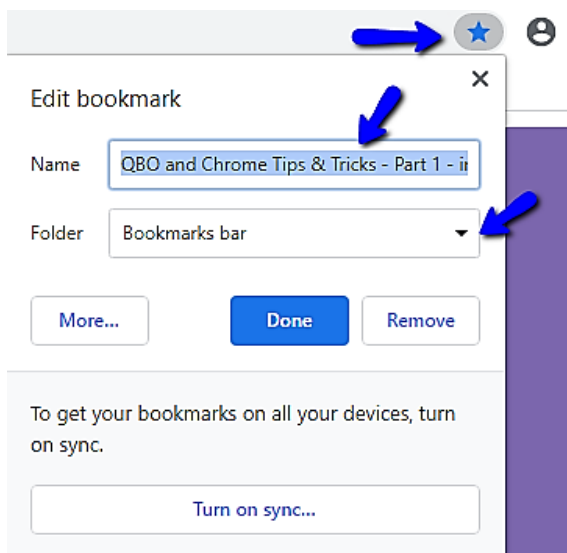
☐ Passwords and other sign-in data
None

☐ Autofill form data

Cancel Clear data

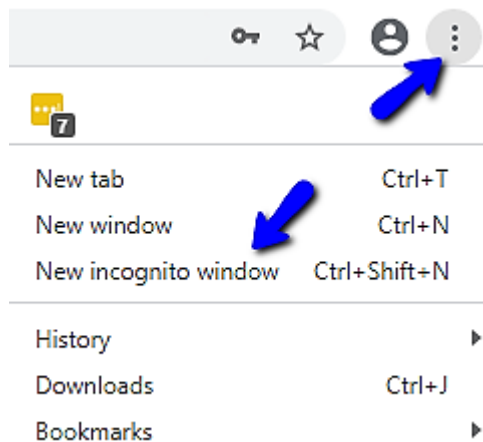
Bookmarks

Create bookmarks to save favorite pages. Click the **Star** on the right top of the browser bar to create bookmarks. Choose a name and select a folder, then click done.



Incognito

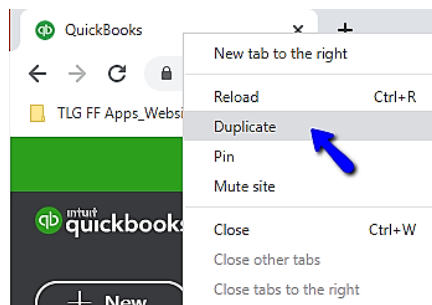
Incognito Mode “referred to as private browsing” is a privacy feature that disables the browsing history of Chrome.



Multiple Windows

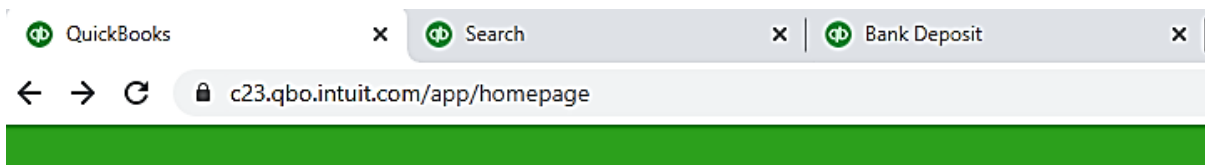
Web-based applications utilize the functionality of web browsers. Imagine working in several different windows in your QuickBooks® Online company file. Log in to your company data file. In this example we will use Google Chrome.

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



Another way to access multiple windows is as follows:

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



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

QuickBooks Online Mobile App

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

Review Video Links:

[Mobile App](#)

[Mobile App Dashboard](#)

[Customers and Vendors](#)

[Mobile Banking IOS](#)

[Mobile Banking Android](#)

[Mobile App Reports](#)

[Record an Invoice](#)

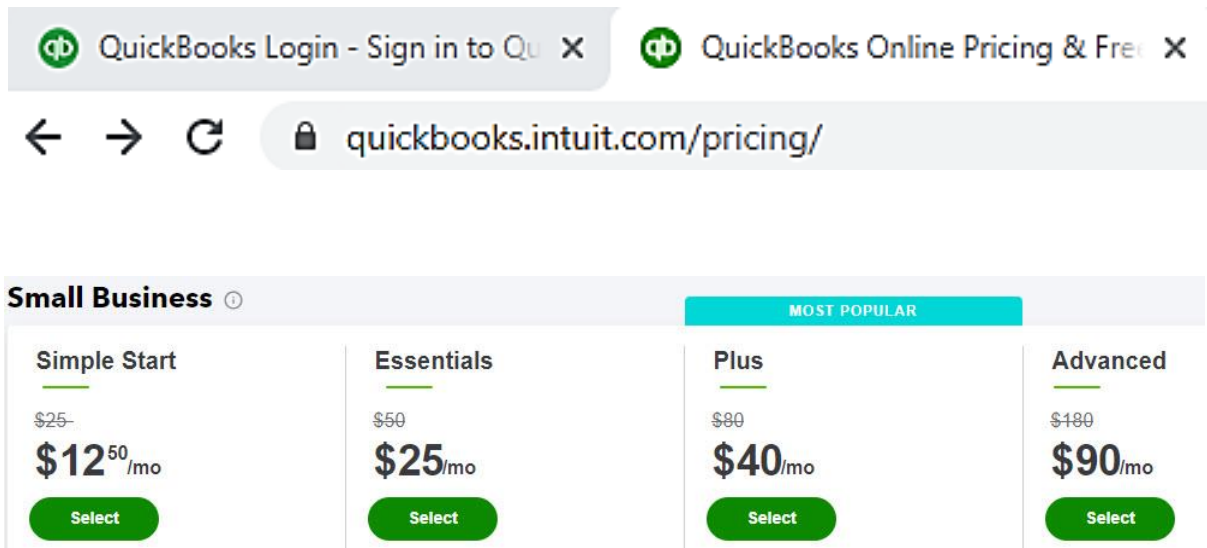
[Record an Expense](#)



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

To determine the right QuickBooks® Online subscription for your business, open a new browser window and enter this URL:

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



The screenshot shows a web browser window with two tabs: "QuickBooks Login - Sign in to Qu" and "QuickBooks Online Pricing & Free". The address bar shows the URL "quickbooks.intuit.com/pricing/". Below the browser window, the "Small Business" pricing page is displayed. It features four subscription options: Simple Start, Essentials, Plus, and Advanced. The "Plus" option is highlighted as "MOST POPULAR". Each option shows a discounted price and a "Select" button.


Simple Start	Essentials	Plus	Advanced
\$25 \$12⁵⁰ /mo	\$50 \$25 /mo	\$80 \$40 /mo	\$180 \$90 /mo
Select	Select	Select	Select

Note: The pricing will change periodically. Use the table to determine which subscription is best for your business. Compare the features of each and gain an understanding of those included in the Plus subscription, the one we will use for this training.

If you would like more information about the features and capabilities of the software application, access the sample company file to explore “Craig’s Landscaping” test drive company.

[Craig's Landscaping Test Drive Company](#)

Complete the following steps to successfully create your new Intuit QuickBooks Online Company file. **Accept Invitation -> Create Account -> Next.**



Your instructor has invited you to create your own QuickBooks company

Dear John,

Your instructor has invited you to create a QuickBooks Online Plus company that you can use for the class for free. Click below to accept the invitation.

[Accept Invitation](#)

Create your account

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

Email address (will be used as your user ID)

Confirm email

First name

Last name

Phone (Recommended)

Standard call, messaging or data rates may apply.

Password

[Create Account](#)

Click **Next**.

Welcome! We're glad you're here.

Here's what we'll do together right now.



Tell us what you need help with



We'll ask a few questions to get to know your business



We'll bring in your transactions and organize your money

[Next](#)

For the Legal business name, use **(Your First initial and Last name) Sushi Coma Inc.**

Example: JDoe Sushi Coma Inc. Click **Next**.

What's your business name?

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

Legal business name

JDoe Sushi Coma Inc 2022

☐ I'm moving from QuickBooks Desktop™ and want to bring in my data.

Back

Next

Important! industry type should be **empty**. This will reduce the number of account categories that auto populate during this setup process. Click **Skip for now**.

What's your industry?

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

Industry

Q Construction, retail, salon, etc.

Leave this field blank

Back

Skip for now

What kind of business is this? **S Corp**. Click **Next**.

What kind of business is this?

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



Sole proprietor



Partnership



Non-profit organization



S Corp



C Corp



I'm not sure

Back

Next

Do you provide services, sell products or both? Your selection will auto-populate account categories in your Chart of Accounts. Click **Next**, then select **Provides services** and **Sells products**. Click **Next**.

How does your business make money?

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

Provides services

Sells products

Something else


Back

Next


It is important to select **Bookkeeper/Accountant** for this step. This affects the terminology used on the main windows in QuickBooks Online. Click **Next**.

What's your main role at JDoe Sushi Coma Inc 2022?


We'll customize QuickBooks based on your answer.




Owner or Partner



Employee



Bookkeeper or Accountant



Other


Back

Next


Who works at this business? Select **A few partners and owners**. Click **Next**.

Who works at this business?


Help us understand who's on your team. Select all that apply.




Only the owner



Employees



Contractors











A few partners and owners


The next step is to select apps you currently use in your business. QuickBooks allows you to link 3rd party apps in order to save time, by automating data entry or tracking industry specific information. You can search for apps in the apps area of the navigation bar or [Intuit 3rd Party Apps](#). Click **Skip for now**.

What apps do you use for your business?

We'll help you connect them so you can see all your info in one place.

 PayPal	 Square
 Bill.com	 Dext
 Amazon Business	 Mailchimp
 Other apps	 I don't use any apps

Link your accounts and see everything in one place. We will not actually connect accounts for this training. Click **Skip for now**.


SET UP QUICKBOOKS


Link your accounts and see everything in one place

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

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

CASH FLOW
6 months ▾
\$10,000
Current cash balance

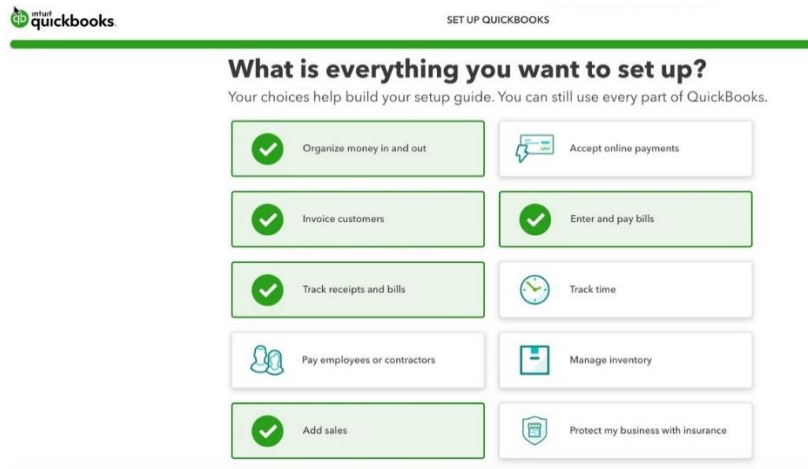
TODAY



What is everything you want to setup? **Check all options to match the screen shot below.**

Click **Next**. You will see a window pop up, **We're almost ready to dive in!**

Click **Let's Go**.

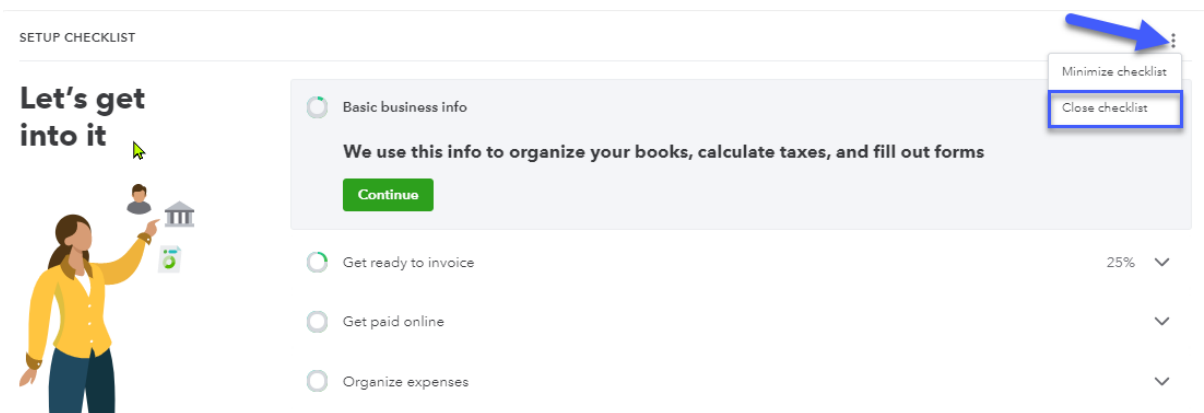


What is everything you want to set up?
Your choices help build your setup guide. You can still use every part of QuickBooks.

<input checked="" type="checkbox"/> Organize money in and out	<input type="checkbox"/> Accept online payments
<input checked="" type="checkbox"/> Invoice customers	<input checked="" type="checkbox"/> Enter and pay bills
<input checked="" type="checkbox"/> Track receipts and bills	<input type="checkbox"/> Track time
<input type="checkbox"/> Pay employees or contractors	<input type="checkbox"/> Manage inventory
<input checked="" type="checkbox"/> Add sales	<input type="checkbox"/> Protect my business with insurance

If the Setup Checklist window appears, simply click the three dots and close the window.

We will address these steps in the Case Study Activities.



Let's get into it

SETUP CHECKLIST

Basic business info
We use this info to organize your books, calculate taxes, and fill out forms
[Continue](#)

☒ Get ready to invoice 25% ▼

☐ Get paid online ▼

☐ Organize expenses ▼

Minimize checklist
Close checklist

Daniel Kishore and Meredith Nichols, friends and recent college graduates, have decided to open an organically sourced sushi restaurant named Sushi Coma Inc. (A “sushi coma” is their favorite state of being!) In the planning stage for several years, they have raised all initial startup costs. A tax accountant advised them to file as an S-corporation entity (explained below) and they have submitted all paperwork to the state. The company will operate on the calendar year and will file on a cash basis (information you will need later to complete various activities).

The restaurant will sell sushi burritos and bowls with several menu options, including build-your-own-bowl. It is a small restaurant with limited seating in a very busy location. They believe a large percentage of their business will come from online ordering, and they have opted to use a restaurant delivery service.

Daniel and Meredith agree they do not have enough training in financial matters related to their new startup and will need to hire an employee trained in QuickBooks. They have already subscribed to QuickBooks Online Plus. This is where you come in; you will help them set up their new enterprise with best-practice bookkeeping processes and procedures. You do not have to love sushi to be a part of this energetic startup; simply complete the training and activities and help them build a successful business!

We have organized Daniel and Meredith’s startup activities into sections that directly relate to each training session you will attend. Sections include purchases, reports (including a sample Chart of Accounts), other transactions, and activities. Follow along with their progress and make this project your own.

Good luck and have fun!

Here is additional information regarding an S-corporation entity. If you want more information about the different types of entities available to business owners, please visit www.irs.gov.

I. **Small Business Corporation – 1120S**

S corporations exist separately from owners and are corporations that elect to pass corporate income, losses, deductions, and credits through to their shareholders for federal tax purposes. Shareholders of S corporations report the flow-through of income and losses on their personal tax returns and are assessed tax at their individual income tax rates. This allows S corporations to avoid double taxation on corporate income. However, S corporations are responsible for tax on certain built-in gains and passive income at the entity level.

The following requirements must be met to qualify for S corporation status:

- Be a domestic corporation
- Have only allowable shareholders
- May be individuals, certain trusts, and estates
- May not be partnerships, corporations, or nonresident alien shareholders
- Have no more than 100 shareholders
- Have only one class of stock
- May not be an ineligible corporation (i.e., certain financial institutions, insurance companies, and domestic international sales corporations)

To become an S corporation, the corporation must submit Form 2553 Election by a Small Business Corporation (PDF) signed by all the shareholders. See the Instructions for Form 2553 (PDF) for all required information and to determine where to file the form.

Pros

- Provides protection against personal liability.
- Allows pass-through tax treatment. Profits and losses flow directly to individual shareholders.
- Conversion to a C Corporation – Venture capitalists typically invest solely in C corporations. In the future, should a company want to pursue venture capital, it is easy to convert to a C Corporation.

Cons

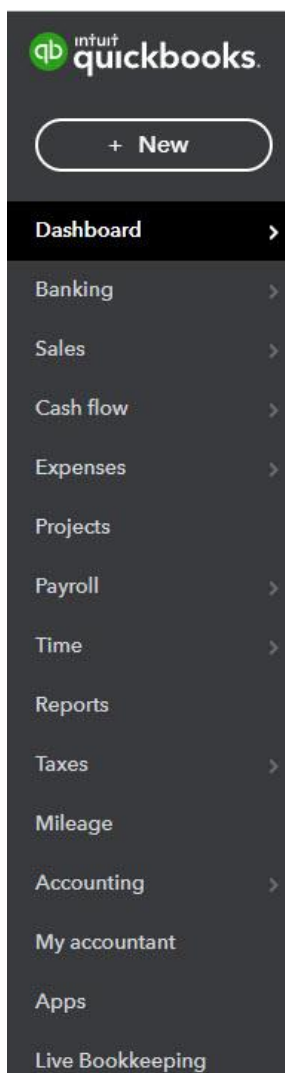
- There are limits on the number and type of shareholders. Many consider this the biggest disadvantage as shareholders can only be US citizens or residents, estates, or certain eligible trusts. Also, the number of shareholders is capped at 100.
- There are limits on capital structure—the corporation can only have one class of stock and may not issue both preferred stock and common stock.
- There are burdensome recordkeeping and other formalities. S Corporations are subject to onerous filing requirements (a certificate of incorporation is required, for example), adoption of bylaws, election of board of directors, annual meetings, etc. Also, they must maintain separate records and bank accounts, books, etc. Failure to adhere to the requirements could result in corporate shareholders being held personally liable.

Takeaway – S corporations are a very good shield against personal liability and a wise choice of entity for any business that may seek venture capital funding in the future. Founders can personally take advantage of anticipated losses while growing a company under this structure.

[S-Corporations](#)

Now let's explore the best way to get around in **QuickBooks® Online**.

Left Navigation Bar



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

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

Post bank and credit card transactions in the Banking Center.

View Expense history and Vendor information.

Access Sales, Customers and Products from the Sales Center.

Manage Employees and Contractors.

View and customize reports.

Review and maintain Sales and Payroll Taxes.

Track your mileage.

Maintain your Chart of Accounts categories.

Reconcile bank and credit card accounts.

Explore additional applications that work with QuickBooks® Online.

Dashboard (Getting things done).

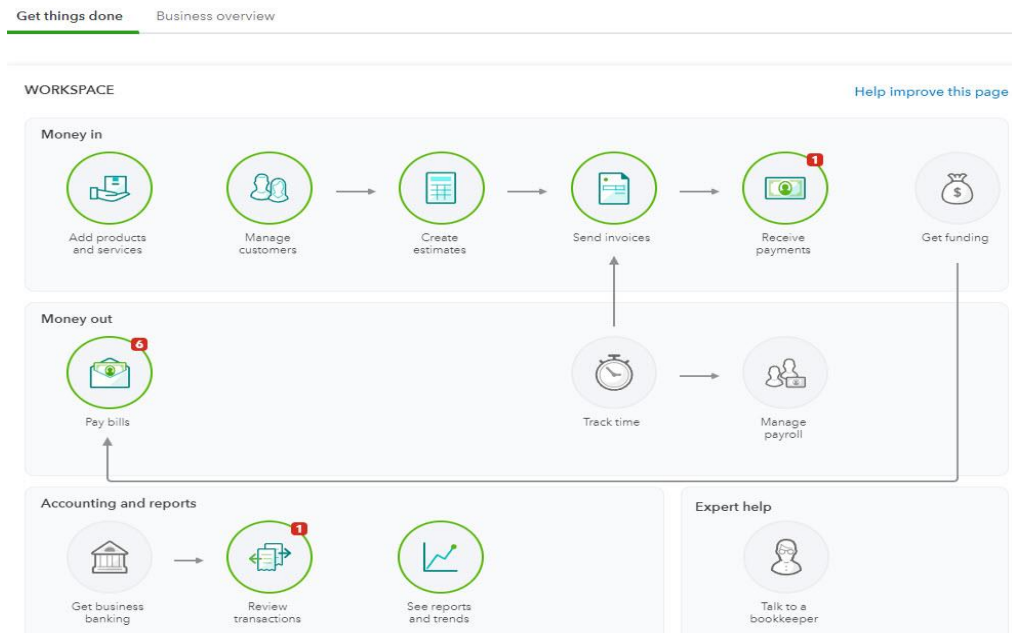
Once the new company setup process is complete, you will automatically land on the Dashboard (Getting things done) tab. The icons shown in the screen shots below are shortcuts to various areas of QuickBooks Online.

Note: From the Dashboard views, you can complete the following actions:

Review banking transactions.

Add a new customer.

Review expense totals for the previous month.

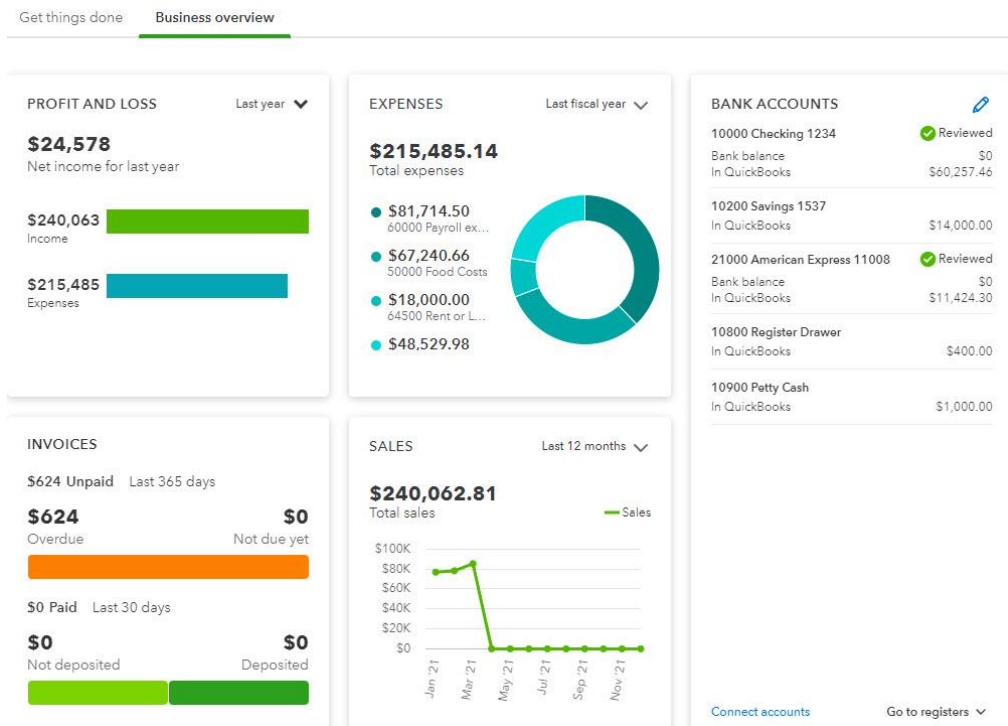


Feel free to click and explore. You cannot hurt anything by navigating through the clickable icons.

Dashboard (Business Overview)

Welcome to the QuickBooks® Online Dashboard.

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



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

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

Feel free to explore without worry!

Let's begin!

Income

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

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

INVOICES

\$624 Unpaid Last 365 days

\$624

Overdue

\$0

Not due yet

\$0 Paid Last 30 days

\$0

Not deposited

\$0

Deposited

EXPENSES

Last fiscal year ▼

\$215,485.14

Total expenses

- **\$81,714.50**
60000 Payroll Ex...
- **\$67,240.66**
50000 Food Costs
- **\$18,000.00**
64500 Rent or L...
- **\$48,529.98**



Expenses

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

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

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

Profit and Loss

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

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

PROFIT AND LOSS

Last year ▼

\$24,578

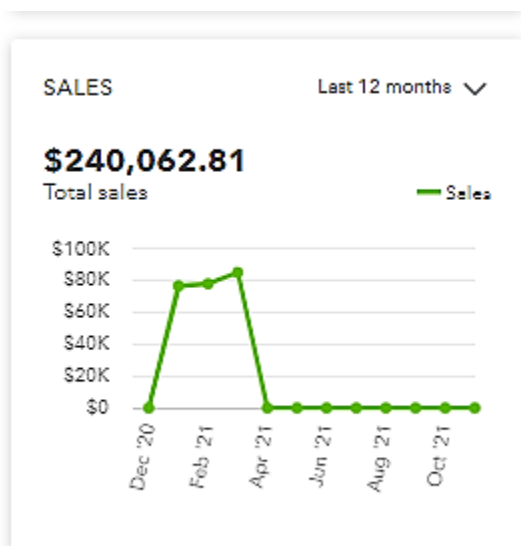
Net income for last year

\$240,063

Income

\$215,485

Expenses




Sales

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

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

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

BANK ACCOUNTS 	
10000 Checking 1234	✓ Reviewed
Bank balance	\$0
In QuickBooks	\$60,257.46
10200 Savings 1537	
In QuickBooks	\$14,000.00
21000 American Express 11008	✓ Reviewed
Bank balance	\$0
In QuickBooks	\$11,424.30
10800 Register Drawer	
In QuickBooks	\$400.00
10900 Petty Cash	
In QuickBooks	\$1,000.00
Connect accounts Go to registers ▼	

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

Logo

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




JDoe Sushi Coma Inc 2022

+ New

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

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

CUSTOMERS	VENDORS	EMPLOYEES	OTHER
Invoice	Expense	Payroll 	Bank deposit
Receive payment	Check	Time entry	Transfer
Estimate	Bill		Journal entry
Credit memo	Pay bills		Statement
Sales receipt	Purchase order		Inventory qty adjustment
Refund receipt	Vendor credit		Pay down credit card
Delayed credit	Credit card credit		
Delayed charge	Print checks		

[Show less](#)

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

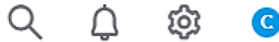
Additional icons include **Help**, **Search**, **Notifications** and **Settings Gear** and **Sign out**. Click the Help icon to address questions for specific areas of **QuickBooks®**. Click the **Bell** icon to view recent notifications.



Search Icon

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

Click the **Search** icon.



Enter a transaction number, date, amount etc.
for a simple search.

Search

SEARCH TIPS

- Search for **customers, vendors, transactions, reports, or accounts.**
- Search by **name, address, amount (\$340.00), date (MM/DD/YYYY)** and more.
- Type **create** to add a new invoice, expense, or any other kind of transaction.

RECENT TRANSACTIONS

Expense	CA Employment Development Department	03/15/2021	\$7,806.30
Expense	Akami Advertising	03/10/2021	\$1,000.00

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

[View more](#)

^ v to navigate enter to select esc to dismiss [Advanced Search](#)

Search


All Transactions ▼

Amount ▼ Equals ▼ 100.00

Search Add Filter

Gear Icon

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

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

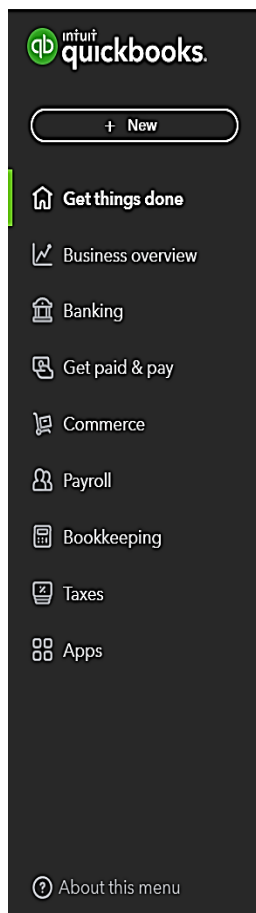
You're viewing QuickBooks in **Accountant view**. [Learn more](#)

[Switch to Business view](#)

There are two ways to view the left navigation bar. Click the **Gear** icon, Click **Switch to Accountant** or **Business view**. The business view changes the word “banking” to “transactions” and adds the cash flow feature.

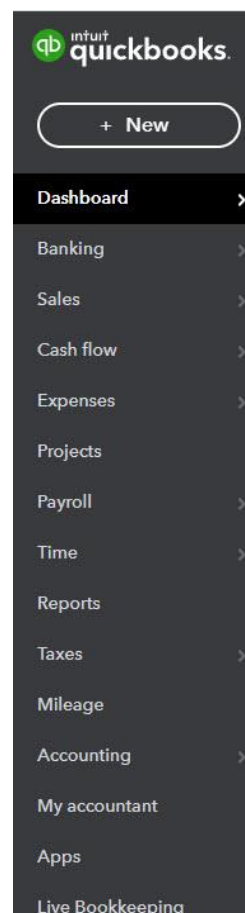
Left Navigation Bar

Business View



Left Navigation Bar

Accountant View



Note: We will use **Accountant View vs. Business View** for the remainder of this training. Your subscription may look slightly different depending on which version you are using. It is also possible updates have been released.

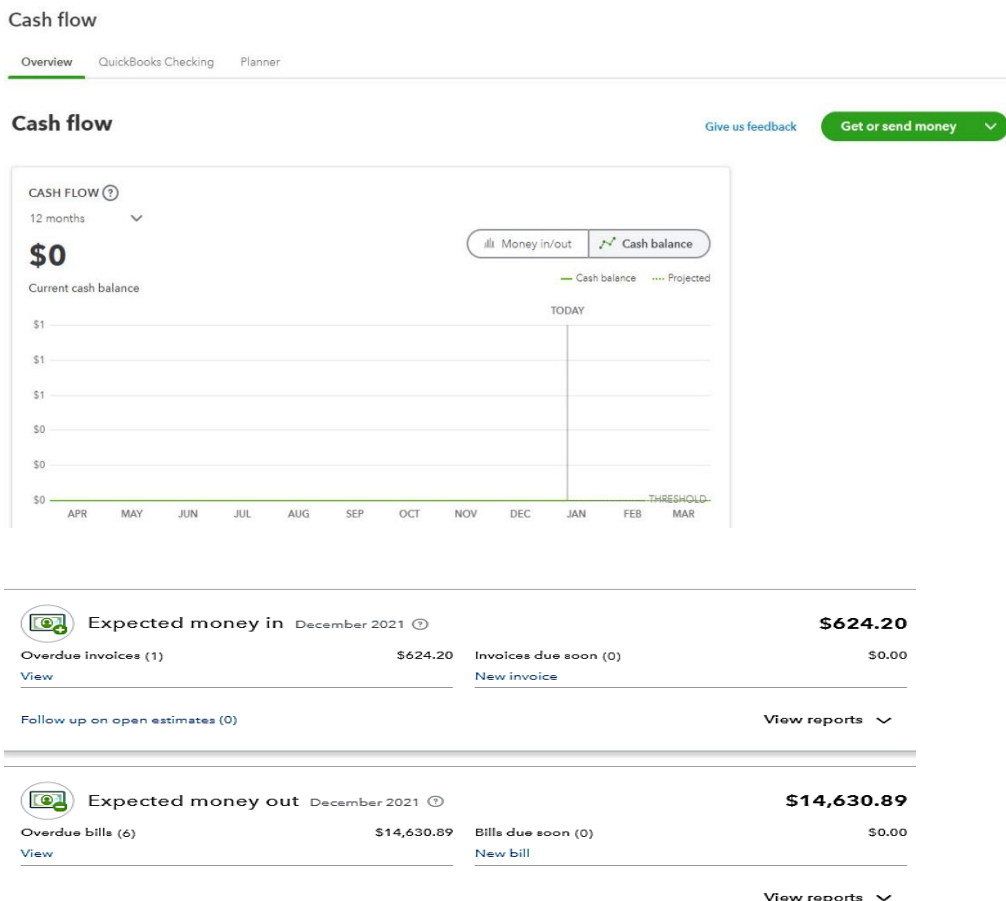
Cash Flow

Cash flows are the net amount of cash and cash-equivalents being transferred into and out of a business. As a business owner, cash flow management and the use of cash flow best practices is critical.

Do you have enough each week to pay bills, debts, owner pay and more? Many business owners confuse net profit and cash flow. It is important to maintain a healthy cash on hand balance. You can accomplish this by consistently moving a percentage of all sales to your savings account.

Click **Cash Flow** from the **Left Navigation Bar -> Overview tab**.

Click icons, words in blue, and drop-down arrows to explore links to additional information related to cash flow management.



1. **Which QuickBooks® Online subscription is most popular?**
 - a) Self-Employed
 - b) Plus
 - c) Essentials
 - d) Advanced

2. **Which of the following features are included in the PLUS subscription?**
 - a) Includes up to 5 users and 2 accountants
 - b) Includes inventory tracking
 - c) Includes project tracking
 - d) All the above

3. **What is the recommended browser for QuickBooks Online?**
 - a) Internet Explorer
 - b) Firefox
 - c) Chrome
 - d) None of the above

4. **When looking at the dashboard, which actions can you take?**
 - a) Review banking transactions
 - b) Manage Customers
 - c) Review expense totals from the previous month
 - d) All the above

5. **To locate a transaction that was previously entered, where do you go?**
 - a) + New icon
 - b) Gear icon
 - c) Search icon
 - d) None of the above

1. Review Video Links: Ctrl + Left-Click

[Versions of QuickBooks Online](#)

[Billing and Subscriptions](#)

[Multiple Windows](#)

2. Explore additional features:

1. Chrome
2. Multiple Window
3. Mobile App

3. Your Subscription

Verify access to your free subscription of QuickBooks Online. This file does not contain data. You should have received an invite from your Instructor and completed the signup process. Refer to Section One **Student Setup** if you need help

4. Student Setup - Use the following Information:

- Your First Initial Last Name (i.e., JDoe Sushi Coma Inc)
- Tax Federal Identification Number (FEIN) 46-1234567
- Tax Form: Small business corporation, two or more owners (Form 1120S)
- Email: Intuiteducation@intuit.com
- Phone: +1 650-944-6000
- Website: intuit.com/partners/education-program
- Address 7535 Torrey Santa Fe Rd, San Diego, CA 92129

5. Dashboard – Getting things done: Click the different icons to see where they lead.

6. Dashboard – Business overview: Click where there is a word in bolded color, an icon, a drop-down arrow, etc.

7. Review Video Links:

[Navigation Bar](#)

[Use Search](#)

[Use Advanced Search](#)

[Gear Button](#)

[New Button](#)

8. Navigation Bar - Click on the following Centers and explore. Become familiar with moving around the Centers:

- a. Expenses -> Vendors
- b. Sales-> Customers
- c. Reports
- d. Taxes

9. Search - Become familiar with search filters.

10. Gear - Go to Company and Settings in your company data file and change the settings to match the screen shots in this manual.

11. + New - Click the following menu options and become familiar with the different fields per window:

- a. Invoice
- b. Receive Payment
- c. Expense
- d. Check
- e. Bill
- f. Pay bills
- g. Sales Receipt
- h. Credit Memo
- i. Refund Receipt
- j. Bank Deposit
- k. Transfer
- l. Journal Entry



Online Foundations Training

SECTION 2: SET UP YOUR NEW QUICKBOOKS® ONLINE COMPANY

Objectives
Account and Settings
Manage Users
Lists
Chart of Accounts
Practice Test
Case Study Activities

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

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

In the last section, we walked through the first steps of how-to setup a new company in QuickBooks Online, learned how to import data and how-to successfully navigate the software.

Our next step is to gain an understanding of Account Settings and how default and custom settings work. Once the settings are established, we will setup Sushi Coma's shareholders, Daniel and Meredith, as users in the system. We will also setup the products and services they will sell.

In this section we will focus on the Chart of Accounts, an organizational tool that provides the business owner with a breakdown of every financial transaction in the company. The Chart of Accounts is the basis upon which a financial foundation is built. This is a foreign concept to the Sushi Coma Inc. partners, and they have requested further explanation and training in this area.

Upon completion of this section, you will be excited to see how much of Sushi Coma's bookkeeping process can be automated, saving the partners considerable time and money!

Why is an accurate Chart of Accounts imperative to the overall operation of the business?

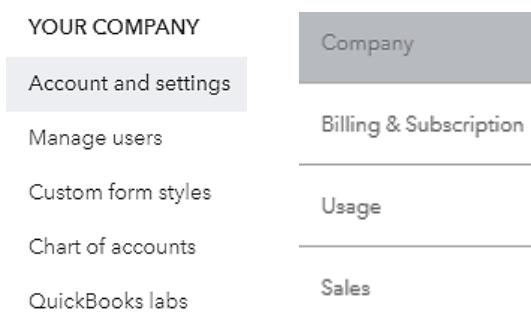
Use **Account and Settings** to **turn on/off** QuickBooks® Online features. It is important to turn off features you will not be using because it creates less fields during the input process. It is OK to turn on features as the need arises. This creates more efficiency and less guess work.

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

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


Click **Account and Settings**.

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



Company Name

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

Company name	
Company name	JDoe Sushi Coma Inc 2022
Legal name	Same as company name
EIN	XX-XXX4567

Company Type

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

Company type	Tax form	Small business corporation, two or more owners (Form 1120S) ▼
	Industry	<input type="text" value="Enter your industry type"/>
		<div>Cancel Save</div>

Contact Info

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

Contact info	Company email	Intuiteducation@intuit.com
	Customer-facing email	Same as company email
	Company phone	+1 6509446000
	Website	intuit.com/partners/education-program

Address

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

Address	Company address	7535 Torrey Santa Fe Road, San Diego, CA 92129
Address	Customer-facing address	Same as company address
Address	Legal address	Same as company address

Communications with Intuit

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

Communications with
Intuit

Marketing Preferences

Billing & Subscription

This section does not require any changes.

Usage

Click the **Usage** tab in the left menu bar.
This is where you monitor users and
account categories limits. If you reach the limits,
you will be required to upgrade your subscription.

Company

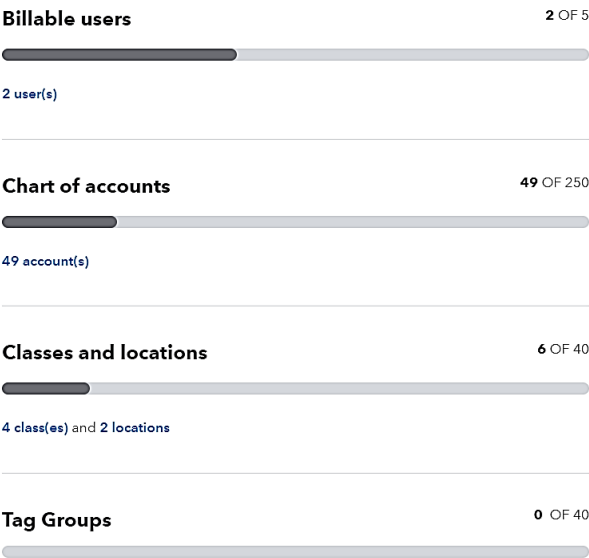
Billing & Subscription

Usage

Company

Billing & Subscription

Usage



Sales

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

Billing & Subscription

Usage

Sales

Expenses

Customize

Click **Customize Look and Feel** to customize Invoices, Estimates, and Sales Receipts.

Customize

Customize the way forms look to your customers

Customize look and feel

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

Click **New Style**. Select **Style** and choose the type of sales form you would like to customize.
Select a template, add a title and logo, choose a color scheme, and preview the form.
Let's choose **Invoice** for this example.

Custom form styles

[All lists](#)

 New style ▼

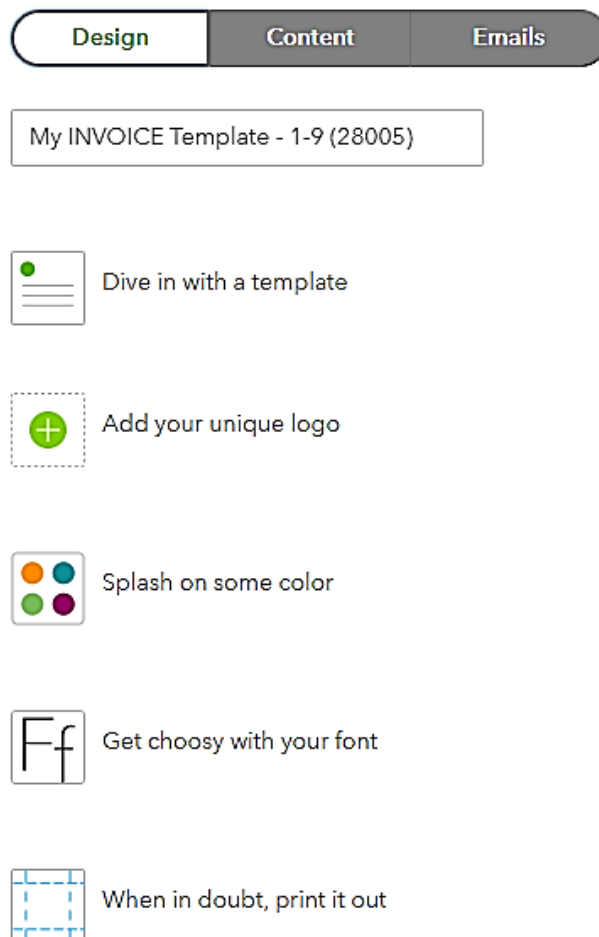
NAME	FORM TYPE	LAST EDITED	ACTION
My INVOICE Template - 11-1...	Invoice (default)	01/11/2022	Edit ▼
Standard	Default	11/02/2021	Edit ▼

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

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

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

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

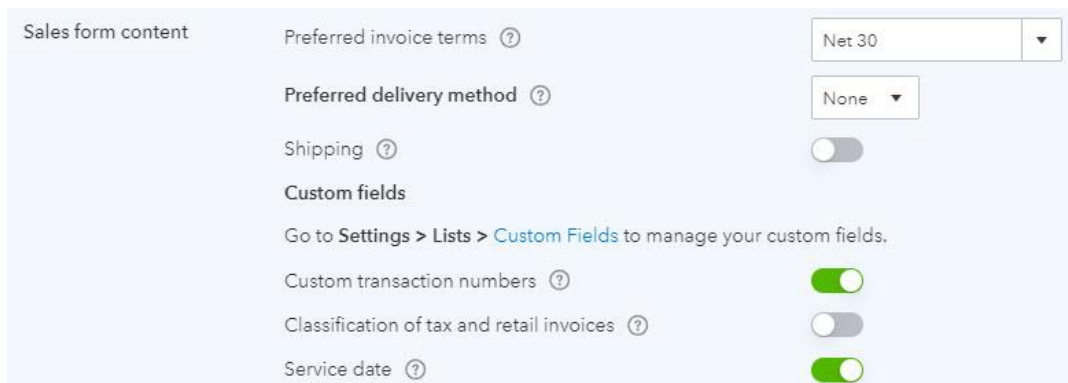


Sales Form Content

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

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

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



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

- Preferred invoice terms**: A dropdown menu set to 'Net 30'.
- Preferred delivery method**: A dropdown menu set to 'None'.
- Shipping**: A toggle switch that is currently turned off.
- Custom fields**: A section with a link that says 'Go to Settings > Lists > Custom Fields to manage your custom fields.'
- Custom transaction numbers**: A toggle switch that is currently turned on (green).
- Classification of tax and retail invoices**: A toggle switch that is currently turned off (grey).
- Service date**: A toggle switch that is currently turned on (green).

Shipping adds a shipping field to Sales Forms.

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

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

Classification of tax and retail invoices allow you to use a separate numbering system for retail invoices.

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

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

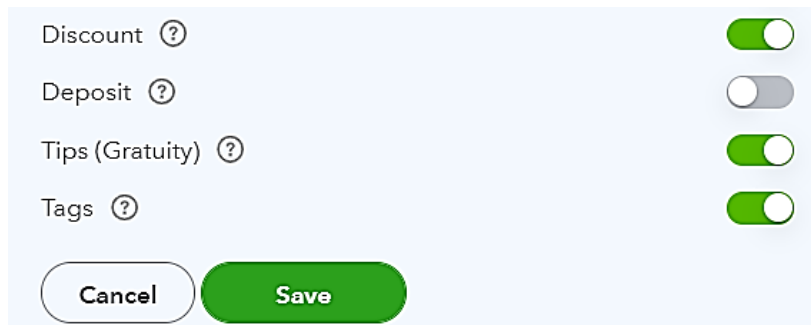
Discounts reduce the amount of the invoice or sales receipt; amounts can be set as value or percentage.

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

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

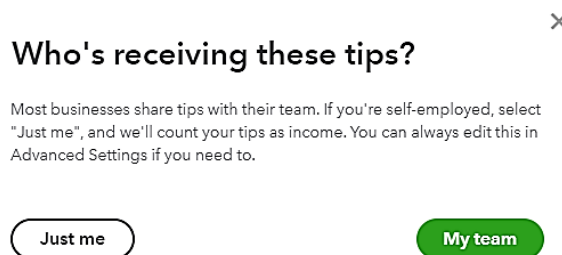
Tips and Gratuity- Adds a tips field to Sales Forms. Select **(Just Me)** to record tip income or select **(My Team)** to track tips that need to be paid out to your team.

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



Discount ?	<input checked="" type="checkbox"/>
Deposit ?	<input type="checkbox"/>
Tips (Gratuity) ?	<input checked="" type="checkbox"/>
Tags ?	<input checked="" type="checkbox"/>

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



Who's receiving these tips?

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

Products and Services

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

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

Show SKU column allows you to track Products and Services by SKU number.

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

Track quantity and price/rate adds a field to show quantities and pricing on Sales Forms.

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

Products and services

Show Product/Service column on sales forms ? ☒

Show SKU column ? ☐

Turn on [price rules](#) BETA ☐

Track quantity and price/rate ? ☒

Track inventory quantity on hand ? ☒

Cancel Save

Late Fees

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

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

Progress Invoicing

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

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

Messages

Click **Messages** to add a default email message sent with Sales Forms, Invoices, Estimates, Credit Memos, Sales Receipts, Statements, and Refund Receipts.

Click **Email me a copy** to receive a copy of emailed Sales Forms. You can include a Cc or Bcc email as well.

Messages

Default email message sent with sales forms

☒ Use greeting
 Dear [Full Name]

Sales form ⓘ

Invoice

Use standard message

Email subject line

Invoice [Invoice No.] from Sushi Coma

Email message

Here's your invoice! We appreciate your prompt payment.

Have a great day,
Sushi Coma Inc

☐ Email me a copy at Intuiteducation@intuit.com

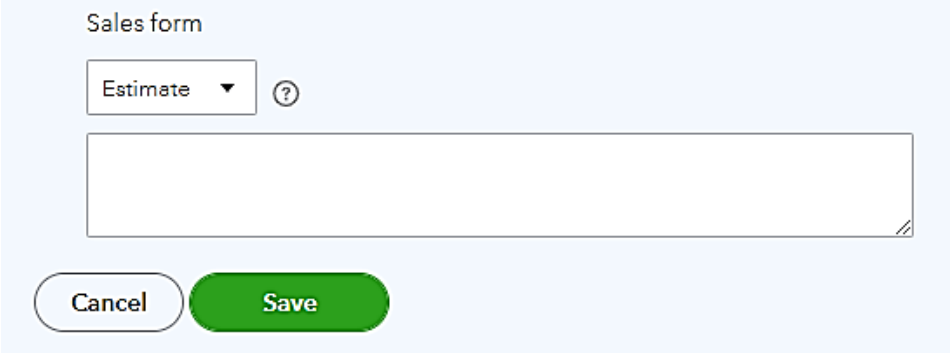
Copy (Cc) new invoices to address

Cc (Separate multiple emails with a comma)

Blind Copy (Bcc) new invoices to address

Bcc (Separate multiple emails with a comma)

Your default message sent with Sales Forms can be changed when creating Estimates, Invoices and other Sales Forms.



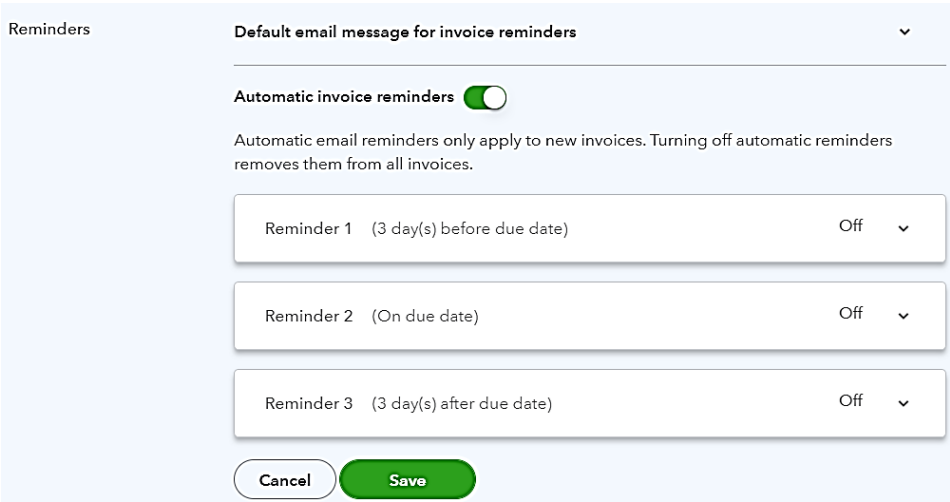
Sales form

Estimate ▼ ⓘ

Cancel Save

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

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



Reminders

Default email message for invoice reminders ▼

Automatic invoice reminders ☒

Automatic email reminders only apply to new invoices. Turning off automatic reminders removes them from all invoices.

Reminder 1 (3 day(s) before due date) Off ▼

Reminder 2 (On due date) Off ▼

Reminder 3 (3 day(s) after due date) Off ▼

Cancel Save

Online Delivery

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

Online delivery

Email options for all sales forms

- ☒ Show short summary in email
- ☐ Show full details in email
- ☒ PDF Attached

Additional email options for invoices

Plain text ▼

Cancel

Save

Statements

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

Statements

☒ List each transaction as a single line ?

☐ List each transaction including all detail lines

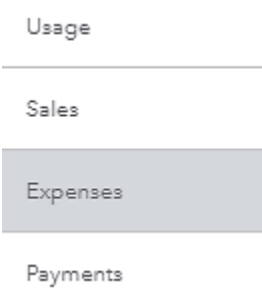
Show aging table at bottom of statement ? ☒

Cancel

Save

Expenses

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



Bills and Expenses

Click **Bills and expenses** to turn on/off settings, add columns on forms, and track expenses. **Show Items table on expense and purchase forms** adds products column to forms. **Show Tags field** adds a field that allows you to track transactions using tags and tag groups. **Track expenses and Items by customer** adds a column to track transactions by customers. **Make expenses and items billable** adds a column to track expenses billable to the customer and provides an option to add a default markup rate. Simply mark expenses as billable; when creating the invoice, a message will appear showing billable expenses. You can select the expense and populate them directly on the invoice. **Default bill payment terms** is used to set default terms for bills, such as net 30.

Bills and expenses	Show Items table on expense and purchase forms	On
	Show Tags field on expense and purchase forms	On
	Track expenses and items by customer	On
	Make expenses and items billable	Off
	Default bill payment terms	Net 30

Purchase Orders

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

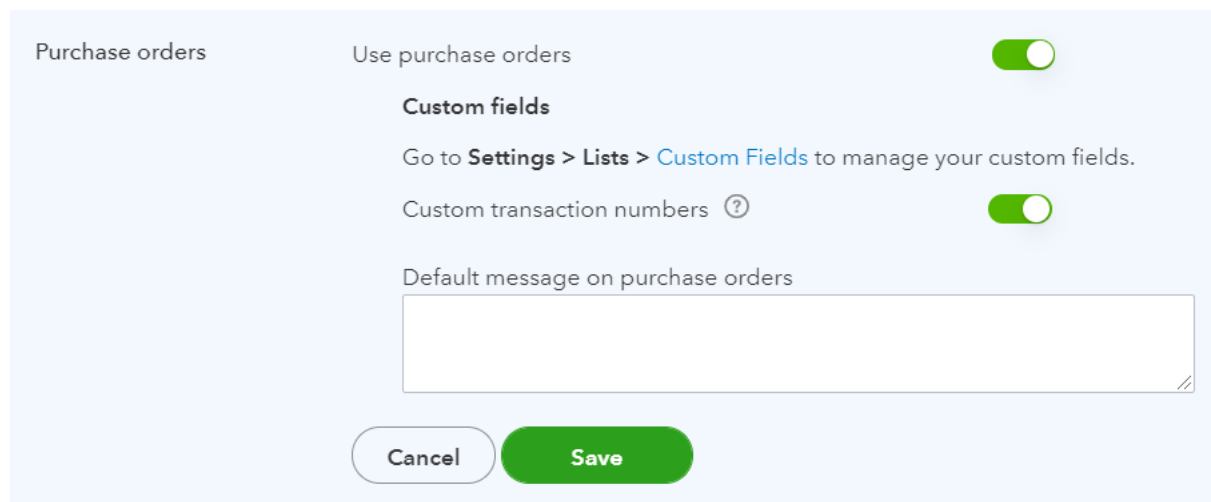
Purchase orders are used to track product purchased from vendors. This is helpful when tracking open orders for inventory and in comparing costs to actual bills.

Custom fields allows you to add extra fields to purchase orders to track information using custom reports.

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

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

Copy estimates to purchase orders provides the ability to copy an estimate to a purchase order to track product purchased from vendors. **Note:** Click **Messages** to change outgoing email messages specifically for purchase orders. Click **Save -> Done**.



Messages

Default email message sent with purchase orders

Payments Tab

This setting allows you to connect Intuit merchant services to your QuickBooks Online company file. You or your customers can enter details and pay their invoice with a credit card or bank transfer. QuickBooks Online automatically records the payment transaction for you. The merchant fee is processed as a separate transaction.

QuickBooks Payments

Get paid more ways, fast!

- Take credit cards or bank transfers
- Accept payments through Quickbooks, emailed invoices, and mobile
- QuickBooks automatically updates when you're paid

Learn more

Existing account

If you already have a Payments account with Intuit (you may know it as GoPayment or Merchant Services), connect it to your QuickBooks.

Connect

Time

Click the Time tab to turn on/off time features. Basic time is included in your QBO subscription plan. However, you can upgrade to Premium or Elite. Click See Plans to learn more. **Note:** We will not activate the time feature for this training.

General	Who tracks time	0 team members
	First day of work week	Monday
Timesheet	Show service field	Off
	Allow time to be billable	Off

Note: These features will not be used during this training.

Advanced

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

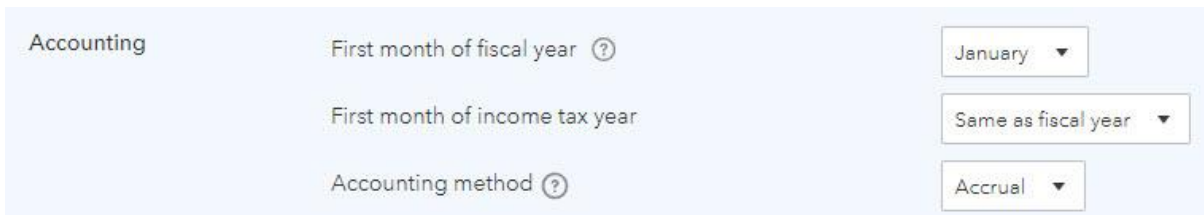
Click **Accounting** to turn on/off and change settings.

First month of fiscal year is usually January, based on the calendar. Some companies use a different month to start their fiscal year.

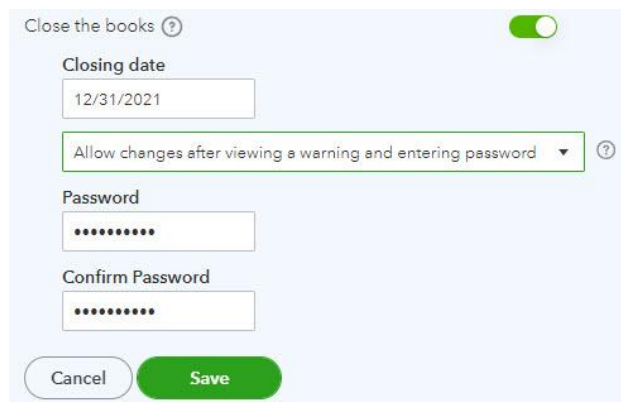
First month of income tax year lets you click the drop-down arrow to select **January** or **Same as fiscal year**.

There are two **Accounting methods** for running reports: accrual and cash.

If you use Accounts Receivable and/or Accounts Payable in QuickBooks® Online, then you should choose the **Accrual** basis. If not, then use the **Cash** basis.



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



Company Type

Tax Form

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

Company type

Tax form ?

Small business corporation, two or more owners (Form 1120S) ▼

Cancel

Save




Chart of Accounts

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

Chart of accounts

Enable account numbers ?

☒ Show account numbers ?

Discount account ?

Tips account ?

Cancel

Save

☒

40500 Discounts given ▼

22200 Undistributed Ti ▼

Note: You may need to create the categories in the Chart of Accounts, or re-visit this setting once you have populated and cleaned up the Chart of Accounts.

Categories

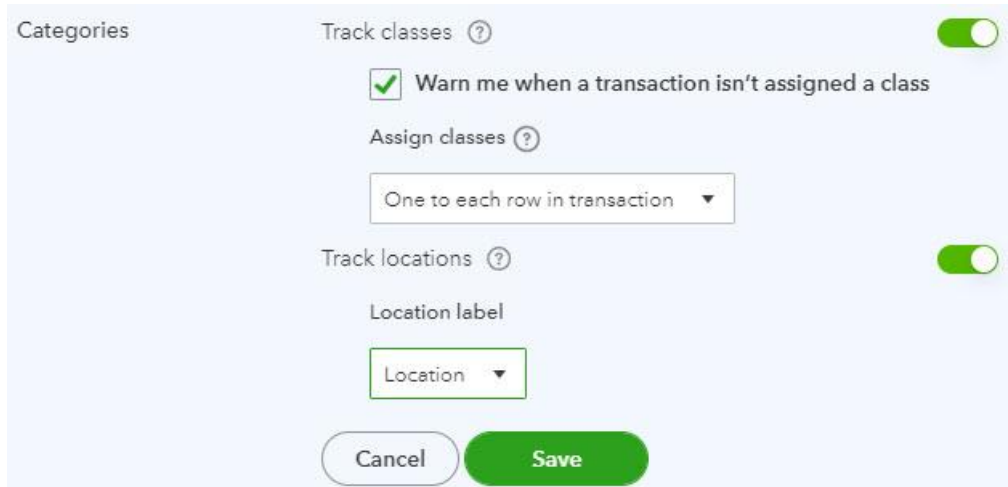
Classes

Assign classes to transactions in order to gather data and review reports that display income and expenses by class.

For example, Sushi Coma sells products online, through online ordering, and in-house for those eating at the restaurant. They need to record sales for both to clearly see how each aspect of the business is performing. This feature allows them to review a Profit & Loss by class.

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

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



Categories

Track classes ? ☒

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

Assign classes ?

One to each row in transaction ▼

Track locations ? ☒

Location label

Location ▼

Cancel Save

Locations

Track locations is used to track transactions and gather data for a specific location, department, property, etc. For example, Sushi Coma has multiple restaurants and would like to review a Profit & Loss for each restaurant.

Automation

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

Pre-fill Forms with previously entered content fills form fields with memorized content from prior Vendor, Customer, and Employee transactions.

Automatically apply credits posts outstanding credits to newly created Invoices.

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

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

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

Projects

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

Currency (Leave it turned off)

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

Other Preferences

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

Date format is a preference with several options.

Number format is a personal preference.

Customer label reflects the type of Customers you service or sell to. The label you choose will appear on the Navigation Menu Bar and transactions related to Customers, such as Invoices, Sales Orders, Credit Memos, etc.

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

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

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

Sign me out if inactive for a period. It let's you choose between 1 and 3 hours.

Click **Save -> Done**.

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

Note: The default label is Customers, we have changed it to **Clients** in **Other preferences**.

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

Click the **Gear** icon.



Click **Manage Users**.

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

Manage users

[Give Feedback](#)**Users** 0

Accounting firms 0

[Add user](#)

NAME	EMAIL	USER TYPE	STATUS	DATE ADDED	BILLABLE	0	ACTION
------	-------	-----------	--------	------------	----------	---	--------

No data available



Note: This is informational only. We will not invite users during this training. You can click through the steps and exit when asked for user information.

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

Standard User allows you to select which areas a user can access (included in billable users).

Company admin allows access to all areas of QuickBooks® Online Plus (included in billable users).

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

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

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

Add a new user

Select user type

These count toward your user limit.

☒ Standard user

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

☐ Company admin

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

These don't count toward your user limit.

☐ Reports only

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

☐ Time tracking only

They can add their own time sheets.

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

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

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

Add a new user

Select access rights

How much access do you want this user to have?

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

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

Add a new user

Select user settings

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

- ☐ Yes
- ☒ No
- ☐ View only

Do you want this user to edit company info?

- ☐ Yes
- ☒ No

Do you want this user to manage subscriptions?

- ☐ Yes
- ☒ No
- ☐ View only

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

First name

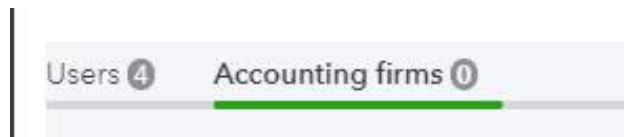
Last name

Email

This will be their user id.

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

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



An accountant can be your best business partner

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

Accountant's email

Invite

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

Lists are one of the basic features of QuickBooks® Online. A list is a series of like information compiled into an organized directory. This helps save time and ensures that information is entered consistently and correctly.

Click the **Gear** icon.



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

Lists

Chart of Accounts

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

Recurring Transactions

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

Products and Services

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

Product Categories

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

Locations

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

Custom Form Styles

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

Payment Methods

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

Terms

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

Classes

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

Attachments

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

Custom Fields

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

Importing Lists


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


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


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


Import Data


Bring your existing data into QuickBooks


Bank Data


Clients


Vendors



Chart of Accounts


Products and Services

First time importing your Chart of Accounts?

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

Select a CSV or Excel file to upload

[Download a sample file](#) 

Select Google Sheet

[Preview a sample](#)

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Accurate Numbers

The bookkeeping function is a critical component of a firm's success.

Many business owners underestimate the importance of good numbers and how to put them to work to improve company performance. Having accurate, real-time financial data and the knowledge of how to put them to work for a company is a powerful component of business success.

QuickBooks is designed to help you with everyday organization, from organizing expenses, to connecting bank and credit card accounts for automatic downloads, to categorization and far more. As we will demonstrate, the software automatically tracks inventory on hand and per-item cost so you can keep a better handle on productivity and profit margins, among other things. In addition, it provides real-time data with one-click reporting that explains how the business is performing.

QuickBooks can help a business control cash flow. The software automatically stays on top of who owes what and will even email overdue customers. Automated invoicing and more, will streamline processes, dropping more to the bottom line.

As you can see, learning how to take advantage of important features of accounting software can mean the difference between success and failure in a business.

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

Balance Sheet

Assets (what your company owns): Bank Accounts, Petty Cash, Fixed Assets (equipment or vehicles), Inventory, Undeposited Funds (payments from customers waiting to be deposited).

Liabilities (what your company owes): Accounts Payable, Loans, Sales, Payroll Taxes.

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

Profit & Loss

Income (what you have earned): sales of Products, Labor, Interest, Rental Income, Materials, etc.

Expenses (what you have spent): Office Expenses, Wages, Professional Fees, Rent, Utilities, etc.

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

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

Manage Accounts

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

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

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

Click the **Drop-down List** to Edit, Make Inactive, or Run Reports.

Click the **Header** name to Sort by Column.

YOUR COMPANY

Account and settings

Manage users

Custom form styles

Chart of accounts

QuickBooks labs

Chart of Accounts						Run Report	New
All Lists							
Filter by name or number		All					
NUMBER	NAME	TYPE	DETAIL TYPE	QUICKBOOKS BALANCE	BANK BALANCE	ACTION	
10000	10000 Checking 1234	Bank	Checking	60,257.46		View register	
10200	10200 Savings 1537	Bank	Savings	14,000.00		Edit	
10800	10800 Register Drawer	Bank	Cash on hand	400.00		Make inactive (reduces usage)	
						Run report	

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

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

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

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

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

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

Add Accounts

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

Run Report New Import

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

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

Account

<p>Account Type</p> <div>Other Expense ▼</div> <p>* Detail Type</p> <div>Other Miscellaneous Expense ▼</div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 10px;"> <p>Use Other miscellaneous expense to track unusual or infrequent expenses that don't fall into another Other Expense type.</p> <p>If an expense is directly related to providing a service, use an Expense type (not an Other Expense type) account called Other miscellaneous service cost.</p> </div>	<p>* Name</p> <div>Ask My Accountant</div> <p>Description</p> <div></div> <p><input type="checkbox"/> Is sub-account</p> <div>Enter parent account ▼</div>
---	--

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

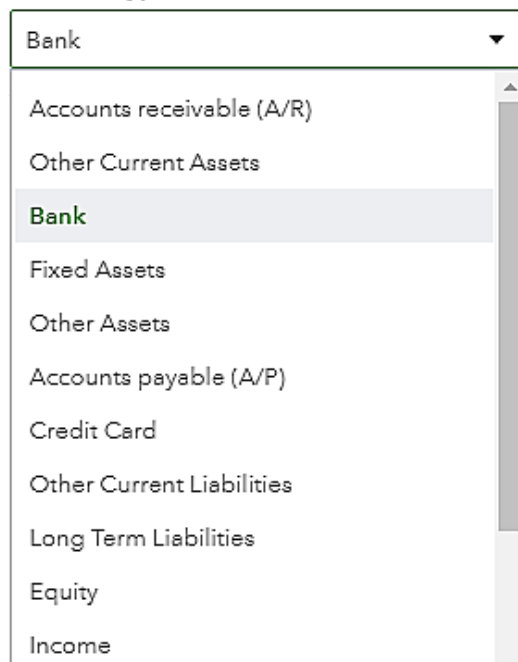
Add Bank Accounts

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

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

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

Account Type



A screenshot of a dropdown menu titled "Account Type". The menu is open, showing a list of account categories. "Bank" is selected and highlighted in green. Other options include Accounts receivable (A/R), Other Current Assets, Fixed Assets, Other Assets, Accounts payable (A/P), Credit Card, Other Current Liabilities, Long Term Liabilities, Equity, and Income.

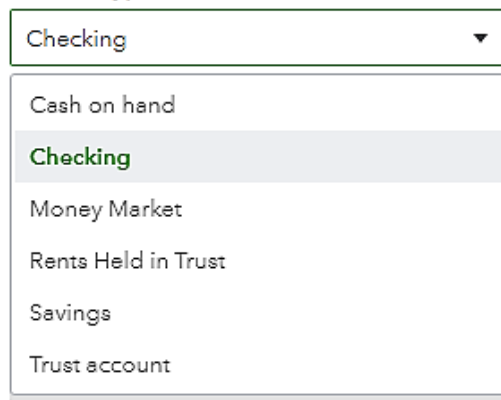
Account Type
Bank
Accounts receivable (A/R)
Other Current Assets
Bank
Fixed Assets
Other Assets
Accounts payable (A/P)
Credit Card
Other Current Liabilities
Long Term Liabilities
Equity
Income

Select the appropriate **Detail Type**.

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

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

*Detail Type



A screenshot of a dropdown menu titled "*Detail Type". The menu is open, showing a list of detail types for the selected "Bank" account type. "Checking" is selected and highlighted in green. Other options include Cash on hand, Money Market, Rents Held in Trust, Savings, and Trust account.

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

Edit Account

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

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

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

Edit

Make inactive (reduces usage)

Run report

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

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

Account

Account Type

Long Term Liabilities

*Detail Type

Notes Payable

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

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

*Name

Note Payable - SBA

Number

27000

Description

☐ Is sub-account

Enter parent account

Balance

49,763.24

Make Inactive

From the Chart of Accounts List:

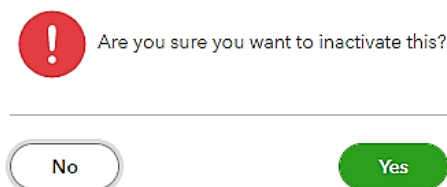
Click one time to highlight the Account you would like to deactivate.

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

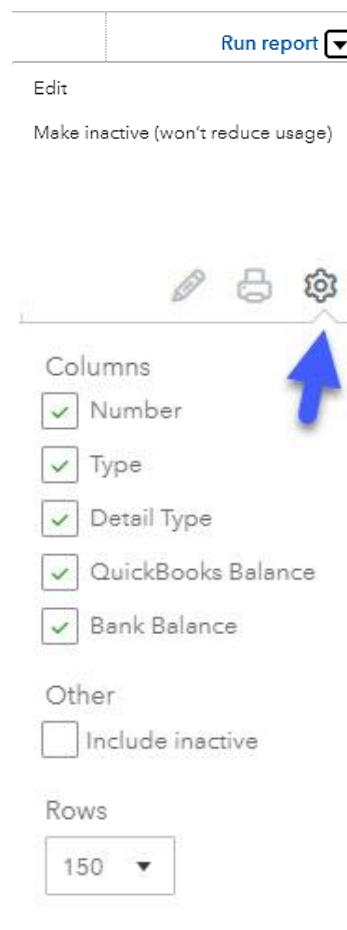
Miscellaneous	Other Expense	Other Miscellaneous Expense
Penalties & Settlements	Other Expense	Penalties & Settlements

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

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



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



Merge Accounts

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

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

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

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

We will merge **Shipping Income** with **Sale of Product Income** from the Chart of Account Settings window.

Click one time to highlight the account then keep, “Sale of Product Income”

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

40000 Service Income	Income	Service/Fee Income		Run report ▼
40100 Sales of Product Income	Income	Sales of Product Income		Run report ▼
Billable Expense Income	Income	Sales of Product Income		Edit Make inactive (won't reduce usage)

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

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

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

Account

Account Type	* Name
Income	Sales of Product Income
* Detail Type	Number
Sales of Product Income	40100
Use Sales of product income to track income from selling products.	Description

Select the Account “Bookkeeper.”

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

Account

Account Type	* Name
Income	Shipping Income
* Detail Type	Number
Sales of Product Income	
Use Sales of product income to track income from selling products.	Description

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

Please Confirm



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

No

Yes

Sub-accounts

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

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

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

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

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

Click the box **Is sub-account** and select the main Account **Automobile**. Repeat the process to create additional Sub-accounts for **Insurance**, **License**, and **Service**.

<p>Account Type</p> <div>Expenses ▼</div>	<p>* Name</p> <div>Auto Fuel</div>
<p>* Detail Type</p> <div>Auto ▼</div>	<p>Number</p> <div>60910</div>
<p>Description</p> <div></div>	
<p><input checked="" type="checkbox"/> Is sub-account</p> <div>60900 Auto Expenses ▼</div>	

Use **Auto** to track costs associated with vehicles.

You may want different accounts of this type to track gasoline, repairs, and maintenance.

If your business owns a car or truck, you may want to track its value as a Fixed Asset, in addition to tracking its expenses.

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

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

1. **You have finished your year-end review and taxes have been filed. You want to set a closing date and password. How do you do that?**
 - a) Gear->Account and Settings->Company
 - b) Gear->Account and Settings->Chart of Accounts
 - c) Gear->Account and Settings->Advanced->Accounting
 - d) Gear->Account and Settings->Advanced->Automation

2. **You have a new Accountant. Where would you go to invite your accountant to your company file?**
 - a) Gear->Manage users->Accounting firms
 - b) Gear->Account and Settings->Chart of Accounts
 - c) Gear->Manage users->Users
 - d) + New->Vendors

3. **Which list(s) can you import in the PLUS subscription through the import data window?**
 - a) Chart of Accounts
 - b) Customers
 - c) Products and Services
 - d) All the above

4. **Which of the following statements is NOT true about Products and Services?**
 - a) Service items can be changed to other types.
 - b) You can set up Inventory, Non-inventory, Service, and Bundle types.
 - c) Inventory types can be changed to another type.
 - d) You can set up and manage categories to group Products and Services.

5. **Which of the following is NOT true about merging accounts?**
 - a) When you merge accounts, all transactions are recorded to the new account.
 - b) You can undo a merge.
 - c) You can merge accounts of the same type.
 - d) To merge accounts, copy the display name on the entry you no longer want to see.

You are now ready to begin the process of setting up a new company in QuickBooks Online. You have been employed by Sushi Coma Inc., a sushi restaurant, to help them get set up in QuickBooks and manage ongoing bookkeeping and financial tasks in their business. Simply follow the steps. Seeing the numbers come to life because you understand what they mean and how to use them is both fun and rewarding!

Daniel Kishore and Meredith Nichols, owners and shareholders of Sushi Coma Inc., have two locations in San Diego California with 5 employees each. They will use classes to track information. The company has startup costs and expenses that occurred in December of the prior year and these expenses will need to be recorded.

After meeting with their accountant, the owners have decided to use Purchase Orders and Bills to order beverages and track inventory. Additional tasks you will be expected to manage include both Accounts Receivable and Accounts Payable, in addition to Budget creation. You will also be tasked with reconciling all bank and credit card accounts each month and more.

Meredith and Daniel understand the importance of establishing a strong financial foundation and will rely on custom reports to make sound business decisions. They will also use reports to analyze cash flow and develop cash flow strategies that will ensure the success of the business.

Let's get to work and build a successful business!

1. Review Video Links:

[Accounting Terms You Need to Know](#)

[Check Your Settings](#)

2. Setup Sushi Coma Inc.:

Refer to the Accounts and Settings screen shots provided in the training.

Information you will need to fill out the Company Tab:

- Your First Initial Last Name (i.e. JDoe Sushi Coma Inc)
- Tax Federal Identification Number (FEIN) 46-1234567
- Tax Form: Small business corporation, two or more owners (Form 1120S)
- Email: Intuiteducation@intuit.com
- Phone: +1 650-944-6000
- Website: intuit.com/partners/education-program
- Address 7535 Torrey Santa Fe Rd, San Diego, CA 92129

3. Turn on/off default features and follow the screen shots:

Sales Tab -> Tips – select my team

Advanced Tab -> Undistributed tips in the advanced – Chart of Accounts section – tips account.

4. Review Video Links:

Customize Sales Forms

[Intro](#)

[Look and Feel](#)

[Header](#)

[Body](#)

[Footer and Messaging](#)

5. Customize the Sushi Coma Inc. Invoice template - You can choose the style and colors.

6. Add an Avatar or Logo. (Optional)

7. Review Video Links:

[Set Up a New User](#)

[How to Invite your Accountant](#)

8. Explore Manage Users:

We will assume Daniel and Olivia are already setup as Admin Users. You will not need to invite additional Users for this activity.

9. Review Video Link:

[Customer List: Intro](#)

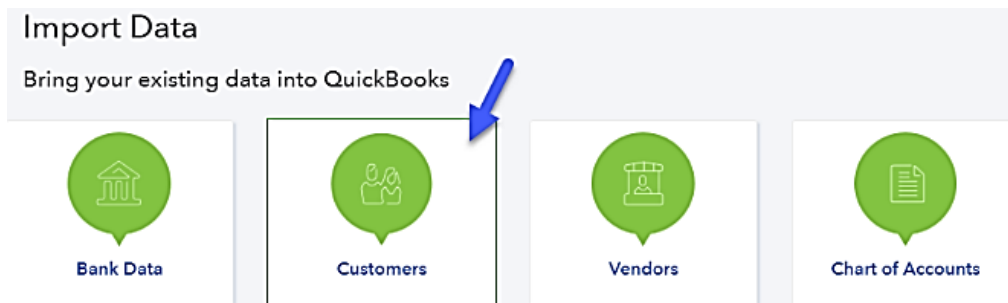
[Customer List: Customize](#)

[Customer List: Find and Record Transactions](#)

[Importing Data from Excel](#)

10. You can choose to add customers manually or import the Customer List Excel file.

- If you choose to import the list, click Gear Icon -> Import data-> Select Customers




- b. **Upload the Sushi Coma Customer List.xls file.** Make sure the file is available on your local computer or USB Flash Drive. **Click Browse -> Select the file -> Click Next.**

Import customers

1
UPLOAD

Select a CSV or Excel file to upload

Sushi Coma Customer List.xls  Browse

- c. **Follow the screen shot to Map fields between QuickBooks Online and the Customer List.** Verify all fields with a check mark, then continue to the next slide to complete this step.

Import customers

1
UPLOAD


Map your fields to QuickBooks fields

QUICKBOOKS ONLINE FIELD	YOUR FIELD	
Name	Company	✓
Company	Company	✓
Email	Email	✓
Phone	Phone	✓
Mobile	No Match	
Fax	No Match	
Website	No Match	
Street	Street	✓
City	City	✓
Province/Region/State	State	✓
ZIP code	ZIP	✓

- d. **Complete the mapping process -> Click Next.** (If you encounter issues, you can always revert to the manual input process.)

Country	No Match	▼
Opening Balance	No Match	▼
Opening Balance Date	No Match	▼
Tax Resale No.	No Match	▼
Customer Type	No Match	▼

- e. **Go to the Customer Center and verify your Customer List matches this one.**

<input type="checkbox"/> CUSTOMER ▲ / COMPANY	ADDRESS	PHONE	EMAIL
<input type="checkbox"/> Ahi Gyoza 	10025 Carmel Mountain R. San Diego CA 92129	(650) 123-4567	ahi@gmail.com
<input type="checkbox"/> Ginger Edamame	7875 Highlands Village Plz San Diego CA 92129	(650) 456-7890	
<input type="checkbox"/> Miso Mimachi	6984 Torrey Santa Fe Rd San Diego CA 92129	(650) 575-8766	
<input type="checkbox"/> Online Customers			
<input type="checkbox"/> Restaurant Customers			
<input type="checkbox"/> Unagi Siracha	9904 Kika Ct San Diego CA 92129	(650) 663-8768	

11. Review Video Link:

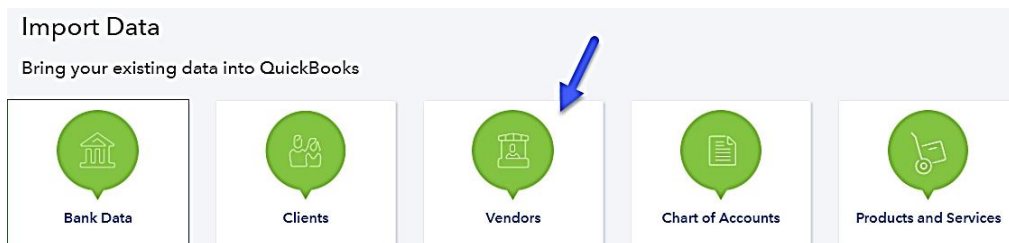
[Vendor List: Intro](#)

[Vendor List: Customize](#)

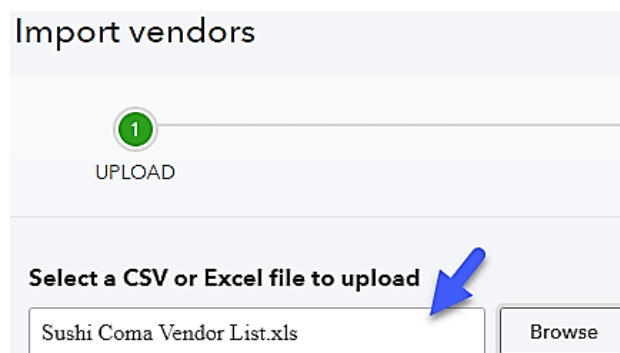
[Vendor List: Find and Record Transactions](#)

12. You can choose to add Vendors as you enter Bills and Expenses or Import the Vendor List .csv file. If you choose the import, complete the following steps.

- a. To import the Vendor list, click Gear Icon -> Import -> Select Vendors.



- b. Upload the Sushi Coma Vendor List.xls file. Make sure the file is available on your local computer or USB Flash Drive. Click Browse -> Select the file -> Click Next.



- c. Follow the screen shot to Map fields between QuickBooks Online and the Customer List.

Verify all fields with a check mark, continue to next slide to complete this step.

Import vendors

1
 UPLOAD

QUICKBOOKS ONLINE FIELD	YOUR FIELD
Name	Company
Company	Company
Email	Email
Phone	Phone
Mobile	No Match
Fax	No Match
Website	No Match
Street	Street
City	City
Province/Region/State	State
ZIP code	ZIP

d. Click Next -> Select all Vendors -> Click Import.

Country	No Match	▼
Opening Balance	No Match	▼
Opening Balance Date	No Match	▼
Tax Id No.	No Match	▼

e. Compare your Vendor list to the Sushi Coma Vendor List import file provided by your Instructor.

Great Job! Let's continue importing and creating lists.

Daniel and Meredith have narrowed down the categories they wish to use to make up their Chart of Accounts. Your challenge is to Import, Add, Edit, Merge or Inactivate categories to fulfill their request.

The ability to setup, cleanup and manage a Chart of Accounts is an excellent skill set in high demand in the accounting industry.

13. Review Video Links:

[Understanding the Chart of Accounts](#)

[Set Up a New Account](#)

[Set Up and Use Account Numbers](#)

[Introduction to Subaccounts](#)

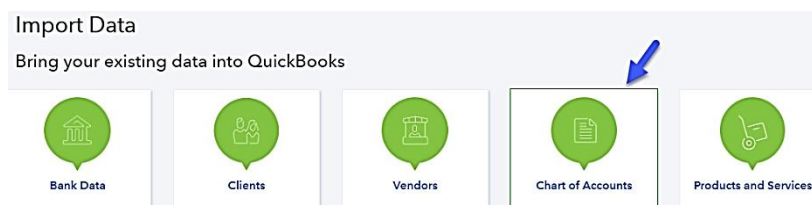
[Create a New Subaccount](#)

a. Import or manually create the Sushi Coma Inc. Chart of Accounts.

Here is what you need to know:

Your subscription will auto-populate a Chart of Accounts. You can also import a Chart of Accounts .csv file, which we have provided, or you can manually create the Chart of Accounts. The accounts with assigned numbers will be used for this Case Study activity.

b. Click Gear -> Import Data -> Chart of Accounts. Follow the same process as you did for customers and vendors.



c. Upload the Sushi Coma Chart of Accounts List.csv file.

Make sure the file is available on your local computer or USB Flash Drive.

Click Browse -> Select the file -> Next.

d. Next step is to map your fields as shown in the screen shot.

QUICKBOOKS ONLINE FIELD	YOUR FIELD
Detail Type	Detail Type ✓
Account Name	Account Name ✓
Account number	Account Number ✓
Type	Type ✓

e. Select all Accounts - > Import.

There are approximately 78 Accounts. If a red box appears around an Account category, simply uncheck the box to the left of that category. The red box tells us the category already exists in your Chart of Accounts or there is an issue with the import process. Don't worry! You will address missing or incorrect account categories in the following steps.

Important to note: Your subscription will auto-populate some Chart of Accounts categories. Your initial Chart of Accounts should look like the screen shot provided.

Your challenge is to manually add, edit, merge or inactive Accounts as you follow along with this activity. The next few slides will guide you.

Chart of Accounts

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

Let's Start with the Balance Sheet Asset Account categories.

14. Add or edit the following asset Accounts, pay attention to the type, detail type and number. The goal is to make your Chart of Accounts match the screen shots provided. (Refer back to the Chart of Accounts section of the training for additional guidance.)



Bank Accounts

Accounts Receivable

Undeposited Funds

Inventory

Note: Throughout this activity ignore all Accounts without numbers. Some Accounts cannot be inactivated because they are part of other features in the QBO application and auto populate during the setup process.

NUMBER	NAME	TYPE ▲	DETAIL TYPE
10000	10000 Checking 1234	 Bank	 Checking
10200	10200 Savings 1537	Bank	Savings
10800	10800 Register Drawer	Bank	Cash on hand
10900	10900 Petty Cash	Bank	Cash on hand
11000	11000 Accounts Receivable	Accounts receivable (A/R)	Accounts Receivable (A/R)
12000	12000 Undeposited Funds	Other Current Assets	Undeposited Funds
12100	12100 Inventory	Other Current Assets	Inventory
	Uncategorized Asset	Other Current Assets	Other Current Assets

Let's continue with the Balance Sheet Asset Account categories.

a. Add or edit the following Fixed and Other Asset Accounts, pay attention to the type, detail type and number.



- Fixed Assets
- Other Assets

15000	15000 Resturant Equipment	Fixed Assets	Machinery & Equipment
15100	15100 Furniture & Fixtures	Fixed Assets	Furniture & Fixtures
15200	15200 Office Equipment	Fixed Assets	Other fixed assets
15300	15300 Vehicles	Fixed Assets	Vehicles
16000	16000 Leasehold Improvemen	Fixed Assets	Leasehold Improvements
16700	16700 Security Deposits	Other Assets	Security Deposits

Let's continue with the Balance Sheet Current Liability Account categories.

b. Add the following Current Liability accounts, pay attention to the Type, Detail Type and Number. If the Account already exists and is the correct type, simply add the number.

- Accounts Payable
- Credit Card
- Payroll Liabilities (the federal and state taxes are Sub-accounts)
- Sales Tax (If the California Department of Taxation account is not available, do not add it now. It will populate when you setup the Sales Tax Center.)
- Undistributed Tips (This account should have populated when you turned on tips and assigned the Account to the advanced Account and Settings. Edit and add the number.

20000	20000 Accounts Payable	Accounts payable (A/P)	Accounts Payable (A/P)
21000	21000 American Express 1100	 Credit Card	 Credit Card
22000	22000 Payroll Liabilities	Other Current Liabilities	Payroll Tax Payable
22010	22010 Federal Taxes Payable	Other Current Liabilities	Payroll Tax Payable
22020	22020 State Taxes Payable	Other Current Liabilities	Payroll Tax Payable
22100	22100 California Department of Taxation	Other Current Liabilities	Sales Tax Payable
22200	22200 Undistributed Tips	Other Current Liabilities	Other Current Liabilities
	Out Of Scope Agency Payable	Other Current Liabilities	Sales Tax Payable

Let's continue with the Balance Sheet Long-Term Liability and Equity Account categories.

c. Add or Edit the following Long-Term Liability and Equity Accounts, pay attention to the Type, Detail Type and Number. If the account already exists and is the correct type, simply add the number.

- Notes Payable
- Retained Earnings
- Shareholder Contributions
- Shareholder Distributions

27000	27000 Note Payable - SBA	Long Term Liabilities	Notes Payable
27100	27100 Notes Payable - Vehicle	Long Term Liabilities	Notes Payable
30000	30000 Retained Earnings	Equity	Retained Earnings
30100	30100 Shareholder 1 Contribu	Equity	Owner's Equity
30200	30200 Shareholder 1 Distribut	Equity	Owner's Equity
30300	30300 Shareholder 2 Contribu	Equity	Owner's Equity
30400	30400 Shareholder 2 Distribut	Equity	Owner's Equity
	Opening Balance Equity	Equity	Opening Balance Equity

Now we will focus on the Profit & Loss Income Account categories.

d. Add or Edit the following Income and Cost of Goods Sold Accounts.

40000	40000 Food Sales	Income	Sales of Product Income
40100	40100 Liquor Sales	Income	Sales of Product Income
40200	40200 Beverage Sales	Income	Sales of Product Income
40300	40300 Catering Fees	Income	Service/Fee Income
40400	40400 Delivery Fees	Income	Service/Fee Income
40500	40500 Discounts Given	Income	Discounts/Refunds Given
	Billable Expense Income	Income	Sales of Product Income
	Sales	Income	Sales of Product Income
	Sales of Product Income	Income	Sales of Product Income
	Uncategorized Income	Income	Sales of Product Income
50000	50000 Food Costs	Cost of Goods Sold	Supplies & Materials - COGS
50100	50100 Liquor Costs	Cost of Goods Sold	Supplies & Materials - COGS
50200	50200 Beverage Costs	Cost of Goods Sold	Supplies & Materials - COGS
50300	50300 Restaurant Supplies	Cost of Goods Sold	Supplies & Materials - COGS
50700	50700 Inventory Shrinkage	Cost of Goods Sold	Supplies & Materials - COGS
	Cost of goods sold	Cost of Goods Sold	Supplies & Materials - COGS

Now we will focus on the Profit & Loss the Expense Account categories.

e. Add or Edit the following Expense Account categories.

Note: Payroll and Auto Expenses include Sub-accounts.

60000	60000 Payroll expenses	Expenses	Payroll Expenses
60100	60100 Salaries & Wages	Expenses	Payroll Wage Expenses
60200	60200 Payroll Tax Expense	Expenses	Payroll Expenses
60800	60800 Advertising & Promotional	Expenses	Advertising/Promotional
60900	60900 Auto Expenses	Expenses	Auto
60910	60910 Auto Fuel	Expenses	Auto
60920	60920 Insurance	Expenses	Auto
60930	60930 Auto License	Expenses	Auto
60940	60940 Auto Service	Expenses	Auto
61000	61000 Bank Charges	Expenses	Bank Charges
61100	61100 Merchant Service Fees	Expenses	Bank Charges
62200	62200 Dues & Subscriptions	Expenses	Dues & subscriptions
63000	63000 Insurance - Liability	Expenses	Insurance
63100	63100 Insurance - Workers' Comp	Expenses	Insurance
63200	63200 Interest Paid	Expenses	Interest Paid

f. Continue to Add or Edit the following Expense Account categories.

64100	64100 Legal & Professional Fees	Expenses	Legal & Professional Fees
64200	64200 License & Permits	Expenses	Office/General Administrative Expenses
64400	64400 Office Expense	Expenses	Office/General Administrative Expenses
64500	64500 Rent or Lease	Expenses	Rent or Lease of Buildings
64600	64600 Repairs & maintenance	Expenses	Repair & Maintenance
64800	64800 Security	Expenses	Other Business Expenses
65100	65100 Telephone & Communications	Expenses	Utilities
66000	66000 Uniforms	Expenses	Other Miscellaneous Service Cost
68000	68000 Utilities	Expenses	Utilities
	Purchases	Expenses	Supplies & Materials
	Unapplied Cash Bill Payment Expense	Expenses	Unapplied Cash Bill Payment Expense
	Uncategorized Expense	Expenses	Other Miscellaneous Service Cost
99999	99999 Ask My Accountant	Other Expense	Other Miscellaneous Expense



Online Foundations Training

SECTION 3: CLASSES & LOCATIONS

Objectives
Class Tracking
Location Tracking
Practice Test
Case Study Activities

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

- How to setup and maintain Classes.
- How to use Class tracking.
- How to setup and review Class reports.
- How to setup and maintain Locations.
- How to use Location tracking.
- How to setup and review Location reports.

Daniel and Meredith have two Sushi Coma restaurants and require financials to track information by location. Once their business is established, they will need to work out which part of the business is bringing in the most income and what areas they can target for improvement. Help them track this important financial data using Locations and Classes in QuickBooks Online Plus.

Once these features are turned on and setup correctly, Daniel and Meredith will clearly see which area(s) of the business is thriving. This will help them make important decisions and create efficiencies throughout the company. It is important to understand the difference between when to use Locations and when to use Classes.

As we continue our journey, let's learn more about each feature and how Locations and Classes can help us track key information.

Classes

Classes allow you to track the profitability of departments within your business. You can run a Profit & Loss to view income and expense by department. The Profit & Loss displays segments of your business as columns of data.

In order to use the Class feature in QBO, we must turn it on in Account and Settings.

Let's verify the feature is turned on.

Click **Gear icon -> Account and settings -> Advanced tab -> Categories.**

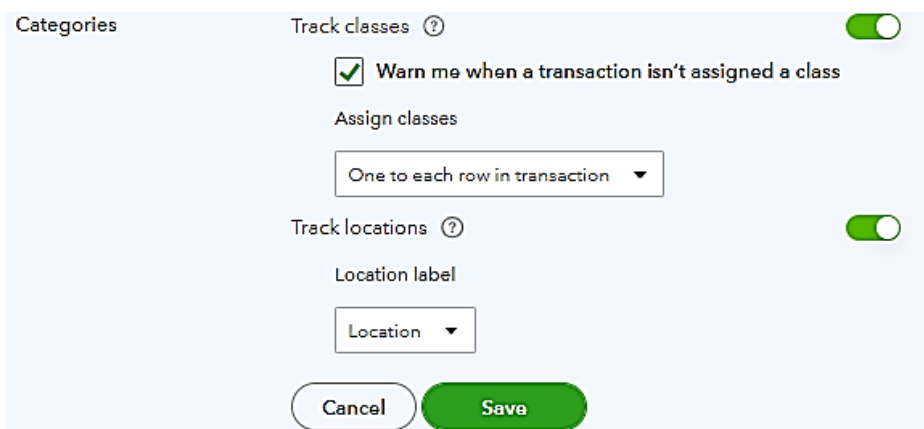
Turn on **Track classes.**

Select **Warn me when a transaction isn't assigned a class.** This feature will help eliminate unnecessary cleanup. If you do not enter a Class for a transaction, you will need to edit the transaction later.


Select **One to each row in transactions.** This feature allows you to use multiple Classes in a single transaction. This is great when splitting income or expenses between multiple Classes.

The other option is to select **One to entire transaction.** This limits you to one Class per transaction.

Click **Save -> Done.**




Categories

Track classes ? 

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

Assign classes

One to each row in transaction ▼

Track locations ? 

Location label

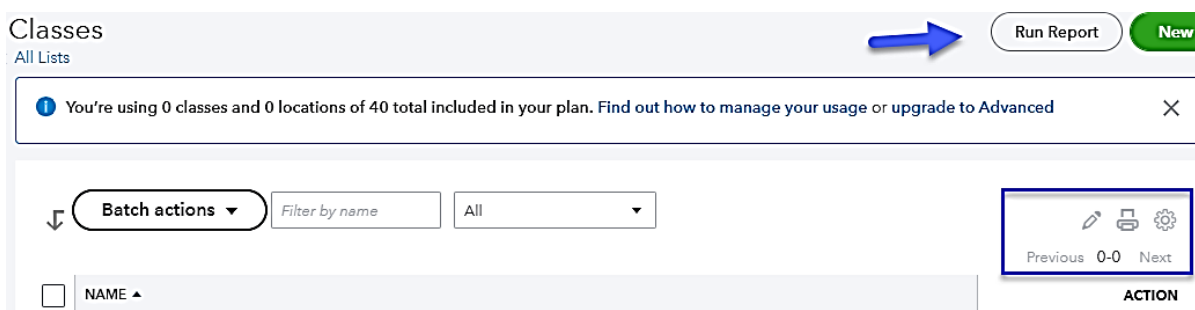
Location ▼

Cancel Save

You can now set up and maintain your Class list. Create Classes that represent different parts of your business. Remember, it's best to keep it simple. The more straightforward your Classes are, the easier it is to understand your reports.

Click **Gear icon** -> **All lists** -> **Classes**.

Notice the additional options to **Filter by name** or use **Batch actions** to inactivate multiple Classes from the list.



Classes

All Lists

Run Report New

You're using 0 classes and 0 locations of 40 total included in your plan. Find out how to manage your usage or upgrade to Advanced

Batch actions Filter by name All

Previous 0-0 Next

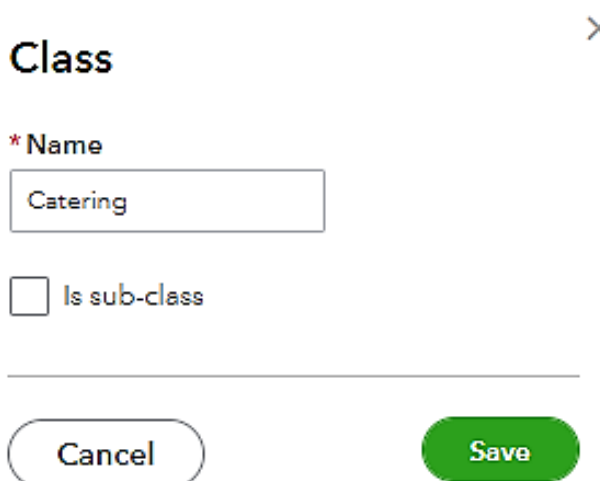
ACTION

Click **New**.

Add a **Class Name**.

Notice you can also select Sub-class. This helps to organize your Classes in groups.

Click **Save**.



Class

* Name

Catering

Is sub-class

Cancel Save

Add Classes for **Administrative, Catering, Online** and **Restaurant** to your Classes list.

Explore the **Action** menu to **Edit, Run Report** or make classes **Inactive**.

Classes

Run Report

New

Batch actions

Filter by name

All

Previous

1-4

Next

<input type="checkbox"/>	NAME ▲	ACTION
<input type="checkbox"/>	Administrative	Run report ▼
<input type="checkbox"/>	Catering	Run report ▼
<input type="checkbox"/>	Online	Run report ▼
<input type="checkbox"/>	Restaurant	Run report ▼

Let's locate reports related to Class tracking. Once we have populated data, we will be able to review and discuss these reports later in the training.

Click **Reports** in the **Left-Navigation bar** -> **Standard tab** -> **scroll to Business overview** and save the following reports as favorites by clicking the star to the right of the report or use the search feature.

Profit and Loss by Class

Scroll to Sales and Customers and save the following report as favorites:

Sales by Class Summary

Sales by Class Detail

Locations

Locations track the profitability of your transactions by city. You can generate a Profit & Loss to track income and expense by city.

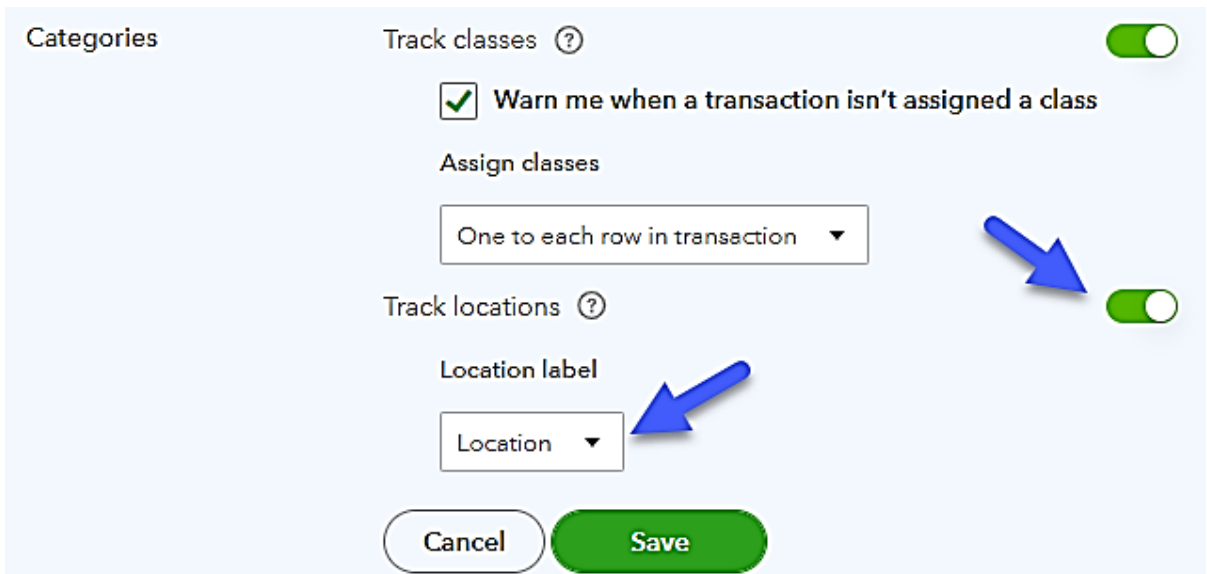
In order to use the location feature in QBO, we must turn it on in Account and Settings.

Click **Gear icon** -> **Account and settings** -> **Advanced tab** -> **Categories**.

Turn on **Track Locations**.

Select **Location label**.

Click **Save** -> **Done**.



Categories

Track classes [?] ☒

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

Assign classes

One to each row in transaction ▼

Track locations [?] ☒

Location label

Location ▼

Cancel Save

Now you can set up and maintain your Locations list. Create Locations that allow you to track Income and Expense separately. Maybe you have two company Locations and want to view reports by Location. It is best to keep it simple. The more straightforward your Locations, the easier it is to understand your reports.

Click **Gear icon -> All lists -> Locations**.

Notice the additional options to **Filter by name or print your list**.

Locations

< All Lists

Filter by name All

Run Report New

Print Settings

Previous 0-0 Next

NAME ▲	ACTION
--------	--------

Click **New**. Add a **Location**.

Notice you have options to use different information on Sales Forms as you add Locations.

Click **Save**.

Location Information

* Name

Torrey Santa Fe

☐ Is sub-location

☐ This location has a different title for sales forms.

☐ This location has a different company name when communicating with customers.

☐ This location has a different address where customers contact me or send payments.

☐ This location has a different email address for communicating with customers.

☐ This location has a different phone number where customers phone me.

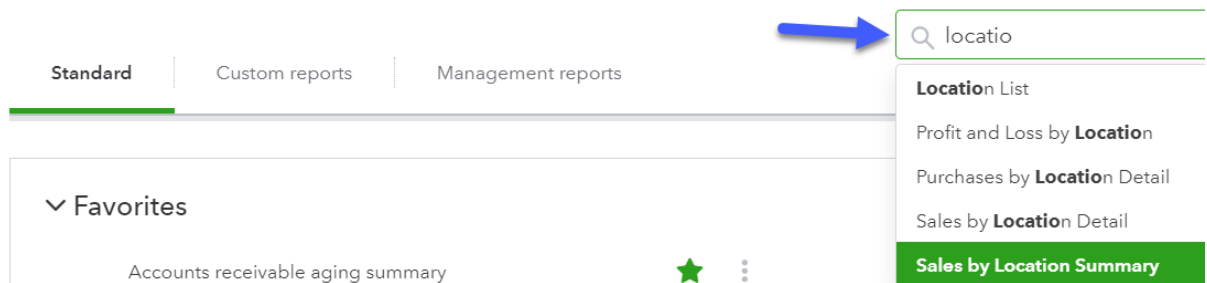
Cancel

Save

Let's locate reports related to location tracking. Later in the training, once we have populated data, we will review and discuss the information.

Click **Reports in the Left-Navigation bar -> Search Reports by Locations**

Reports



Locate and save the following location reports as favorites by clicking the star to the right of each report or use the search feature.

Profit and Loss by Location

Sales by Location Summary

Sales by Location Detail

- 1. To turn on Class and Location tracking, where do you go?**
 - a) Gear->Account and Settings->Advanced->Categories
 - b) Gear->All Lists
 - c) Sales->Overview
 - d) + New->Other

- 2. To add Classes to track Income and Expenses, where do you go?**
 - a) Gear->Products and services
 - b) + New->Other
 - c) Gear->All Lists->Classes
 - d) Accounting->Chart of Accounts

- 3. Which of the following reports allows you to track sales by Location?**
 - a) Product and Services sales
 - b) Open Invoices
 - c) Sales by Customer detail
 - d) Sales by Location Summary

- 4. Which report would you use to review Income and Expense by Class?**
 - a) Sales by Customer Summary
 - b) Profit & Loss by Class
 - c) Unpaid Bills
 - d) Sales by Product/Service Detail

- 5. To add Locations to track Income and Expenses, where do you go?**
 - a) Gear->Products and services
 - b) + New->Other
 - c) Gear->All Lists->Locations
 - d) Accounting->Chart of Accounts

1. Review Video Links:

[Classes: Intro](#)

[Turn on and set up Classes](#)

[Record Class on a transaction](#)

[Class Reports](#)

2. Verify Classes and Locations are turned on in Account and Settings.

3. Create the following Classes:

- a. Administrative
- b. Catering
- c. Online
- d. Restaurant

4. Locate and save the following Class reports as favorites:

- a. Profit and Loss by Class
- b. Sales by Class Summary
- c. Sales by Class Detail

5. Create the following Locations:

- a. Torrey Santa Fe
- b. Salmon Blvd

6. Locate and save the following Location reports as favorites:

- a. Profit and Loss by Location
- b. Sales by Location Summary
- c. Sales by Location Detail



Online Foundations Training

SECTION 4: SALES TAX

Objectives
Sales Tax Set Up
Sales Tax Center
Sales Tax Reports
Sales Tax Filing
Practice Test
Case Study Activities

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

- How to setup Sales Tax.
- How to manage the Sales Tax Center.
- How to review Sales Tax reports.
- How to file Sales Tax returns.

Sushi Coma is required to track sales of items at both locations for Sales Tax purposes. A Sales Tax is a consumption tax imposed by the government on the sale of goods and services; it is collected at the point of sale by the retailer (Sushi Coma in our example) and passed on to the government.

In California, where Sushi Coma's restaurants are located, there is a statewide tax rate plus city and county Sales Tax rates. The total is collected per each sale. Daniel and Meredith are required to file a Sales Tax report monthly and pay the balance to the state of California each month.

Here is the good news, QuickBooks Online has Sales Tax rates built into the software for each area of the country and tracks the information for you. It also enters the information on forms such as Sales Receipts. When this feature is setup and utilized correctly, it is easy to keep track of what is owed; in addition, it will help Daniel and Meredith remain in compliance with monthly reporting requirements and prevent late fees.

Let's learn more about the Sales Tax Center and how to utilize this important feature in QuickBooks Online.

Sales tax is calculated on the sale or lease of goods and services in the United States. Sales tax rates are state regulated, and percentages vary across the United States.

Sales tax is calculated by multiplying the purchase price by the applicable tax rate. The seller collects the tax at the time of sale and tracks the amounts collected. Each month, quarter or year the information is reported, and amounts collected are paid to the Department of Taxation for the state in which the taxable good or services were provided. It is the business owner's responsibility to collect, report and pay all sales tax collected.

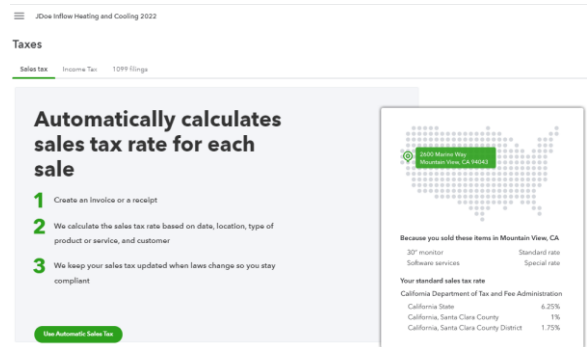
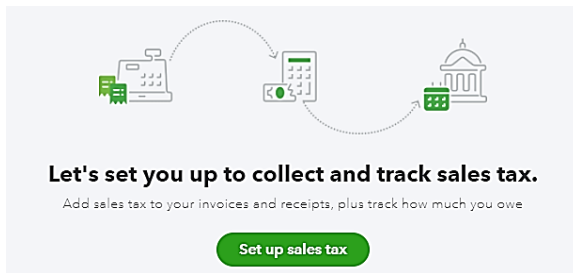
Another form of sales tax is referred to as **Use Tax**. This tax is reported and paid when a business owner does not pay tax on products purchased. For example, online vendors or suppliers do not always charge sales tax, therefore the business owner is responsible for keeping track of use tax. Locate the Department of Taxation for your state to learn more and determine percentage of sales tax to collect.

When you purchase or lease goods and pay the sales tax at the time of purchase, you are not required to collect sales tax from your customers. If you do not pay the sales tax at time of purchase, you are required to charge customer's sales tax. Example: A contractor may purchase parts at wholesale pricing and include sales tax when using those parts on a customer job.

How would a late Sale Tax payment affect our Case Study?

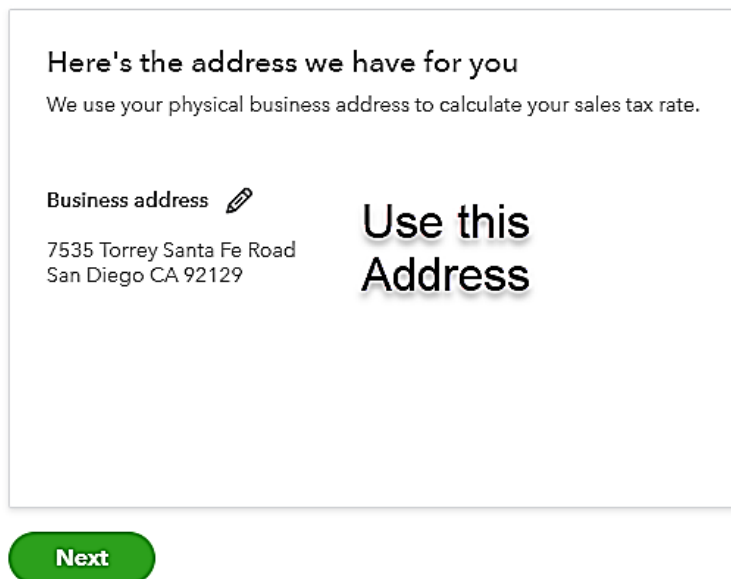
WOW! In California, a 10 percent **penalty** is assessed if you do not file your sales tax return by its due date. Ongoing Interest is based on the interest rate shown at the bottom of your return, for each month or partial month that the tax remains unpaid. California's criminal failure to pay sales tax penalty is a misdemeanor with \$1,000 – \$5,000 fine and/or imprisonment for up to 1 year. It is a felony if intent to evade and unreported tax exceeds \$25,000 in 12-month period.

Click **Taxes** in the **Left Navigation Bar** - > **Taxes** -> **Sales Tax** -> **Set up sales tax**. If the **Automatically calculates sales tax rate for each sale** appears, follow the steps.



Verify your address. Both Sushi Coma locations are in San Diego, CA 92129 and the tax rate is calculated on the address and zip code in Accounts and Settings.

Click **Next**.



You can sell taxable items to multiple states and counties. We will not collect Sales Tax outside of California for this training. Select **No**.

✓

Address

2

Agencies


3

Confirmation

Tell us more about your taxes

We calculate sales tax based on what you sell and where you sell it. If you sell in multiple locations, we calculate the correct sales tax for each one. [Learn more](#)

Do you need to collect sales tax outside of California?

☒ No 

☐ Yes

Looks like you need to pay sales tax to just one government office in California. We call this your tax agency.

Your tax agency
California Department of Tax and Fee Administration

Back

Next

Click **Next**. A window will pop up asking you to create an Invoice. Click **X** to exit the window instead of creating an Invoice.

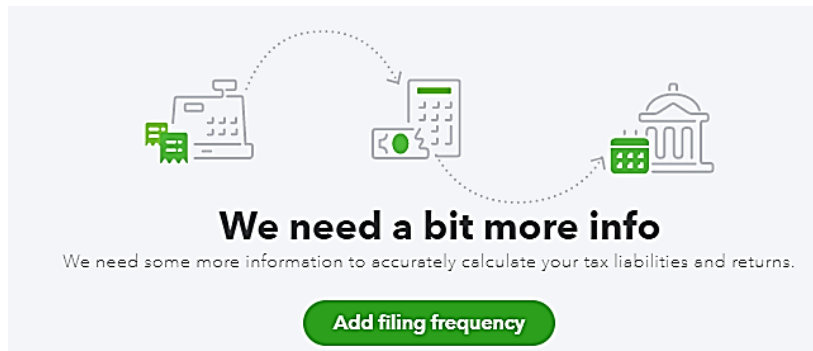


Automatic sales tax is all set up

Give it a spin by creating your first invoice.

Create invoice

Click **Add Filing Frequency**.



Select **Filing Frequency Monthly**.

Click **Save**.

California details

California Department of Tax and Fee Administration

Filing frequency

Monthly

Start of tax period
January

Start date

01/01/2021

Once the **Sales Tax Center** is activated you can choose from a variety of shortcuts to manage where you collect tax, update Products and Services, or check Customer addresses. Other options include running reports and viewing past returns.

SHORTCUTS



Tell us where you collect tax

Make sure you're only charging tax in the right states.



Update products and services

Get the most accurate rates by categorizing what you sell.



Double-check client addresses

Don't forget that tax rates can depend on customer location.



Run sales tax reports

Get a detailed look at the taxes you owe and why you owe them.



Look at past returns

Quickly see all the sales tax payments you've made so far.

From the new **Sales Tax Center**, you can **View tax returns**, **Amounts due** by custom date range and **Upcoming taxes**.

Taxes

Sales tax 1099 filings

\$6,302.18

SALES TAX DUE ⓘ

Due Date Start

April 2021



Due Date End

April 2021



Refresh

Overdue

March 2021
California

ⓘ Was due April 20
\$6,302.18
Accrual basis

View return



Click **History** to view Sales Tax returns for previous periods of time.

[History](#) | [Sales tax settings](#) | [Reports](#) ▼

Click **Sales tax settings**. This is where you can turn off Sales Tax, add a tax agency, and manually add a custom rates.

[← Back to sales tax center](#)

Edit settings

Turn off sales tax

Add agency



Tax agencies

AGENCY	FILING FREQUENCY	START OF TAX PERIOD	START DATE	REPORTING METHOD	ACTION
California Department ...	Monthly	January	01/01/2021	Accrual	Edit ▼

< First Previous 1-1 of 1 Next Last >

Click **Add agency**, select the **state, city, or county** to match your agency. Next select the **frequency** you are required to file and the **start date**. The application will automatically create a sales tax liability category in your Chart of Accounts. Click **Save**.

Select **California, Monthly and 1/1/current year**.

Add agency

Agency
 ▼

Filing frequency
 ▼

Start date

Reporting method
 ▼



Edit the tax agency or click the down-arrow under the action menu to make it inactive.

Tax agencies

Add agency



AGENCY	FILING FREQUENCY	START OF TAX PERIOD	START DATE	REPORTING METHOD	ACTION
California Department ...	Monthly	January	01/01/2021	Accrual	Edit ▼



< First Previous 1-1 of 1 Next Last >

Add the custom tax rates for California.

Custom rates

Add rate

NAME	AGENCY	RATE	ACTION
San Diego (combined)		7.25%	Edit ▼
County Tax	California Department of Tax and Fee Administration	6.25%	Edit
District Tax	California Department of Tax and Fee Administration	1%	Edit

Per the sales tax agency populated using the address and zip code in Accounts and Settings, you can add custom tax rates. It is important to change each invoice and/or sales receipt default sales tax when using custom sales tax rates. This will be addressed in the Accounts Receivable section of this training. Choose **Combined, San Diego, County Tax (Rate 1 6.25%)** and **District Tax (Rate 2 1%), California Department of Taxation** for both. Total combined tax rate is **7.25%**.

Add a custom sales tax rate☐ Single☒ Combined[Show example](#)

Name

San Diego

Rate 1

Nickname

County Tax

Agency

California Department of Taxation

Rate

6.25

%

Rate 2

Nickname

District Tax

Agency

California Department of Taxation

Rate

1

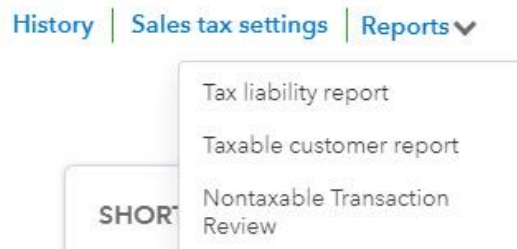
%

[+ Add another rate](#)

Custom rate total

7.25%

Click **Reports** from within the **Sales Tax Center** to view **Tax liability**, **Taxable customer reports**, and **Nontaxable transactions review**.



Tax Liability Report provides the information required to complete tax forms per state.

Select the date range you are required to report, tax agency and accounting method.

The accounting method is based on your state's requirements.

Reference the **Taxable customer report** to manage tax status and rate defaults for each customer.

Click **Reports from the left navigation bar -> Standard -> Search Sales Tax** to view list of available reports:

Locate and save the following reports as favorites by clicking the **Star** to the right of each report.

- **Taxable Sales Summary**
- **Taxable Sales Detail**

What you need to know:

You can mark a product or service as taxable or nontaxable on the sales transaction. If you sell a taxable item to a nontaxable customer, QuickBooks Online will not calculate any sales tax. The default tax status for all new customers is taxable.

From the Sales Tax Center, click **View return**. Click the **+ Add an adjustment link**, if you need to adjust the balance due. **Click Record payment** to create a transaction and post to your bank register. It is important to record all sales tax payments using the record payment option in the Sales Tax Center. Complete the following instructions. Most state tax agencies have an online system for completing filing requirements and making payments.


California Department of Tax and Fee Administration

Tax Period: March 2021
Due date: Was due April 20

JDoe Sushi Coma Inc 2022
7535 Torrey Santa Fe Rd
San Diego, CA 92129

File your sales tax now

1. Print the tax form from your [state's website](#) and fill it out.
2. Write a check to your agency or print one.
3. Mail the form and check to your agency.
4. When you're done, come back to record the payment in QuickBooks.

LEVEL	GROSS SALES	NONTAXABLE SALES	TAXABLE SALES	TAX AMOUNT
Custom 	See report	See report	See report	6302.18
Total tax				\$6,302.18
+ Add an adjustment				
Total after adjustments				\$6,302.18

[View tax liability report](#)

Cancel

Record payment

- 1. To setup the Sales Tax Center, where do you go?**
 - a) Left Navigation Bar->Taxes
 - b) Gear->Account and settings
 - c) Accounting->Chart of Accounts
 - d) None of the above

- 2. To edit Sales Tax rates for a specific county, where do you go?**
 - a) + New->Other
 - b) Left Navigation Bar->Taxes->Sales Tax->Sales tax settings
 - c) Left Navigation Bar->Sales
 - d) All the above

- 3. To create a new taxable product, where do you go?**
 - a) + New->Sales Receipt
 - b) Gear->All Lists->Products and services
 - c) Gear->Products and services
 - d) Both B & C

- 4. Which of the follow reports would you use to review Sales Tax owed?**
 - a) Sales by Customer Summary
 - b) Balance Sheet
 - c) Sales Tax Liability
 - d) Both B & C

- 5. To enter a new invoice with Sales Tax, where do you go?**
 - a) + New->Sales Receipt
 - b) Gear->All Lists
 - c) + New->Invoice
 - d) Both B & C

1. Review Video Links:

[How to Set up Sales Tax](#)

[How to Track and Pay Sales Tax: Tracking, Recording, & Reports](#)

[How to Collect & Record Sales Tax:](#)

2. Setup the Sales Tax Center. Follow the screen shots in the section 4 training.

3. Tax Agency: California Department of Tax and Fee Administration.

- a. San Diego (Combined) 7.25%
- b. County Tax 6.25%
- c. District Tax 1%

3. Explore the Sales Tax Center Shortcuts.

4. Locate the following Sales Tax reports:

- a. Tax Liability
- b. Taxable Customer reports
- c. Taxable Sales Detail
- d. Taxable Sales Summary

5. Locate the Chart of Accounts and add the account number 22100 to the (California Department of Tax and Fee Administration) current liability account for Sales Tax.



Online Foundation Training

SECTION 5

PRODUCTS AND SERVICES

Objectives

Product and Services List

Product and Service Types

Product and Sales Reports

Practice Test

Case Study Activities

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

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

The next step in Sushi Coma's setup process is to create a Products and Services list. The Products and Services list represents the list of products and/or services that a business sells, a foundational element in QuickBooks Online. You will use items from the Products and Services list to create Customer Invoices, enter Purchase Orders, and work with Inventory.

Daniel and Meredith want to track Inventory items for beverages, Non-inventory items for food sales, and Service items for catering and online delivery fees. We will explain these classifications as we proceed through training.

Setting up the Products and Services list is mandatory in QuickBooks Online, so let's begin the process.

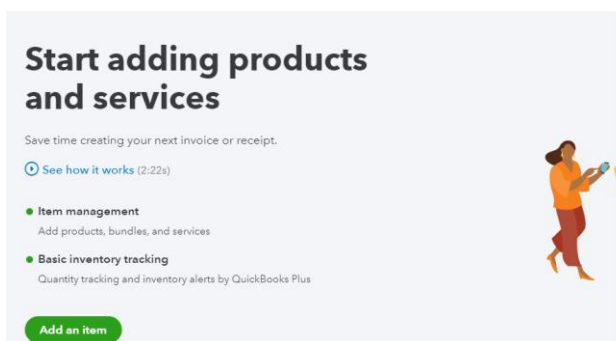
Products and Services

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

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

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

If not, continue forward to the next slides.



LISTS

All lists

Products and services

Recurring transactions

Attachments

Select a type to add or click the X to return to the products and services list window.

Note: Sushi Coma will utilize Inventory, Non-inventory, Service, and Bundle items.

Product/Service information



Inventory

Products you buy and/or sell and that you track quantities of.



Non-inventory

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.



Service

Services that you provide to customers, for example, landscaping or tax preparation services.



Bundle

A collection of products and/or services that you sell together, for example, a gift basket of fruit, cheese, and wine.


As you add items to your list, you can use the following features to manage your products and services. This will help ensure accuracy between the list and the chart of accounts.


Sales

Overview All Sales Invoices Payment links Customers **Products and services**


Products and Services

[All Lists](#)




3
LOW STOCK





0
OUT OF STOCK

More ▾
 New ▾

Find products and services 

Previous 1-17 Next

<input type="checkbox"/>	NAME ▲	SKU	TYPE	SALES DES	INCO	EXPE	INVE	SALES PRICE	COST	TAXABLE	QTY ON HAN	REORDER P	ACTION
Beverage													
<input type="checkbox"/>	 Bottle Beer		Inventory	Beer	4...	5...	1...	5	1.85	✓	38	50	Edit ▾
<input type="checkbox"/>	 Bottle Soda		Inventory	Soda	4...	5...	1...	2	0.75	✓	54	75	Edit ▾

Columns

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

[Show More](#)

Rows

150 ▾

- ☐ Compact
- ☒ Group by category

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

Search Products and Services

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

Edit Products and Services

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

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

Run Reports or group products/services by Category.

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

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

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

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

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

Inventory Item

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

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

Click the Gear icon -> New -> Select Inventory.

Note the name and category fields are filled in. Categories help us organize Products and Services. We did not add a class as a default because we will use multiple classes later in this training.

Product/Service information



Inventory

Name*

Bottle Water

SKU ⓘ

Category ⓘ

Beverage

Class


Assign a class




Note: Non-Inventory, Service and Bundles can be changed to Inventory types. Once you change the type to an Inventory item, you cannot change it again.

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



Quantity on hand Adjust: Quantity Starting value Reorder point What's the reorder point?	117
	<input type="text" value="75"/>
Quantity on PO	0

Inventory asset account 

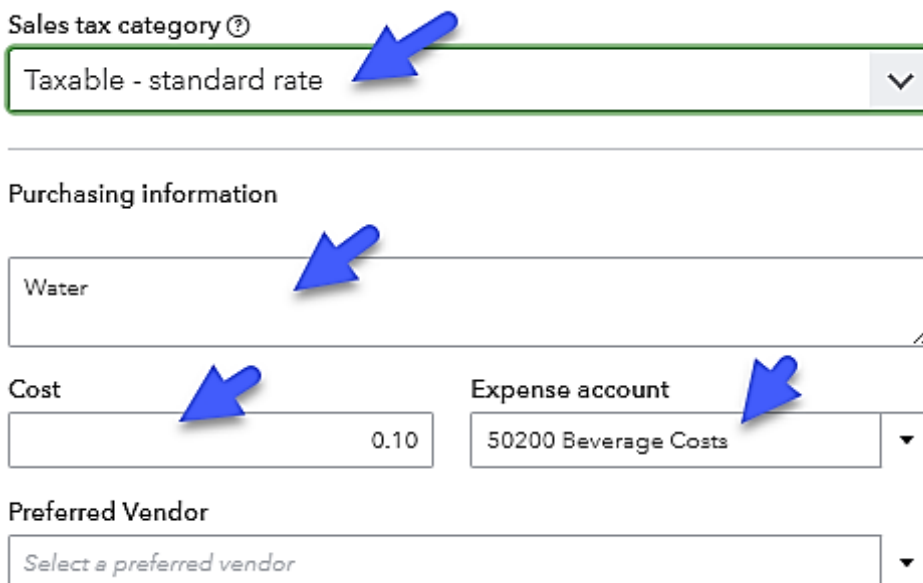
12100 Inventory ▼

Description 

Water

Sales price/rate 	Income account 
<input type="text" value="2"/>	40200 Beverage Sales ▼

The last section of an Inventory Item setup is to enter purchase information. Products we sell are often considered taxable and we are required to collect the tax on behalf of the state. It is important to select the taxable option to track this information. The purchase information will auto-populate on Purchase Orders, Bills, Checks and Expenses. The Cost and Expense accounts will track and post information to the Profit and Loss. We will discuss Sales Tax, Purchasing and Inventory later in this training. Click **Save & Close**.



Sales tax category ⓘ
Taxable - standard rate ▼

Purchasing information

Water

Cost 0.10 Expense account 50200 Beverage Costs ▼

Preferred Vendor
Select a preferred vendor ▼

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



Non-Inventory Item


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

Click the Gear icon - New -> Select Non-Inventory.




Note the name and category fields are filled in. Categories help us organize Products and Services and you can change the type after you create the product or service in the system.


Product/Service information ×

 Non-inventory [Change type](#) 

Name* 

SKU ⓘ


 | 

Category ⓘ 
 ▼

Class
 ▼

Notice the box “I sell this product/service to my customers” is checked. A sales price and Income account are required. This Non-inventory item is taxable. We do not check the box “I purchase this product/service from a Vendor” because we create this item using multiple ingredients, then sell it to our customers. In this case we will track sales only. Notice the required fields for a service item. **Click Save & Close.**



Description

☒ I sell this product/service to my customers.

Spicy Tuna Burrito

Sales price/rate 7.50

Income account 40000 Food Sales

Sales tax category ? Taxable - standard rate

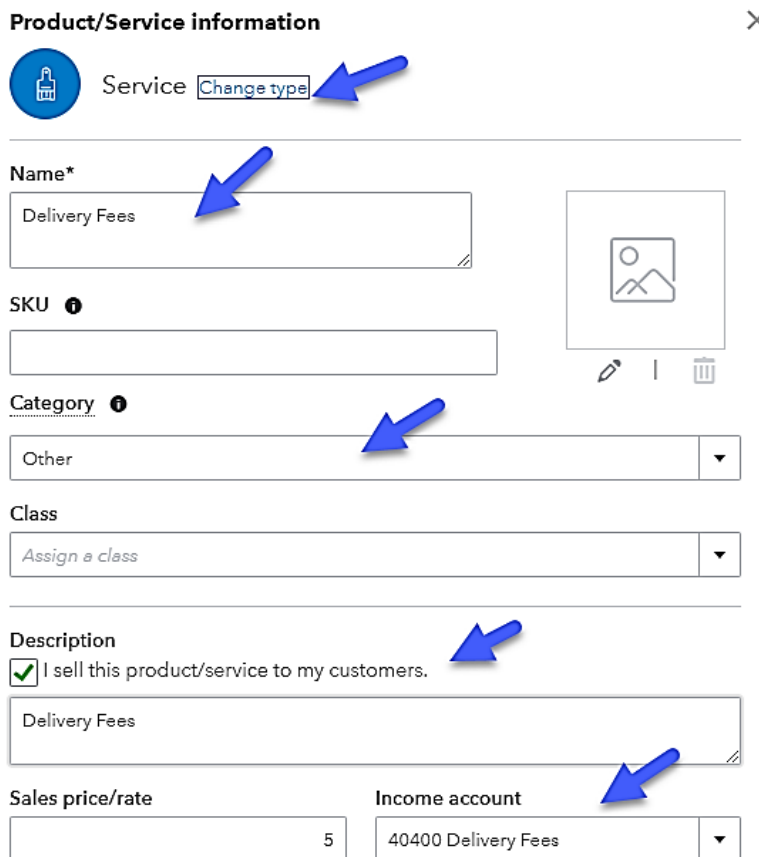
Purchasing information

☐ I purchase this product/service from a vendor.


Service Item

A Service item is used to track all services you provide Customers such as delivery fees and catering services. Click the **Gear icon -> New -> Select Service**.

Notice you can change a Service item type after you set up the service. This helps to fix errors when setting the type incorrectly. Click **Save & Close**.



Product/Service information ✕

 Service [Change type](#)

Name*

Delivery Fees

SKU ⓘ

Category ⓘ

Other

Class

Assign a class

Description

☒ I sell this product/service to my customers.

Delivery Fees

Sales price/rate

5


Income account

40400 Delivery Fees

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

Bundle

A Bundle is created when we group individual items together. The catering package includes three separate items that are auto-populated on Sales Forms, such as Sales Receipts and Invoices. Bundles streamline the sales process.




 Bundle


Name*

SKU ⓘ

Description

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

PRODUCT/SERVICE	QTY
 Catering Setup Catering Setup	1
 Catering Equipment Rental Catering Equipment Rental	1
 Delivery Fees Delivery Fees	1

 Add lines

Save and close

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

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

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

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

1. **You are setting up an item for bags used at checkout for customer purchases. Which item type would you use?**
 - a) Non-Inventory
 - b) Bundle
 - c) Inventory
 - d) Service

2. **You are setting up items for craft supplies you sell on a regular basis. Which item type would you use?**
 - a) Service
 - b) Inventory
 - c) Non-Inventory
 - d) Bundle

3. **What item type would you choose to add a delivery fee?**
 - a) Inventory
 - b) Non-Inventory
 - c) Bundle
 - d) Service

4. **Which of the following statements is NOT true about Products and Services?**
 - a) Service items can be changed to other types.
 - b) You can set up Inventory, Non-inventory, Service, and Bundle types.
 - c) Inventory types can be changed to another type.
 - d) You can set up and manage categories to group Products and Services.

5. **You want to invoice several items at the same time. What item type would you use?**
 - a) Service
 - b) Non-Inventory
 - c) Bundle
 - d) Inventory

In order to record sales and invoice customers, we need to set up our Products and Services items. Remember, this allows the owners to track sales by product or service to determine their top selling Products and Services. Daniel and Meredith have determined the items that will be used when recording sales going forward.

1. Review Video Link:

[Advantages of Products and Services](#)

[The Products and Services List](#)

a. Manually create the following Product Categories List.

Click the Gear icon -> All lists -> Product Categories -> New Category.

You should have four categories: Beverage, Catering, Food, Other.

Product Categories	
Products and Services	New category
NAME	ACTION
Beverage	Edit ▼
Catering	Edit ▼
Food	Edit ▼
Other	Edit ▼

b. Manually create your Products and Services List.


Use the Sushi Coma Products and Service List.csv file provided by your Instructor to create Products and Services. Use the product categories and pay attention to all the details for an accurate setup.

Product	Sales Description	Type	Sales Price	Taxable	Income Account
Beverage:Bottle Beer	Beer	Inventory	5.00	yes	40100 Liquor Sales
Beverage:Bottle Soda	Soda	Inventory	2.00	yes	40200 Beverage Sales
Beverage:Bottle Water	Water	Inventory	2.00	yes	40200 Beverage Sales
Beverage:Bottle Wine	Wine	Inventory	8.00	yes	40100 Liquor Sales
Food:3 Protein Bowl	3 Protein Bowl	Non-inventory	12.00	yes	40000 Food Sales
Food:5 Protein Bowl	5 Protein Bowl	Non-inventory	15.00	yes	40000 Food Sales
Food:Caterpillar Burrito	Caterpillar Burrito	Non-inventory	12.00	yes	40000 Food Sales
Food:Crystal Shrimp Burrito	Crystal Shrimp Burrito	Non-inventory	12.00	yes	40000 Food Sales
Food:Godzilla Burrito	Godzilla Burrito	Non-inventory	7.50	yes	40000 Food Sales
Food:Spicy Tuna Burrito	Spicy Tuna Burrito	Non-inventory	7.50	yes	40000 Food Sales
Food:Volcano Burrito	Volcano Burrito	Non-inventory	12.00	yes	40000 Food Sales
Other:Catering Equipment Rental	Catering Equipment Rental	Service	75.00	yes	40300 Catering Fees
Other:Catering Setup	Catering Setup	Service	150.00	yes	40300 Catering Fees
Other:Delivery Fees	Delivery Fees	Service	10.00	yes	40400 Delivery Fees

Purchase Description	Purchase Cost	Expense Account	Quantity	Reorder	Inventory Asset	Quantity as of Date
Beer	1.85	50100 Liquor Costs	0	50	12100 Inventory	12/1/2020
Soda	0.75	50200 Beverage Costs	0	75	12100 Inventory	12/1/2020
Water	0.10	50200 Beverage Costs	0	75	12100 Inventory	12/1/2020
Wine	3.25	50100 Liquor Costs	0	50	12100 Inventory	12/1/2020

The owners have received requests for catering services and have asked you to create a Bundle service (item) in the Products and Services list.

- c. **Create a Bundle for Catering Services.** You will use the three existing items Catering Setup, Catering Equipment Rental, and Delivery Fees.




 Bundle


Name*

SKU ⓘ

Description

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

PRODUCT/SERVICE	QTY
 Catering Setup Catering Setup	1
 Catering Equipment Rental Catering Equipment Rental	1
 Delivery Fees Delivery Fees	1

 Add lines

Save and close



Online Foundation Training

SECTION 6

BEGINNING BALANCES

Objectives
Beginning Balances
Historical Transactions
Recurring Transactions
Case Study Activities

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

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

When Inflow Heating and Cooling was first established in 2015, they used QuickBooks Desktop as their accounting application. Now that they have decided QuickBooks Online would better serve their needs, we need to help Josh establish and enter beginning balances to get the accurate start he needs.

The QuickBooks Desktop file Josh used previously was too large to upload directly to QuickBooks Online. Because of this, we will use adjusting journal entries to enter the Balance Sheet and Profit & Loss totals as of 12/31/19 to record beginning balances.

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

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

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

Account

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

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

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

Note: Accounts Receivable (Customer Invoices) and **Accounts Payable** (Unpaid Bills) should be entered individually to match beginning balances.

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

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

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

Click **Save**.

Journal date		Journal no.	
12/01/2020		AJE01	

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS	
1	10000 Checking 1234	50,000.00		To record beginning bank balance		Torrey Santa Fe	Administrative	🗑
2	10200 Savings 1537	1,000.00		To record beginning bank balance		Torrey Santa Fe	Administrative	🗑
3	10800 Register Drawer	200.00		To record beginning bank balance		Torrey Santa Fe	Administrative	🗑
4	10800 Register Drawer	200.00		To record beginning bank balance		Salmon Blvd	Administrative	🗑
5	10900 Petty Cash	500.00		To record beginning bank balance		Torrey Santa Fe	Administrative	🗑
6	10900 Petty Cash	500.00		To record beginning bank balance		Salmon Blvd	Administrative	🗑
7	30100 Shareholder 1 Contributi		26,200.00	To record beginning bank balance		Torrey Santa Fe	Administrative	🗑
8	30300 Shareholder 2 Contributi		26,200.00	To record beginning bank balance		Torrey Santa Fe	Administrative	🗑

Entering Historical Information

When entering historical information use the following process:

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

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

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

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

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

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

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

Use the following process to enter bank transactions:

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

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

Types of Recurring Transactions;

Scheduled – Automatically records the transactions.

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

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

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

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

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

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

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

Recurring Transactions

< All Lists

Filter by Name Filter All

Reminder List New

TEMPLATE NAME ▼	TYPE	TXN TYPE	INTERVAL	PREVIOUS DATE	NEXT DATE	CUSTOMER/VEH	AMOUNT	ACTION
There are no recurring transactions matching the criteria.								

Previous 0-0 Next

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

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

Select Transaction Type

Select the type of template to create

Transaction Type

Transfer ▼

Cancel

OK

Recurring Transfer

Template name

Savings

Type

Scheduled ▼

Create days in advance

Interval

Monthly ▼

on

day ▼

20th ▼

of every

1

month(s)

Start date

01/20/2025

End

None ▼

Transfer Funds From

10000 Checking 1234 ▼

Balance

\$60,257.46

Transfer Funds To

10200 Savings 1537 ▼

Balance

\$14,000.00

Transfer Amount

1,000.00

Memo

Monthly transfer to savings



Attachments

Maximum size: 20MB

Fantastic! After a long journey through the first five sections, you have completed the setup process and are now ready to enter startup balances. This is where the company file comes to life. There are multiple ways to enter startup transactions; you will use **Journal Entries** to complete the next three activities.

Daniel and Meredith used personal funds to setup bank accounts, petty cash and funds for the register drawer. Record the transactions in their company file using an Adjusting Journal Entry (AJE).

1. Review Video Links:

[Entering Accounts and Opening Balances](#)

[Enter Historical Transactions](#)

[Recurring Transactions: Intro](#)

[Set Up a Scheduled Transaction](#)

[Assign a Frequency and Save a Scheduled Transaction](#)

[Edit a Recurring Transaction](#)

[Intro to Journal Entries](#)

[General Journal Entries](#)

2. Enter Journal Entry (AJE01) to match the screen shot below. Verify all fields are correct.

Journal Entry #AJE01

Journal date

Journal no.

12/01/2021

AJE01

	#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS	
⋮	1	10000 Checking 1234	50,000.00		To record beginning bank balance		Torrey Santa Fe	Administrative	🗑
⋮	2	10200 Savings 1537	1,000.00		To record beginning bank balance		Torrey Santa Fe	Administrative	🗑
⋮	3	10800 Register Drawer	200.00		To record beginning bank balance		Torrey Santa Fe	Administrative	🗑
⋮	4	10800 Register Drawer	200.00		To record beginning bank balance		Salmon Blvd	Administrative	🗑
⋮	5	10900 Petty Cash	500.00		To record beginning bank balance		Torrey Santa Fe	Administrative	🗑
⋮	6	10900 Petty Cash	500.00		To record beginning bank balance		Salmon Blvd	Administrative	🗑
⋮	7	30100 Shareholder 1 Contributions		26,200.00	To record beginning bank balance		Torrey Santa Fe	Administrative	🗑
⋮	8	30300 Shareholder 2 Contributions		26,200.00	To record beginning bank balance		Torrey Santa Fe	Administrative	🗑
⋮	9								🗑

Daniel and Meredith were able to obtain a 30-year fixed SBA loan and would like to record the transaction using an Adjusting Journal Entry.

3. Enter the Adjusting Journal Entry (AJE02) to record the loan.

Journal Entry #AJE02

Journal date

12/01/2021

Journal no.

AJE02

	#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS	
	1	10000 Checking 1234	50,000.00		To record 30 year loan	Seigo Financial	Torrey Santa Fe	Administrative	
	2	27000 Note Payable - SBA		50,000.00	To record 30 year loan	Seigo Financial	Torrey Santa Fe	Administrative	

Next, you will record the purchase of a delivery truck.

4. Enter the Adjusting Journal Entry (AJE03) to record the vehicle loan.

Journal Entry #AJE03

Journal date

12/25/2021

Journal no.

AJE03

	#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS	
	1	15300 Vehicles	20,000.00		To record purchase of delivery truck	Seigo Financial	Torrey Santa Fe	Administrative	
	2	27100 Note Payable - Vehicle 1		20,000.00	To record purchase of delivery truck	Seigo Financial	Torrey Santa Fe	Administrative	



Online Foundations Training

SECTION 7

ACCOUNTS PAYABLE

- Objectives
- Vendor Center
- Contractors
- 1099s
- Expenses
- Checks
- Bills
- Pay Bills
- Vendor Credits
- Apply Vendor Credits
- A/P Reports
- Intro to Inventory
- Purchase Orders
- Practice Test
- Case Study Activities

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

- Overview of Accounts Payable.
- How to turn on/off Accounts Payable-related Accounts and Settings.
- How to use the Vendor Center.
- How and when to Create and Pay Bills.
- How to Create Checks and Expenses.
- How to view and save Accounts Payable-related reports.
- How to use Purchase Orders.
- How to get started with Inventory.

Accounts Payable significantly impacts cash flow in a business. It is imperative Daniel and Meredith establish a best practice Accounts Payable Policy to manage the outflow of cash. Most Vendors (companies they purchase supplies from) establish terms, (a time period in which they are required to pay the bill), to avoid late fees. If they pay bills immediately, instead of waiting closer to the due date, it could negatively impact cash flow.

The Sushi Coma owners would like to learn how to correctly use the Vendor Center. Show them how to setup a new Vendor, create and pay bills, create checks and expenses and credit card expenses.

Also, what do you recommend regarding Accounts Payable reports? What kind of information can these reports provide? How can this information be used to improve company performance?

In the Accounts Payable section, we will discuss the importance of managing the payment process and taking advantage of discounts offered by vendors. This process has a significant impact on cash flow. Consistently implementing a 'best practice' Accounts Payable Policy also reduces potential fraud.

Biz Q&A:

- Why do you think it is important to manage Accounts Payable?
- Why do you think business owners should have an Accounts Payable policy?

Wow Fact:

According to JPMorgan, 60 percent of organizations were exposed to attempted or actual payments fraud in one year alone.

The typical financial loss as a result of payments fraud was \$23,100 per business.

The lack of internal controls and ineffective Accounts Payable processes can end up costing the business in fraudulent payments, double payments, late fees, lost discounts, additional allocation of labor to locate invoices, etc. Also, we will explain how the Accounts Payable process can affect vendor relationships; e.g., reduced credit, requiring payment up front, and less favorable payment terms.

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

Expenses

Expenses Vendors

Vendors

Prepare 1099s New vendor

Unbilled Last 365 Days Unpaid Last 365 Days Paid

\$0 0 PURCHASE ORDER \$14,631 6 OVERDUE \$14,631 6 OPEN BILLS \$0 0 PAID LAST 30 DAYS

Batch actions Search

VENDOR / COMPANY	PHONE	EMAIL	OPEN BALANCE	ACTION
<input type="checkbox"/> Akami Advertising Akami Advertising	(858) 235-5456		\$0.00	Create bill
<input type="checkbox"/> American Express American Express		Support@amex.com	\$0.00	Create bill

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

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

Columns

- ☒ Address
- ☐ Attachments
- ☒ Phone
- ☒ Email

Other

- ☐ Include inactive

Rows

150

ACTION

Create bill

Create expense

Write check

Create purchase order

Make inactive

Add Vendor

Click **New Vendor**

Enter the **Company** name and other details you have on file. The **Display name** is the only information that must be unique. It is used to track balances as well as default sorting.

Use the scroll bar to keep private notes, access the drop and drag box for attachments, add default terms, and enter the **Business ID No.** You can also check the **Track payments for 1099** box for all vendors for which you are required to file 1099s.

Vendor Information

Title	First name	Middle name	Last name	Suffix	Email			
	Akami		Advertising		<i>Separate multiple emails with commas</i>			
Company					Phone	Mobile	Fax	
Akami Advertising					(858) 235-5456			
*Display name as					Other	Website		
Akami Advertising								
Print on check as <input checked="" type="checkbox"/> Use display name					Terms			
Akami Advertising					<i>Enter Text</i>			
Address map					Opening balance			as of
9340 Carmel Mountain Rd								01/12/2022
San Diego					CA			
92129					Country			
Notes					Business ID No. / Social Security No.			
					XX-XXX9999 View/Edit Business ID			
					<input checked="" type="checkbox"/> Track payments for 1099			
					Default expense account			
					60800 Advertising & Pr			
Attachments Maximum size: 20MB								
Cancel Make inactive					Save			

Note: Fill in the terms box if you enter and pay bills.

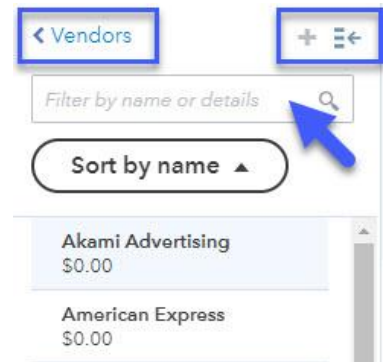
Click on a **Vendor** from the list in the Vendor Center.

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

Sort by name or **Open balance**.

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

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



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

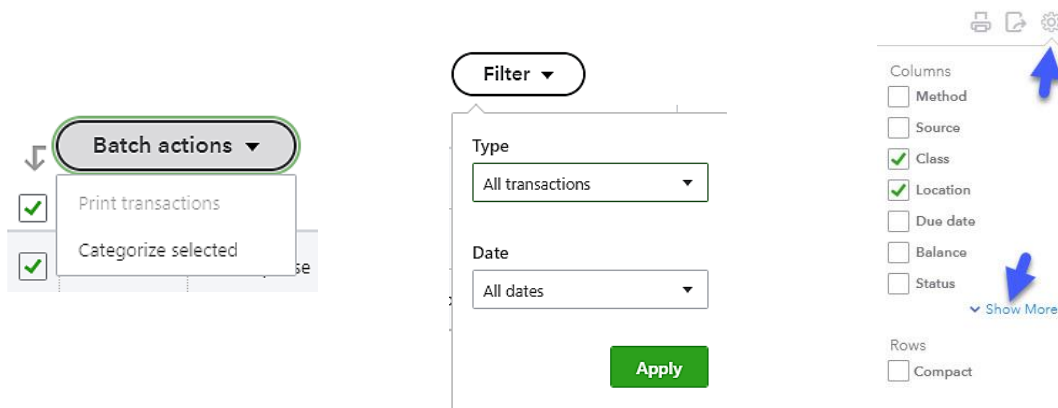
Transaction List Vendor Details

Batch actions ▼ Filter ▼

< First Previous 1-6 of 6 Next Last >


<input type="checkbox"/>	DATE ▼	TYPE	NO.	PAYEE	CATEGORY	CLASS	LOCATION	MEMO	TOTAL	ACTION
<input type="checkbox"/>	03/10/2021	Expense		Akami A...	60€ ▼	Administ...	Torrey Se...	Akami A...	\$1,000.00	View/Edit ▼
<input type="checkbox"/>	03/10/2021	Expense		Akami A...	60€ ▼	Administ...	Salmon ...	Akami A...	\$1,000.00	View/Edit ▼
<input type="checkbox"/>	02/10/2021	Expense		Akami A...	60€ ▼	Administ...	Salmon ...	Akami A...	\$1,000.00	View/Edit ▼

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



Edit Vendor

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

Akami Advertising 
9340 Carmel Mountain Rd, San Diego, CA 92129
No notes available. Please click to add notes.

[Edit](#)




New transaction ▼

\$0.00
OPEN

\$0.00
OVERDUE

Make Inactive

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

ACTION

Create bill ▼

[Create expense](#)
[Write check](#)
[Create purchase order](#)
[Make inactive](#)

Merge Vendors

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

Please Confirm



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

[No](#)[Yes](#)

A **Please Confirm** warning box will appear; click **Yes** to confirm. The old Vendor will be removed from the list and remain in an inactive status.

Note: The merge process cannot be undone.

Add Contractor

1099 Workers are independent contractors who provide a service. They determine how, when and where they work to complete tasks. They are neither full-time nor part-time workers. You are not required to withhold taxes, provide health insurance, sick pay, or vacation leave.

It's crunch time and we realize we are missing Contractor information to process 1099s. You can invite Contractors via email. The Contractor will be prompted to input the required information.

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



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

Payroll

Employees **Contractors** Workers' comp

Contractors [View all contractor payments](#)

Active ▼ Prepare 1099s Add a contractor

 Akami Advertising	View Last Payment	Write check ▼
 Kaikeishi Services	View Last Payment	Write check ▼

Add a contractor

Name *

Email *

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

[Preview](#)

Add contractor

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

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

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

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

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

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

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

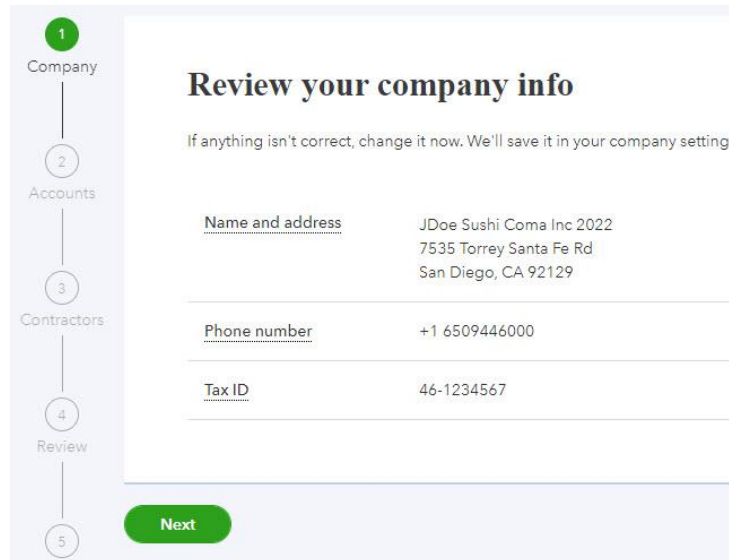
The general rule is that you **must** issue a Form **1099**-NEC to any Vendors or Sub-contractors you have paid at least \$600 in rents, services, prizes and awards, or other income payments during your trade/business in a given tax year (you do not need to issue 1099s for payments made for personal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

W-9 Form

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

Form W-9 <small>(Rev. October 2018) Department of the Treasury Internal Revenue Service</small>		Request for Taxpayer Identification Number and Certification		Give Form to the requester. Do not send to the IRS.																															
► Go to www.irs.gov/FormW9 for instructions and the latest information.																																			
Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.																																		
	2 Business name/disregarded entity name, if different from above																																		
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.			4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):																															
	<input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate			Exempt payee code (if any) _____																															
	<input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ► _____			Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>																															
5 Address (number, street, and apt. or suite no.) See instructions.		Requester's name and address (optional)																																	
6 City, state, and ZIP code																																			
7 List account number(s) here (optional)																																			
Part I Taxpayer Identification Number (TIN)																																			
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later.																																			
Note: If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.																																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="10" style="text-align: center; padding: 2px;">Social security number</td> </tr> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> <tr> <td colspan="2"></td> <td style="text-align: center;">-</td> <td colspan="2"></td> <td style="text-align: center;">-</td> <td colspan="4"></td> </tr> </table>					Social security number																						-			-					
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Employer identification number																																			
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Part II Certification																																			
Under penalties of perjury, I certify that:																																			
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and																																			
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and																																			
3. I am a U.S. citizen or other U.S. person (defined below); and																																			
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.																																			
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.																																			
Sign Here	<table style="width: 100%;"> <tr> <td style="width: 60%;">Signature of U.S. person ►</td> <td style="width: 40%;">Date ►</td> </tr> </table>				Signature of U.S. person ►	Date ►																													
Signature of U.S. person ►	Date ►																																		

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



Contractor or services rendered are always **Box 1 using form 1099-NEC**. There can be multiple categories per box. It all depends on the categories you used in posting transactions related to recipients. Continue to map the account categories to the appropriate boxes. **Rents is always Box 1 using form 1099-Misc**.

Non-employee compensation and rents are the most common payment types. Review the additional payment types. Click **Next**.

Categorize payments to contractors (or 1099 vendors)

Select the box for the types of payments you made. Then select the expense accounts you use for these payments. *Not sure which categories to choose?*

Most common payment types

☒ **Non-employee compensation** Box 1 1099-NEC

Multiple Accounts ...

64100 Legal & Professional Services, 64600 Repairs & Maintenance, 60800 Advertising & Promotional


☒ **Rents** Box 1 1099-MISC

64500 Rent or Lease

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

Review your contractors' info

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


[Add from Vendor list](#) 

CONTRACTOR NAME	ADDRESS	TAX ID	EMAIL	ACTION
Miso Cleaning Services Miso Cleaning Services	Address missing	99-9999999	Add Email	Edit
Akami Advertising Akami Advertising	9340 Carmel Mountain Rd San Diego CA 92129	99-9999999	Add Email	Edit
Kaikelishi Services Kaikelishi Services	3585 Fourth Avenue San Diego CA 92103	99-9999999	Add Email	Edit
Kensetsu Construction, LLC Kensetsu Construction, LLC	9550 Carmel Mountain Rd San Diego CA 92129	99-9999999	theboss@kensetsu.com	Edit

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


Check that the payments add up

Only those contractors you paid above the threshold (usually \$600) get a 1099. Need to add or edit payments?
IMPORTANT: third party payments such as credit card or Paypal are **excluded** from 1099s. Why?

 **Some info is missing.**
You'll need to enter it before you file your forms.

1099 contractors that meet threshold ▼

[Print Information Sheet](#)

Contractors with 1099-NEC 

CONTRACTOR	TOTAL PAYMENTS	NEC	EXCLUDED	1099 TOTAL
Miso Cleaning Services Miso Cleaning Services	\$1,100.00	\$1,100.00		\$1,100.00
Akami Advertising Akami Advertising	\$6,000.00	\$6,000.00		\$6,000.00
Kaikelishi Services Kaikelishi Services	\$7,170.00	\$7,170.00		\$7,170.00

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

It is important to differentiate between Checks and Expenses. This makes a difference when bank transactions attempt to find a match during the sync process in the Banking Center. It is important to use Expenses to record debits/ACH and credit card-type transactions and not the Check feature. An Expense debits the expense account and credits the bank or credit card account.

To enter Expenses manually:

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

Enter or verify the following information:

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

Enter the account, description, and amount, specify whether the Expense is billable, and assign the transaction to a Customer or Job.

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

Expense

1 online banking matches

Payee: Akami Advertising

Payment account: 10000 Checking 1234

Balance \$60,257.46

AMOUNT: **\$1,000.00**

Payment date: 01/10/2021

Payment method: What did you pay with?

Ref no.:

Location: Torrey Santa Fe

Permit no.:

Tags: Start typing to add a tag

Manage tags

#	CATEGORY	DESCRIPTION	AMOUNT	CUSTOMER	CLASS
1	60800 Advertising & Promotional	Akami Advertising Torrey	1,000.00		Administrative
2					

Here is where we enter checks written manually or checks to be printed. Be sure to include the check number in the reference number field. Also, select **Check** instead of **Expense**. This makes a difference when bank transactions attempt to find a match during the sync process in the Banking Center. A check debits the expense and credits the bank account.

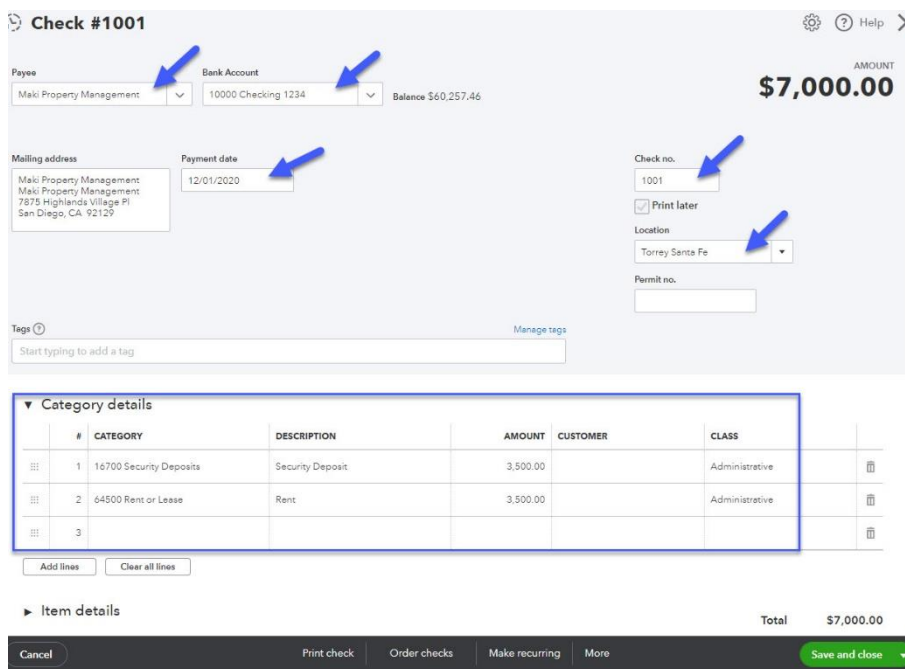
Click the **+ New icon -> Check**.

Enter or verify the following information:

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

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

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



Check #1001

Payee: Maki Property Management | Bank Account: 10000 Checking 1234 | Balance: \$60,257.46 | Amount: **\$7,000.00**

Mailing address: Maki Property Management, 7875 Highlands Village Pl, San Diego, CA 92129 | Payment date: 12/01/2020 | Check no.: 1001 | ☒ Print later | Location: Torrey Santa Fe | Permit no.:

Tags: Start typing to add a tag | Manage tags

#	CATEGORY	DESCRIPTION	AMOUNT	CUSTOMER	CLASS
1	16700 Security Deposits	Security Deposit	3,500.00		Administrative
2	64500 Rent or Lease	Rent	3,500.00		Administrative
3					

Buttons: Add lines, Clear all lines

Item details | Total: \$7,000.00

Buttons: Cancel, Print check, Order checks, Make recurring, More, Save and close

Note: If you have an outstanding check to a vendor that you are confident will never be cashed, use the void feature. If you have a duplicate check, then it would be appropriate to delete the uncleared duplicate check. Voiding or deleting a check does NOT notify the bank to place a stop payment.

Bills are an important part of Accounts Payable. We enter bills to be paid later. Use reports to monitor due dates and budget for next bill pay day.

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

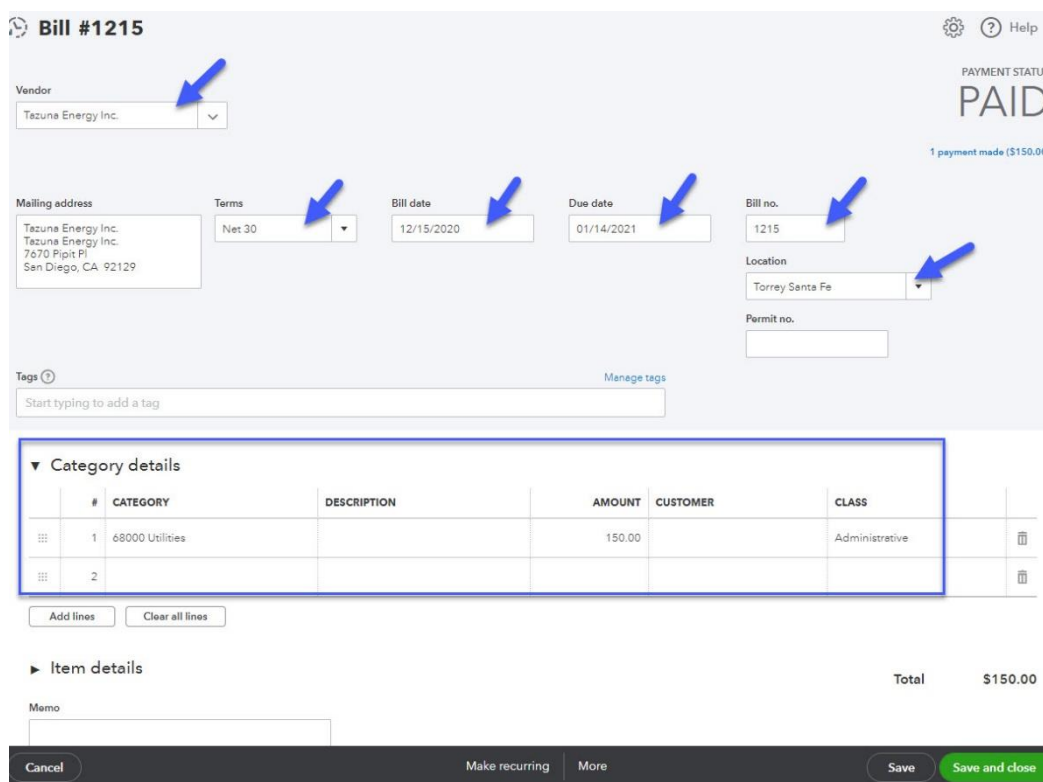
Enter or verify the following information:

Vendor name, mailing address, terms, bill date, due date, and bill no.

Enter the account and amount, specify whether the bill is billable, apply sales tax and assign the transaction to a customer or job.

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

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



Bill #1215

Vendor: Tazuna Energy Inc.

Mailing address: Tazuna Energy Inc., Tazuna Energy Inc., 7670 Pipit Pl, San Diego, CA 92129

Terms: Net 30

Bill date: 12/15/2020

Due date: 01/14/2021

Bill no.: 1215

Location: Torrey Santa Fe

Permit no.:

Tags: Start typing to add a tag

Category details

#	CATEGORY	DESCRIPTION	AMOUNT	CUSTOMER	CLASS
1	68000 Utilities		150.00		Administrative
2					

Add lines Clear all lines

Item details

Memo:

Total: \$150.00

Cancel Make recurring More Save Save and close

Note: Click **Make Recurring** if you want to memorize a bill and have it automatically posted.

To Pay Bills

Click the **+ New icon -> Pay Bills**.

Select the **Payment account**.

Select the **Payment date**.

Select the Bills you want to pay. If you need to make a partial payment, simply change the amount in the **Payment** column. Click the drop-down arrow to change the **Filter** criteria or click the **Gear** icon to change the number of rows being displayed.

Pay Bills Help X

Payment account: 10000 Checking 1234 Balance \$60,257.46 Payment date: 04/20/2021 Starting check no. 1007 ☐ Print later **TOTAL PAYMENT AMOUNT \$964.80**

Filter > Last 365 Days 6 open bills, 6 overdue

<input type="checkbox"/>	PAYEE	REF NO.	DUE DATE	OPEN BALANCE	CREDIT APPLIED	PAYMENT	TOTAL AMOUNT
<input checked="" type="checkbox"/>	Saki Fountain inc.	123467	03/25/2021	\$445.80	Not available	445.80	\$445.80
<input checked="" type="checkbox"/>	Saki Fountain inc.	123468	03/25/2021	\$519.00	Not available	\$519.00	\$519.00
<input type="checkbox"/>	Sushi Foods inc.	76803	03/30/2021	\$6,513.25	Not available		\$0.00
<input type="checkbox"/>	Sushi Foods inc.	76802	03/30/2021	\$6,018.54	Not available		\$0.00
<input type="checkbox"/>	Saki Fountain inc.	123470	04/09/2021	\$567.15	Not available		\$0.00
<input type="checkbox"/>	Saki Fountain inc.	123469	04/09/2021	\$567.15	Not available		\$0.00
				\$964.80	\$0.00	\$964.80	\$964.80

2 bills selected Total payment (USD) 964.80

Current account balance \$60,257.46
Total payment -\$964.80
New account balance \$59,292.66

Cancel Schedule payments online

If you are paying with a handwritten check, uncheck **Print later** and click **Pay Bills**. If you are printing a check, select **Print later**. Click **Save and Print** or **Save and Close**. After you select **Save and Print**, the **Print Checks Setup** window will appear. Simply follow the steps.

Note: If you have a duplicate or outstanding bill payment, you can void or delete the transaction. Voiding a bill payment does not void the associated bill. Deleting a bill payment does not delete the associated bill.

Vendor Credits

On occasion, you will receive a credit from a Vendor for returned merchandise or an error in billing. Vendor credits reduce the balance you owe a vendor or supplier. When you use the original category or item, it reduces the amount purchased. Once you enter a vendor credit, you will use the pay bills window to apply the credit to the open bill.

Click the **+ New icon -> Vendor Credit**.

Enter the following information:

Select a Vendor, payment date, ref no., account, amount, billable, tax, and customer or job. Enter the expense in the **Account** field or click the **Item Details** if you are tracking inventory products. Click **Save and Close**.

Vendor Credit

Vendor: Saki Fountain inc.

CREDIT AMOUNT: **\$335.23**

Mailing address: Saki Fountain inc.
Saki Fountain inc.
12350 Carmel Mountain Rd
San Diego, CA 92128

Payment date: 01/31/2021

Ref no.:

Location: Torrey Santa Fe

Permit no.:

Tags: Start typing to add a tag

#	CATEGORY	DESCRIPTION	AMOUNT	CUSTOMER	CLASS
1	50000 Food Costs		335.23		Administrative
2					

Buttons: Add lines, Clear all lines

Item details:

Memo:

Buttons: Cancel, Clear, Make recurring, Save and close

Total: \$335.23

We have turned off the automatically apply credits feature for this training.

There are several reports to support Accounts Payable. Let's explore the options and then determine which reports are best for your company.

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

Click **Standard** -> Scroll to **What you owe** or use the **Find report by name** search feature.

Recommended reports are as follows:



















A/P Aging Detail - displays Unpaid Bills current, 1-30, 30-60, 60-90 days based on due date.

Unpaid Bills - displays open transactions by vendor. (All bills that are still unpaid.)

Vendor Balance Detail - displays open transactions by vendor. (All bills that are still unpaid and the running balance.)

Vendor Expense Report – displays total amount spent per vendor.

Transaction List by Vendor - displays all money out transactions, broken down by vendor.

1099 Contractor Balance Detail	 
1099 Contractor Balance Summary	 
Accounts payable aging detail	 
Accounts payable aging summary	 
Bill Payment List	 
Bills and Applied Payments	 
Unpaid Bills ?	 
Vendor Balance Detail	 
Vendor Balance Summary	 

Inventory is the process of purchasing items in bulk to sell or to use in the production of other goods and services to sell. Not every business industry uses Inventory in their process. Service companies, for example, will quite commonly not have Inventory.

QBO is setup to manage Inventory. The Inventory module and tools can track purchasing and stocking, track quantity on hand (and alert you when supplies are low), and report on sales related to Inventory. All these tools work together to make Inventory management efficient and easy.

Furthermore, QBO Inventory tools function behind the scenes to adjust Inventory levels as you add Products and Services to Purchase Orders, Bills, Expenses, Checks, Invoices and Sales Receipts. With these tools in place, you can accurately access Inventory levels 24/7.

When you sell a product, the cost is calculated based on the FIFO method (First In, First Out), meaning that the **Cost of Goods Sold** for each item will be determined based on the cost of the first purchase, then the second purchase price and so on.

Purchase Orders are used when requesting the purchase of products from a Vendor. Purchase Orders are used to keep track of Inventory orders. They are a non-posting transaction that does not impact the financial reports until the items are received and the Purchase Order is turned into a bill. A purchase order does not affect Inventory levels in QBO as items have not been received.

The **Purchase Order** tells the Vendor what you want to buy and how much of each item you want to purchase.

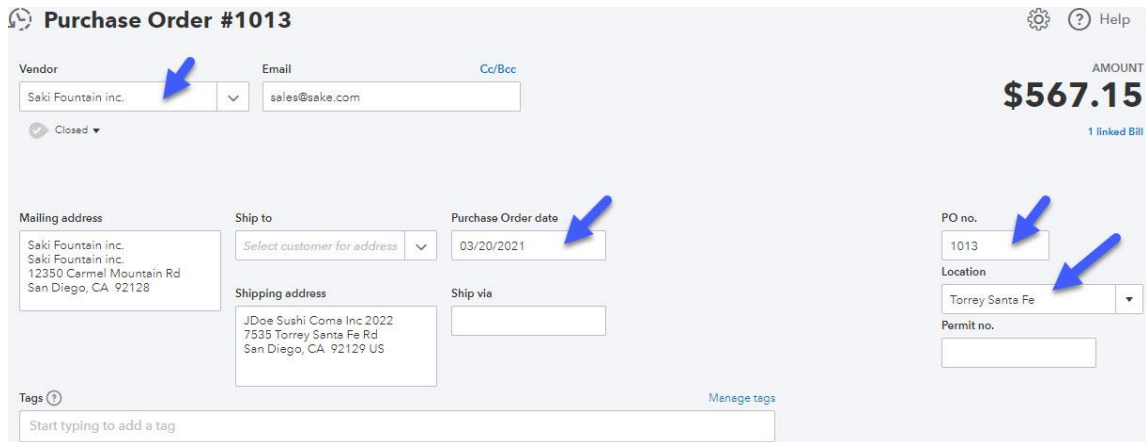
Purchase Orders are also good for tracking the delivery of purchased items. When your shipment arrives, scan down your **Purchase Order** and double-check that the correct quantities and items arrived. This process is handy for keeping Vendors accountable for delivering the correct products, quantities, and pricing.

Filling out a **Purchase Order** is very similar to filling out a **Bill**. It is important to recognize the difference between the **Category details** and **Item details** sections.

The **Category details** section allows us to post transactions using the Chart of Accounts categories. This posts directly to financial statements.

The **Items details** section allows us to track Items we purchase. It indirectly posts to the Chart of Accounts through the Item itself. This method of tracking Items also populates Inventory, Sales and other important reports.

Like a Bill, you will need to enter information in all required fields in the first section of a Purchase Order: **Vendor**, **Date**, **PO number**, **Locations**, and **Shipping Address**.



Purchase Order #1013

Vendor: Saki Fountain Inc. Email: sales@sake.com Cc/Bcc

Amount: **\$567.15** 1 linked Bill

Vendor: Saki Fountain Inc. 12350 Carmel Mountain Rd San Diego, CA 92128

Ship to: Select customer for address

Purchase Order date: 03/20/2021

Shipping address: JDoe Sushi Come Inc 2022 7535 Torrey Santa Fe Rd San Diego, CA 92129 US

Ship via:

PO no.: 1013

Location: Torrey Santa Fe

Permit no.:

Tags: Start typing to add a tag Manage tags

Notice the Category details and Item details options in the second section of a Purchase Order. Enter the Items you are purchasing and tracking.

Enter the following: **Item**, **Qty**, and **Class**.

As you enter the Items from the Products and Services list, the description and rate should auto-populate.

► Category details

▼ Item details

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	CUSTOMER	CLASS
1	Beverage:Bottle Beer	Beer	54	1.85	99.90		Administrative
2	Beverage:Bottle Wine	Wine	93	3.25	302.25		Administrative
3	Beverage:Bottle Water	Water	150	0.10	15.00		Administrative
4	Beverage:Bottle Soda	Soda	200	0.75	150.00		Administrative
5							

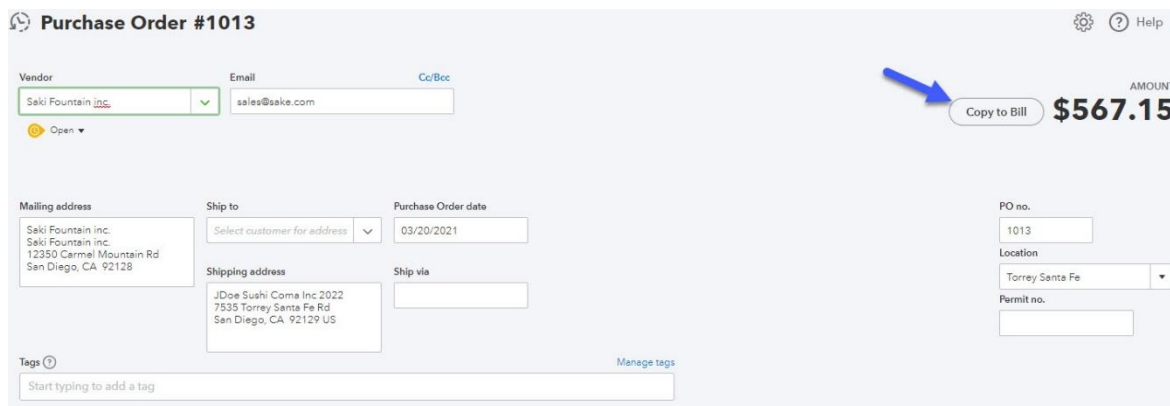
Add lines Clear all lines

Your message to vendor

You can use reports to track open Purchase Orders. When the **Inventory** order is delivered, pull up the **Purchase Order** and compare the quantity delivered with the quantity ordered. You can pull up the **Purchase Order** by going to the **Vendor** in the **Vendor Center** and clicking on the **Purchase Order**, from a report or search the reference number.

Once you have finished counting and receiving your new **Inventory**, create a **Bill** from the **Purchase Order**. There are two ways to link a Purchase Order to a Bill.

Option 1 – Locate the Purchase Order and click **Copy to Bill**.



Purchase Order #1013

Vendor: Saki Fountain Inc. Email: sales@sake.com Cc/Bcc: [Cc/Bcc](#)

Open

Mailing address: Saki Fountain Inc.
Saki Fountain Inc.
12350 Carmel Mountain Rd
San Diego, CA 92128

Ship to: Select customer for address

Purchase Order date: 03/20/2021

Shipping address: JDoe Sushi Come Inc 2022
7535 Torrey Santa Fe Rd
San Diego, CA 92129 US

Ship via:

PO no.: 1013

Location: Torrey Santa Fe

Permit no.:

Tags: Start typing to add a tag

Manage tags

Copy to Bill **\$567.15**

Option 2 – Click **+ New -> Enter Bill**. As you enter the Vendor name, the Open Purchase Orders will appear to the right of the screen. Select **Add all** or **Add** to link the individual Purchase Order information into the Bill.

Add to Bill



Add all

Purchase Order #1013
Mar 20, 2021
Total \$567.15
Balance \$567.15

- Beer
- Wine
- Water

[More](#)

[Add](#) [Open](#)

Once the information from the **Purchase Order** has been linked to the **Bill**, adjust the **Quantity** to reflect the amount delivered. If the full amount is not delivered and **Quantity** is changed, when you go back to the original **Purchase Order**, you will see the amount you did receive. The **Purchase Order** will remain open so you can receive the remaining amount later. When the full amount is received, the **Purchase Order** will be closed.

Purchase Order #1001
⚙️ ? Help

tags ⓘ

Start typing to add a tag

Manage tags

► Category details

▼ Item details

	#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	CLASS	RECEIVED	CLOSED	
⋮	1	Beverage:Bottle Beer	Beer	100	1.85	185.00	Administrative	100	✓	🗑️
⋮	2	Beverage:Bottle Wine	Wine	100	3.25	325.00	Administrative	100	✓	🗑️
⋮	3	Beverage:Bottle Water	Water	125	0.10	12.50	Administrative	125	✓	🗑️
⋮	4	Beverage:Bottle Soda	Soda	125	0.75	93.75	Administrative	125	✓	🗑️
⋮	5									🗑️

Add lines

Clear all lines

Your message to vendor

Total \$616.25

1. **You wrote a manual check for supplies at Office Depot and need to manually post the check. Where do you go?**
 - a) + New icon->Print Check
 - b) + New icon->Expense
 - c) + New icon->Check
 - d) + New icon->Bill

2. **You mailed a check to pay the rent. The check was lost in the mail and never cashed. What should you do with the outstanding check?**
 - a) Change the amount of the check to zero
 - b) Delete the check
 - c) Make a journal entry to reverse the check
 - d) Void the check

3. **Where would you go to recategorize all expenses for a Vendor?**
 - a) Vendor Center->Click the Vendor->Select Transactions->Batch Actions->Categorize Selected
 - b) Vendor Center->Edit Vendor
 - c) Accounting->Chart of Accounts
 - d) Gear->Account and Settings

4. **It is time to pay bills. Where do you go?**
 - a) + New icon->Expense
 - b) + New icon->Check
 - c) + New icon->Vendor Credit
 - d) + New icon->Pay Bills

5. **You want to view bills to be paid to Vendors and check for errors, which report do you choose?**
 - a) Unpaid Bills Report
 - b) A/P Aging Summary
 - c) A/P Aging Detail
 - d) Bill Payment List

1. Review Video Link:

[Money Out Workflow](#)

[What is Accounts Payable](#)

[Vendor List: Intro](#)

[Vendor List: Customize](#)

[Vendor List: Find and Record Transactions](#)

[Record a Check](#)

[Record an Expense](#)

[Accounts Payable Reports](#)

2. Good news, you already imported or created your Vendor list during the setup process.

3. Review Video Link:

[How to Setup a Contractor](#)

4. Enter 1099 tracking information for the following Vendors:

Navigate to the Vendor Center and edit the Vendor.

Add Business ID -> Select Track payments for 1099.

Vendor	ID	Category Account
Miso Cleaning Services	99-9999999	64600 Repairs & Maintenance
Akami Advertising	99-9999999	60800 Advertising & Marketing
Kensetsu Construction, LLC	99-9999999	16000 Leasehold Improvements
Kaikeishi Services	99-9999999	64100 Legal & Professional

Daniel wrote checks to the property manager for the security deposit and rent for both locations. He also setup liability and Workers' Comp insurance for both locations.

5. Enter the following checks written in December of the prior year:

You will need to enter the checks as split transactions.

Payee	Bank Account	Date	Chk No.	Loc.	Category	Amt.	Class
Maki Property Mgmt	10000 Checking 1234	12/01/ prior year	1001	Torrey Santa Fe	16700 Security Deposits	\$3,500	Admin
					64500 Rent or Lease	\$3,500	Admin
Maki Property Mgmt	10000 Checking 1234	12/01/ prior year	1002	Salmon Blvd	16700 Security Deposits	\$2,500	Admin
					64500 Rent or Lease	\$2,500	Admin
Anago WC Ins.	10000 Checking 1234	12/01/ prior year	1003	Torrey Santa Fe	63000 Insurance – Liability	\$300	Admin
					63100 Insurance – Workers' Comp	\$150	Admin
Anago WC Ins.	10000 Checking 1234	12/01/ prior year	1004	Salmon Blvd	63000 Insurance – Liability	\$300	Admin
					63100 Insurance – Workers' Comp	\$150	Admin

Meredith used the American Express company credit card to purchase a security system, restaurant equipment, office equipment and a point of sale (POS) system.

6. Enter the following American Express credit card expenses: + New -> Expense. (Use the split feature to enter transactions with multiple account categories.)

Payee	Bank Acct.	Date	Location	Category	Amt.	Class
Intuit QBO Subscription	21000 Amex	12/01/ prior year	Torrey Santa Fe	62200 Dues & Subscriptions	\$40.00	Admin Admin
Baigai Security Systems	21000 Amex	12/01/ prior year	Salmon Blvd	15100 Furniture & Fixtures 64800 Security	\$1,500 \$60.00	Admin Admin
Baigai Security Systems	21000 Amex	12/01/ prior year	Torrey Santa Fe	15100 Furniture & Fixtures 64800 Security	\$1,500 \$60.00	Admin Admin
San Diego County	21000 Amex	12/01/ prior year	Salmon Blvd	64200 License & Permits	\$350.00	Admin
San Diego County	21000 Amex	12/01/ prior year	Torrey Santa Fe	64200 License & Permits	\$350.00	Admin

a. Continue to enter the American Express credit card expenses:

Payee	Bank Acct.	Date	Location	Category	Amt.	Class
Shiro Maguro Systems	21000 Amex	12/15/ prior year	Salmon Blvd	15000 Restaurant Equip	\$1,000.00	Admin
Shiro Maguro Systems	21000 Amex	12/15/ prior year	Torrey Santa Fe	15000 Restaurant Equip	\$1,000.00	Admin
Resutoran Equipment	21000 Amex	12/15/ prior year	Torrey Santa Fe	15000 Restaurant Equipment	\$10,000.00	Admin
Resutoran Equipment	21000 Amex	12/15/ prior year	Salmon Blvd	15000 Restaurant Equipment	\$10,000.00	Admin
Fugu Smallwares Inc.	21000 Amex	12/25/ prior year	Torrey Santa Fe	15100 Furniture & Fixtures	\$2,500.00	Admin
Fugu Smallwares Inc.	21000 Amex	12/25/ prior year	Salmon Blvd	15100 Furniture & Fixtures	\$2,500.00	Admin
Kani Office Products	21000 Amex	12/25/ prior year	Torrey Santa Fe	15200 Office Equipment	\$3,000.00	Admin
Kani Office Products	21000 Amex	12/25/ prior year	Salmon Blvd	15200 Office Equipment	\$3,000.00	Admin

Both locations required improvements and Daniel was able to set up terms on the Bills. This means they were given a timeframe in which they could pay the Bill after services were delivered, allowing them to stretch out payments and keep cash in the bank longer. They recently received Bills for telephone and utilities.

7. Review Video Links:

[Record a Bill](#)

[Record a Bill Payment](#)

8. Enter the following Bills for December prior year:

Payee	Term	Date	Bill No	Loc.	Category	Amt.	Class
Tazuna Energy	Net 30	12/15/prior year	1215	Torrey Santa Fe	68000 Utilities	\$150.00	Admin
Tazuna Energy	Net 30	12/15/prior year	1234	Salmon Blvd	68000 Utilities	\$150.00	Admin
Boton Comm	Net 30	12/15/prior year	3220	Torrey Santa Fe	65100 Telephone	\$100.00	Admin
Boton Comm	Net 30	12/15/prior year	3214	Salmon Blvd	65100 Telephone	\$100.00	Admin
Kensetsu	Net 30	12/15/prior year	3246	Torrey Santa Fe	16000 Leasehold	\$35,000.00	Admin
Kensetsu	Net 30	12/15/prior year	3244	Salmon Blvd	16000 Leasehold Improvements	\$20,000.00	Admin

9. Enter Bills for January current year:

Payee	Bank	Date	Ref No.	Loc.	Category	Amt.	Class
Sushi Foods Inc.	Net 15	1/1/current year	76321	Torrey Santa Fe	50000 Food Costs	\$3,225.75	Admin
Sushi Foods Inc.	Net 15	1/1/current year	76322	Salmon Blvd	50000 Food Costs	\$3,115.77	Admin
Kaikeishi Services	Net 30	1/1/current year	98760	Torrey Santa Fe	64100 Legal & Professional	\$1,200.00	Admin
Kaikeishi Services	Net 30	1/1/current year	98761	Salmon Blvd	64100 Legal & Professional	\$1,200.00	Admin
Norimake Uniforms	Net 15	1/1/current year	87465	Torrey Santa Fe	66000 Uniforms	\$500.00	Admin
Norimake Uniforms	Net 15	1/1/current year	87466	Salmon Blvd	66000 Uniforms	\$500.00	Admin
Sushi Foods Inc.	Net 15	1/15/current year	76500	Torrey Santa Fe	50000 Food Costs	\$6,125.25	Admin
Sushi Foods Inc.	Net 15	1/15/current year	76501	Salmon Blvd	50000 Food Costs	\$5,812.11	Admin

10. Pay the following Bills in January current year:

Payee	Bank Acct	Date	Ref No.	Bill No.	Amt.
Baton Telephone	Checking 1234	1/10/current year	1008	3220 3214	\$200.00
Kensetsu Construction, LLC	Checking 1234	1/10/current year	1009	3244 3246	\$55,000.00
Norimake Uniforms Inc.	Checking 1234	1/10/current year	1010	87465 87466	\$1,000.00
Sushi Foods Inc.	Checking 1234	1/10/current year	1011	76321 76322	\$6,341.52
Tazuna Energy Inc.	Checking 1234	1/10/current year	1012	1215 1234	\$300.00
Kaikeishi Services	Checking 1234	1/25/current year	1013	98760 98761	\$2,400.00
Sushi Foods Inc.	Checking 1234	1/25/current year	1015	76500 76501	\$11,937.36

11. Enter Bills for February current year:

Payee	Bank	Date	Ref No.	Loc.	Category	Amt.	Class
Sushi Foods Inc.	Net 15	2/1/current year	76600	Torrey Santa Fe	50000 Food Costs	\$6,279.77	Admin
Sushi Foods Inc.	Net 15	2/1/current year	76601	Salmon Blvd	50000 Food Costs	\$6,178.89	Admin
Sushi Foods Inc.	Net 15	2/15/current year	76700	Torrey Santa Fe	50000 Food Costs	\$5,517.68	Admin
Sushi Foods Inc.	Net 15	2/15/current year	76701	Salmon Blvd	50000 Food Costs	\$6,312.49	Admin

12. Pay the following Bills in February current year:

Payee	Bank Acct	Date	Ref No.	Bill No.	Amt.
Sushi Foods Inc.	Checking 1234	2/10/current year	1019	76600 76601	\$12,458.66
Sushi Foods Inc.	Checking 1234	2/25/current year	1020	76700 76701	\$11,830.17

13. Enter Bills for March current year:

Payee	Bank	Date	Ref No.	Loc.	Category	Amt.	Class
Sushi Foods Inc.	Net 15	3/1/current year	76800	Salmon Blvd	50000 Food Costs	\$5,729.67	Admin
Sushi Foods Inc.	Net 15	3/1/current year	76801	Torrey Santa Fe	50000 Food Costs	\$6,411.49	Admin
Sushi Foods Inc.	Net 15	3/15/current year	76802	Salmon Blvd	50000 Food Costs	\$6,018.54	Admin
Sushi Foods Inc.	Net 15	3/15/current year	76803	Torrey Santa Fe	50000 Food Costs	\$6,513.25	Admin

14. Pay the following Bills in March current year:

Payee	Bank Acct	Date	Ref No.	Bill No.	Amt.
Sushi Foods Inc.	Checking 1234	3/10/current year	1024	76800 76801	\$12,141.16

15. Review the following Reports:

- Accounts Payable Aging Summary
- Accounts Payable Aging Detail
- Unpaid Bills Reports
- Expense by Vendor Summary

17. Review Video Links:

[What is Inventory in QBO?](#)

[What QuickBooks Needs for Inventory](#)

[Turn on Inventory](#)

[New Inventory Setup](#)

[Purchase Orders: Intro](#)

[Record and Send a Purchase Order](#)

[Receive Inventory: Intro](#)

[Receive Inventory Against a Purchase Order](#)

[Receive Inventory Without a Purchase Order](#)

Meredith realizes she needs to place an Inventory order for beverages with Saki Fountain prior to the grand opening in January. She asks you to create Purchase Orders for each location so they can keep track of their orders.

18. Enter the following Purchase Orders 1001 and 1002:

Vendor	Date	PO No	Loc.	Item Details	Qty	Amt	Total	Class
Saki Fountain Inc.	12/15 /Prior year	1001	Salmon Blvd	Bottle Beer	100	1.85	\$185.00	Admin
				Bottle Wine	100	3.25	\$325.00	Admin
				Bottle Water	125	.10	\$12.50	Admin
				Bottle Soda	125	.75	\$93.75	Admin
				Total			\$616.25	
Saki Fountain Inc.	12/15 /prior year	1002	Torrey Santa Fe	Bottle Beer	100	1.85	\$185.00	Admin
				Bottle Wine	100	3.25	\$325.00	Admin
				Bottle Water	125	.10	\$12.50	Admin
				Bottle Soda	125	.75	\$93.75	Admin
				Total			\$616.25	

The beverage order arrived. Confirm the items and quantities received are accurate and that there are no back orders. The Bill is included in the delivery, and you have verified the amounts owed to the supplier are correct.

19. Enter the Bills and add the open Purchase Orders for December prior year:

Payee	Terms	Date	Bill No	Loc.	P.O. #	Amt.
Saki Fountain Inc.	Net 15	12/20/ prior year	123457	Salmon Blvd.	1001	\$616.25
Saki Fountain Inc.	Net 15	12/20/ prior year	123456	Torrey Santa Fe	1002	\$616.25

20. Enter the following Purchase Orders 1003-1004 for January current year:

Vendor	Date	PO No	Location	Item Details	Qty	Amt	Total	Class
Saki Fountain Inc.	01/05/ current year	1003	Salmon Blvd	Bottle Beer	81	1.85	\$149.85	Admin
				Bottle Wine	70	3.25	\$227.50	Admin
				Bottle Water	69	.10	\$6.90	Admin
				Bottle Soda	100	.75	\$75.00	Admin
				Total			\$459.25	
Saki Fountain Inc.	01/05/ current year	1004	Torrey Santa Fe	Bottle Beer	81	1.85	\$149.85	Admin
				Bottle Wine	70	3.25	\$227.50	Admin
				Bottle Water	69	.10	\$6.90	Admin
				Bottle Soda	100	.75	\$75.00	Admin
				Total			\$459.25	

21. Enter the Bills and add the open Purchase Orders for January current year:

Payee	Terms	Date	Bill No	Loc.	P.O. #	Amt.
Saki Fountain Inc.	Net 15	01/10/ current year	123458	Salmon Blvd	1003	\$459.25
Saki Fountain Inc.	Net 15	01/10/ current year	123459	Torrey Santa Fe	1004	\$459.25

22. Pay the following Bill in January current year:

Payee	Bank Acct	Date	Ref No.	Bill No.	Amt.
Saki Fountain Inc.	Checking 1234	1/10/current year	1007	123456 123457	\$1,232.50

23. Enter the following Purchase Orders for January current year:

Vendor	Date	PO No	Location	Item Details	Qty	Amt	Total	Class
Saki Fountain Inc.	01/20/ current year	1005	Salmon Blvd	Bottle Beer	80	1.85	\$148.00	Admin
				Bottle Wine	80	3.25	\$260.00	Admin
				Bottle Water	88	.10	\$8.80	Admin
				Bottle Soda	121	.75	\$90.75	Admin
				Total			\$507.55	
Saki Fountain Inc.	01/20/ current year	1006	Torrey Santa Fe	Bottle Beer	80	1.85	\$148.00	Admin
				Bottle Wine	80	3.25	\$260.00	Admin
				Bottle Water	88	.10	\$8.80	Admin
				Bottle Soda	121	.75	\$90.75	Admin
				Total			\$507.55	

24. Enter the Bills and add the open Purchase Orders for January current year:

Payee	Terms	Date	Bill No	Loc.	P.O. #	Amt.
Saki Fountain Inc.	Net 15	01/25/ current year	123460	Salmon Blvd	1005	\$507.55
Saki Fountain Inc.	Net 15	01/25/ current year	123461	Torrey Santa Fe	1006	\$507.55

25. Pay the following Bill in January current year:

Payee	Bank Acct	Date	Ref No.	Bill No.	Amt.
Saki Fountain Inc.	Checking 1234	1/25/current year	1014	123458 123459	\$918.50

26. Enter the following Purchase Orders for February current year:

Vendor	Date	PO No	Location	Item Details	Qty	Amt	Total	Class
Saki Fountain Inc.	02/05/ current year	1007	Salmon Blvd	Bottle Beer	40	1.85	\$74.00	Admin
				Bottle Wine	31	3.25	\$100.75	Admin
				Bottle Water	34	.10	\$3.40	Admin
				Bottle Soda	63	.75	\$47.23	Admin
				Total			\$225.40	
Saki Fountain Inc.	02/05/ current year	1008	Torrey Santa Fe	Bottle Beer	40	1.85	\$74.00	Admin
				Bottle Wine	31	3.25	\$100.75	Admin
				Bottle Water	34	.10	\$3.40	Admin
				Bottle Soda	63	.75	\$47.25	Admin
				Total			\$225.40	

27. Enter the Bills and add the open Purchase Orders for February current year:

Payee	Terms	Date	Bill No	Loc.	P.O. #	Amt.
Saki Fountain Inc.	Net 15	02/10/ current year	123462	Salmon Blvd	1007	\$225.40
Saki Fountain Inc.	Net 15	02/10/ current year	123463	Torrey Santa Fe	1008	\$225.40

28. Pay the following Bill in February current year:

Payee	Bank Acct	Date	Ref No.	Bill No.	Amt.
Saki Fountain Inc.	Checking 1234	2/10/current year	1018	123460 123461	\$1,015.10

29. Enter the following Purchase Orders for February current year:

Vendor	Date	PO No	Location	Item Details	Qty	Amt	Total	Class
Saki Fountain Inc.	02/20/ current year	1009	Salmon Blvd	Bottle Beer	109	1.85	\$201.65	Admin
				Bottle Wine	104	3.25	\$338.0	Admin
				Bottle Water	109	.10	\$10.90	Admin
				Bottle Soda	139	.75	\$104.25	Admin
				Total			\$654.80	
Saki Fountain Inc.	02/20 current year	1010	Torrey Santa Fe	Bottle Beer	109	1.85	\$201.65	Admin
				Bottle Wine	104	3.25	\$338.0	Admin
				Bottle Water	109	.10	\$10.90	Admin
				Bottle Soda	139	.75	\$104.25	Admin
				Total			\$654.80	

30. Enter the Bills and add the open Purchase Orders for February current year:

Payee	Terms	Date	Bill No	Loc.	P.O. #	Amt.
Saki Fountain Inc.	Net 15	02/25/ current year	123464	Salmon Blvd	1009	\$654.80
Saki Fountain Inc.	Net 15	02/25/ current year	123465	Torrey Santa Fe	1010	\$654.80

31. Pay the following Bill in February current year:

Payee	Bank Acct	Date	Ref No.	Bill No.	Amt.
Saki Fountain Inc.	Checking 1234	2/25/current year	1020	123462 123463	\$450.80

32. Enter the following Purchase Orders for March current year:

Vendor	Date	PO No	Location	Item Details	Qty	Amt	Total	Class
Saki Fountain Inc.	03/05/ current year	1011	Salmon Blvd	Bottle Beer	83	1.85	\$153.55	Admin
				Bottle Wine	53	3.25	\$172.25	Admin
				Bottle Water	75	.10	\$7.50	Admin
				Bottle Soda	150	.75	\$112.50	Admin
				Total			\$445.80	
Saki Fountain Inc.	03/05 current year	1012	Torrey Santa Fe	Bottle Beer	100	1.85	\$185.00	Admin
				Bottle Wine	57	3.25	\$185.25	Admin
				Bottle Water	175	.10	\$17.50	Admin
				Bottle Soda	175	.75	\$131.25	Admin
				Total			\$519.00	

33. Enter the Bills and add the open Purchase Orders for March current year:

Payee	Terms	Date	Bill No	Loc.	P.O. #	Amt.
Saki Fountain Inc.	Net 15	03/10/ current year	123467	Salmon Blvd	1011	\$445.80
Saki Fountain Inc.	Net 15	03/10/ current year	123468	Torrey Santa Fe	1010	\$519.00

34. Pay the following Bill in March current year:

Payee	Bank Acct	Date	Ref No.	Bill No.	Amt.
Saki Fountain Inc.	Checking 1234	3/10/current year	1023	123464 123465	\$1,309.60

35. Enter the following Purchase Orders for March current year:

Vendor	Date	PO No	Location	Item Details	Qty	Amt	Total	Class
Saki Fountain Inc.	03/20/ current year	1013	Torrey Santa Fe	Bottle Beer	54	1.85	\$99.90	Admin
				Bottle Wine	93	3.25	\$302.25	Admin
				Bottle Water	150	.10	\$15.00	Admin
				Bottle Soda	200	.75	\$150.00	Admin
				Total			\$567.15	
Saki Fountain Inc.	03/20/ current year	1014	Salmon Blvd	Bottle Beer	54	1.85	\$99.90	Admin
				Bottle Wine	93	3.25	\$302.25	Admin
				Bottle Water	150	.10	\$15.00	Admin
				Bottle Soda	200	.75	\$150.00	Admin
				Total			\$567.15	

36. Enter the Bills and add the open Purchase Orders for March current year:

Payee	Terms	Date	Bill No	Loc.	P.O. #	Amt.
Saki Fountain Inc.	Net 15	03/25/ current year	123470	Salmon Blvd	1014	\$567.15
Saki Fountain Inc.	Net 15	03/25/ current year	123469	Torrey Santa Fe	1013	\$567.15



Online Foundations Training

SECTION 8

ACCOUNTS RECEIVABLE

- Objectives
- Customer Center
- Sales Receipts
- Bank Deposits
- Invoices
- Receive Payments
- Credit Memos
- Apply Credits
- Refund Receipts
- Sales and A/R Reports
- Statements
- Practice Test
- Case Study Activities

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

- An overview of Accounts Receivable.
- How to correctly use Customer and Accounts Receivable-related accounts and settings.
- How to use the Customer Center.
- How and when to use a Sales Receipt versus an Invoice.
- How to Receive Payments and Record Deposits.
- How to view and save Sales and Accounts Receivable-related reports.

Now that the Sushi Coma owners understand how to use reports as a management tool, let's dive in deeper and learn the proper way to record daily transactions in the business, starting with Accounts Receivable (an area that significantly impacts cash flow). To do this, we must become familiar with the Customer Center, and how-to setup Customers in the system.

Daniel has asked for clarification on when to use an Invoice versus a Sales Receipt and does not understand the difference between the two. We will cover this topic in detail for the team and provide clear instruction on how to record payments received and bank deposits.

Also, what Accounts Receivable reports do you recommend they access and review on a regular basis? What kind of information can these reports provide? How can this information be used to improve company performance?

In the Accounts Receivable section, we discuss the importance of managing open invoices owed to you by your customers. You might be surprised by how costly this process can be if an efficient system is not in place and the affect it can have on cash flow.

Biz Q&A:

- Why do you think it is important to manage your Accounts Receivable?
- Why do you think business owners should have an Accounts Receivable and Collections policy?

Wow Fact:

According to the Harvard Business Review, here is an average of what receivables cost a company:

30 days – 1.82%

60 days – 9.20%

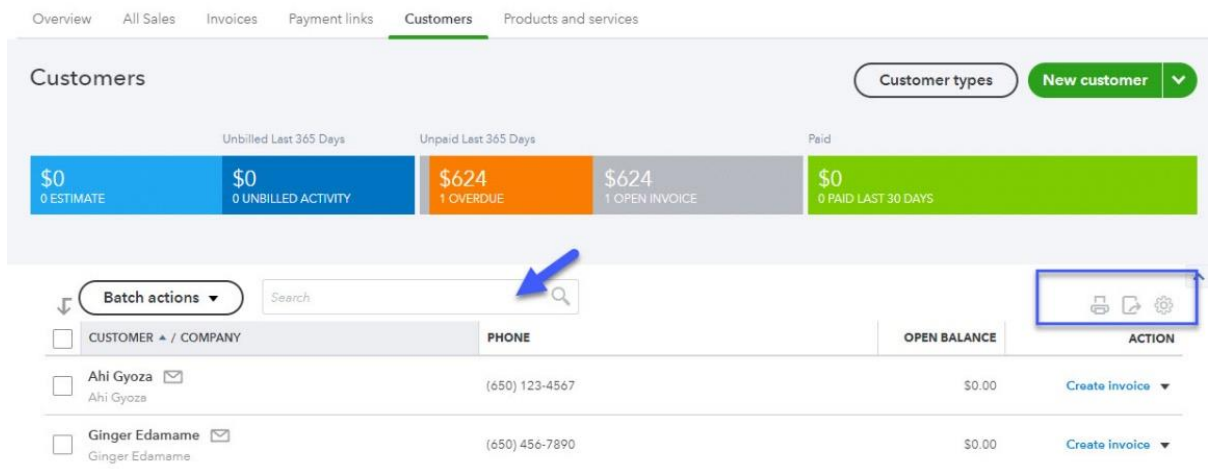
90 days – 17.74%

120 days – 26.71%

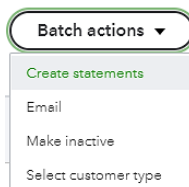
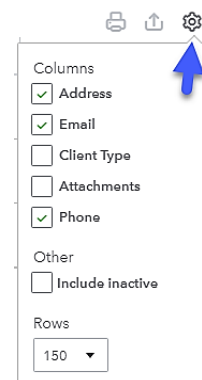
The **Customer Center** includes options for maintaining Customer lists, adding invoices, receiving payments, and viewing transactions related to your Customers.

From the left navigation bar click **Sales -> Customers** to access the **Customer Center**. Click the **Invoices** tab to view and manage invoices. Click the drop-down arrow under the action column to select from a list of options, such as **Create Statements**, **Charge**, **Sales Receipts**, **Estimates** and **Time Activity**.

Sales



Use **Batch Actions** to create statements or email several invoices at one time. The search field is a quick way to find a Customer.

Click the **Gear** icon to edit the way columns are displayed.

Add Customer

Click **New Customer** (top right of your screen).

Enter **Customer** and **Display Name** (the way you would like the name displayed in the Customer list). Add address and contact information. The display name is the only field that must be unique. It is used to track balances for each entry and for default sorting.

Customers may have two different addresses for billing and shipping. By default, the shipping address is the same as the billing. The billing address is for any invoicing or payment related transactions, and the shipping would be the location where you ship goods or provide services.

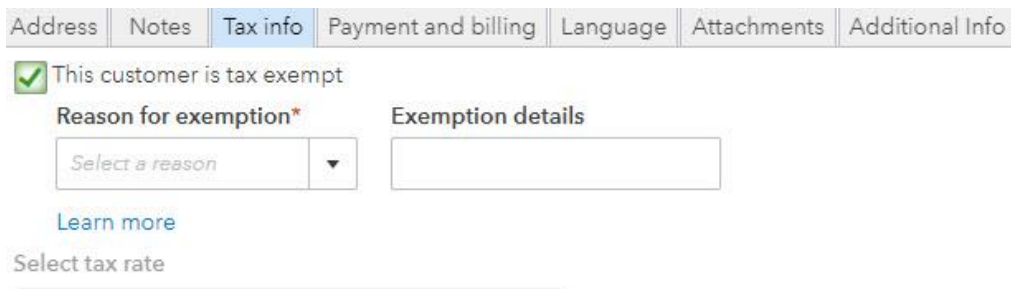
Customer information

Title	First name	Middle name	Last name	Suffix	Email
	Ahi		Gyoza		ahi@gmail.com
Company					Phone
					(650) 123-4567
					Mobile
					Fax
* Display name as					Other
Ahi Gyoza					Website
Print on check as <input checked="" type="checkbox"/> Use display name					<input type="checkbox"/> Is sub-customer
Ahi Gyoza					Enter parent customer
					Bill with parent
Address	Notes	Tax info	Payment and billing	Language	Attachments
Billing address <small>map</small>					Shipping address <small>map</small> <input type="checkbox"/> Same as billing address
10025 Carmel Mountain Rd					Street
San Diego					City/Town
CA					State/Province
92129					ZIP code
Country					Country

The **Notes** tab provides an area to track private notes for specific Customers.

Address	Notes	Tax info	Payment and billing	Language	Attachments	Additional Info
Notes						
This is a great way to keep private notes for each customer.						

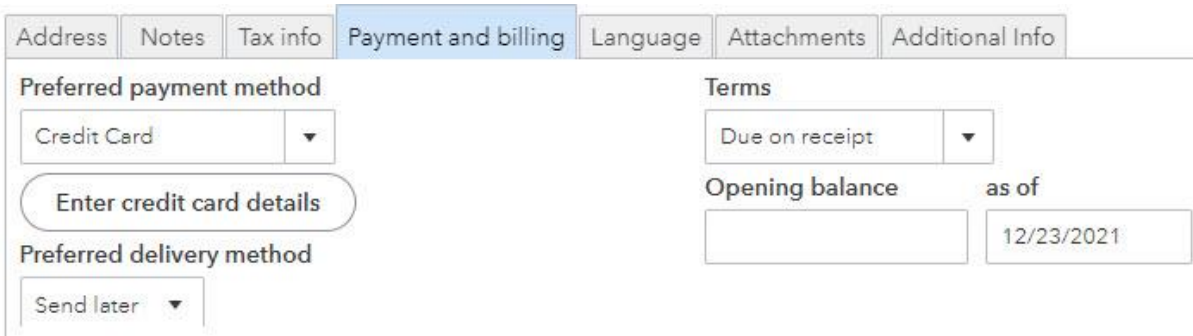
If you are charging Sales Tax for Products or Services, the **Tax info** tab is where you indicate a Customer is tax-exempt. Customers are assumed to be taxable by default. If they are tax-exempt, enter their Tax ID number here. This is also where we enter the default state tax code. The Sales Tax feature is turned off for this training.



The screenshot shows the 'Tax info' tab selected in the Customer Center. It includes a checkbox for 'This customer is tax exempt' which is checked. Below it is a dropdown menu for 'Reason for exemption*' with the text 'Select a reason' and a downward arrow. To the right is a text field for 'Exemption details'. Below these is a 'Learn more' link and a 'Select tax rate' dropdown menu.

The **Payment & Billing** tab is where you enter the Customer's preferred payment method, invoice delivery method, payment terms, and opening balance (if there is one). You can assign default payment **Terms** for each customer. You can add or change terms as you enter sales receipts or Invoice transactions. You can add or manage terms in the terms list. **Gear - > All Lists.**

Terms example: 2% 10 Net 30 means the customer may take a 2% discount if they pay within 10 days. If it is not paid within 10 days, the full amount is due within 30 days.



The screenshot shows the 'Payment and billing' tab selected in the Customer Center. It includes a 'Preferred payment method' dropdown menu with 'Credit Card' selected and a button to 'Enter credit card details'. Below that is a 'Preferred delivery method' dropdown menu with 'Send later' selected. To the right, there is a 'Terms' dropdown menu with 'Due on receipt' selected, an 'Opening balance' text field, and an 'as of' date field with '12/23/2021' entered.

The **Language** tab has a limited selection of languages you can track by Customer.

Address	Notes	Tax info	Payment and billing	Language	Attachments	Additional Info
---------	-------	----------	---------------------	----------	-------------	-----------------

Send invoices to this client in

English ▼

The **Attachments** tab allows you to drag and drop attachments specific to a Customer.

Address	Notes	Tax info	Payment and billing	Language	Attachments	Additional Info
---------	-------	----------	---------------------	----------	-------------	-----------------

 **Attachments** Maximum size: 20MB

Drag/Drop files here or click the icon

The **Custom Fields** tab is available in QuickBooks Online Advanced subscription.

The **Additional info** tab is where you can assign a Customer type to track specific information. Create the **Customer types** list first. Click **Customer types** from the Customer Center.

Client types

New client ▼

Address	Notes	Tax info	Payment and billing	Language	Attachments	Additional Info
---------	-------	----------	---------------------	----------	-------------	-----------------

Client Type

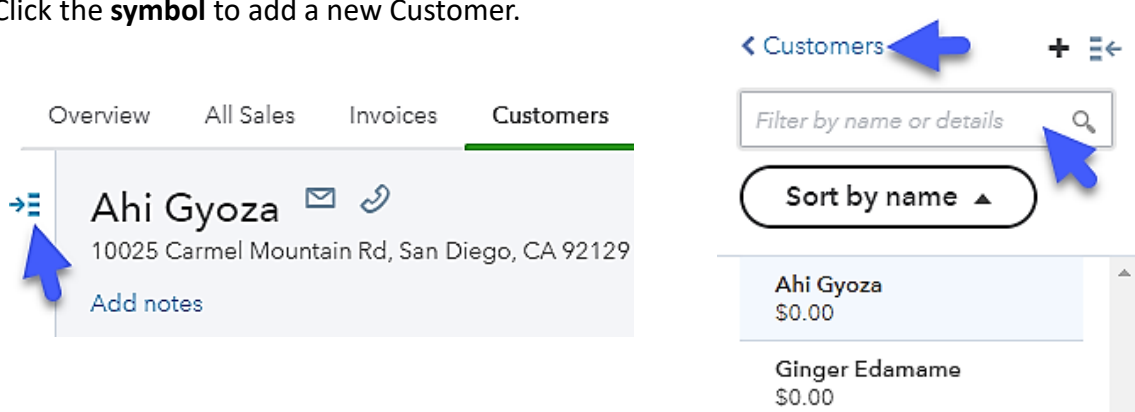
Select client type ▼

Once you click on a Customer from the list you have the option to **Filter by name** or **details**.

Sort by name or **open balance**.

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

Click the **symbol** to add a new Customer.



Customers

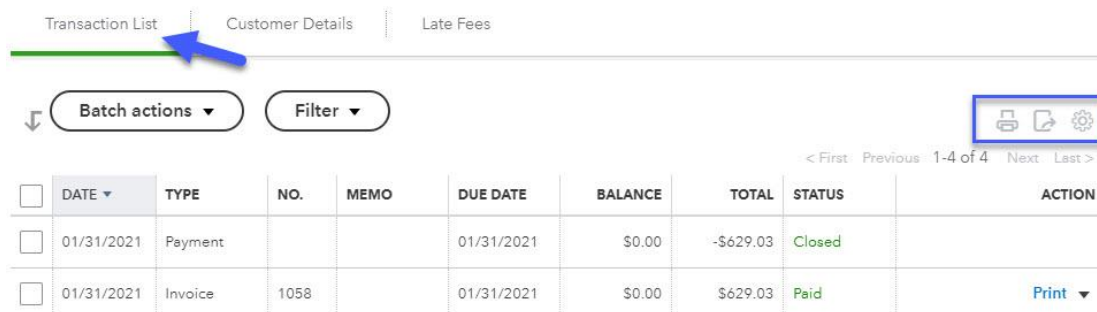
Filter by name or details

Sort by name

Ahi Gyoza
\$0.00

Ginger Edamame
\$0.00

Each Customer has a **Transaction List** and a **Customer Details** tab where you can view transaction history and Customer information. Track **Late Fees** per Customer or send transactions and reminders using the **Batch Actions** options. You can print, export to Excel, or use the **Gear** icon to change the way the information is displayed on the screen.



Transaction List Customer Details Late Fees

Batch actions Filter

Print Export Gear

< First Previous 1-4 of 4 Next Last >

	DATE	TYPE	NO.	MEMO	DUE DATE	BALANCE	TOTAL	STATUS	ACTION
<input type="checkbox"/>	01/31/2021	Payment			01/31/2021	\$0.00	-\$629.03	Closed	
<input type="checkbox"/>	01/31/2021	Invoice	1058		01/31/2021	\$0.00	\$629.03	Paid	Print

Edit Customer

Editing Customer information is important to ensure all Sales Receipts and Invoices are sent to the correct location or email address.

From the **Customer Center**, click on the Customer's name you wish to edit. Click the **Edit** button to open the Customer information window to add or make changes. You can make a Customer inactive or copy the display name to merge with another Customer.

Click **Save** when done.

OverviewAll SalesInvoices**Customers**Products and Services

Ahi Gyoza

10025 Carmel Mountain Rd, San Diego, CA 92129

Add notes

Edit

New transaction ▾

\$0.00 OPEN

\$0.00 OVERDUE

Customer information

Title	First name	Middle name	Last name	Suffix	Email		
	Ahi		Gyoza		ahi@gmail.com		
Company					Phone	Mobile	Fax
Ahi Gyoza					(650) 123-4567		
* Display name as					Other	Website	
Ahi Gyoza ▾							
Print on check as <input checked="" type="checkbox"/> Use display name					<input type="checkbox"/> Is sub-customer		
Ahi Gyoza					Enter parent customer ▾		Bill with parent ▾

Address

Notes

Tax info

Payment and billing

Language

Attachments

Additional Info

Billing address [map](#)

10025 Carmel Mountain Rd

San DiegoCA92129

Country

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

Street

City/TownState/Province

ZIP codeCountry

Cancel

Make inactive

Privacy

Save

Make Inactive

Making a Customer inactive does not remove them from the system. You will have the option to view inactive Customers in the **Customer Center**. Maintaining your Customer list is very useful and cuts down on time searching for Customers while entering transactions. From the **Customer Center** click the **Action** drop-down menu and select **Make Inactive** or edit the customer and select **Make Inactive**.

Customer information

Title	First name	Middle name	Last name	Suffix	Email		
	Ahi		Gyoza		ahi@gmail.com		
Company					Phone	Mobile	Fax
Ahi Gyoza					(650) 123-4567		
*Display name as					Other	Website	
Ahi Gyoza							
Print on check as <input checked="" type="checkbox"/> Use display name					<input type="checkbox"/> Is sub-customer		
Ahi Gyoza					Enter parent customer		
					Bill with parent		

Address Notes Tax info Payment and billing Language Attachments Additional Info

Billing address map		Shipping address map <input type="checkbox"/> Same as billing address	
10025 Carmel Mountain Rd		Street	
San Diego	CA	City/Town	State/Province
92129	Country	ZIP code	Country

Note: A warning message will appear if there is an outstanding balance for a Customer you are trying to inactivate. An adjusting transaction will be created if you click **Yes**.



Are you sure you want to make customer Ahi Gyoza inactive?

No

Yes

Merge Customers

Merging Customers is useful when there are duplicate names in the Customer list.

From the **Customer Center**, click the **Customer** you intend to keep.

Click **Edit** and **copy (Ctrl + C)** the Customer display name; then click **cancel**.

Click on the **Customer** you intend to merge.

Click **Edit** and **paste (Ctrl + V)** to replace the Customer display name with the correct name.

Click **Save**.

Customer information

Title	First name	Middle name	Last name	Suffix	Email
	Ahi		Gyoza		ahi@gmail.com

Company
Ahi Gyoza

Phone (650) 123-4567 Mobile Fax

Other Website

☐ Is sub-customer

Enter parent customer Bill with parent

* Display name as **Ahi Gyoza**

Print on check as ☒ Use display name

Ahi Gyoza

Address Notes Tax info Payment and billing Language Attachments Additional Info

Billing address map 10025 Carmel Mountain Rd San Diego CA 92129 Country

Shipping address map ☐ Same as billing address Street City/Town State/Province ZIP code Country

Cancel Make inactive Privacy Save

A **Please Confirm** warning box will appear; click **Yes** to confirm. The old Customer will be removed from the list and remain in an inactive status.

Please Confirm



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

No

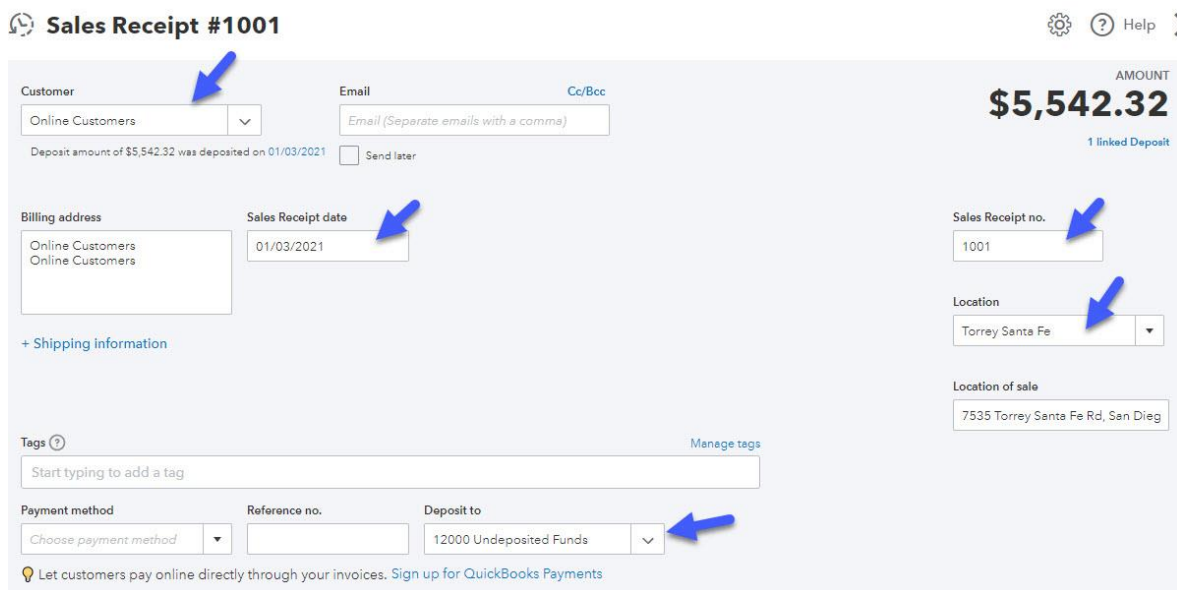
Yes

Note: The merge process cannot be undone.

A Sales Receipt is used when a Customer pays you on the spot for goods or services and you need to record the sale after the fact. You can save, send, and attach the transaction to an email directly from QuickBooks Online. You can also modify the wording of the email.

Click the **+ New icon -> Sales Receipt** under the **Customers** menu.

It is important to understand the difference between the Sales Receipt and Invoice process. Processing a **Sales Receipt** requires two steps. **1) Create Sales Receipt using Undeposited Funds for the Deposit to category. 2) Bank Deposit.**



Sales Receipt #1001

Customer: Online Customers (selected)

Email: Email (Separate emails with a comma)

Amount: **\$5,542.32**

Billing address: Online Customers, Online Customers

Sales Receipt date: 01/03/2021

Sales Receipt no.: 1001

Location: Torrey Santa Fe

Location of sale: 7535 Torrey Santa Fe Rd, San Diego

Tags: Start typing to add a tag

Payment method: Choose payment method

Reference no.:

Deposit to: 12000 Undeposited Funds

Undeposited Funds is a holding account that allows you to receive Sales Receipts or payments against Invoices. This allows you to group payments from multiple Customers into one deposit in order to match the deposit sent to the bank.

This section of a Sales Receipt requires the items we are selling. Here is where your Products and Services or Items list comes into play. This allows us to track Sales by Item to determine our top selling product or service.

Sales Receipt #1001
Help

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS
1	Food:3 Protein Bowl	3 Protein Bowl	63	12	756.00	✓	Online
2	Food:5 Protein Bowl	5 Protein Bowl	74	15	1,110.00	✓	Online
3	Food:Caterpillar Burrito	Caterpillar Burrito	32	12	384.00	✓	Online
4	Food:Crystal Shrimp Burrito	Crystal Shrimp Burrito	49	12	588.00	✓	Online
5	Food:Godzilla Burrito	Godzilla Burrito	50	7.50	375.00	✓	Online
6	Food:Spicy Tuna Burrito	Spicy Tuna Burrito	32	7.50	240.00	✓	Online
7	Food:Volcano Burrito	Volcano Burrito	17	12	204.00	✓	Online
8	Beverage:Bottle Soda	Soda	16	2	32.00	✓	Online
9	Other:Delivery Fees	Delivery Fees	92	10	920.00	✓	Online
10							

Add lines
Clear all lines

Subtotal
\$4,609.00

The last section of a Sales Receipt records Sales Tax, discounts and tips. You can switch the order of the Sales Tax and discounts, so the discount is taken prior to the Sales Tax calculation.

Select tax rate

San Diego (7.25%)

334.15
See the math

Need help with sales tax? [Learn more](#)

Discount percent
2
-92.18

Tip
691.35

Total
\$5,542.32

Amount received
\$5,542.32

Balance due
\$0.00

Creating bank deposits is a very important step that follows the Sales Receipt or receive payment process and is often overlooked. This can lead to a compounding issue with Undeposited Funds and can be costly to clean up.

Click the **+ New icon -> Bank Deposit**.

It is very important to select the correct bank account for each deposit. Some businesses have multiple accounts. It is important to make sure that the total amount of selected individual payments in Undeposited Funds matches the total amount deposited at the bank. Checks and cash might be grouped together, whereas credit card payments are deposited based on the batch transferred to the bank. For this example, we deposited online Customer sales for both locations.

Bank Deposit
Help

Account

10000 Checking 1234

Date

01/03/2021

Balance \$60,257.46

AMOUNT
\$10,964.39

Tags

Start typing to add a tag

Manage tags

Show payments for this location: - All Locations -

Select the payments included in this deposit

	RECEIVED FROM ▲	DATE	TYPE	PAYMENT METHOD	MEMO	REF NO.	AMOUNT
<input checked="" type="checkbox"/>	Online Customers	01/03/2021	Sales Receipt	Enter Text ▼		1001	5,542.32
<input checked="" type="checkbox"/>	Online Customers	01/03/2021	Sales Receipt	Enter Text ▼		1003	5,422.07

1-2 of 2

Select all
Clear all

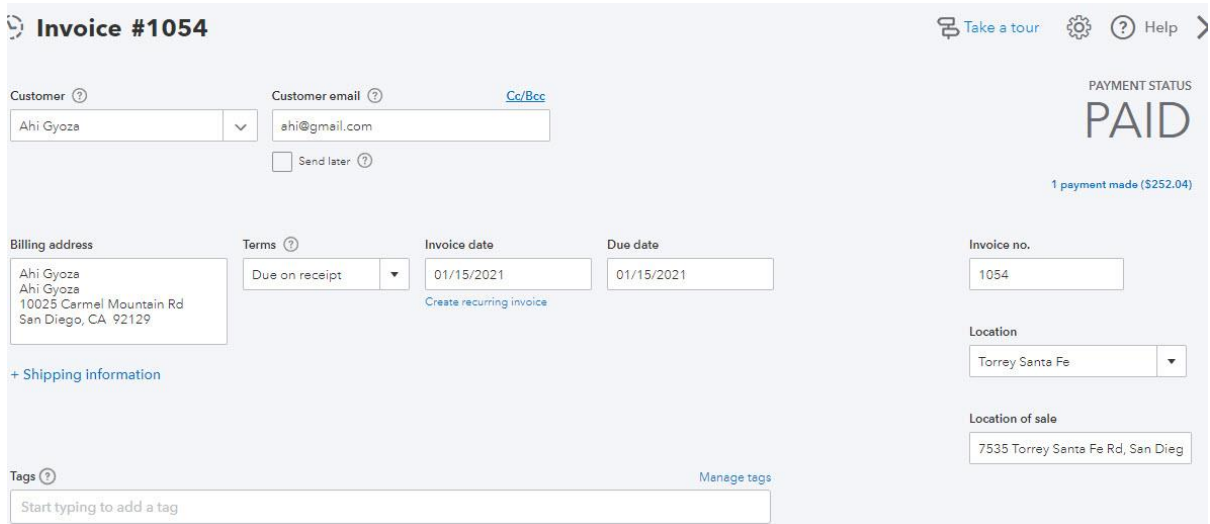
Total 10964.39
Selected Payments Total 10964.39

An invoice is used when a Customer agrees to pay you later. Terms are set up to determine how long the Customer has before payment is due. If they do not pay within a specified time, the invoice is considered overdue. You can save, send, and attach the transaction to an email directly from QuickBooks Online. You can also modify the wording of the email.

An **Invoice** requires three-steps. **1) Create invoice. 2) Receive payment to undeposited funds. 3) Bank Deposit.** Click the **+ New icon -> Invoice.**

Enter the following information:

Customer name, email, invoice date, terms, invoice date and verify the location information.



The screenshot shows the 'Create Invoice' form in QuickBooks Online. The title is 'Invoice #1054'. On the right, the 'PAYMENT STATUS' is 'PAID' with a note '1 payment made (\$252.04)'. The form includes fields for Customer (Ahi Gyoza), Customer email (ahi@gmail.com), and a 'Send later' checkbox. The Billing address is 10025 Carmel Mountain Rd, San Diego, CA 92129. The Terms are 'Due on receipt', Invoice date is '01/15/2021', and Due date is '01/15/2021'. The Invoice no. is 1054. The Location is 'Torrey Santa Fe' and the Location of sale is '7535 Torrey Santa Fe Rd, San Diego'. There is a '+ Shipping information' link and a 'Tags' section with a 'Manage tags' link.

Many business owners end up with duplicate transactions and unnecessary cleanup when they do not complete the steps in the proper order, or when they post payments directly to the bank account instead of Undeposited Funds.

The next section of an Invoice is all about the products or services you are selling the Customer. In this example, we used the Catering Service Bundle to collect the up-front setup, equipment rental and delivery fee.

	#	SERVICE DATE	PRODUCT/SERVICE ⓘ	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS	
⋮	1		Catering Service	Catering Package Your customer will see all items in this bundle	1	235	235.00		Catering	🗑
⋮			Other:Catering Setup	Catering Setup	1	150		✓	Catering	🗑
⋮			Other:Catering Equipment Rent	Catering Equipment Rental	1	75		✓	Catering	🗑
⋮			Other:Delivery Fees	Delivery Fees	1	10		✓	Catering	🗑
⋮	2									🗑
<div> Add lines Clear all lines Add subtotal </div>									Subtotal	\$235.00

The last section of an Invoice records Sales Tax, discounts and tips. You can switch the order of the Sales Tax and discounts, so the discount is taken prior to the Sales Tax calculation.

Select tax rate

San Diego (7.25%)

▼

17.04

See the math

Discount percent
▼

Total

\$252.04

Receiving full or partial payments against open Invoices is part of the Account's Receivable management process. Having accurate Customer balances is key to avoiding messy cleanup and cash flow issues.

Note: Always apply the amount received to the appropriate Invoice. This will ensure that the Invoice is closed out properly. If a partial payment is received, then a balance will remain on your Accounts Receivable Aging report for that Customer.

If you use Square or PayPal, merchant fees are deducted for each transaction. Other merchant services will deduct their fees at the end of the month. Not to worry! Merchant fees will be addressed in the Bank Deposit process.

Undeposited Funds is simply an asset account that acts like a clearing account. When payments are posted to Undeposited Funds, they sit in this account until a deposit is made to offset the balance.

When a payment is received, Undeposited Funds is debited, and Accounts Receivable is credited. When a deposit is made, the bank account is debited, and Undeposited Funds is credited. Undeposited Funds should ultimately have a zero balance.

Select **Undeposited Funds** for the **Deposit To** box.

This will allow you to group cash, checks, and credit card payments to match the deposit sent to the bank. It is very important to match deposits in QuickBooks to the deposits posted at your bank. This will help to create a more efficient reconciliation process.

Click the **+ New icon -> Receive Payment**.

Enter the following information:

Customer name, date, method, reference, and deposit account.


Select Invoices and verify the total received.

Verify the Invoices selected; match the payment stub or backup.


Notice the **Find by Invoice no.** and **Filter** feature.



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

Receive Payment Help

Customer: 


Deposit amount of \$252.04 was deposited on 01/15/2021

Payment date: 

Payment method: Reference no.: Deposit to:  Amount received: 

AMOUNT RECEIVED
\$252.04

Outstanding Transactions

All 

	DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Invoice # 1054 (01/15/2021)	01/15/2021	252.04	252.04	<input type="text" value="252.04"/>

< First Previous 1-1 of 1 Next Last >

Amount to Apply: \$252.04
Amount to Credit: \$0.00

Note: Remember to complete the deposit process after receiving all payments related to the deposit sent to the bank.

Credit Memos are used to clear out uncollectible Invoices and to clean up odd transactions in Accounts Receivable. Use the Open Invoice report to help keep A/R accurate.

Click the **+ New icon -> Credit Memo**.

Review the Invoice you are trying to clear out in order to create an accurate Credit Memo.

Enter the following information:

Customer, date, and product or service being credited. Verify the amount.

Click the **Print or Preview** link if you want to print the Credit Memo to deliver it manually to the Customer or **Save and Send** if you want it emailed to the Customer.

Credit Memo #1062 Help

Customer: Email: Cc/Bcc:

☒ Send later

Billing address:
Unagi Siracha
9904 Kike Ct
San Diego, CA 92129

Credit Memo Date:

Credit Memo no.:

Location:

Location of sale:

+ Shipping Information

Tags Manage tags

Start typing to add a tag

#	SERVICE DATE	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS
1	03/13/2021	Catering Service	Catering Package Your customer will see all items in this bundle	1	235	235.00		Catering
		Other:Catering Setup	Catering Setup	1	150		✓	Catering
		Other:Catering Equipment R	Catering Equipment Rental	1	75		✓	Catering
		Other:Delivery Fees	Delivery Fees	1	10		✓	Catering
2								

Add lines Clear all lines

Subtotal \$235.00

Note: Credit Memo's reduce the Accounts Receivable balance for a customer.

Applying existing credits to open Invoices can be accomplished by receiving a zero payment and selecting both the Invoice and credit. Another method is clicking **Account and Settings** -> **Advanced Settings** -> **Automation** -> **Automatically Apply Credits**. This method will automatically apply credits to the oldest open Invoice.

Click the **+ New icon** -> **Receive Payment**.

Enter the following Information:

Customer and date. Check off both the Invoice and Credit Memo and verify that the total payment received is zero.

Receive Payment Help

Unagi Siracha \$0.00

Payment date: 03/13/2021

Payment method: Choose payment method Reference no. Deposit to: Choose an account Amount received: 0.00

Outstanding Transactions

Find Invoice No. Filter > All

	DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Invoice # 1061 (03/10/2021)	03/10/2021	252.04	252.04	252.04

< First Previous 1-1 of 1 Next Last >

Credits

Find Credit Memo No. Filter > All

	DESCRIPTION	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Credit Memo # 1062 (03/13/2021)	252.04	252.04	252.04

< First Previous 1-1 of 1 Next Last >

Amount to Apply: \$252.04
Amount to Credit: \$0.00

Note: If you have the **Automatically apply credits** option selected in Accounts and Settings, the system automatically creates a payment transaction to apply it to the invoice. If the setting is turned off, you manually enter the payment transaction and apply the credit memo to the invoice.


There may be a time when you need to refund a Customer. Using **Refund Receipt** is the best method.

Click the **+ New icon -> Refund Receipt**.




Enter the following information:

Customer, date, payment method, refund from, product/service, etc. Once you choose the bank account you can check the **Print Later** or **Print or Preview** link at the bottom of the screen. Click **Save and Close** or **Save and Send**.


Refund Receipt #1064 Help


Customer: Online Customers  Email: Cc/Bcc

AMOUNT **\$12.87**

Billing address: Online Customers, Online Customers Refund Receipt date: 01/23/2021  Refund Receipt no.: 1064  Location: Salmon Blvd  Location of sale: 7535 Torrey Santa Fe Rd, San Diego

[+ Shipping information](#)

Tags  [Manage tags](#)

Payment method: Credit Card Refund From: 10000 Checking 1234  Balance: \$60,257.46


#	SERVICE DATE	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS
1	01/23/2021	Food:3 Protein Bowl	3 Protein Bowl	1	12	12.00	✓	Online
2								

Add lines Subtotal \$12.00

Message displayed on refund receipt

Message displayed on statement

Discount percent Taxable subtotal

Select tax rate: San Diego (7.25%)  0.87 [See the math](#)

Need help with sales tax? [Learn more](#)

Tip

Total \$12.87

Total Amount Refunded \$12.87

Accounts Receivable Reports

Let's look at reports related to Accounts Receivable.

Click **Reports** in the **Left Navigation Bar Menu** -> **Standard**.

Scroll to **Who owes you** -> select **Accounts receivable aging detail**.

Recommended Reports are as follows:

Accounts Receivable Aging Summary informs us of the outstanding total balances for our Customers.

Accounts Receivable Aging Detail provides us with a more in-depth view of the outstanding balances for our Customers and whether they are current or past due.

Remember, the number of days it takes to collect a payment has a direct effect on cash flow. The older the Invoices become, the more costly the collection process becomes.

The **Open Invoice** report provides open Invoice detail for each Customer. This is a great tool to help clean up your Accounts Receivable.

Next, we will locate and save a few sales reports as favorites. The Sales by Customer Summary report helps us identify our top Customers.

Sales Reports

Let's look at reports related to sales.

Click **Reports** in the **Left Navigation Bar** -> **Standard**.

Scroll to **Sales and Customers Section** -> **Sales by Customer Summary**.

Sales by Customer Summary: Identifies the top 20% of our customers that bring in 80% of our revenue.

Sales by Product/Service Summary provides a historical glimpse of the best-selling Products and Services for a specific date range. This report includes Quantity, Amount, % of Sales and Avg. Price, Cost of Goods Sold (COGS), and Gross Margin.

Click **Reports** in the **Left Navigation Bar** -> **Standard**.

Scroll to **Sales and Customers** -> select **Sales by Product/Service Summary**.

Note: Customize these reports by changing the sort option to **"Total in descending order."**

Statements are typically sent to Customers with outstanding Invoices. This process should be part of your Accounts Receivable and Collections policy. There are two ways to populate statements. The first option is as follows:

Click the **+ New icon**.

Click **Statement** from the “Other” list.

This is a basic statement that will populate for all Customers.

A **Balance Forward Statement** shows all activity between your start and end dates, plus the balance from the prior period.

An **Open Item Statement** shows only items for the last 365 days that have not yet been paid.

A **Transaction Statement** shows each transaction and the total amount billed and received for the period, instead of a running balance. This option is especially useful for the year-end contribution statements that nonprofits send out.

Use the **Statement Management** section to select Customers, edit the delivery method, and preview statements before they are sent.

In the following screens:


Select **Statement Type** and **Statement Date**.


Select **Customer Balance Status**.

Set **Start** and **End Dates**.

Next, select the **Recipients** you would like to send statements to. You can change email addresses on the fly.

Create Statements ? ×

Statement Type 
Balance Forward


Statement Date 
03/31/2021

Customer Balance Status Start Date End Date

Open 12/01/2020 03/31/2021

► Recipients List

Missing email address (0) Statements available (1)

✓	RECIPIENTS	EMAIL ADDRESS	BALANCE
✓	Miso Mimechi 	miso@aol.com	\$624.20

TOTAL BALANCE FOR 1 CUSTOMER
\$624.20

The second option for populating statements is more specific to Customers with outstanding balances.

Click **Invoicing -> Customers**.

Select the **Customers** you want to receive a statement.

Click **Batch actions -> Create Statements**.

- 1. Which report displays a list of unpaid Invoices by Customers?**
 - a) Profit & Loss
 - b) Sales by Item Detail
 - c) Sales by Customers Summary
 - d) Open Invoice

- 2. You sold product to a Customers and received payment at the time of sale. Now you need to record the sales in QuickBooks®. Which form would you use?**
 - a) Bill
 - b) Deposit
 - c) Sales Receipt
 - d) Check

- 3. You just opened the mail and need to post three payments for open Invoices. Where do you go to record the payments?**
 - a) Gear->Make Deposit
 - b) + New icon->Receive Payments
 - c) + New icon->Sales Receipt
 - d) Search Icon->Create Invoice

- 4. You received payments for multiple Invoices, and now you need to deposit them. Where do you go next?**
 - a) Left Navigation Bar->Banking
 - b) Sales->Customers->Receive Payment
 - c) + New icon->Receive Payment
 - d) + New icon->Bank Deposit

- 5. You need to identify which Customers purchase the most. Which report will help you with this?**
 - a) Profit & Loss
 - b) Sales by Item Detail
 - c) Sales by Customers Summary
 - d) Open Invoice

What a journey! You now understand the critical importance of the setup process and are ready to manage Accounts Receivable for Sushi Coma Inc. Daniel and Meredith have decided to track sales weekly. This is a bit tedious for a bookkeeper, however, provides important information for the owners. You will track sales for both locations separately. Leave time to complete Section 8 activities and watch the company come to life. Accounts Receivable and Sales reports will help tell the story. Be prepared to discuss the results.

1. Review Video Links:

[Invoices vs Sales Receipts: Which to use When](#)

[Money in Workflows: Sales Receipts](#)

[Record a Sales Receipt](#)

2. Enter Sales Receipts 1001-1004. Use the information in the following chart along with the Sushi Coma January Sales Receipts Detail.pdf provided by your Instructor.

Caution! If you do not choose the copy option, you will overwrite the existing Sales Receipt. Be sure to use Undeposited Funds for the bank account.

Date	Num	Name	Loc.	Class	Total
01/03/current year	1001	Online Customers	Torrey Santa Fe	Online	\$5,542.32
01/03/current year	1002	Restaurant Customers	Torrey Santa Fe	Restaurant	\$3,671.84
01/03/current year	1003	Online Customers	Salmon Blvd	Online	\$5,422.07
01/03/current year	1004	Restaurant Customers	Salmon Blvd	Restaurant	\$3,695.89

3. Review Video Link:

[Record a Bank Deposit](#)

[Deposit Only Method](#)

[Uses of Deposit Only Method](#)

[What is Undeposited Funds](#)

4. **Create a deposit to checking account 1234.** Select the online Sales Receipts 1001,1003, deposit date 1/3/current year.
5. **Create a deposit to the checking account 1234.** Select the restaurant Sales Receipts 1002,1004 deposit date 1/3/current year.
6. **Enter Sales Receipts 1005-1008.** Use the information in the following chart along with the Sushi Coma January Sales Receipts Detail.pdf provided by your Instructor.

Date	Num	Name	Loc.	Class	Total
01/10/current year	1005	Online Customers	Torrey Santa Fe	Online	\$5,316.25
01/10/current year	1006	Restaurant Customers	Torrey Santa Fe	Restaurant	\$3,693.49
01/10/current year	1007	Online Customers	Salmon Blvd	Online	\$5,853.77
01/10/current year	1008	Restaurant Customers	Salmon Blvd	Restaurant	\$3,974.26

7. **Create a deposit to the checking account.** Select the online Sales Receipts 1005,1007, deposit date 1/10/current year.
8. **Create a deposit to the checking account.** Select the restaurant Sales Receipts 1006,1008 deposit date 1/10/current year.

- 9. Enter Sales Receipts 1009-1012.** Use the information in the following chart along with the Sushi Coma January Sales Receipts Detail.pdf provided by your Instructor.

Date	Num	Name	Loc.	Class	Total
01/17/current year	1009	Online Customers	Torrey Santa Fe	Online	\$5,865.80
01/17/current year	1010	Restaurant Customers	Torrey Santa Fe	Restaurant	\$3,576.85
01/17/current year	1011	Online Customers	Salmon Blvd	Online	\$5,033.07
01/17/current year	1012	Restaurant Customers	Salmon Blvd	Restaurant	\$4,150.44

- 10. Create a deposit.** Select the online Sales Receipts 1009,1011, Deposit Date 1/17/current year.
- 11. Create a deposit.** Select the restaurant Sales Receipts 1010,1012, Deposit Date 1/17/current year.
- 12. Enter Sales Receipts 1013-1016.** Use the information in the following chart along with the Sushi Coma January Sales Receipts Detail.pdf provided by your Instructor.

Date	Num	Name	Loc.	Class	Total
01/24/current year	1013	Online Customers	Torrey Santa Fe	Online	\$6,567.46
01/24/current year	1014	Restaurant Customers	Torrey Santa Fe	Restaurant	\$3,805.91
01/24/current year	1015	Online Customers	Salmon Blvd	Online	\$4,920.63
01/24/current year	1016	Restaurant Customers	Salmon Blvd	Restaurant	\$4,016.96

- 13. Create a deposit to the checking account.** Select the online Sales Receipts 1013,1015, deposit date 1/24/current year.
- 14. Create a deposit to the checking account.** Select the restaurant Sales Receipts 1014,1016 deposit date 1/24/current year.
- 15. Enter Sales Receipts 1017-1020.** Use the information in the following chart along with the Sushi Coma January Sales Receipts Detail.pdf provided by your Instructor.

Date	Num	Name	Loc.	Class	Total
01/31/current year	1017	Online Customers	Torrey Santa Fe	Online	\$6,243.38
01/31/current year	1018	Restaurant Customers	Torrey Santa Fe	Restaurant	\$3,718.74
01/31/current year	1019	Online Customers	Salmon Blvd	Online	\$4,582.73
01/31/current year	1020	Restaurant Customers	Salmon Blvd	Restaurant	\$3,560.60

- 16. Create a deposit to the checking account.** Select the online Sales Receipts 1017,1019, deposit date 1/31/current year.
- 17. Create another deposit to the checking account.** Select the restaurant Sales Receipts 1018,1020, deposit date 1/31/current year.

18. Review Video Link:

[How to Create a Customer Invoice](#)

19. Create Catering Invoice 1054, date 1/15/current year.

Product: Catering Service Bundle.

Location: Torrey Santa Fe location.

Class: Catering

Custom Sales Tax Rate San Diego 7.25%

INVOICE

BILL TO
Ahi Gyoza
10025 Carmel Mountain Rd
San Diego, CA 92129

INVOICE 1054
DATE 01/15/2021
TERMS Due on receipt
DUE DATE 01/15/2021

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
01/15/2021	Catering Service	Catering Package	1	235.00	235.00
	Catering Setup	Catering Setup	1	150.00	
	Catering Equipment Rental	Catering Equipment Rental	1	75.00	
	Delivery Fees	Delivery Fees	1	10.00	
SUBTOTAL					235.00
TAX					17.04
TOTAL					252.04

20. Review Video Link:

[Receive Payment Towards an Invoice](#)

21. Receive a payment for invoice 1054 to undeposited funds, date 1/15/current year.

22. Make a deposit 1/15/current year.

23. Create Catering Invoice 1058, date 1/31/current year.

Location: Torrey Santa Fe location.

Class: Catering

Custom Sales Tax Rate San Diego 7.25%

INVOICE

BILL TO
Ahi Gyoza
10025 Carmel Mountain Rd
San Diego, CA 92129

INVOICE 1058
DATE 01/31/2021
TERMS Due on receipt
DUE DATE 01/31/2021

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
01/31/2021	3 Protein Bowl	3 Protein Bowl	5	12.00	60.00T
01/31/2021	5 Protein Bowl	5 Protein Bowl	15	15.00	225.00T
01/31/2021	Caterpillar Burrito	Caterpillar Burrito	5	12.00	60.00T
01/31/2021	Godzilla Burrito	Godzilla Burrito	7	7.50	52.50T
01/31/2021	Spicy Tuna Burrito	Spicy tuna Burrito	6	7.50	45.00T
01/31/2021	Volcano Burrito	Volcano Burrito	6	12.00	72.00T
01/31/2021	Crystal Shrimp Burrito	Crystal Shrimp Burrito	6	12.00	72.00T

SUBTOTAL	586.50
TAX	42.53
TOTAL	629.03

24. Receive a payment for Invoice 1058 to undeposited funds, date 1/31/current year.

25. Make a deposit 1/31/current year.

Occasionally there is a reason to refund a Customer for an item. You will create two refund receipts for online Customers for the month of January.

26. Review Video Link:

[Refunds and Credits: Intro](#)

[Record a Refund](#)

[Record a Credit Memo](#)

[Apply a Credit Memo](#)

27. Create Refund Receipt 1063, 1/8/current year.

Location: Torrey Santa Fe

Class: Online

Refund from: Checking 1234

Custom Sales Tax Rate San Diego 7.25%

REFUND RECEIPT

REFUND TO
Online Customers

REFUND 1063
REFUND DATE 01/08/2021

PAYMENT METHOD
Credit Card

DATE		DESCRIPTION	QTY	RATE	AMOUNT
01/08/2021	5 Protein Bowl	5 Protein Bowl	1	15.00	15.00T
<hr/>					
		SUBTOTAL			15.00
		TAX			1.09
		TOTAL			16.09
		BALANCE DUE			

28. Create Refund Receipt 1064, 1/23/current year.

Location: Torrey Santa Fe

Class: Online

Refund from: Checking 1234

Custom Sales Tax Rate San Diego 7.25%

REFUND RECEIPT

REFUND TO
Online Customers

REFUND 1064
REFUND DATE 01/23/2021

PAYMENT METHOD
Credit Card

DATE		DESCRIPTION	QTY	RATE	AMOUNT
01/23/2021	3 Protein Bowl	3 Protein Bowl	1	12.00	12.00T
SUBTOTAL					12.00
TAX					0.87
TOTAL					12.87
BALANCE DUE					

29. Create a Sales Tax Payment on February 20th \$5,677.51 for the tax period January.

It is important to make this payment through the Sales Tax Center.

Sales tax payment

Tax agency
California Department of Tax and Fee Administration

Payment made
\$5,677.51

Payment date
02/20/2021

Bank account
Checking 1234

Awesome job! Let's continue managing Accounts Receivable and Sales for February. You will continue to apply your knowledge from work you completed for January.

- 1. Enter Sales Receipts 1021-1024.** Use the information in the following chart along with the Sushi Coma February Sales Receipts Detail.pdf provided by your Instructor.

Date	Num	Name	Loc.	Class	Total
02/07/current year	1021	Online Customers	Torrey Santa Fe	Online	\$6,711.76
02/07/current year	1022	Restaurant Customers	Torrey Santa Fe	Restaurant	\$5,099.21
02/07/current year	1023	Online Customers	Salmon Blvd	Online	\$6,485.62
02/07/current year	1024	Restaurant Customers	Salmon Blvd	Restaurant	\$6,272.24

- 2. Create a deposit to checking account 1234.** Select the online Sales Receipts 1021,1023, deposit date 2/7/current year.
- 3. Create a deposit to the checking account 1234.** Select the restaurant Sales Receipts 1022,1024 deposit date 2/7/current year.

- 4. Enter Sales Receipts 1025-1028.** Use the information in the following chart along with the Sushi Coma February Sales Receipt Detail report provided by your Instructor.

Date	Num	Name	Loc.	Class	Total
02/14/current year	1025	Online Customers	Torrey Santa Fe	Online	\$6,388.88
02/14/current year	1026	Restaurant Customers	Torrey Santa Fe	Restaurant	\$5,126.26
02/14/current year	1027	Online Customers	Salmon Blvd	Online	\$5,087.19
02/14/current year	1028	Restaurant Customers	Salmon Blvd	Restaurant	\$5,898.87

- 5. Create a deposit to the checking account.** Select the online Sales Receipts 1025,1027, deposit date 2/14/current year.
- 6. Create a deposit to the checking account.** Select the restaurant Sales Receipts 1026,1028, deposit date 2/14/current year.

- 7. Enter Sales Receipts 1029,1031-1033.** Use the information in the following chart along with the Sushi Coma February Sales Receipt Detail report provided by your Instructor.

Date	Num	Name	Loc.	Class	Total
02/21/current year	1029	Online Customers	Torrey Santa Fe	Online	\$6,832.61
02/21/current year	1031	Restaurant Customers	Torrey Santa Fe	Restaurant	\$5,242.31
02/21/current year	1032	Online Customers	Salmon Blvd	Online	\$5,908.49
02/21/current year	1033	Restaurant Customers	Salmon Blvd	Restaurant	\$6,261.42

- 8. Create a deposit.** Select the online Sales Receipts 1029,1032, Deposit Date 2/21/current year.
- 9. Create a deposit.** Select the restaurant Sales Receipts 1031,1033, Deposit Date 2/21/current year.
- 10. Enter Sales Receipts 1034-1037.** Use the information in the following chart along with the Sushi Coma February Sales Receipt Detail report provided by your Instructor.

Date	Num	Name	Loc.	Class	Total
02/28/current year	1034	Online Customers	Torrey Santa Fe	Online	\$6,676.89
02/28/current year	1035	Restaurant Customers	Torrey Santa Fe	Restaurant	\$5,006.62
02/28/current year	1036	Online Customers	Salmon Blvd	Online	\$5,669.20
02/28/current year	1037	Restaurant Customers	Salmon Blvd	Restaurant	\$6,144.18

- 11. Create a deposit to the checking account.** Select the online Sales Receipts 1034,1036, deposit date 2/28/current year.
- 12. Create a deposit to the checking account.** Select the restaurant Sales Receipts 1035,1037, deposit date 2/24/current year.

13. Create Catering Invoice 1055, date 2/15/current year.

Product: Catering Service Bundle.

Location: Torrey Santa Fe.

Class: Catering

Custom Sales Tax Rate San Diego 7.25%

INVOICE

BILL TO
Ginger Edamame
7875 Highlands Village Place
San Diego, CA 92129

INVOICE 1055
DATE 02/15/2021
TERMS Due on receipt
DUE DATE 02/15/2021

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
02/15/2021	Catering Service	Catering Package	1	235.00	235.00
	Catering Setup	Catering Setup	1	150.00	
	Catering Equipment Rental	Catering Equipment Rental	1	75.00	
	Delivery Fees	Delivery Fees	1	10.00	
SUBTOTAL					235.00
TAX					17.04
TOTAL					252.04

14. Receive a payment for invoice 1055 to Undeposited Funds, date 2/15/current year.

15. Make a deposit 2/15/current year.

16. Create Catering Invoice 1059, date 2/28/current year.

Location: Torrey Santa Fe location.

Class: Catering

Custom Sales Tax Rate San Diego 7.25%

INVOICE

BILL TO
Ginger Edamame
7875 Highlands Village Place
San Diego, CA 92129

INVOICE 1059
DATE 02/28/2021
TERMS Net 15
DUE DATE 03/15/2021

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
02/28/2021	3 Protein Bowl	3 Protein Bowl	8	12.00	96.00T
02/28/2021	5 Protein Bowl	5 Protein Bowl	10	15.00	150.00T
02/28/2021	Caterpillar Burrito	Caterpillar Burrito	7	12.00	84.00T
02/28/2021	Godzilla Burrito	Godzilla Burrito	9	7.50	67.50T
02/28/2021	Spicy Tuna Burrito	Spicy tuna Burrito	8	7.50	60.00T
02/28/2021	Volcano Burrito	Volcano Burrito	9	12.00	108.00T
02/28/2021	Crystal Shrimp Burrito	Crystal Shrimp Burrito	7	12.00	84.00T
SUBTOTAL					649.50
TAX					47.09
TOTAL					696.59

17. Receive a payment for invoice 1059 to Undeposited Funds, date 3/14/current year.

Notice the payment was not received until March of the current year.

18. Make a deposit 3/14/current year.

Notice the deposit was not made until March of the current year.

19. Create Refund Receipt 1065, 2/12/current year.

Location: Salmon Blvd

Class: Online

Refund from: Checking 1234

Custom Sales Tax Rate San Diego 7.25%

REFUND RECEIPT

REFUND TO
Online Customers

REFUND 1065
REFUND DATE 02/12/2021

PAYMENT METHOD
Credit Card

DATE		DESCRIPTION	QTY	RATE	AMOUNT
02/12/2021	Volcano Burrito	Volcano Burrito	1	12.00	12.00T
SUBTOTAL					12.00
TAX					0.87
TOTAL					12.87
BALANCE DUE					

20. Create Refund Receipt 1066, 2/24/current year.

Location: Torrey Santa Fe

Class: Online

Refund from: Checking 1234

Custom Sales Tax Rate San Diego 7.25%

REFUND RECEIPT

REFUND TO
Online Customers

REFUND 1066
REFUND DATE 02/24/2021

PAYMENT METHOD
Credit Card

DATE	DESCRIPTION	QTY	RATE	AMOUNT
02/24/2021	Volcano Burrito	1	12.00	12.00T
SUBTOTAL				12.00
TAX				0.87
TOTAL				12.87
BALANCE DUE				

21. Create a Sales Tax Payment on March 20th \$5,776.57 current year for the tax period February.

It is important to make this payment through the Sales Tax Center.

Sales tax payment

Tax agency
California Department of Tax and Fee Administration

Payment made
\$5,776.57

Payment date
03/20/2021

Bank account
Checking 1234

Awesome job! Let's continue managing Accounts Receivable and Sales for March. Watch for new features during this section of the activities.

- 1. Enter Sales Receipts 1038-1041.** Use the information in the following chart along with the Sushi Coma March Sales Receipts Detail.pdf provided by your Instructor.

Date	Num	Name	Loc.	Class	Total
03/06/current year	1038	Online Customers	Torrey Santa Fe	Online	\$6,546.41
03/06/current year	1039	Restaurant Customers	Torrey Santa Fe	Restaurant	\$6,005.29
03/06/current year	1040	Online Customers	Salmon Blvd	Online	\$7,035.83
03/06/current year	1041	Restaurant Customers	Salmon Blvd	Restaurant	\$6,323.36

- 2. Create a deposit to checking account 1234.** Select the online Sales Receipts 1038,1040, deposit date 3/6/current year.
- 3. Create a deposit to the checking account 1234.** Select the restaurant Sales Receipts 1039,1041 deposit date 3/6/current year.

- 4. Enter Sales Receipts 1042-1045.** Use the information in the following chart along with the Sushi Coma March Sales Receipts Detail.pdf provided by your Instructor.

Date	Num	Name	Loc.	Class	Total
03/13/current year	1042	Online Customers	Torrey Santa Fe	Online	\$6,638.41
03/13/current year	1043	Restaurant Customers	Torrey Santa Fe	Restaurant	\$6,139.97
03/13/current year	1044	Online Customers	Salmon Blvd	Online	\$6,709.95
03/13/current year	1045	Restaurant Customers	Salmon Blvd	Restaurant	\$6,646.83

- 5. Create a deposit to the checking account.** Select the online Sales Receipts 1042,1044, deposit date 3/13/current year.
- 6. Create a deposit to the checking account.** Select the restaurant Sales Receipts 1043,1045, deposit date 3/13/current year.

- 7. Enter Sales Receipts 1046-1049.** Use the information in the following chart along with the Sushi Coma March Sales Receipts Detail.pdf provided by your Instructor

Date	Num	Name	Loc.	Class	Total
03/20/current year	1046	Online Customers	Torrey Santa Fe	Online	\$6,466.45
03/20/current year	1047	Restaurant Customers	Torrey Santa Fe	Restaurant	\$6,087.06
03/20/current year	1048	Online Customers	Salmon Blvd	Online	\$6,834.42
03/20/current year	1049	Restaurant Customers	Salmon Blvd	Restaurant	\$6,660.65

- 8. Create a deposit.** Select the online Sales Receipts 1046,1048, Deposit Date 3/20/current year.
- 9. Create a deposit.** Select the restaurant Sales Receipts 1047,1049, Deposit Date 3/20/current year.

10. Enter Sales Receipts 1050-1053. Use the information in the following chart along with the Sushi Coma March Sales Receipts Detail.pdf provided by your Instructor.

Date	Num	Name	Loc.	Class	Total
03/27/current year	1050	Online Customers	Torrey Santa Fe	Online	\$6,762.86
03/27/current year	1051	Restaurant Customers	Torrey Santa Fe	Restaurant	\$5,945.16
03/27/current year	1052	Online Customers	Salmon Blvd	Online	\$6,483.88
03/27/current year	1053	Restaurant Customers	Salmon Blvd	Restaurant	\$6,283.06

11. Create a deposit to the checking account. Select the online Sales Receipts 1050,1052, deposit date 3/27/current year.

12. Create a deposit to the checking account. Select the restaurant Sales Receipts 1051,1053, deposit date 3/27/current Year.

13. Create Catering Invoice 1056, date 3/15/current year.

Product: Catering Service Bundle.

Location: Torrey Santa Fe location.

Class: Catering

Custom Sales Tax Rate San Diego 7.25%

INVOICE

BILL TO
Miso Mimachi
6984 Torrey Santa Fe Rd
San Diego, CA 92129

INVOICE 1056
DATE 03/15/2021
TERMS Net 30
DUE DATE 04/14/2021

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
03/15/2021	Catering Service	Catering Package	1	235.00	235.00
	Catering Setup	Catering Setup	1	150.00	
	Catering Equipment Rental	Catering Equipment Rental	1	75.00	
	Delivery Fees	Delivery Fees	1	10.00	
SUBTOTAL					235.00
TAX					17.04
TOTAL					252.04

14. Receive a payment for invoice 1056 to Undeposited Funds, date 3/15/current year.

15. Make a deposit 3/15/current year.

16. Create Catering Invoice 1060, date 3/31/current year.

Location: Torrey Santa Fe location.

Class: Catering

Custom Sales Tax Rate San Diego 7.25%

INVOICE

BILL TO
Miso Mimachi
6984 Torrey Santa Fe Rd
San Diego, CA 92129

INVOICE 1060
DATE 03/31/2021
TERMS Net 15
DUE DATE 04/15/2021

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
03/31/2021	3 Protein Bowl	3 Protein Bowl	6	12.00	72.00T
03/31/2021	5 Protein Bowl	5 Protein Bowl	9	15.00	135.00T
03/31/2021	Caterpillar Burrito	Caterpillar Burrito	5	12.00	60.00T
03/31/2021	Godzilla Burrito	Godzilla Burrito	6	7.50	45.00T
03/31/2021	Spicy Tuna Burrito	Spicy tuna Burrito	4	7.50	30.00T
03/31/2021	Volcano Burrito	Volcano Burrito	12	12.00	144.00T
03/31/2021	Crystal Shrimp Burrito	Crystal Shrimp Burrito	8	12.00	96.00T
SUBTOTAL					582.00
TAX					42.20
TOTAL					624.20

17. Create Catering Invoice 1061, date 3/10 /current year.

Location: Torrey Santa Fe location.

Class: Catering

Custom Sales Tax Rate San Diego 7.25%

INVOICE

BILL TO
Unagi Siracha
9904 Kika Ct
San Diego, CA 92129

INVOICE 1061
DATE 03/10/2021
TERMS Due on receipt
DUE DATE 03/10/2021

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
03/10/2021	Catering Service	Catering Package	1	235.00	235.00
	Catering Setup	Catering Setup	1	150.00	
	Catering Equipment Rental	Catering Equipment Rental	1	75.00	
	Delivery Fees	Delivery Fees	1	10.00	
SUBTOTAL					235.00
TAX					17.04
TOTAL					252.04

18. Create Refund Receipt 1067, 3/16/current year.

Location: Torrey Santa Fe

Class: Online

Refund from: Checking 1234

Custom Sales Tax Rate San Diego 7.25%

REFUND RECEIPT

REFUND TO
Online Customers

REFUND 1067
REFUND DATE 03/16/2021

PAYMENT METHOD
Credit Card

DATE	DESCRIPTION	QTY	RATE	AMOUNT
03/16/2021	Spicy Tuna Burrito	1	7.50	7.50T
SUBTOTAL				7.50
TAX				0.55
TOTAL				8.05

s. Create Refund Receipt 1068, 3/16/current year.

Location: Salmon Blvd

Class: Online

Refund from: Checking 1234

Custom Sales Tax Rate San Diego 7.25%

REFUND RECEIPT

REFUND TO
Online Customers

REFUND 1068
REFUND DATE 03/16/2021

PAYMENT METHOD
Credit Card

DATE	DESCRIPTION	QTY	RATE	AMOUNT
03/16/2021	Caterpillar Burrito	1	12.00	12.00
SUBTOTAL				12.00
TAX				0.87
TOTAL				12.87

20. Create a Credit Memo for Invoice 1062, 3/13/current year.

The client had to cancel her event and no longer needs catering services.

Credit Memo

CREDIT TO
Unagi Siracha
9904 Kika Ct
San Diego, CA 92129

CREDIT 1062
DATE 03/13/2021

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
03/13/2021	Catering Service	Catering Package	1	235.00	235.00
	Catering Setup	Catering Setup	1	150.00	
	Catering Equipment Rental	Catering Equipment Rental	1	75.00	
	Delivery Fees	Delivery Fees	1	10.00	
SUBTOTAL					235.00
TAX					17.04
TOTAL CREDIT					\$252.04

21. Apply Credit Memo to outstanding Invoice 1061, 3/13/current year.

Receive Payment
Help

Unagi Siracha

\$0.00

Payment date

03/13/2021

Payment method

Choose payment method

Reference no.

Deposit to

Choose an account

Amount received

0.00

Outstanding Transactions

Find Invoice No. Filter > All

	DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Invoice # 1061 (03/10/2021)	03/10/2021	252.04	252.04	252.04

< First Previous 1-1 of 1 Next Last >

Credits

Find Credit Memo No. Filter > All

	DESCRIPTION	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Credit Memo # 1062 (03/13/2021)	252.04	252.04	252.04

Congratulations! You have completed Section 8 Accounts Receivable.

22. Review Video Links:

[Accounts Receivable Reports](#)

[Customer Statements: Intro](#)

[Balance Forward Statement](#)

[Open Item Statement](#)

[Transaction Statement](#)

23. Review the following reports.

- Accounts Receivable Aging Summary
- Accounts Receivable Aging Detail
- Open Invoices
- Sales by Customer Summary
- Sales by Product/Service Summary



Online Foundations Training

SECTION 9: MANAGING INVENTORY

Objectives
Inventory Tracking
Inventory Adjustments
Inventory Reports
Practice Test
Case Study Activities

Upon completion of Section 9, each participant will be familiar with:

- How to track Inventory.
- How to manage Inventory.
- How to locate and review Inventory reports.

Inventory management is critical to both small and large businesses. Effective Inventory management helps prevent stockouts, allows us to manage multiple locations, ensures accurate record keeping and more.

Managing Inventory levels prevents a common business mistake: tying up too much cash flow in Inventory and hurting the business, or not keeping enough Inventory on hand to meet customer demands. Inventory management can make or break a business and help prevent fraud.

Some businesses track Inventory and items sold using third party applications. Daniel and Meredith have decided to track beverages using QuickBooks Online Inventory features. A significant benefit is that the system will track re-order points. A Purchase Order system will be implemented to track outstanding orders and help monitor Vendor pricing. Non-Inventory items were created to track food sales and services items were created to track delivery fees, catering services, etc.

During the Accounts Payable training we were introduced to Inventory and Purchase Orders. It is important to implement best practice inventory management policies to avoid unnecessary expenses. We now understand that using the bill feature increased our inventory counts and the invoice and sales receipts reduced them.

As we set re-order points, the system informs us when we are getting low on an item or when we record more sold than purchased. This will leave a negative balance in inventory.

Products and Services

[← All Lists](#)

More ▾

New ▾



3




LOW STOCK



0

OUT OF STOCK



<input type="checkbox"/>	NAME ▲	SKU	TYPE	SALES DESCR	SALES PRICE	COST	TAXABLE	QTY ON HAN	REORDER PO	ACTION
	Beverage									
<input type="checkbox"/>	 Bottle Beer		Inventory	Beer	5	1.85	✓	38	50	Edit ▾
<input type="checkbox"/>	 Bottle Soda		Inventory	Soda	2	0.75	✓	54	75	Edit ▾
<input type="checkbox"/>	 Bottle Water		Inventory	Water	2	0.10	✓	71	75	Edit ▾
<input type="checkbox"/>	 Bottle Wine		Inventory	Wine	8	3.25	✓	67	50	Edit ▾

Verify **Inventory** quantity on-hand at regular intervals. This process will include counting the **Inventory** and comparing it to the quantity that QBO is reporting. (This will take theft into account, etc. that obviously will not show in QBO.)

It is important to develop an Inventory policy and process. How often should a physical Inventory count take place? This depends on the industry and how closely they should monitor Inventory.

Click **Reports -> Standard -> Sales and Customers -> Physical Inventory Worksheet**.

Sushi Coma Inc					
PHYSICAL INVENTORY WORKSHEET					
PRODUCT	DESCRIPTION	QTY ON HAND	REORDER POINT	QTY ON PO	PHYSICAL COUNT
Beverage:Bottle Beer	Beer	38.00	50.00	0.00	
Beverage:Bottle Soda	Soda	54.00	75.00	0.00	
Beverage:Bottle Water	Water	71.00	75.00	0.00	
Beverage:Bottle Wine	Wine	67.00	50.00	0.00	

This report shows the **Qty on Hand** and has a spot for you to count the number of Items physically on-hand; write in the total counted. When there is a difference between the two columns, make an **Inventory Adjustment**.

Once you have completed a physical count of Inventory, the system provides a feature that allows us to adjust the quantity on hand. This adjustment uses a category referred to as **Shrinkage** and increases or decreases Cost of Goods Sold.

To enter an Inventory adjustment, click + **New-> Inventory Qty Adjustment**. An adjustment will be required for each location.

Adjustment date: 03/31/2020

Reference no.: 6

Inventory adjustment account: 50700 Inventory Shrinkage

Location: Torrey Santa Fe

▼ New adjustments

#	PRODUCT	DESCRIPTION	QTY ON HAND	NEW QTY	CHANGE IN QTY	CLASS
1						
2						

Here is an example of a previous adjustment.

▼ Previous adjustments

#	PRODUCT	DESCRIPTION	CHANGE IN QTY	CLASS
1	Beverage:Bottle Beer	Beer	-2	Administrative
2	Beverage:Bottle Soda	Soda	-4	Administrative
3	Beverage:Bottle Water	Water	-5	Administrative
4	Beverage:Bottle Wine	Wine	-1	Administrative

Note: It is recommended you research the cause for the discrepancies in Inventory before resorting to adjustments. It is possible a transaction was not entered correctly or there is fraudulent activity taking place.

Inventory Reports

There are several reports used to manage Inventory:

Physical Inventory Worksheet – Lists all Inventory items with current quantity on hand and allows space to add actual physical quantity. It is then used to make Inventory adjustments.

Inventory Valuation Summary – Lists all Inventory items with current quantity on hand, asset value and average cost.

Inventory Valuation Detail – Lists all Inventory items with detail information such as: Vendor, Transaction type, Qty, rate, FIFO cost, Qty on hand, Asset value. This is a great report to use when investigating issues regarding an item.

- 1. Which option would you use to set reminders to re-order items?**
 - a) Re-order Points
 - b) Qty on Hand
 - c) Item Type
 - d) SKU

- 2. Which report would you use to complete a physical Inventory count?**
 - a) Product and Service List
 - b) Inventory Valuation Summary
 - c) Physical Inventory Worksheet
 - d) Inventory Valuation Detail

- 3. Which report would you use to track the history of an item?**
 - a) Product and Service List
 - b) Inventory Valuation Summary
 - c) Open Purchase Order List
 - d) Inventory Valuation Detail

- 4. Where would you go to complete an Inventory adjustment?**
 - a) Gear->Products and Services->Adjust Qty
 - b) Profit & Loss by Class
 - c) + New->Inventory Qty Adjustment
 - d) Both A and C

- 5. Which account category is used when adjusting Inventory?**
 - a) Cost of Goods
 - b) Inventory Shrinkage
 - c) Inventory Asset
 - d) Sale of a Product

1. Review Video Links:

[Stock Keeping Options](#)

[Record an Inventory Sale](#)

[Effect of Inventory Sale](#)

[What if Your Quantity on Hand is Wrong?](#)

[Record an Inventory Adjustment](#)


[Run Purchase Order Reports](#)

You have purchased and sold Inventory items. Daniel and Meredith request a physical Inventory count.

2. Review qty on hand for the following Inventory items:

- a. Bottle Beer
- b. Bottle Soda
- c. Bottled Water
- d. Bottle Wine

3. Create an Inventory adjustment for the Torrey Santa Fe location.

 **Inventory Quantity Adjustment #6**

03/31/2021

Inventory adjustment account
50700 Inventory Shrinkage

6

Location
Torrey Santa Fe

► New adjustments

▼ Previous adjustments				
#	PRODUCT	DESCRIPTION	CHANGE IN QTY	CLASS
1	Beverage:Bottle Beer	Beer	-2	Administrative
2	Beverage:Bottle Soda	Soda	-4	Administrative
3	Beverage:Bottle Water	Water	-5	Administrative
4	Beverage:Bottle Wine	Wine	-1	Administrative

4. Create a 3/31 current year Inventory adjustment for the Salmon Blvd location.

Inventory Quantity Adjustment #7

Adjustment date: 03/31/2021

Inventory adjustment account: 50700 Inventory Shrinkage

Reference no.: 7

Location: Salmon Blvd

► New adjustments

▼ Previous adjustments

#	PRODUCT	DESCRIPTION	CHANGE IN QTY	CLASS
1	Beverage:Bottle Beer	Beer	-1	Administrative
2	Beverage:Bottle Soda	Soda	-3	Administrative
3	Beverage:Bottle Water	Water	-4	Administrative
4	Beverage:Bottle Wine	Wine	-2	Administrative

5. Review qty on hand for the following Inventory items:

- Bottle Beer
- Bottle Soda
- Bottled Water
- Bottle Wine

6. Locate and save the following reports as favorites:

- Open Purchase Order List
- Physical Inventory Worksheet
- Inventory Valuation Detail



Online Foundations Training

SECTION 10

PAYROLL

- Objectives
- Payroll Setup
- Workers Comp
- Wage Garnishments
- Run Payroll
- Payroll Taxes
- Payroll Tax Forms
- Payroll Reports
- Case Study Activities

Upon completion of Section 10 each participant will be familiar with:

- Overview of Payroll.
- How to setup Payroll.
- How to run Payroll.
- How to manage Payroll taxes.
- How to process Payroll forms.
- How to create and review Payroll reports.

Sushi Coma has decided to outsource the Payroll function to a third-party Payroll service, a very common practice in most industries. They are using the Semi-Monthly option verses Weekly option, to reduce the number of Payrolls and keep the Payroll expense in control, (another important aspect of good cash flow management). Daniel and Meredith have hired 5 employees for each location. This includes a head cook, prep cook, server, server/cashier, and driver.

Payroll is typically one the largest expenses in a business, and it is critical to implement sound Payroll management strategies. Payroll has many elements business owners tend to overlook. Let's walk through an overview of the Payroll process, then dive in and set up sound business practices around this important function.

Throughout the year, many business owners are required to process payroll, pay taxes and file forms with the Internal Revenue Service and their state agency. How business owners determine the status of an individual (employee vs. contractor) depends on the nature of the services they provide.

There are three tests that can be used to determine status of employment.

Control Test – The employer has the right to tell the employee what to do.

Integration Test – The work done is an integral part of the business.

Multiple Test – The individual must wear the company's uniform and be available for work when needed.

Visit **irs.gov** for more information and requirements for employing individuals.

<https://www.irs.gov/newsroom/understanding-employee-vs-contractor-designation>

Once a business owner hires employees, it is important to create an Employee Handbook, complete the employee/payroll setup process and follow best practice procedures. Many owners struggle with this process as it is one of the highest expenses in a business.

Cash flow is critical in order to avoid late payroll tax payments, unnecessary penalties and interest. Outsourcing this process to QuickBooks full-service payroll is highly recommended. This helps avoid unnecessary costs or fees and keeps the business owner in compliance.

Payroll setup in QuickBooks Online requires turning on the feature and selecting a subscription. We will not turn on Payroll during this training. However, we will discuss the process and required information needed.

First, you will need a Federal Identification Number, typically setup when you open a business. (It is also used to open bank accounts.)

Second, you will need an EFTPS.gov account and login. This requires you to enter owner and bank info and allows you to process tax payments online.

Third, you will need to contact your state agency to address all filing requirements (varies per state).

Next, gather the following information from employees.

I-9 Employment Eligibility Verification – Verifies the identity and employment authorization of individuals hired for employment in the United States. This requires two specific forms of identification. Business owners must maintain this information for all employees and provide it if requested by the U.S. Citizenship and Immigration Services.

W-4 - Used by employers to determine how much federal income tax to withhold from an employee's pay.

Refer to IRS **Publication 15 (Circular E)** – If you have questions about IRS Payroll requirements.

www.irs.gov

[California Employers Guide](#)

What is Workers' Compensation Insurance?

Workers' comp insurance protects you in case one of your employees is injured on the job. If an accident happens, workers' comp covers medical bills. Plus, it can cover lost wages and legal expenses. You're also protected from lawsuits from employees who are injured while working.

Do I need workers' comp insurance?

In 49 states (all but Texas), most employers are required to have workers' comp insurance.

How do I get workers' comp insurance?

One option is to go to Intuit's workers' comp page to get a quote and more information. They work with you to find the best workers' comp carrier and payment options for your unique business.

How do I calculate workers comp?

Employee Classification Rate X Employer Payroll (Per \$100) X Experience Mod Rate (Mod) =
Your Workers' Comp Premium.

$(\text{Monthly Employee Payroll}/100) \times \text{Workers' Comp Insurance Rate}.$

A **garnishment** is the result of a legal proceeding that requires an employer to withhold wages from an employee's pay and remit the money to an agency or creditor. We further define garnishment in the sections below and explain how to ensure compliance.

What is a garnishment?

A garnishment is the result of a legal proceeding that requires an employer to withhold wages from an employee's pay and remit the money to an agency or creditor. A garnishment order can be called an earnings withholding order, federal tax levy, support order, bankruptcy order, writ of garnishment, writ of attachment, or garnishment summons.

A garnishment is involuntary, so you as the employer have no choice but to withhold the money when you receive a legal garnishment order. You might receive an order to garnish an employee's wages from a court, from the federal government, or from a state agency.

Types of garnishments include federal tax levies, child or spousal support withholding orders, bankruptcy, state tax levies, creditor garnishments, federal student loans, state student loans, and federal agency debt (non-tax).

Federal and state laws govern garnishments to provide protection for the employee, and to prioritize the claims of multiple creditors. State law can allow a smaller amount to be garnished than federal law. The manner in which garnishments are calculated varies according to the type of garnishment and sometimes the state.

Garnishment orders might also allow you to impose an administrative fee on the employee.

[Wage garnishment compliance](#)

In order to run Payroll, select one of the following pay period options:

Semi-Monthly – This option requires 2 pay periods a month, 24 per year. Semi-monthly is typically selected by higher-level professional businesses. For example, a pay period would be from the 1st to the 15th (paid on the 20th) and 16th-30/31st (paid on the 5th). There are 88 hours in a pay period.

Bi-Weekly – This option means Payroll is paid every two weeks. 2 months a year employees receive three paychecks for a total of 26 per year. This method is more common with hourly employees and equates to an 80 hour pay period.

Weekly – This option means Payroll is paid per week, for a total of 52 per year. This method is commonly used amongst contractors, roofers, plumbers etc.

There are 2080 hours in a year for full-time employees, regardless of which option you choose. It is recommended to research the options prior to running your first Payroll. Yes! It is possible to change a Payroll processing period.

Something to consider - A business has costs associated with processing Payroll. It is important to establish an efficient routine or outsource the Payroll function.

When each Payroll is processed, the individual W-4 information is used to calculate federal taxes for each employee. The employer withholds Federal and State taxes, then calculates the employer's portion and processes payments online.

Employee calculations (provided access to pay stubs each Payroll)

Number of hours x pay rate = Gross Payroll

Subtract Federal Employee Taxes

- Federal Income Tax – IRS Table and W-4
- Social Security 6.2%
- Medicare 1.45%

Subtract State Employee Taxes (depends on the state)

- State Income Tax
- State Disability Tax

Equals Net Payroll, the amount paid to the employee.

The employer then adds the following to calculate the Federal and State Liability (amounts owed by the employer): Due dates are determined by the agencies.

Total Federal Tax Liability (due date determined by the IRS):

- Federal Income Tax - Employee
- Social Security – Employee
- Social Security – Employer
- Medicare Employee
- Medicare Employer
- Federal Unemployment

Total State Tax Liability (due quarterly):

- State Income Tax
- State Disability
- State Unemployment
- State Employer Training Tax

Quarterly

941 (Internal Revenue Service)

Reports Gross Wages, Federal Income Tax, Social Security wages and taxes, Medicare wages and taxes, tip wages, employer liabilities and payments paid.

Sushi Coma, Inc. is located in California, thus we have included key forms relevant to California state reporting requirements, but they are available for every state.

DE-88 (California Employment Development Department)

DE 9 (California Employment Development Department)

DE 9C (California Employment Development Department)

Reports wages, state taxes withheld, and state taxes paid.

Yearly (in additional to quarterly reports)

W-2 (Social Security Division) – Reports all employee wage information used to file individual tax returns.

W-3 (Social Security Division) - Reports summary of W2's reported.

940 (Internal Revenue Service) – Reports employer federal unemployment for all employees.

Many business owners use third party time tracking apps to track individual employee time. These apps sync with Payroll processing in QBO, making the process quick and efficient. There are many Payroll reports used to manage Payroll. Payroll reports commonly used in QuickBooks Online are as follows:

Time tracking reports – Tracks time per employee per time period.

Payroll Summary – Provides summary view of information per employee and pay period.

Payroll Details – Provides details per employee per pay date and totals per pay period.

Tax and Wage Summary – Tracks total wages, taxable wages and tax amount by category.

Best practices: Keep good records of time tracking and Payroll reports per pay period.

Business owners often fall behind in making timely Payroll tax payments and the penalties add up quickly. One more reason to invest time in understanding cash flow and establishing best practice procedures.

Optional Video Links to Review:

[How to set up QuickBooks Online Payroll - Part One](#)

[How to Set Up QuickBooks Online Payroll - Part Two](#)

[How to add employees to payroll in QuickBooks Online](#)

[How to Track hours in QuickBooks Time](#)

[How to Enter Billable Time: Employees & Contractors](#)

[Get started with the QuickBooks Time Mobile App](#)

[Common questions about payroll and salaried employees](#)

[Pay an employee different hourly rates](#)

[Determine the hourly rate of salaried employees](#)

Let's begin the process of recording Payroll information in our company file. You suggest Daniel and Meredith switch to QuickBooks Full-Service Payroll so you can integrate Payroll processing from within QuickBooks Online and save time. In the mean-time, enter Adjusting Journal Entries for each Payroll using the information provided.

1. Create an Adjusting Journal Entry for Pay Date 01/06/current year for Pay Period 12/15-12/31/prior year for Torrey Santa Fe.

Date	Num.	Gross	Tips	Net
01/06/current year	Payroll 01/06 Torrey	\$1,040.00	\$0.00	\$777.66

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$325.52	\$233.84	\$297.02	Torrey Santa FE	Administrative

Journal date	Journal no.
01/06/2021	Payroll 01/06 Torrey

ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
10000 Checking 1234		777.66	To record Direct Deposit Net Pay		Torrey Santa Fe	Administrative
60100 Payroll expenses: Salaries	1,040.00		To record Gross Pay		Torrey Santa Fe	Administrative
22010 Payroll Liabilities: Federal		325.52	To record EE & ER Federal Tax Liability		Torrey Santa Fe	Administrative
22020 Payroll Liabilities: State		233.84	To record EE & ER State Tax Liability		Torrey Santa Fe	Administrative
60200 Payroll expenses: Payroll Tax	297.02		To record ER State & Federal Tax Expense		Torrey Santa Fe	Administrative

2. Create an Adjusting Journal Entry for Pay Date 01/06/current year for Pay Period 12/15-12/31/prior year for Salmon Blvd.

Date	Num.	Gross	Tips	Net
01/06/current year	Payroll 01/06 Salmon Blvd	\$1,040.00	\$0.00	\$777.66

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$325.52	\$233.84	\$297.02	Salmon Blvd	Administrative

Journal date	Journal no.
01/06/2021	Payroll 01/06 Salmon

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		777.66	To record Direct Deposit Net Payroll		Salmon Blvd	Administrative
2	60100 Payroll expenses: Salaries	1,040.00		To record Gross Pay		Salmon Blvd	Administrative
3	22010 Payroll Liabilities: Federal Tax		325.52	To record EE & ER Federal Tax Liability		Salmon Blvd	Administrative
4	22020 Payroll Liabilities: State Tax		233.84	To record EE & ER State Tax Liability		Salmon Blvd	Administrative
5	60200 Payroll expenses: Payroll Tax	297.02		To record ER State & Fed Tax Expense		Salmon Blvd	Administrative

3. Create an Adjusting Journal Entry for Pay Date 01/20/current year for Pay Period 01/01-01/15/current year for Torrey Santa Fe.

Date	Num.	Gross	Tips	Net
01/20/current year	Payroll 01/20 Torrey	\$5,456.00	\$3,451.14	\$6,660.31

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,787.93	\$2,002.78	\$2,543.88	Torrey Santa Fe	Administrative

Journal date	Journal no.
01/20/2021	Payroll 01/20 Torrey

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,660.31	To record Direct Deposit Net Pay		Torrey Santa Fe	Administrative
2	60100 Payroll expenses: Salaries	5,456.00		To record Gross Pay		Torrey Santa Fe	Administrative
3	22010 Payroll Liabilities: Federal		2,787.93	To record EE & ER Federal Tax Liability		Torrey Santa Fe	Administrative
4	22020 Payroll Liabilities: State		2,002.78	To record EE & ER Federal Tax Liability		Torrey Santa Fe	Administrative
5	60200 Payroll expenses: Payroll	2,543.88		To record ER Fed and State Tax Expense		Torrey Santa Fe	Administrative
6	22200 Undistributed Tips	3,451.14		To record ER Fed and State Tax Expense		Torrey Santa Fe	Administrative

4. Create an Adjusting Journal Entry for Pay Date 01/20/current year for Pay Period 01/01-01/15/current year for Salmon Blvd.

Date	Num.	Gross	Tips	Net
01/20/current year	Payroll 01/20 Torrey	\$5,456.00	\$2,363.33	\$5,846.90

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,447.45	\$1,758.18	\$2,333.20	Salmon Blvd.	Administrative

Journal date

01/20/2021

Journal no.

Payroll 01/20 Salmon

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		5,846.90	To record Direct Deposit Net Pay		Salmon Blvd	Administrative
2	60100 Payroll expenses: Salaries	5,456.00		To record Gross Pay		Salmon Blvd	Administrative
3	22010 Payroll Liabilities: Federal Tax		2,447.45	To record EE & ER Federal Tax Liability		Salmon Blvd	Administrative
4	22020 Payroll Liabilities: State Tax		1,758.18	To record EE & ER State Tax Liability		Salmon Blvd	Administrative
5	60200 Payroll expenses: Payroll Tax	2,233.20		To record ER Fed and State Tax Expense		Salmon Blvd	Administrative
6	22200 Undistributed Tips	2,363.33		To record Tips paid		Salmon Blvd	Administrative

5. Create an Adjusting Journal Entry for Pay Date 02/05/current year for Pay Period 01/16-01/31/current year for Torrey Santa Fe.

Date	Num.	Gross	Tips	Net
02/05/current year	Payroll 02/05 Torrey	\$5,456.00	\$3,714.54	\$6,857.27

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,870.38	\$2,062.00	\$2,619.11	Torrey Santa FE	Administrative

Journal date	Journal no.
02/05/2021	Payroll 02/05 Torrey

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,857.27	To record Direct Deposit Net Pay		Torrey Santa Fe	Administrative
2	60100 Payroll expenses: Salaries	5,456.00		To record Gross Pay		Torrey Santa Fe	Administrative
3	22010 Payroll Liabilities: Federal Tax		2,870.38	To record EE & ER Federal Tax Liability		Torrey Santa Fe	Administrative
4	22020 Payroll Liabilities: State Tax		2,062.00	To record EE & ER State Tax Liability		Torrey Santa Fe	Administrative
5	60200 Payroll expenses: Payroll Tax	2,619.11		To record ER Fed and State Tax Expense		Torrey Santa Fe	Administrative
6	22200 Undistributed Tips	3,714.54		To record Tips paid		Torrey Santa Fe	Administrative

6. Create an Adjusting Journal Entry for Pay Date 02/05/current year for Pay Period 01/16-01/31/current year for Salmon Blvd.

Date	Num.	Gross	Tips	Net
02/05/current year	Payroll 02/05 Salmon Blvd	\$5,456.00	\$3,276.24	\$6,529.53

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,733.19	\$1,963.44	\$2,493.92	Salmon Blvd	Administrative

Journal date	Journal no.
02/05/2021	Payroll 02/05 Salmon

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,529.53	To record Direct Deposit Net Pay		Salmon Blvd	Administrative
2	60100 Payroll expenses: Salaries	5,456.00		To record Gross Pay		Salmon Blvd	Administrative
3	22010 Payroll Liabilities: Federal		2,733.19	To record EE & ER Federal Tax Liability		Salmon Blvd	Administrative
4	22020 Payroll Liabilities: State		1,963.44	To record EE & ER State Tax Liability		Salmon Blvd	Administrative
5	60200 Payroll expenses: Payroll	2,493.92		To record ER Fed and State Tax Expense		Salmon Blvd	Administrative
6	22200 Undistributed Tips	3,276.24		To record Tips Paid		Salmon Blvd	Administrative

7. Create an Adjusting Journal Entry for Pay Date 02/20/current year for Pay Period 02/01-02/15/current year for Torrey Santa Fe.

Date	Num.	Gross	Tips	Net
02/20/current year	Payroll 02/20 Torrey	\$5,456.00	\$2,909.71	\$6,255.46

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,618.47	\$1,881.03	\$2,389.25	Torrey Santa Fe	Administrative

Journal date	Journal no.
02/20/2021	Payroll 02/20 Torrey

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,255.46	To record Direct Deposit Net Pay		Torrey Santa Fe	Administrative
2	60100 Payroll expenses: Salarie	5,456.00		To record Gross Pay		Torrey Santa Fe	Administrative
3	22010 Payroll Liabilities: Feder		2,618.47	To record EE & ER Federal Tax Liability		Torrey Santa Fe	Administrative
4	22020 Payroll Liabilities: State T		1,881.03	To record EE & ER State Tax Liability		Torrey Santa Fe	Administrative
5	60200 Payroll expenses: Payrol	2,389.25		To record ER Fed and State Tax Expense		Torrey Santa Fe	Administrative
6	22200 Undistributed Tips	2,909.71		To record Tips paid		Torrey Santa Fe	Administrative

8. Create an Adjusting Journal Entry for Pay Date 02/20/current year for Pay Period 02/01-02/15/current year for Salmon Blvd.

Date	Num.	Gross	Tips	Net
02/20/current year	Payroll 02/20 Salmon	\$5,456.00	\$2,993.34	\$6,317.99

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,644.64	\$1,899.83	\$2,413.12	Salmon Blvd.	Administrative

Journal date	Journal no.
02/20/2021	Payroll 02/20 Salmon

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,317.99	To record Direct Deposit Net Pay		Salmon Blvd	Administrative
2	60100 Payroll expenses: Salari	5,456.00		To record Gross Pay		Salmon Blvd	Administrative
3	22010 Payroll Liabilities: Feder		2,644.64	To record EE & ER Federal Tax Liability		Salmon Blvd	Administrative
4	22020 Payroll Liabilities: State		1,899.83	To record EE & ER State Tax Liability		Salmon Blvd	Administrative
5	60200 Payroll expenses: Payrol	2,413.12		To record ER Fed and State Tax Expense		Salmon Blvd	Administrative
6	22200 Undistributed Tips	2,993.34		To record Tips paid		Salmon Blvd	Administrative

9. Create an Adjusting Journal Entry for Pay Date 03/05/current year for Pay Period 02/16-02/28/current year for Torrey Santa Fe.

Date	Num.	Gross	Tips	Net
03/05/current year	Payroll 03/05 Torrey	\$5,456.00	\$2,963.64	\$6,295.79

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,635.35	\$1,893.16	\$2,404.66	Torrey Santa Fe	Administrative

Journal date

03/05/2021

Journal no.

Payroll 03/05 Torrey

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,295.79	To record Direct Deposit Net Pay		Torrey Santa Fe	Administrative
2	60100 Payroll expenses: Salary	5,456.00		To record Gross Pay		Torrey Santa Fe	Administrative
3	22010 Payroll Liabilities: Federal		2,635.35	To record EE & ER Federal Tax Liability		Torrey Santa Fe	Administrative
4	22020 Payroll Liabilities: State		1,893.16	To record EE & ER State Tax Liability		Torrey Santa Fe	Administrative
5	60200 Payroll expenses: Payroll	2,404.66		To record ER Fed and State Tax Expense		Torrey Santa Fe	Administrative
6	22200 Undistributed Tips	2,963.64		To record Tips paid		Torrey Santa Fe	Administrative

10. Create an Adjusting Journal Entry for Pay Date 03/05/current year for Pay Period 02/16-02/28/current year for Salmon Blvd.

Date	Num.	Gross	Tips	Net
03/05/current year	Payroll 3/05 Salmon	\$5,456.00	\$2,991.69	\$6,316.76

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,644.13	\$1,899.46	\$2,412.66	Salmon Blvd.	Administrative

Journal date	Journal no.
03/05/2021	Payroll 03/05 Salmon

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,316.76	To record Direct Deposit Net Pay		Salmon Blvd	Administrative
2	60100 Payroll expenses: Salarie	5,456.00		To record Gross Pay		Salmon Blvd	Administrative
3	22010 Payroll Liabilities: Feder		2,644.13	To record EE & ER Federal Tax Liability		Salmon Blvd	Administrative
4	22020 Payroll Liabilities: State		1,899.46	To record EE & ER State Tax Liability		Salmon Blvd	Administrative
5	60200 Payroll expenses: Payrol	2,412.66		To record ER Fed and State Tax Expense		Salmon Blvd	Administrative
6	22200 Undistributed Tips	2,991.69		To record Tips paid		Salmon Blvd	Administrative

11. Create an Adjusting Journal Entry for Pay Date 3/20/current year for Pay Period 03/01-03/15/current year for Torrey Santa Fe.

Date	Num.	Gross	Tips	Net
03/20/current year	Payroll 03/20 Torrey	\$5,456.00	\$3,159.68	\$6,442.37

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,696.71	\$1,937.24	\$2,460.64	Torrey Santa Fe	Administrative

Journal date	Journal no.
03/20/2021	Payroll 03/20 Torrey

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,442.37	To record Direct Deposit Net Pay		Torrey Santa Fe	Administrative
2	60100 Payroll expenses: Salaries	5,456.00		To record Gross Pay		Torrey Santa Fe	Administrative
3	22010 Payroll Liabilities: Federal Tax		2,696.71	To record EE & ER Federal Tax Liability		Torrey Santa Fe	Administrative
4	22020 Payroll Liabilities: State Tax		1,937.24	To record EE & ER State Tax Liability		Torrey Santa Fe	Administrative
5	60200 Payroll expenses: Payroll Tax	2,460.64		To record ER Fed and State Tax Expense		Torrey Santa Fe	Administrative
6	22200 Undistributed Tips	3,159.68		To record Tips paid		Torrey Santa Fe	Administrative

12. Create an Adjusting Journal Entry for Pay Date 03/20/current year for Pay Period 03/01-03/15/current year for Salmon Blvd.

Date	Num.	Gross	Tips	Net
03/20/current year	Payroll 3/20 Salmon	\$5,456.00	\$3,332.56	\$6,571.65

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,750.82	\$1,976.11	\$2,510.22	Salmon Blvd.	Administrative

Journal date	Journal no.
03/20/2021	Payroll 03/20 Salmon

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,571.65	To record Direct Deposit Net Pay		Salmon Blvd	Administrative
2	60100 Payroll expenses: Salaries	5,456.00		To record Gross Pay		Salmon Blvd	Administrative
3	22010 Payroll Liabilities: Federal Tax Liability		2,750.82	To record EE & ER Federal Tax Liability		Salmon Blvd	Administrative
4	22020 Payroll Liabilities: State Tax Liability		1,976.11	To record EE & ER State Tax Liability		Salmon Blvd	Administrative
5	60200 Payroll expenses: Payroll Tax Expense	2,510.02		To record ER Fed and State Tax Expense		Salmon Blvd	Administrative
6	22200 Undistributed Tips	3,332.56		To record Tips paid		Salmon Blvd	Administrative



Online Foundations Training

SECTION 11

BANK & CREDIT CARD ACCOUNTS

Objectives
Connect Accounts
Banking
Transfers
Reconcile Accounts
Practice Test
Case Study Activities

Upon completion of Section 11, each participant will be familiar with:

- An overview of the Banking Center.
- How to connect bank and credit card accounts.
- How to manage transactions.
- How to transfer funds.
- How to reconcile bank and credit card accounts.
- How to access and view bank reports.

Important! We will not actually connect bank and credit card accounts. Instead, we will manually import the transactions and post them through the Banking Center.

The Sushi Coma, Inc. owners were surprised to learn they can connect bank and credit card accounts directly to their QuickBooks Online software. This means all transactions will automatically import into QBO, saving considerable time each month. They will also be able to view real time bank balances without logging in to their bank app, right in QuickBooks.

Daniel and Meredith would like an overview of how the Banking Center works and would like to learn how to connect the accounts and manage transactions. They need help understanding how to transfer funds. They are also unclear on why they need to reconcile the bank and credit card accounts each month; doesn't the software do that for them?

Let's look.

Also, help them understand how to access bank reports. Where do they go to find the information? What kind of information can these reports provide? How can this information be used to improve company performance?

Banking in QuickBooks Online

The Banking Center in QuickBooks is the central location for managing day-to-day bank transactions downloaded from your bank and credit card accounts. QuickBooks includes a powerful feature referred to as the “Bank Feed”. In other words, you can connect your online bank and credit card accounts directly to your QuickBooks company file.

Connecting your bank and credit card accounts to QuickBooks Online is a great way to track income and spending without having to manually enter every transaction. Only recording your income through sales forms, while leaving out your expenses provides an incomplete perspective of your business’ overall health. However, creating records for *every* transaction can be a huge task.

If you connect your online bank accounts in QuickBooks Online, the program will automatically download the last 90 days of transactions recorded by your bank. The program will match existing entries already in QuickBooks online and add new records for incoming transactions without a matching entry. This feature ensures your accounts are always up-to-date and drastically reduces the amount of daily data-entry.

The efficiencies built into the Banking Center translate into higher profit margins, better and real-time data, and a more profitable business.

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

It is important to learn how to manage the **Bank Center** to avoid posting old and/or duplicate transactions. Although connecting your bank and credit card accounts is a great way to enter historical transactions, we recommend new users become comfortable manually entering transactions as well. Please seek help from your instructor or accountant to avoid costly cleanup. There are two ways to connect bank and credit card accounts to your company file.

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

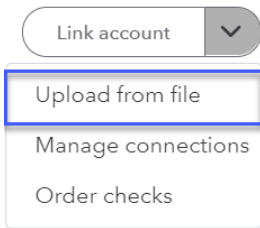


Go to registers ▼

Click **Connect Accounts**.

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

Click **Link account**.



Link account ▼

Upload from file

Manage connections

Order checks

Note: You can connect and download transactions from many types of accounts. Business checking, savings, money market, credit card and Paypal accounts. You may need to manually export a downloaded file from your bank and upload it to the Banking Center.

Informational purpose only.

Next, Select or enter the bank name in the search field or click the appropriate icon. Follow the steps to connect your accounts. Once the connection is made, the bank will import the last 90 days of transactions. You may need to import historical data through the manual import process. You will be asked to login using your bank credentials.

Let's get a picture of your profits

Connect your bank or credit card to bring in your transactions.

We support 20,000+ local and international banks.



Banking Center

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

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

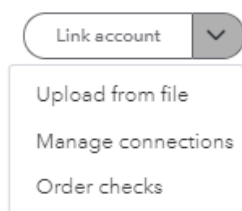
BANK ACCOUNTS		
10000 Checking 1234	Reviewed	
Bank balance	\$0	
In QuickBooks	\$60,257.46	
10200 Savings 1537		
In QuickBooks	\$14,000.00	
21000 American Express 11008	Reviewed	
Bank balance	\$0	
In QuickBooks	\$11,424.30	
10800 Register Drawer		
In QuickBooks	\$400.00	
10900 Petty Cash		
In QuickBooks	\$1,000.00	

BANK ACCOUNTS		
10000 Checking 1234		
Bank balance	\$0	
In QuickBooks	\$60,257.46	
10200 Savings 1537		
In QuickBooks	\$14,000.00	
21000 American Express 11008		
Bank balance	\$0	
In QuickBooks	\$11,424.30	
10800 Register Drawer		
In QuickBooks	\$400.00	
10900 Petty Cash		
In QuickBooks	\$1,000.00	

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

Click **Banking** -> **drop-down arrow to the right of Link Account** -> **Upload from file**. Drag and drop or click select files and select the bank file you downloaded from your computer.

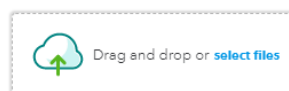
Click **Continue**.



Manually upload your transactions

How it works

- 1 Open a new tab and sign in to your online bank account.
- 2 Export your bank statement in a .CSV, .QFX, .QBO, .OFX, or .TXT format.
- 3 Upload your bank statement.



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

Which account are these transactions from?

Selected File: [Sushi Coma Checking Transactions_Bank Import File.csv](#)

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

QuickBooks Account

Map fields between QBO and the bank account.

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

Let's set up your file in QuickBooks**Step 1:** Tell us about the format of your data

Is the first row in your file a header?

Yes

How many columns show amounts?

One column

What's the date format used in your file?

MM/dd/yyyy

Step 2: Select the fields that correspond to your file

QuickBooks fields	Columns from your file
Date	Column 2: Date
Description	Column 4: Description
Amount	Column 6: Spent

Back

Continue

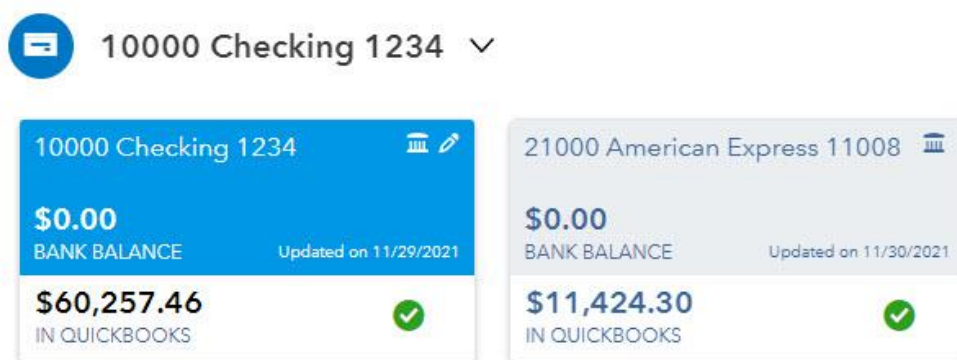
Select all the transactions available to import. Click **Continue**.

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

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

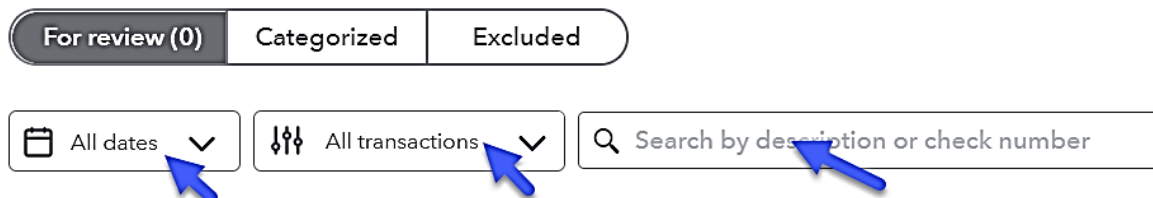
Click **Banking (Transactions)** in the **Left Navigation Bar**.

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



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

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



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

1. Sync or Import Payroll when using a payroll service or QuickBooks Payroll.
2. Receive payments against invoices and make deposits.
3. Clear up Undeposited Funds.
4. Apply Checks to Open Bills.
5. Open and review each transaction.

You can access the Bank Register. Other options include printing, exporting to Excel and changing the columns displayed using the **Gear** icon.

[Go to bank register](#)



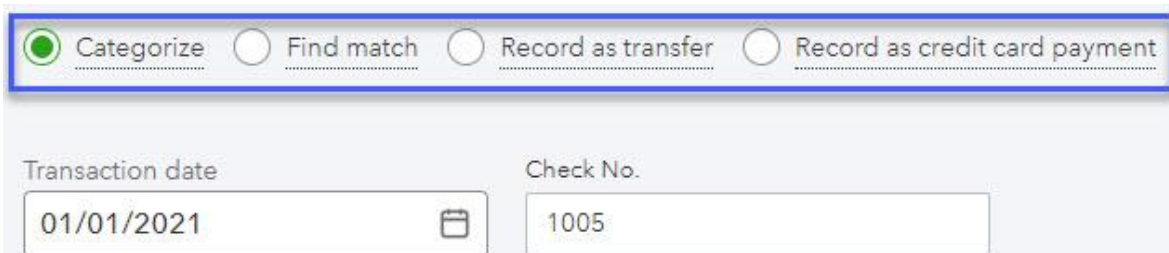
We recommend changing settings to match the screen Shots provided.

Columns	
<input checked="" type="checkbox"/> Check No.	<input checked="" type="checkbox"/> Copy bank detail to memo
<input checked="" type="checkbox"/> Payee	<input type="checkbox"/> Show suggested rules
<input checked="" type="checkbox"/> Class	<input checked="" type="checkbox"/> Show bank details
<input checked="" type="checkbox"/> Location	<input type="checkbox"/> Enable suggested categorization
Groups	
<input type="checkbox"/> Turn on grouping	Page Size
Transaction details	
<input type="checkbox"/> Show amounts in 1 column	<input checked="" type="radio"/> 50
<input checked="" type="checkbox"/> Show tags field	<input type="radio"/> 75
<input checked="" type="checkbox"/> Editable date field	<input type="radio"/> 100
	<input type="radio"/> 200
	<input type="radio"/> 300

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

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

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



The screenshot shows a transaction entry window with four radio button options: **Categorize** (selected), **Find match**, **Record as transfer**, and **Record as credit card payment**. Below these options are two input fields: **Transaction date** (01/01/2021) and **Check No.** (1005).

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

Record as credit card payment – is a new 2020 feature that creates a payment from the checking to the credit card account. This feature is not as forgiving as categorize and harder to change later. It only recognizes credit card accounts in the Chart of Accounts.

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

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

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

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

Categorization History allows you to review historical transactions to determine categories used in the past. This saves time and prevents you from having to visit the Vendor Center.

The screenshot shows the QuickBooks Banking transaction entry interface. At the top, there are four radio buttons: **Categorize** (selected), **Find match**, **Record as transfer**, and **Record as credit card payment**. Below these are fields for **Transaction date** (01/01/2021) and **Check No.** (1005). A central section, outlined with a blue box, contains dropdown menus for **Vendor/Customer** (Maki Property Management), **Category *** (64500 Rent or Lease), **Customer/project** (Select customer/project), **Location** (Salmon Blvd), and **Class** (Administrative). Below this is a **Tags** field with a "Manage tags" link. The **Memo** field contains the text "Maki Property Check 1005 Rent Salmon". At the bottom, a **BANK DETAIL** section shows "Maki Property Check 1005 Rent Salmon". A row of buttons includes **Add attachment**, **Create a rule**, **Exclude**, and **Categorization history**, all highlighted with a blue box. To the right of these are **Split** and **Add** buttons, with a blue arrow pointing to the **Split** button.

Rules

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

Create rule

Rules only apply to unreviewed transactions.

What do you want to call this rule? *

Maki Properties

Apply this to transactions that are

Money out



in

10000 Checking 1234



and include the following:

All



Bank text



Contains



Maki Property

+ Add a condition

Then **Assign** ▼

Transaction type

Expense ▼

Category

64500 Rent or Lease ▼

Add a split

Payee

Maki Property Management ▼

Tags

Start typing to add a tag

Class

(Optional) ▼

Location

(Optional) ▼

Memo

Maki Property Check 1005 Rent Salmon

☐ Add this memo to all matching transactions.

[Clear](#)

Automatically confirm transactions this rule applies to

Auto-add ☐

Cancel

Save

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

Receipts

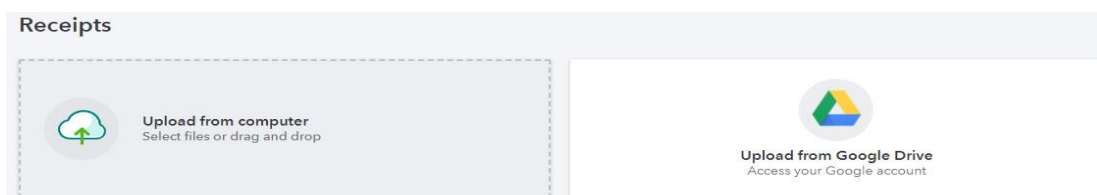
Receipt Capture in QuickBooks Online allows users to directly upload receipts to the QuickBooks Online Banking Center where QuickBooks will read the receipt and either match it to an existing transaction or allow users to add a new transaction.

Click the **Receipts** tab.



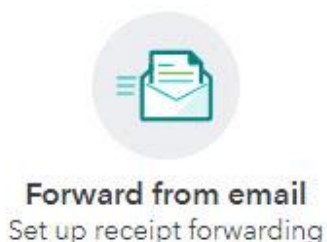
Drag and drop receipts directly into QuickBooks Online or select **Browse** to upload them. Ensure that each image or file contains only a single receipt.

Upload from Google Drive by logging into your Google account.



Receipt and Bill Forwarding

Click **Set up receipt forwarding** or **Customize email** button to create an Intuit custom email to forward receipts and bills.



Note: You can upload images of receipts from Google drive or your computer. You can also create an email for forwarding receipts. QBO provides the ability to create an expense from a receipt, match the receipt to a categorized expense in the Banking Center, or review the receipt to make corrections or add information. (You cannot match the receipt to an expense still in the review area of the Banking Center.)

Mobile App

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

SNAP ON MOBILE



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

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

For review | Reviewed

Batch actions

Confirm selected

Review selected

Delete selected

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

First

Prev

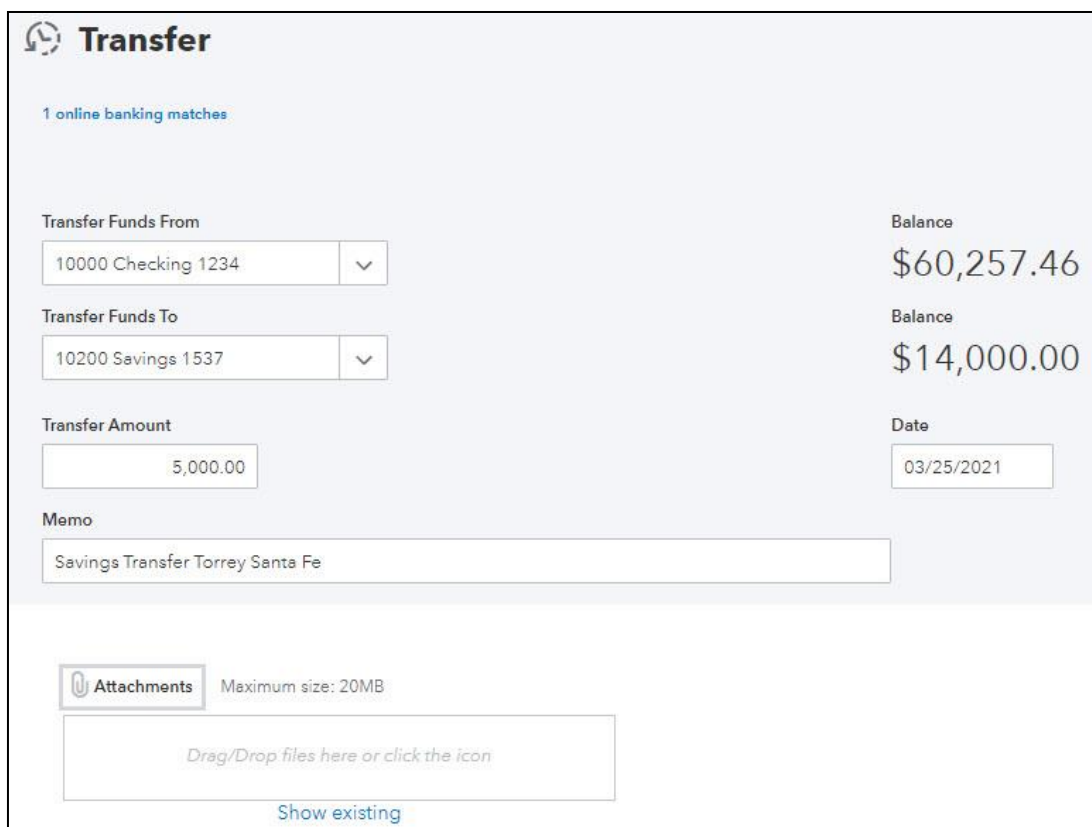
0-0 of 0

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

Transfers

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

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



The screenshot shows the 'Transfer' form in QuickBooks. At the top left is a clock icon and the title 'Transfer'. Below it, a blue link says '1 online banking matches'. The form is divided into two main sections. The left section contains three fields: 'Transfer Funds From' with a dropdown menu showing '10000 Checking 1234', 'Transfer Funds To' with a dropdown menu showing '10200 Savings 1537', and 'Transfer Amount' with a text input field containing '5,000.00'. Below these is a 'Memo' field with the text 'Savings Transfer Torrey Santa Fe'. The right section contains three fields: 'Balance' with the value '\$60,257.46', 'Balance' with the value '\$14,000.00', and 'Date' with a date picker showing '03/25/2021'. At the bottom, there is an 'Attachments' section with a file upload icon, the text 'Attachments', and 'Maximum size: 20MB'. Below this is a large text area with the placeholder 'Drag/Drop files here or click the icon' and a link 'Show existing' at the bottom right.

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

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

Click the **Gear** icon -> **Reconcile**.



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

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

Which account do you want to reconcile?

Account

10000 Checking 1234

Add the following information

Beginning balance	Ending balance *	Ending date *
0.00	87,100.00	12/31/2020

Start reconciling

Now you are ready to reconcile the account.

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

Chart of accounts > Bank register > Reconcile

Reconcile 10000 Checking 1234
Statement ending date: December 31, 2020

Edit info Save for later

\$87,100.00	-	\$100,000.00	
STATEMENT ENDING BALANCE		CLEARED BALANCE	
\$0.00	-	\$0.00	+
BEGINNING BALANCE	0 PAYMENTS		2 DEPOSITS

! -\$12,900.00
DIFFERENCE

Statement ending date: Clear filter / View all

Payments Deposits All

DATE	CLEARED DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (L) DEPOSIT (U)	
12/01/2020		Journal	AJE01	- Split -		To record beginning ba...	50,000.00	✓
12/01/2020		Journal	AJE02	- Split -	Seigo Fine...	To record 30 year loan	50,000.00	✓

Select **Payments** and check off all checks and ACH transactions that appear on the bank statement.

Verify outstanding transactions; research and make corrections as needed.

Chart of accounts > Bank register > Reconcile

Reconcile 10000 Checking 1234
Statement ending date: December 31, 2020

Edit info Finish now

\$87,100.00	-	\$87,100.00	
STATEMENT ENDING BALANCE		CLEARED BALANCE	
\$0.00	-	\$12,900.00	+
BEGINNING BALANCE	4 PAYMENTS		2 DEPOSITS

✓ \$0.00
DIFFERENCE

Statement ending date: Clear filter / View all

Payments Deposits All

DATE	CLEARED DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (L) DEPOSIT (U)	
12/01/2020		Check	1001	- Split -	Maki Prope...		7,000.00	✓
12/01/2020		Check	1002	- Split -	Maki Prope...		5,000.00	✓
12/01/2020		Check	1003	- Split -	Anego WC ...		450.00	✓
12/01/2020		Check	1004	- Split -	Anego WC ...		450.00	✓

Click **Edit Info** to change the ending balance or statement date.
Verify that the following match the bank statement:

1. **Beginning Balance**
2. **Statement Ending Balance**
3. **Payment's total**
4. **Deposits total**

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

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

Finish now to complete the bank reconciliation process.

Finish later to save your work and resume later.

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

Finish now ▼

Finish now

Save for later

Close without saving

Chart of accounts > Bank register > Reconcile

Reconcile 10000 Checking 1234
Statement ending date: December 31, 2020

\$87,100.00	-	\$87,100.00	
STATEMENT ENDING BALANCE		CLEARED BALANCE	
\$0.00	-	\$12,900.00	+
BEGINNING BALANCE		4 PAYMENTS	
		\$100,000.00	+
		2 DEPOSITS	

DIFFERENCE \$0.00

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



You reconciled this account

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

Done

- 1. You plan on reconciling your checking account, which of the following information is required to begin?**
 - a) Statement Ending Balance
 - b) Total Deposits
 - c) Statement Ending Date
 - d) Both A and C

- 2. You have already reconciled for the month and found an old transaction in the Bank Center review section. Which action would you choose to address this?**
 - a) Review
 - b) Exclude
 - c) Go to register
 - d) All the above

- 3. You are reviewing downloaded bank and credit card transactions. Which action is NOT true:**
 - a) Add - records the transaction in your register
 - b) Match - records the transaction in your register
 - c) Split - allows you to choose more than one category for a transaction
 - d) View - shows you the transactions that are possible matches

- 4. Which action would you take to make sure all Income and Expenses are entered correctly and match the monthly statements for your bank and credit card accounts?**
 - a) Add Account
 - b) Import
 - c) Reconcile
 - d) Update

- 5. You made a payment on your credit card from your checking account. You review the transactions in the Banking Center. What actions do you perform?**
 - a) Add the transaction when reviewing the checking account
 - b) Create a rule
 - c) Match the transaction when you are reviewing the credit card account
 - d) A and C

We will now complete the process of posting transactions and reconciling the checking account. We will not connect bank accounts for this training; however, we will import debit and ACH transactions using the manual import feature.

1. Review Video Links:

[Begin a Reconciliation](#)

[Select Cleared Transactions](#)

[What Causes a Difference](#)

[Complete a Reconciliation](#)

[Reconciliation History](#)

2. Reconcile the Checking Account for December. Refer to Section 6 of this training if you need help.

Click Gear -> Reconcile -> Select the Checking Account 1234

Beginning Balance should be zero.

Enter Ending Balance \$87,100.00.

Enter Ending Date 12/31/prior year.

Click Start Reconciling.

Which account do you want to reconcile?

Account

10000 Checking 1234

Add the following information

Beginning balance	Ending balance *	Ending date *
0.00	87,100.00	12/31/2020

Start reconciling

- Select all transactions.** The difference should be zero.
- Verify the Payee field has a Vendor name for all checks and ACH transactions.**

If the difference is zero and there are no unexplained outstanding transactions, click **Finish now -> Done.**

Note: We recommend you clear all deposits, then payments to aide in narrowing down potential errors. Also, when you see a green box under the box column, it means the transaction was imported manually or from the bank. If you see a green box with a plus sign, it means the auto-add feature was turned on. No box, means the transaction was entered manually. Notice the only transactions for December were part of the adjusting journal entries you entered in the Beginning Balances section of this training.

Chart of accounts > Bank register > Reconcile

Reconcile 10000 Checking 1234
Statement ending date: December 31, 2020

\$87,100.00

STATEMENT ENDING BALANCE

-

\$100,000.00

CLEARED BALANCE

\$0.00

BEGINNING BALANCE

-

\$0.00

0 PAYMENTS

+

\$100,000.00

2 DEPOSITS

!

-\$12,900.00

DIFFERENCE

Chart of accounts > Bank register > Reconcile

Reconcile 10000 Checking 1234
Statement ending date: December 31, 2020

\$87,100.00

STATEMENT ENDING BALANCE

-

\$87,100.00

CLEARED BALANCE

\$0.00

BEGINNING BALANCE

-

\$12,900.00

4 PAYMENTS

+

\$100,000.00

2 DEPOSITS

✓

\$0.00

DIFFERENCE

3. Reconcile the Savings Account 1537 for December:

Beginning Balance should be zero.

Enter Ending Balance \$1,000.00.

Enter Ending Date 12/31/prior year.

Click **Start Reconciling**.

Select all transactions. Difference should be zero. Click **Finish now -> Done**.

Chart of accounts > Bank register > Reconcile

Reconcile 10200 Savings 1537
Statement ending date: December 31, 2020

\$1,000.00 STATEMENT ENDING BALANCE	-	\$1,000.00 CLEARED BALANCE
\$0.00 BEGINNING BALANCE	-	\$0.00 0 PAYMENTS
	+	\$1,000.00 1 DEPOSIT

Edit info
Finish now

\$0.00

DIFFERENCE

× Statement ending date Clear filter / View all

Payments
Deposits
All
Show me around

DATE ▲	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (USD)	DEPOSIT (USD)	
12/01/2020	Journal	AJE01	- Split -		To record beginning bank bal...		1,000.00	

4. Reconcile the Credit Card Account American Express 11008 for December:

Beginning Balance should be zero.

Enter Ending Balance \$25,860.00.

Enter Ending Date 12/15/prior year.

Select all transactions. Difference should be zero. Click **Finish now** -> **Done**.

[Chart of accounts](#) > [Credit card register](#) > [Reconcile](#)

Reconcile 21000 American Express 11008

Statement ending date: December 15, 2020

Edit info

Finish now



\$25,860.00

STATEMENT ENDING BALANCE

-

\$25,860.00

CLEARED BALANCE

\$0.00

BEGINNING BALANCE

+

\$25,860.00

11 CHARGES

-

\$0.00

0 PAYMENTS



\$0.00

DIFFERENCE

Show me around

Statement ending date: Clear filter / View all

Charges

Payments

All



DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	CHARGE (USD)	PAYMENT (USD)	
12/01/2020	Credit Card Expense		64200 License &...	San Diego County		350.00		✓
12/01/2020	Credit Card Expense		64200 License &...	San Diego County		350.00		✓
12/01/2020	Credit Card Expense		64800 Security	Baigai Security Systems		60.00		✓
12/01/2020	Credit Card Expense		15100 Furniture ...	Baigai Security Systems		1,500.00		✓
12/01/2020	Credit Card Expense		64800 Security	Baigai Security Systems		60.00		✓
12/01/2020	Credit Card Expense		15100 Furniture ...	Baigai Security Systems		1,500.00		✓
12/01/2020	Credit Card Expense		62200 Dues & S...	Intuit QBO Subscription		40.00		✓
12/15/2020	Credit Card Expense		15000 Resturant...	Resutoran Equipment		10,000.00		✓
12/15/2020	Credit Card Expense		15000 Resturant...	Resutoran Equipment		10,000.00		✓

If you have any issues with the checking, savings or credit card reconciliations for December, follow the instructions for step 7 and 7a. If you do not have any issues, you can skip these steps. This report displays all transactions, organized by type and sorted by reference number for December only. It will help you identify any missing or incorrect transactions.

5. Create a Custom Transaction list with splits report for December in your company file.

Save the report in a custom report group.

Reports -> Standard -> For my Accountant -> Transaction List with splits

Date: December 01 – December 31 prior year

Group by: Transaction Type

Sort by: Num

Header: Transaction List with Splits – December

7. Compare the report to the Sushi Coma December Transaction List with Splits provided by your Instructor.

8. Watch Video Links

[What is a Closing Date?](#)

[Set Up a Closing Date](#)

9. Close the period. Now that the books are complete through the end of the year, Daniel and Meredith prepare to file their S-corporation and individual tax returns. Meredith suggests you set a closing date and password to prevent changes to prior transactions.

Gear-> Company and Settings -> Advanced -> Accounting -> Close the books.

Use date 12/31/prior year. Discuss settings and password with your Instructor.

Now it is time to complete the process of posting transactions for the checking account. We will not connect bank accounts for this training; however, we will import checks, debit/ACH and transfer transactions using the manual import feature.

1. Import and map bank transactions for January-March for Checking 1234.

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

Click **Browse** and select the **Sushi Coma Checking Transactions bank import .csv** file from your computer. Click **Next**.

Manually upload your transactions

How it works

- 1 Open a new tab and sign in to your online bank account.
- 2 Export your bank statement in a .CSV, .QFX, .QBO, .OFX, or .TXT format.
- 3 Upload your bank statement.



Sushi Coma Checking
Transactions_Bank Import
File.csv



a. Select the Checking 1234 Account from the Chart of Accounts. Click Next.

Which account are these transactions from?

Selected File: Sushi Coma Checking Transactions_Bank Import File.csv

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

QuickBooks Account

10000 Checking 1234



Back

b. Map fields between QBO and the bank account.

Select the **field options** shown below, (**Yes, One Column, MM/DD/YYYY**) change the Amount field to **Spent** to match the following screen shot. Click **Continue**.

Let's set up your file in QuickBooks

Step 1: Tell us about the format of your data

Is the first row in your file a header?

Yes

How many columns show amounts?

One column

What's the date format used in your file?

MM/dd/yyyy

Step 2: Select the fields that correspond to your file

QuickBooks fields	Columns from your file
Date	Column 2: Date
Description	Column 4: Description
Amount	Column 6: Spent

Back

Continue

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

A window will appear with a list of transactions to import. Make sure all transactions are selected. **Do you want to import now?** Click **Yes -> Done**.

2. Review Video Links:

[Set Up a Bank or Credit Card Account with Online Banking](#)

[Set Up a Bank or Credit Card Account without Online Banking](#)

[The Online Banking Center](#)

[Add Transaction](#)

[Match and View Transactions](#)

[Match a Downloaded Transaction](#)

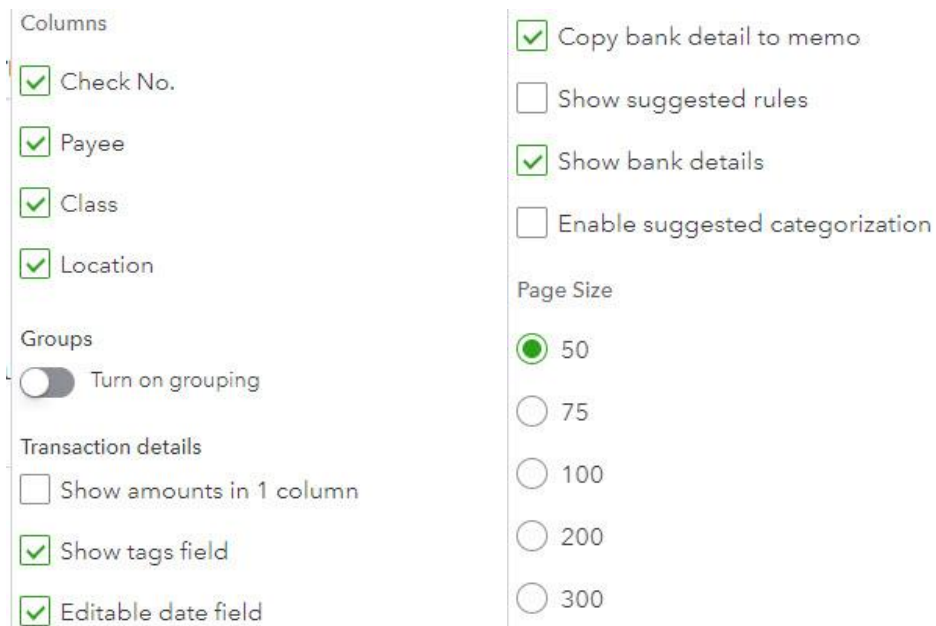
[Add a Deposit](#)

[Add an Expense with a Split](#)

[When Should you Exclude Transactions](#)

[Exclude a Transaction](#)

3. Next, click the Gear in the Banking Center and select all columns and transactions details in the screen shot.



The screenshot shows the settings menu for the Banking Center in QuickBooks. It is divided into several sections: Columns, Groups, Transaction details, and Page Size. In the Columns section, 'Check No.', 'Payee', 'Class', and 'Location' are all checked. In the Groups section, the 'Turn on grouping' toggle is turned off. In the Transaction details section, 'Show amounts in 1 column' is unchecked, while 'Show tags field' and 'Editable date field' are checked. In the Page Size section, the '50' option is selected with a radio button, while '75', '100', '200', and '300' are unselected. Additionally, 'Copy bank detail to memo' is checked, 'Show suggested rules' is unchecked, 'Show bank details' is checked, and 'Enable suggested categorization' is unchecked.

Section	Item	Status
Columns	<input checked="" type="checkbox"/> Check No.	Checked
	<input checked="" type="checkbox"/> Payee	Checked
	<input checked="" type="checkbox"/> Class	Checked
	<input checked="" type="checkbox"/> Location	Checked
Groups	Turn on grouping	Off
Transaction details	<input type="checkbox"/> Show amounts in 1 column	Unchecked
	<input checked="" type="checkbox"/> Show tags field	Checked
	<input checked="" type="checkbox"/> Editable date field	Checked
Page Size	<input checked="" type="radio"/> 50	Selected
	<input type="radio"/> 75	Unselected
	<input type="radio"/> 100	Unselected
	<input type="radio"/> 200	Unselected
	<input type="radio"/> 300	Unselected
Other	<input checked="" type="checkbox"/> Copy bank detail to memo	Checked
	<input type="checkbox"/> Show suggested rules	Unchecked
	<input checked="" type="checkbox"/> Show bank details	Checked
	<input type="checkbox"/> Enable suggested categorization	Unchecked

Click on each transaction and verify or edit the fields. **Be Careful!** This is where errors tend to occur. QuickBooks Online tries to determine the category for you.

4. Post transactions for Checking 1234 (January Only)

Use information in the memo to determine Payee, Category, and Location.

Class: Administrative for all transactions.

Caution! Messages will appear asking you to create rules. Review the **Section Six Banking** of this training before creating rules. Pay attention to detail to avoid unnecessary clean up.

The screenshot shows the QuickBooks Online transaction entry interface. Blue arrows highlight the following elements:

- The **Categorize** radio button at the top left.
- The **Transaction date** field, set to 01/01/2021.
- The **Check No.** field, set to 1005.
- The **Vendor/Customer** dropdown menu, set to Maki Property Management.
- The **Category *** dropdown menu, set to 64500 Rent or Lease.
- The **Customer/project** dropdown menu, set to Select customer/project.
- The **Location** dropdown menu, set to Salmon Blvd.
- The **Class** dropdown menu, set to Administrative.
- The **Memo** field, containing the text "Maki Property Check 1005 Rent Salmon".
- The **Split** button at the bottom right.

At the bottom of the form, there is a row of buttons: **Add attachment**, **Create a rule**, **Exclude**, and **Categorization history**. Below this row, the text "BANK DETAIL Maki Property Check 1005 Rent Salmon" is visible.

Note: Notice the check number in the memo. Add this info to the check no. field.

5. Reconcile the Checking Account for January.

Click **Gear** -> **Reconcile** -> **Select the Checking Account 1234**

Beginning Balance should be \$87,100.00.

Enter Ending Balance \$36,919.36.

Enter Ending Date 01/31/current year.

Click **Start Reconciling**.

- Select all deposits.
- Verify the Payee field has a Vendor name for all checks and ACH transactions.
- Select all the payments - If the difference is zero and there are no unexplained outstanding transactions, Click **Finish now** -> **Done**.

If you have a non-zero balance, compare to Sushi Coma January Checking 1234

Reconciliation report provided by your Instructor. Click **Finish now** -> **Done**.

Chart of accounts > Bank register > Reconcile

Reconcile 10000 Checking 1234
Statement ending date: January 31, 2021

\$36,919.36
STATEMENT ENDING BALANCE

\$87,100.00
BEGINNING BALANCE

\$36,919.36
CLEARED BALANCE

\$144,274.17
32 PAYMENTS

\$94,093.53
12 DEPOSITS

✓ **\$0.00**
DIFFERENCE

✱ We found a hidden transaction that's affecting your difference

A transaction cleared the bank during this statement period but its QuickBooks transaction date is afterwards. Would you like us to change the filter date to show the hidden transaction?

Statement ending date: Clear filter / View a: Payments Deposits All

DATE	CLEARED DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (U)	DEPOSIT (U)
01/01/2021	01/01/2020	Check	1005	64500 Rent or L...	Maki Prop...	Maki Property Check 1...	2,500.00	
01/01/2021	01/01/2020	Check	1006	64500 Rent or L...	Maki Prop...	Maki Property Check 1...	3,500.00	
01/03/2021		Deposit	- Split -		Restaurant ...			7,367.73
01/03/2021		Deposit	- Split -		Online Cus...			10,964....

6. Reconcile the Savings Account 1537 for January:

Beginning Balance should be \$1,000.

Enter Ending Balance \$4,000.00.

Enter Ending Date 01/31/prior year.

Click **Start Reconciling**.

Select all transactions. Difference should be zero.

Click **Finish Now -> Done**.

Chart of accounts > Bank register > Reconcile

Reconcile 10200 Savings 1537
Statement ending date: January 31, 2021

\$4,000.00
STATEMENT ENDING BALANCE

\$1,000.00
BEGINNING BALANCE

-

\$0.00
0 PAYMENTS

\$4,000.00
CLEARED BALANCE

+

\$3,000.00
1 DEPOSIT

✓ **\$0.00**
DIFFERENCE

Statement ending date: Clear filter / View all

Payments Deposits All

Show me around

Print Settings

DATE ▲	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (USD)	DEPOSIT (USD)	
01/25/2021	Transfer		10000 Checking...		Savings Transfer Torrey		3,000.00	✓

Now it is time to complete the process of posting transactions for the American Express 11008 credit card account. We will not connect credit card accounts for this training; however, we will import transactions using the manual import feature.

7. Import American Express 11008 transactions for January through March.

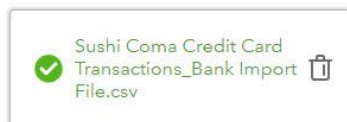
Click **Banking** -> **drop-down arrow to the right of Link Account** -> **Upload from file**.

Click **Browse** and select the **Sushi Coma Credit Card Transactions Bank Import .csv** file from your computer. Click **Next**.

Manually upload your transactions

How it works

- 1 Open a new tab and sign in to your online bank account.
- 2 Export your bank statement in a .CSV, .QFX, .QBO, .OFX, or .TXT format.
- 3 Upload your bank statement.



- a. Select the **American Express 11008** category from the **Chart of Accounts**. Click **Next**.

Which account are these transactions from?

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

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

QuickBooks Account

21000 American Expre 

b. Map fields between QBO and the bank account.

Select the **field options** shown below, (**Yes, One Column, MM/DD/YYYY**) change the Amount field to **Spent** to match the following screen shot. Click **Continue**.

Let's set up your file in QuickBooks

Step 1: Tell us about the format of your data

Is the first row in your file a header?

Yes

How many columns show amounts?

One column

What's the date format used in your file?

MM/dd/yyyy

Step 2: Select the fields that correspond to your file

QuickBooks fields	Columns from your file
Date	Column 2: Date
Description	Column 4: Description
Amount	Column 6: Spent

Back

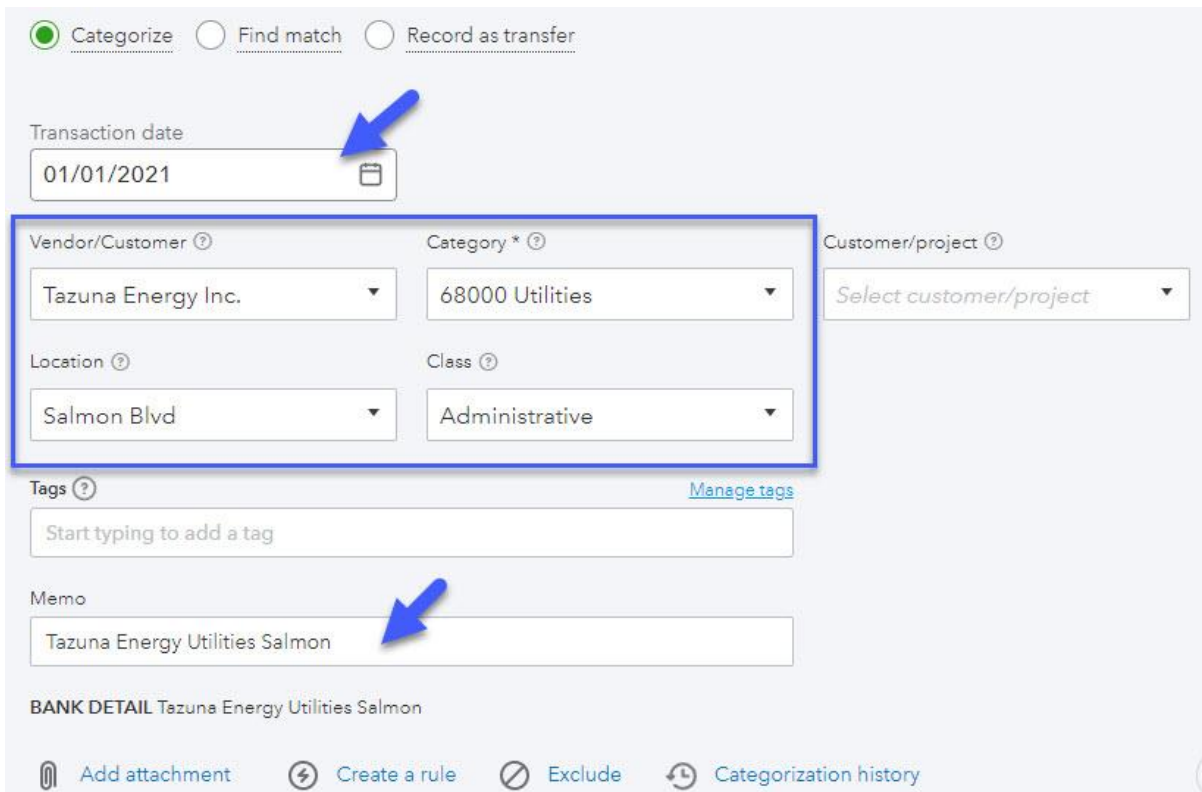
Continue

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

A window will appear with a list of transactions to import. Make sure all transactions are selected. **Do you want to import now?** Click **Yes -> Done**.

- d. **Post transactions for American Express 11008 (January Only)**
- e. **Click on each transaction and verify or edit the fields. Be Careful!** This is where errors tend to occur. QuickBooks Online tries to determine the category for you. Use information in the memo to determine Payee, Category, and Location. Class: Use **Administrative** for all transactions.

Caution! Messages will appear asking you to create rules; simply exit out of the message. We will not create rules during this training. Pay attention to detail to avoid unnecessary clean up.



☒ Categorize ☐ Find match ☐ Record as transfer

Transaction date
01/01/2021





Vendor/Customer [?] Tazuna Energy Inc. Category * [?] 68000 Utilities Customer/project [?] Select customer/project

Location [?] Salmon Blvd Class [?] Administrative

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

Memo
Tazuna Energy Utilities Salmon

BANK DETAIL Tazuna Energy Utilities Salmon

 Add attachment  Create a rule  Exclude  Categorization history

8. Reconcile the Credit Card Account American Express 11008 for January:

Beginning Balance should be \$25,860.00.

Enter Ending Balance \$41,794.32.

Enter Ending Date 01/15/current year.

If you have a non-zero balance, compare to Sushi Coma January Checking 1234

Reconciliation report provided by your Instructor. Click Finish now -> Done.

Chart of accounts > Credit card register > Reconcile

Reconcile 21000 American Express 11008
Statement ending date: January 15, 2021

\$41,794.32
STATEMENT ENDING BALANCE

\$25,860.00
BEGINNING BALANCE

\$41,794.32
CLEARED BALANCE

\$15,934.32
20 CHARGES

\$0.00
0 PAYMENTS

\$0.00
DIFFERENCE

Buttons: Edit info, Finish now

Statement ending date: January 15, 2021

Charges Payments All

DATE	CLEARED DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	CHARGE (US)	PAYMENT (L)
12/25/2020		Credit ...		15200 Office Eq...	Kani Office ...		3,000.00	
12/25/2020		Credit ...		15200 Office Eq...	Kani Office ...		3,000.00	
12/25/2020		Credit ...		15100 Furniture ...	Fugu Small...		2,500.00	

If you have any issues with the checking, savings or credit card reconciliations for January, follow the instructions for step 7 and 7a. If you do not have any issues, you can skip these steps. This report displays all transactions, organized by type and sorted by reference number for January only. It will help you identify any missing or incorrect transactions.

9. Create a Custom Transaction list with splits report for January in your company file.

Save the report in a custom report group.

Reports -> Standard -> For my Accountant -> Transaction List with splits

Date: January 1 – January 31 current year

Group by: Transaction Type

Sort by: Num

Header: Transaction List with Splits – January

- a. **Compare the report to the Sushi Coma January Transaction List with Splits provided by your Instructor.**

1. Post transactions for Checking 1234 (February Only).

Use information in the memo to determine Payee, Category, and Location.

Class: Use Administrative for all transactions.

2. Reconcile the Checking Account for February.

Click Gear -> Reconcile -> Select the Checking Account 1234

Beginning Balance should be \$36,919.36.

Enter Ending Balance \$43,070.35.

Enter Ending Date 02/28/current year.

Click Start Reconciling.

a. Select all deposits Difference should be zero.

b. Verify the Payee field has a Vendor name for all checks and ACH transactions.

c. Select all the payments If the difference is zero and there are no unexplained outstanding transactions, Click **Finish now -> Done.**

d. If you have a non-zero balance, compare to Sushi Coma February Checking 1234

Reconciliation report provided by your Instructor. Click Finish now -> Done.

Chart of accounts > Bank register > Reconcile

Reconcile 10000 Checking 1234

Statement ending date: February 28, 2021

\$43,070.35

STATEMENT ENDING BALANCE

-

\$36,919.36

BEGINNING BALANCE

-

\$88,912.80

30 PAYMENTS

+

\$95,063.79

9 DEPOSITS

\$43,070.35

CLEARED BALANCE

✓ **\$0.00**

DIFFERENCE

▼ X Statement ending date Clear filter / View all

Payments Deposits All

Show me around

DATE	CLEARED DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (L) DEPOSIT (U)	✓
02/01/2021	02/01/2020	Expense		64500 Rent or L...	Maki Prope...	Maki Property Check 10...	3,500.00	✓
02/01/2021	02/01/2020	Expense		64500 Rent or L...	Maki Prope...	Maki Property Check 10...	2,500.00	✓
02/05/2021		Journal	Payroll 02/0 - Split -			To record Direct Depos...	6,529.53	✓

3. Reconcile the Savings Account 1537 for February:

Beginning Balance should be \$4,000.

Enter Ending Balance \$9,000.00.

Enter Ending Date 02/28/current year.

Click **Start Reconciling**.

Select all transactions

Click **Finish Now -> Done**.

Chart of accounts > Bank register > Reconcile

Reconcile 10200 Savings 1537
Statement ending date: February 28, 2021

\$9,000.00

STATEMENT ENDING BALANCE

-

\$9,000.00

CLEARED BALANCE

\$4,000.00

BEGINNING BALANCE

-

\$0.00

0 PAYMENTS

+

\$5,000.00

1 DEPOSIT

✓

\$0.00

DIFFERENCE

4. Post transactions for American Express 11008 (February Only)

Use information in the memo to determine Payee, Category, and Location.

Class: Use Administrative for all transactions.

5. Reconcile the Credit Card Account American Express 11008 for February:

Beginning Balance should be \$41,794.32.

Enter Ending Balance \$11,909.22.

Enter Ending Date 02/15/current year.

a. Select all payments.

b. Verify the Payee field has a Vendor name for charges.

c. Select all the charges - If the difference is zero and there are no unexplained outstanding transactions, Click **Finish now.** -> **Done.**

If you have a non-zero balance, compare to Sushi Coma February Amex 11008

Reconciliation report provided by your Instructor. Make changes, click **Finish now** -> **Done.**

Chart of accounts > Credit card register > Reconcile

Reconcile 21000 American Express 11008

Statement ending date: February 15, 2021

\$11,909.22

STATEMENT ENDING BALANCE

\$11,909.22

CLEARED BALANCE

\$0.00

DIFFERENCE

\$41,794.32

BEGINNING BALANCE

+

\$5,114.90

20 CHARGES

-

\$35,000.00

1 PAYMENT

Edit info

Finish now

Statement ending date

Clear filter / View all

Charges
Payments
All

Show me around

DATE	CLEARED DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	CHARGE (U\$)	PAYMENT (L)	
01/18/2021	01/18/2020	Expense	60910 Auto Exp...	Geta Fuel	Geta Fuel Torrey		66.98		
01/22/2021	01/22/2020	Expense	64800 Security	Baigai Secu...	Baigai Security Systems...		198.00		
01/22/2021	01/22/2020	Expense	64800 Security	Baigai Secu...	Baigai Security Systems...		198.00		

If you have any issues with the checking, savings or credit card reconciliations for February, follow the instructions for step 6 and 6a. If you do not have any issues, skip these steps. This report displays all transactions, organized by type and sorted by reference number for February only. It will help you identify any missing or incorrect transactions.

6. Create a Custom Transaction list with splits report for February in your company file.

Save the report in a custom report group.

Reports -> Standard -> For my Accountant -> Transaction List with splits

Date: February 1 – February 28 current year

Group by: Transaction Type

Sort by: Num

Header: Transaction List with Splits – February

- a. Compare the report to the Sushi Coma February Transaction List with Splits provided by your Instructor.**

1. Post transactions for Checking 1234 (March Only).

Use information in the memo to determine Payee, Category, and Location.

Class: Use Administrative for all transactions.

2. Reconcile the Checking Account for March.

Click Gear -> Reconcile -> Select the Checking Account 1234

Beginning Balance should be \$43,070.35.

Enter Ending Balance \$60,257.46.

Enter Ending Date 03/31/current year.

Click **Start Reconciling**.

a. Select all deposits - Difference should be zero.

b. Verify the Payee field has a Vendor name for all checks and ACH transactions.

c. Select all the payments If the difference is zero and there are no unexplained outstanding transactions, Click **Finish now.** -> **Done.**

If you have a non-zero balance, compare to Sushi Coma March Checking 1234

Reconciliation report provided by your Instructor. Make changes, click **Finish now** -> **Done.**

Chart of accounts > Bank register > Reconcile

Reconcile 10000 Checking 1234
Statement ending date: March 31, 2021

\$60,257.46
STATEMENT ENDING BALANCE

\$43,070.35
BEGINNING BALANCE

\$60,257.46
CLEARED BALANCE

\$87,331.11
30 PAYMENTS

\$104,518.22
10 DEPOSITS

✓ **\$0.00**
DIFFERENCE

▼ X Statement ending date Clear filter / View all

Payments Deposits All

Show me around

Print Settings

DATE	CLEARED DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (L) DEPOSIT (U)	
03/01/2021	03/01/2020	Check	1021	64500 Rent or L...	Maki Prope...	Maki Property Check 10...	3,500.00	✓
03/01/2021	03/01/2020	Check	1022	64500 Rent or L...	Maki Prope...	Maki Property Check 10...	2,500.00	✓
03/05/2021		Journal	Payroll 03/0	- Split -		To record Direct Depos...	6,316.76	✓

3. Reconcile the Savings Account 1537 for March:

Beginning Balance should be \$9,000.00.

Enter Ending Balance \$14,000.00.

Enter Ending Date 03/31/current year.

Click **Start Reconciling**.

- Select all deposits** Difference should be zero.
- Verify the Payee field has a Vendor name for all transactions.**
- Select all the payments** If the difference is zero and there are no unexplained outstanding transactions, Click **Finish now -> Done**.

Chart of accounts > Bank register > Reconcile

Reconcile 10200 Savings 1537

Statement ending date: March 31, 2021

\$14,000.00

STATEMENT ENDING BALANCE

-

\$14,000.00

CLEARED BALANCE

✓ **\$0.00**

DIFFERENCE

\$9,000.00

BEGINNING BALANCE

-

\$0.00

0 PAYMENTS

+

\$5,000.00

1 DEPOSIT

Statement ending date: Clear filter / View all

Payments Deposits All

Show me around

Print Settings

DATE ▲	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (USD)	DEPOSIT (USD)	
03/25/2021	Transfer		10000 Checking...	Savings Transfer Torrey		5,000.00		✓

4. Post transactions for American Express 11008 (March Only).

Use information in the memo to determine Payee, Category, and Location.

Class: Use Administrative for all transactions.

5. Reconcile the Credit Card Account American Express 11008 for March:

Beginning Balance should be \$11,909.22.

Enter Ending Balance \$13,179.83.

Enter Ending Date 03/15/current year.

a. Select all payments.

b. Verify the Payee field has a Vendor name for charges.

c. Select all the charges - If the difference is zero and there are no unexplained outstanding transactions, Click **Finish now** -> **Done**.

If you have a non-zero balance, compare to Sushi Coma February Amex 11008

Reconciliation report provided by your Instructor. Click **Finish now** -> **Done**.

Chart of accounts > Credit card register > Reconcile

Reconcile 21000 American Express 11008
Statement ending date: March 15, 2021

\$13,179.83
STATEMENT ENDING BALANCE

\$11,909.22
BEGINNING BALANCE

+

\$4,842.47
19 CHARGES

-

\$3,571.86
2 PAYMENTS

\$13,179.83
CLEARED BALANCE

\$0.00
DIFFERENCE

[Edit info](#)
[Finish now](#)

Statement ending date: Clear filter / View all

DATE	CLEARED DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	CHARGE (U) / PAYMENT (L)	
02/18/2021	02/18/2020	Expense		60910 Auto Exp...	Geta Fuel	Geta Fuel Torrey	70.56	✓
02/22/2021	02/22/2020	Expense		64800 Security	Baigai Secu...	Baigai Security Systems...	198.00	✓
02/22/2021	02/22/2020	Expense		64800 Security	Baigai Secu...	Baigai Security Systems...	198.00	✓
02/23/2021	02/23/2020	Expense		60910 Auto Exp...	Geta Fuel	Geta Fuel Torrey	69.25	✓

If you have any issues with the checking, savings or credit card reconciliations for March, follow the instructions for step 6 and 6a. If you do not have any issues, you can skip these steps. This report displays all transactions, organized by type and sorted by reference number for March only. It will help you identify any missing or incorrect transactions.

6. Create a Custom Transaction list with splits report for March in your company file.

Save the report in a custom report group.

Reports -> Standard -> For my Accountant -> Transaction List with splits

Date: March 1 – March 31 current year

Group by: Transaction Type

Sort by: Num

Header: Transaction List with Splits – March

- a. Compare the report to the Sushi Coma March Transaction List with Splits provided by your Instructor.**



Online Foundations Training

SECTION 12

BUDGETING

Objectives
Creating a Budget
Budget Reports
Practice Test
Case Study Activities

Upon completion of Section 12, each participant will be familiar with:

- An overview of Budgets.
- How to create and maintain a Budget.
- How to access and view Budget reports.

Daniel and Meredith know they should establish a budget but feel overwhelmed as they do not understand the process. Neither of them has set up or worked within a budget and have not yet experienced how powerful this tool can be and how it can help them improve company performance.

Let's first help them gain insight into Budgets with an overview, then jump into the details of how to create a Budget in QuickBooks Online, and how to maintain the Budget. We will conclude with information on how they can access and view Budget reports.

Budgets are a very important and an often-overlooked financial process for many small business owners. A budget is a financial plan for a defined period and can help achieve long-term goals as well as improve cash on hand.

A budget is a checks and balance system that helps us track goals such as targets for revenue and expenses. It provides financial data that allows us to compare what we bring in and spend compared to those goals. There are many ways to budget and several types of budgets.

There are many benefits of working within a budget. Here are a few:

- Helps business owners effectively manage cash flow.
- Assists in appropriate allocation of resources to projects.
- Helps business owners monitor company performance.
- Helps business owners establish and meet objectives.
- Improves decision-making.
- Identifies problems before they occur – Cash flow difficulties, the need to raise more money, etc.
- Helps develop future business strategies.
- Increases staff motivation.

Why do you think it is important to establish and maintain a budget? What are the benefits, versus not having a budget in place? What types of information can a budget provide?

Let's create a simple Profit & Loss Budget:

Click **Gear icon -> Budgeting -> Add Budget.**

Add budget

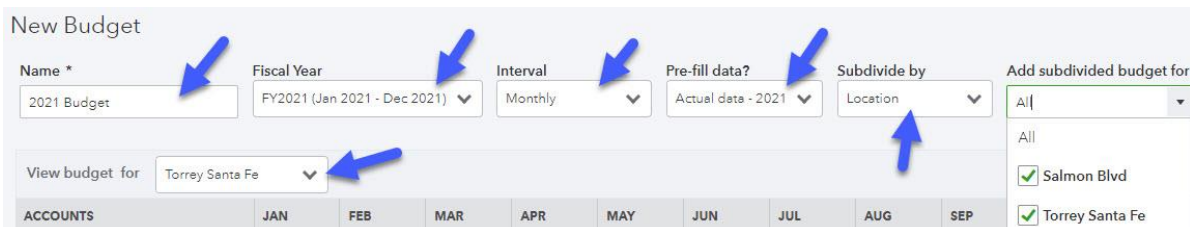
Create a **name**.

Select the **Fiscal Year** and **Interval**. If you have history from previous years, you can **Pre-fill** the Budget with actual data from the previous or current year. If not, create your Budget from scratch.

Subdivide by Customer, Class or Location.

Add **Subdivided Budget** for all or specific locations.

Click **Create Budget**. If you choose actual data, the amounts will populate for each account category used in the company file.



New Budget

Name * 2021 Budget

Fiscal Year FY2021 (Jan 2021 - Dec 2021)

Interval Monthly

Pre-fill data? Actual data - 2021

Subdivide by Location

View budget for Torrey Santa Fe

ACCOUNTS JAN FEB MAR APR MAY JUN JUL AUG SEP

Add subdivided budget for

- All
- Salmon Blvd
- Torrey Santa Fe

Additional Budget features:

As you enter totals in the cells, you can use the copy across option to auto-populate all twelve months. Click **Gear** icon to change view options, hide blank rows and display options.

ACCOUNTS	JAN	FEB	MAR
▼ INCOME			
40000 Food Sales	29,778.00	33,180.00	36,739.50
40100 Liquor Sales	2,591.00	2,276.00	2,349.00
40200 Beverage Sales	996.00	1,032.00	1,136.00

View by

☒ Month

☐ Quarter

☐ Year

Rows

☐ Hide blank rows

Display density

☒ Compact

Once your Budget has been saved you can use the **Edit** feature to make changes, copy, delete or run reports.

<input type="checkbox"/>	BUDGETS	PERIOD	CREATED ON	LAST UPDATED	ACTION
<input type="checkbox"/>	2021 Budget	Jan 2021 - Dec 2021	2022-01-17	2022-01-17	Run Budget Overview report ▼

Run Budget Overview report ▼

Edit
Copy
Delete
Run Budgets vs. Actuals report

Columns

☐ Format

☒ Period

☒ Created on

☒ Last updated

Rows

☐ Compact

Now we can add or change amounts for income accounts. In this example we populated the data from the current year and are focusing on January– March. We need to change the amounts to reflect projected sales, the dollar amount of sales we anticipate receiving during that timeframe. We also subdivided the Budget by location. Now we can change the Budget view and amounts per location.

2021 Budget

Name * Add subdivided budget for

Show rows as for

ACCOUNTS	JAN	FEB	MAR
▼ INCOME			
40000 Food Sales	32,856.00	32,514.00	35,671.50
40100 Liquor Sales	2,022.00	1,973.00	2,107.00
40200 Beverage Sales	902.00	1,016.00	1,078.00
40300 Catering Fees	225.00	225.00	225.00
40400 Delivery Fees	4,720.00	4,300.00	3,800.00
40500 Discounts Given	-798.37	-783.11	-841.44
Total Income	39,926.63	39,244.89	42,040.06

Next, add or edit Cost of Goods Sold Budget amounts. Click **Save** when you complete this process.

▼ COST OF GOODS SOLD			
50000 Food Costs	9,351.00	12,592.26	12,924.74
50100 Liquor Costs	788.45	773.80	827.15
50200 Beverage Costs	227.10	229.55	243.70
50300 Restaurant Supplies	703.12	832.15	862.96
50700 Inventory Shrinkage	0.00	0.00	10.45
Total Cost of Goods Sold	11,069.67	14,427.76	14,869.00

Finally, add or edit the expense Budget amounts. Click **Save** when you complete this process.

▼ EXPENSES			
60800 Advertising & Promotio...	1,000.00	1,000.00	1,000.00
62200 Dues & Subscriptions	147.00	147.00	147.00
63000 Insurance - Liability	0.00	0.00	1,200.00
63100 Insurance - Workers' C...	636.00	636.00	636.00
63200 Interest Paid	301.02	291.91	297.27
64100 Legal & Professional Fees	1,995.00	795.00	795.00
64400 Office Expense	298.22	467.50	398.90
64500 Rent or Lease	3,500.00	3,500.00	3,500.00
64600 Repairs & maintenance	275.00	275.00	275.00
64800 Security	198.00	198.00	198.00
65100 Telephone & Communi...	275.34	291.22	290.67
66000 Uniforms	775.00	275.00	275.00
68000 Utilities	573.93	571.62	432.67
Total Expenses	20,880.12	24,959.39	27,003.23

The **Budget vs Actual** report compares our budgeted amounts to the actual revenue and expenses found on the Profit & Loss. Another great feature in the report is the Over Budget and Under Budget for both amounts and percentages. This tells us if we are over or under our budgeted amounts. You can discuss the results and adjust accordingly. Trimming expenses at the same time you are focused on sales growth is a balanced approach to improving cash on hand and profitability.

From the **Budget** window, click the drop-down arrow next to edit to select the **Budget vs Actual report**.

The following example provides actual vs budget based on choice to populate data from actual. The amounts will match until you manually change the budget figures. Notice the amount over or under budget and the percentage over or under budget.

Budget vs. Actuals: 2021 Budget - FY21 P&L Locations Report

[Back to report list](#)
Report period

Custom ▼ 01/01/2021 to 03/31/2021

Budget: 2021 Budget - FY21 P&L Lc ▼

Show non-zero or active only: Non-zero Rows/Non-zero C ▼

Compare another period: Budget amount over ▼

Accounting method: ☐ Cash ☒ Accrual

Run report

JDoe Sushi Coma Inc 2022

Budget vs. Actuals: 2021 Budget - FY21 P&L Locations
January - March, 2021

	SALMON BLVD				TORREY SANTA FE			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
▼ Income								
40000 Food Sales	99,697.50	99,697.50	0.00	100.00 %	101,041.50	101,041.50	0.00	100.00 %
40100 Liquor Sales	7,216.00	7,216.00	0.00	100.00 %	6,102.00	6,102.00	0.00	100.00 %
40200 Beverage Sales	3,164.00	3,164.00	0.00	100.00 %	2,996.00	2,996.00	0.00	100.00 %
40300 Catering Fees					675.00	675.00	0.00	100.00 %
40400 Delivery Fees	11,200.00	11,200.00	0.00	100.00 %	12,820.00	12,820.00	0.00	100.00 %
40500 Discounts Given	-2,426.27	-2,426.27	0.00	100.00 %	-2,422.92	-2,422.92	0.00	100.00 %
Total Income	\$118,851.23	\$118,851.23	\$0.00	100.00 %	\$121,211.58	\$121,211.58	\$0.00	100.00 %

- 1. You want to create a Budget for your company. Where do you access Budgets in QuickBooks Online Plus?**
 - a) Gear->Budgeting
 - b) Banking->Rules
 - c) Accounting->Chart of Accounts
 - d) None of the above

- 2. Which report compares the amounts we budgeted to the amounts we received and spent?**
 - a) Balance Sheet
 - b) Budget vs Actual
 - c) Profit & Loss
 - d) All the above

- 3. What types of change does a Budget vs actual report show?**
 - a) Dollars
 - b) Percentage
 - c) Cash Flow
 - d) Both A and B

- 4. You are creating a new Budget and need to determine an interval, what are the options?**
 - a) Monthly
 - b) Quarterly
 - c) Yearly
 - d) All the above

- 5. You are creating a new Budget and want to subdivide the Budget, what are the options?**
 - a) Customer
 - b) Class
 - c) Location
 - d) All the above

Daniel and Meredith have asked you to produce an overall Budget and a budget per location. They realize the importance of a Budget and how it will help them stay in check with sales and spending.

1. Review Video Links:

[How to run Budget vs Actual Report](#)

[Create and Import Budgets into QuickBooks Online](#)

2. Instructor to determine how you will complete Budget Case Study activities.

The budget should be created for January-March current year.

3. Locate and review the Budget vs Actual report for January-March current year.

Make sure you have created a Budget before completing this activity.



Online Foundations Training

SECTION 13

FINAL REVIEW

Objectives
Custom Reports
Sushi Coma Financial Review

Upon completion of Section 13 each participant will be familiar with:

- How to save and group Custom Reports.
- How to setup and review a Balance Sheet.
- How to setup and review a Profit & Loss.
- How to review an Audit Log.
- How to create a report and utilize Ask My Accountant.
- Review and Discussion of Sushi Coma Inc. Financial Reports.

In this section, Sushi Coma Inc. will come to life as you gain an understanding of how QuickBooks Online takes raw, meaningless numbers and converts them into highly valuable information. You will begin to see how the numbers tell Sushi Coma's story and how to use those numbers to improve company performance.

You will learn how to navigate a Balance Sheet and Profit & Loss statement, the difference between the two and what it all means. You will also learn how to run an Audit Log, which will help the Sushi Coma owners detect fraudulent activity. The use of Custom Reports means the owners are one click away from accurate real time data 24 hours a day, 7 days a week.

Let's dive into this section and watch the numbers take on meaning!

What reports do you find the most valuable at this point in the training and why?

When we discussed the Chart of Accounts, we learned that categories in the account list make up the Balance Sheet and Profit & Loss statements. We learned the types of transactions that each report displayed and how important these reports are to business owners, the story they tell and how they help with cash management and profitability. Let's review.

Balance Sheet

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

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

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

Profit & Loss

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

Cost of Goods Sold (What you have spent directly related to sales): The costs that are subtracted from sales to determine gross profit margin.

Expenses (what you have spent): office expenses, wages, professional fees, rent, utilities. The Profit & Loss Statement shows the net loss or gain for a date range. At the end of a calendar or fiscal year, the net profit or loss rolls into the equity section of the Balance Sheet.

Customizing and viewing reports on a regular basis is an important aspect of running a successful company. This ensures the accuracy of your company data and provides information necessary to improve cash flow and profitability. Reports are critical when it comes to providing information you need to make better management decisions.

Manage reports using the **Custom Reports** section which allows you to save Custom Reports in groups. This will streamline the time it takes to review reports daily, weekly, monthly etc.

The **Balance Sheet** and **Profit & Loss** offer a quick view of a business's financial standing. Bankers, Investment Capitalists, etc. evaluate these reports to determine if they will loan money or invest in your business. It is important business owners understand how to read and interpret balance sheets. Without this snapshot, they may make decisions that have negative repercussions on their companies' financial standing.

Balance Sheet

Click **Reports** in the **Left Navigation Bar** -> **Standard** -> **Scroll to Business Overview** -> **Balance Sheet**. When you click the star, the standard report appears in the favorites section at the top of the window.

▼ Business overview		
Audit Log		
Balance Sheet Comparison	☆	⋮
Balance Sheet Detail	☆	⋮
Balance Sheet Summary	☆	⋮
Balance Sheet	★	⋮

There are several ways to filter data to create custom reports. Change the **Report period**, **Display columns** (to show columns by month), **Show non-zero or active only**, and **Accounting method**. The **Compare Report periods** is highly recommended and tells a story.

Balance Sheet Report

[Back to report list](#)

Report period

Custom 01/01/2021 to 03/31/2021

Customize Save customization

Display columns by Show non-zero or active only Compare another period Accounting method

Total Only Non-zero Rows/Non-zero C Select period Cash Accrual Run report

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

Collapse Sort Add notes Edit titles

Email Print Export Settings

Click **Customize**.

Customize report

General

Report period

Custom 01/01/2021 to 03/31/2021

Accounting method

☐ Cash ☒ Accrual

Number format

☐ Divide by 1000

☐ Without cents

☒ Except zero amount

Negative numbers

(100)

☐ Show in red

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

▼ Rows/Columns

Columns

Total Only ▼

Show non-zero or active only

Non-zero Rows/Non ▼

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

▼ Filter

<input type="checkbox"/> Customer	All ▼
<input type="checkbox"/> Vendor	All ▼
<input type="checkbox"/> Location	All ▼
<input type="checkbox"/> Class	All ▼
<input type="checkbox"/> Product/Service	All ▼

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

▼ Header/Footer

Header

☒ Company name

JDoe Sushi Coma Inc

☒ Report title

Balance Sheet

☒ Report period

Footer

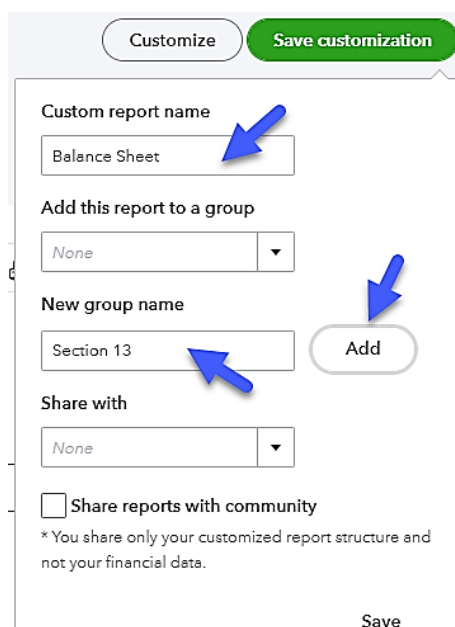
☒ Date prepared

☒ Time prepared

☒ Report basis (cash vs. accrual)

Click **Save customization**.

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



The screenshot shows the 'Customize' form for a report. At the top are two buttons: 'Customize' and 'Save customization'. The form contains the following fields and options:

- Custom report name:** A text box containing 'Balance Sheet'. A blue arrow points to this field.
- Add this report to a group:** A dropdown menu currently showing 'None'.
- New group name:** A text box containing 'Section 13'. A blue arrow points to this field.
- Add:** A button next to the 'New group name' field. A blue arrow points to this button.
- Share with:** A dropdown menu currently showing 'None'.
- ☐ **Share reports with community**
- * You share only your customized report structure and not your financial data.
- Save:** A button at the bottom right of the form.

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

> Section 13			Unscheduled	Edit ▼
Balance Sheet	Kristine Mehler	01/01/2021-03/31/2021		Edit ▼

Note: You can share custom reports using several methods including Save as a **PDF**, **Export to Excel**, **Export to Google Sheets**, or **Email**. Use the edit option to share reports with **all** or **none**.

The **Balance Sheet** tells us much more than most business owners realize. When your Balance Sheet is accurate, it becomes a great cash flow management tool and supplies the information we need to calculate Key Performance Indicators (KPI'S) in our business. For example, we can calculate our Current Ratio, a ratio designed to measure the ability to pay short-term obligations, (those due within one year) and compare them to industry standards. The Balance Sheet allows us to run projections on ways to improve our Current Ratio, providing an action plan for improvement. Banks rely heavily on the Balance Sheet to determine if a business can pay back borrowed debt. Pay attention to and learn from the numbers in this report.

Collapse Sort ▼ Add notes Edit titles

JDoe Sushi Coma Inc 2022

Balance Sheet
As of March 31, 2021

	TOTAL
▼ ASSETS	
▼ Current Assets	
▼ Bank Accounts	
10000 Checking 1234	60,257.46
10200 Savings 1537	14,000.00
10800 Register Drawer	400.00
10900 Petty Cash	1,000.00
Total Bank Accounts	\$75,657.46
▼ Accounts Receivable	
11000 Accounts Receivable	624.20
Total Accounts Receivable	\$624.20
▼ Other Current Assets	
12100 Inventory	335.65
Total Other Current Assets	\$335.65
Total Current Assets	\$76,617.31

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

Now let's look at the Fixed and Other Asset section of the Balance Sheet. Fixed assets consist of Equipment, Furniture & Fixtures, Vehicles etc. Security Deposits is another type of asset, money we do not have access to until we no longer lease the building. The asset sections of the Balance Sheet are all about what our business owns. If we were to take all the cash in the bank, collect all the money owed to us, and sell our assets, would we have enough to pay all our debts? This is referred to as Liquidity.

▼ Fixed Assets	
15000 Resturant Equipment	22,000.00
15100 Furniture & Fixtures	8,000.00
15200 Office Equipment	6,000.00
15300 Vehicles	20,000.00
16000 Leasehold Improvements	55,000.00
Total Fixed Assets	\$111,000.00
▼ Other Assets	
16700 Security Deposits	6,000.00
Total Other Assets	\$6,000.00
TOTAL ASSETS	\$193,617.31



The next section of a Balance Sheet is all about liabilities and what the business owes. There are both current and long-term liabilities. Current means you are going to pay them in less than a year and includes bills, credit cards, line of credit etc. Long-Term means you are going to pay them in more than a year and includes equipment, vehicle loans, etc.

▼ LIABILITIES AND EQUITY	
▼ Liabilities	
▼ Current Liabilities	
▼ Accounts Payable	
20000 Accounts Payable	14,630.89
Total Accounts Payable	\$14,630.89
▼ Credit Cards	
21000 American Express 11008	11,424.30
Total Credit Cards	\$11,424.30
▼ Other Current Liabilities	
▼ 22000 Payroll Liabilities	
22010 Federal Taxes Payable	10,727.01
22020 State Taxes Payable	7,705.97
Total 22000 Payroll Liabilities	18,432.98
22100 California Department of Tax and Fee Administr...	6,302.18
22200 Undistributed Tips	5,249.18
Total Other Current Liabilities	\$29,984.34
Total Current Liabilities	\$56,039.53
▼ Long-Term Liabilities	
27000 Note Payable - SBA	49,763.24
27100 Notes Payable - Vehicle 1	19,096.87
Total Long-Term Liabilities	\$68,860.11
Total Liabilities	\$124,899.64

The last section of a Balance Sheet is Equity, or what the business is worth.

When a business owner first sets up up an entity, they add personal or investment monies for startup costs, building improvements, legal fees, etc. This is money that owners contribute, and these funds are recorded in the Equity section. Anytime an owner draws money, it is recorded here. The owner draw section of the balance sheet shows money and other assets that the owner takes from the business for personal use.

Once Sushi Coma becomes profitable, as an S-Corp, the owners will need to put themselves on Payroll and receive a salary. They had all agreed to forego Payroll the first three months as they got the business up and running. (Sole Proprietors take draws vs. Payroll to pay themselves and Partnerships take member draws or guaranteed payments.)

Each year the profits or losses roll into the Equity section of the Balance Sheet. We want to make sure that all the account categories on a Balance Sheet are accurate and reliable. The total assets should match liabilities plus equity.

▼ Equity	
30000 Retained Earnings	(8,260.00)
30100 Shareholder 1 Contributions	26,200.00
30300 Shareholder 2 Contributions	26,200.00
Net Income	24,577.67
Total Equity	\$68,717.67
TOTAL LIABILITIES AND EQUITY	\$193,617.31

Profit & Loss

The **Profit & Loss** report summarizes Revenue, Costs and Expenses that are incurred over a specified time period. At the end of each year, the Net Profit or Loss rolls into the Equity section of the Balance Sheet. Each new year starts with a zero balance for Income and Expenses.

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

Business overview

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

Click **Customize**. Change the **Negative numbers** to display with parenthesis and check the box, "Show in red."

Number format

- ☐ Divide by 1000
- ☐ Without cents
- ☒ Except zero amount

Negative numbers

- (100) ▾
- ☒ Show in red

Customize report

General

Report period

Custom ▾ 01/01/2021 to 03/31/2021

Accounting method

☐ Cash ☒ Accrual

Note: There are three areas of a report you can modify: Report Period, Accounting Method, and Number Format.

The **Profit & Loss** provides vital information about the health of a business and is used to review income and expense for a period of time. It answers such questions as, “Are we hitting sales growth targets? Is our Gross Profit enough to pay all costs? Did we hit our Net Income before Taxes goals? How does our profit margin compare to industry standards?” Never underestimate the power of this report; it tells the story of your business and provides guidance as to which areas need focus.

Every category or line item is a percentage of total income.

Use the **Collapse** feature to hide or unhide subaccounts when customizing reports.

Collapse Sort ▼ Add notes Edit titles

JDoe Sushi Coma Inc 2022

Profit and Loss % of Total Income
January - March, 2021

	TOTAL	
	JAN - MAR, 2021	% OF INCOME
▼ Income		
40000 Food Sales	200,739.00	83.62 %
40100 Liquor Sales	13,318.00	5.55 %
40200 Beverage Sales	6,160.00	2.57 %
40300 Catering Fees	675.00	0.28 %
40400 Delivery Fees	24,020.00	10.01 %
40500 Discounts Given	(4,849.19)	(2.02 %)
Total Income	\$240,062.81	100.00 %

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

The next section of a Profit & Loss is referred to as Direct Costs or Cost of Goods Sold. They are costs directly related to sales. Each line category or line item is a percentage of total sales. Is our total Cost of Goods Sold in line with our industry? Is our Gross Profit Margin better than industry standards? The percentages help us set targets and goals and provides the ability to compare goals to our actual results. The Gross Profit Margin determines if we have enough after Direct Costs or Cost of Goods Sold to pay the rest of the bills and show a profit.

▼ Cost of Goods Sold		
50000 Food Costs	67,240.66	28.01 %
50100 Liquor Costs	5,216.50	2.17 %
50200 Beverage Costs	1,452.00	0.60 %
50300 Restaurant Supplies	4,489.23	1.87 %
50700 Inventory Shrinkage	21.45	0.01 %
Total Cost of Goods Sold	\$78,419.84	32.67 %
GROSS PROFIT	\$161,642.97	67.33 %

The last section of a Profit & Loss displays all other expenses and determines net income or loss. We can drill down to view detailed information about each category. This helps us to verify all transactions are in the correct account category and verifies percentage of income or sales is accurate. Notice the simplicity of this report and the clean Chart of Accounts. The report provides critical information necessary to make sound business decisions. Where could we cut costs and improve net income? Should we focus on sales growth and expense management at the same time?

▼ Expenses		
▼ 60000 Payroll Expenses		
60100 Salaries & Wages	56,640.00	23.59 %
60200 Payroll Tax Expense	25,074.50	10.44 %
Total 60000 Payroll Expenses	81,714.50	34.04 %
60800 Advertising & Promotional	6,000.00	2.50 %
▼ 60900 Auto Expenses		
60910 Auto Fuel	1,114.02	0.46 %
60920 Insurance	914.49	0.38 %
60930 Auto License	560.00	0.23 %
60940 Auto Service	1,351.40	0.56 %
Total 60900 Auto Expenses	3,939.91	1.64 %
62200 Dues & Subscriptions	762.00	0.32 %
63000 Insurance - Liability	2,400.00	1.00 %
63100 Insurance - Workers' Comp	3,816.00	1.59 %
63200 Interest Paid	890.20	0.37 %
64100 Legal & Professional Services	7,170.00	2.99 %
64400 Office Expense	2,212.43	0.92 %
64500 Rent or Lease	18,000.00	7.50 %
64600 Repairs & Maintenance	1,650.00	0.69 %
64800 Security	1,188.00	0.49 %
65100 Telephone & Communications	1,681.21	0.70 %
66000 Uniforms	2,650.00	1.10 %
68000 Utilities	2,991.05	1.25 %
Total Expenses	\$137,065.30	57.10 %
NET OPERATING INCOME	\$24,577.67	10.24 %
NET INCOME	\$24,577.67	10.24 %

Fraud prevention is a growing topic and unfortunately many business owners have experienced fraud firsthand. Implementing fraud prevention policies, processes, and procedures can help detect and prevent fraudulent activity.

Biz Q&A:

- *How do you prevent fraud from occurring in a business?*
- *How do you identify areas where the likelihood of fraud is the greatest?*
- *How do you protect your business assets and cash?*
- *Did you know that businesses with strong internal controls in place have more accurate financial statements?*

Important Fact:

According to the Association of Certified Fraud Examiners, the average business will lose approximately 7% of revenues due to employee theft. Small businesses have a 38% greater amount of fraud than larger companies. This is due to the fact many small businesses do not have a fraud prevention strategy in place, while larger companies do.

Audit Log

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

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

Click the drop-down arrows to change search criteria by **User**, **Date Range**, or **Events**.

Audit Log

User

Date changed

Events

All Users

This Month

All events

DATE CHANGED ▼	USER	EVENT	HISTORY
Jan 19, 2022, 8:14 am East...	Kristine Mehler	Edited Memorized Report Section 13:Profit and Loss % of Total Income	View
Jan 19, 2022, 8:12 am East...	Kristine Mehler	Edited Memorized Report Section 13:Profit and Loss % of Total Income	View
Jan 19, 2022, 8:08 am East...	Kristine Mehler	Added Memorized Report Section 13:Profit and Loss Comparison	View
Jan 19, 2022, 8:06 am East...	Kristine Mehler	Edited check No. 1017 made to Maki Property Management for \$2500.00	View

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


Click the **Gear** icon to select columns to view.

Click **View** to see details for a specific transaction.

Ask My Accountant

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

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

99999	99999 Ask My Accountant	Other Expense	Other Miscellaneous E...			 Run report ▼
	Reconciliation Discrepanci	Other Expense	Other Miscellaneous E...			Run report ▼


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

Change the **Report Period** to **All Dates** then click **Run report**. Remember click **Save**.

Customization to save your report in **Custom Reports**.

Ask My Accountant Report

[Back to Chart of Accounts](#)
Report period



Rows/columns
 Group by

Customize

Save customization

Run report

JDoe Sushi Coma Inc 

ASK MY ACCOUNTANT
All Dates

This report does not contain any data.

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

Daniel and Meredith have requested a financial review of several custom reports. You now have the skillset to create and save custom reports. Let's begin with a Balance Sheet, only this time, impress them with a 4-month comparison.

1. Review Video Links:

[Types of Reports](#)

[Summary Reports](#)

[Detail Reports](#)

[How to Customize Reports](#)

[How to Save Customized Reports](#)

[Balance Sheet](#)

[Profit & Loss](#)

[Accrual vs Cash](#)

[Collapse Report](#)

[What is the Audit Log?](#)

[Use the Audit Log](#)

2. Create, Customize and Save a Balance Sheet four-month comparison report.

Date: 12/1 prior year – 03/31/current year

Display columns by: Months (you can toggle between months and total only)

Show non-zero or active only: Non-zero Rows & Non-zero columns

Negative numbers: Parenthesis (100)

Header: Balance Sheet by Month

Now let's review and discuss the Fixed Asset section of the four-month Balance Sheet comparison.

JDoe Sushi Coma Inc 2022

Balance Sheet As of March 31, 2021

	DEC 2020	JAN 2021	FEB 2021	MAR 2021
▼ ASSETS				
▼ Current Assets				
▼ Bank Accounts				
10000 Checking 1234	87,100.00	36,919.36	43,070.35	60,257.46
10200 Savings 1537	1,000.00	4,000.00	9,000.00	14,000.00
10800 Register Drawer	400.00	400.00	400.00	400.00
10900 Petty Cash	1,000.00	1,000.00	1,000.00	1,000.00
Total Bank Accounts	\$89,500.00	\$42,319.36	\$53,470.35	\$75,657.46
▼ Accounts Receivable				
11000 Accounts Receivable		0.00	0.00	624.20
Total Accounts Receivable	\$0.00	\$0.00	\$0.00	\$624.20
▼ Other Current Assets				
12000 Undeposited Funds		0.00	696.59	0.00
12100 Inventory	1,232.50	901.30	524.30	335.65
Total Other Current Assets	\$1,232.50	\$901.30	\$1,220.89	\$335.65
Total Current Assets	\$90,732.50	\$43,220.66	\$54,691.24	\$76,617.31
▼ Fixed Assets				
15000 Resturant Equipment	22,000.00	22,000.00	22,000.00	22,000.00
15100 Furniture & Fixtures	8,000.00	8,000.00	8,000.00	8,000.00
15200 Office Equipment	6,000.00	6,000.00	6,000.00	6,000.00
15300 Vehicles	20,000.00	20,000.00	20,000.00	20,000.00
16000 Leasehold Improvements	55,000.00	55,000.00	55,000.00	55,000.00
Total Fixed Assets	\$111,000.00	\$111,000.00	\$111,000.00	\$111,000.00

Now let's review and discuss the Liability section of the four-month Balance Sheet comparison.

	DEC 2020	JAN 2021	FEB 2021	MAR 2021
▼ Liabilities				
▼ Current Liabilities				
▼ Accounts Payable				
20000 Accounts Payable	56,732.50	1,015.10	1,309.60	14,630.89
Total Accounts Payable	\$56,732.50	\$1,015.10	\$1,309.60	\$14,630.89
▼ Credit Cards				
21000 American Express 11008	36,860.00	7,479.90	8,950.80	11,424.30
Total Credit Cards	\$36,860.00	\$7,479.90	\$8,950.80	\$11,424.30
▼ Other Current Liabilities				
▼ 22000 Payroll Liabilities				
22010 Federal Taxes Payable		5,886.42	10,866.68	10,727.01
22020 State Taxes Payable		4,228.64	7,806.30	7,705.97
Total 22000 Payroll Liabilities		10,115.06	18,672.98	18,432.98
22100 California Department of...		5,677.51	5,776.57	6,302.18
22200 Undistributed Tips		5,812.90	4,777.45	5,249.18
Total Other Current Liabilities	\$0.00	\$21,605.47	\$29,227.00	\$29,984.34
Total Current Liabilities	\$93,592.50	\$30,100.47	\$39,487.40	\$56,039.53
▼ Long-Term Liabilities				
27000 Note Payable - SBA	50,000.00	49,921.31	49,842.39	49,763.24
27100 Note Payable - Vehicle 1	20,000.00	19,700.01	19,398.97	19,096.87
Total Long-Term Liabilities	\$70,000.00	\$69,621.32	\$69,241.36	\$68,860.11
Total Liabilities	\$163,592.50	\$99,721.79	\$108,728.76	\$124,899.64

Now let's review and discuss the Equity section of the four-month Balance Sheet comparison.

	DEC 2020	JAN 2021	FEB 2021	MAR 2021
▶ ASSETS	\$207,732.50	\$160,220.66	\$171,691.24	\$193,617.31
▼ LIABILITIES AND EQUITY				
▼ Liabilities				
▶ Current Liabilities	\$93,592.50	\$30,100.47	\$39,487.40	\$56,039.53
▶ Long-Term Liabilities	\$70,000.00	\$69,621.32	\$69,241.36	\$68,860.11
Total Liabilities	\$163,592.50	\$99,721.79	\$108,728.76	\$124,899.64
▼ Equity				
30000 Retained Earnings		(8,260.00)	(8,260.00)	(8,260.00)
30100 Shareholder 1 Contributions	26,200.00	26,200.00	26,200.00	26,200.00
30300 Shareholder 2 Contributions	26,200.00	26,200.00	26,200.00	26,200.00
Net Income	(8,260.00)	16,358.87	18,822.48	24,577.67
Total Equity	\$44,140.00	\$60,498.87	\$62,962.48	\$68,717.67
TOTAL LIABILITIES AND EQUITY	\$207,732.50	\$160,220.66	\$171,691.24	\$193,617.31

Accrual basis

Summary of discussion points for the final four-month Balance Sheet Comparison:

- This report includes both locations.
- The same bank accounts are used for both locations.
- Cash on Hand (COH), December included shareholder contributions. COH is steady and growing each month. (Improving COH will help the current ratio when comparing to industry standards.)
- Bank Accounts are reconciled, and we can rely on the numbers.
- Accounts Receivable – Invoicing started in February when catering services were offered.
- Inventory – higher in December as they anticipated sales for January. Good Inventory management in following months.
- Security deposits were paid for both locations. No additional assets were purchased in the Jan-March time period.
- Accounts Payable was high in December due to leasehold improvements; they were able to stretch the payments to January.
- Credit card was used for several initial purchases in December, and they are maintaining a lower balance over the following months, which will help their credit score.
- Payroll started in January creating federal and tax liabilities for both locations. It is very important to stay on top of federal and state agency tax liabilities. (When a business owner falls behind on tax obligations it can really hurt cash flow and the ability to grow a healthy business.)
- Sales tax is reflected for both locations, paid each month for the prior month.
- Tips are distributed through payroll each pay period. The balance showing here is for sales in March paid in April.

Discuss the final Balance Sheet continued:

- Notes for SBA and the Delivery Van reflect the principal balance still owed on the loans.
- December shows a loss as we recorded expenses and no income.
- The owners have not had to add additional personal funds to the business.
- Net Income is steadily improving.
- Total Equity is a positive number.
- Question: Are they liquid? Do they have more in Current Assets than Current Liabilities?
- Question: Do they have more in Total Assets compared to Total Liabilities?

Let's review and discuss the Profit and Loss three-month comparison report. We will look at Income and Cost of Goods Sold first.

1. Create, Customize and Save a Profit & Loss three-month comparison report.

Date: 12/01– 03/31 current year

Display columns by: Months (you can toggle between months and total only)

Show non-zero or active only: Non-zero Rows & Non-zero columns

Negative numbers: Parenthesis (100), select "show in red"

Header: Profit & Loss by Month

(Optional) Compare another period: Select % of Income

JDoe Sushi Coma Inc 2022					
Profit and Loss % of Total Income					
December 2020 - March 2021					
	DEC 2020	JAN 2021	FEB 2021	MAR 2021	TOTAL
▼ Income					
40000 Food Sales		62,634.00	65,694.00	72,411.00	\$200,739.00
40100 Liquor Sales		4,613.00	4,249.00	4,456.00	\$13,318.00
40200 Beverage Sales		1,898.00	2,048.00	2,214.00	\$6,160.00
40300 Catering Fees		225.00	225.00	225.00	\$675.00
40400 Delivery Fees		8,940.00	7,460.00	7,620.00	\$24,020.00
40500 Discounts Given		(1,550.31)	(1,576.31)	(1,722.57)	\$ (4,849.19)
Total Income	\$0.00	\$76,759.69	\$78,099.69	\$85,203.43	\$240,062.81
▼ Cost of Goods Sold					
50000 Food Costs		18,278.88	24,288.83	24,672.95	\$67,240.66
50100 Liquor Costs		1,801.35	1,665.80	1,749.35	\$5,216.50
50200 Beverage Costs		463.45	471.60	516.95	\$1,452.00
50300 Restaurant Supplies		1,361.24	1,518.39	1,609.60	\$4,489.23
50700 Inventory Shrinkage				21.45	\$21.45
Total Cost of Goods Sold	\$0.00	\$21,904.92	\$27,944.62	\$28,570.30	\$78,419.84
GROSS PROFIT	\$0.00	\$54,854.77	\$50,155.07	\$56,633.13	\$161,642.97

Now let's review and discuss the Expense section of the Profit & Loss three-month comparison. What do you see?

	DEC 2020	JAN 2021	FEB 2021	MAR 2021	TOTAL
▼ Expenses					
▼ 60000 Payroll expenses					\$0.00
60100 Salaries & Wages		12,992.00	21,824.00	21,824.00	\$56,640.00
60200 Payroll Tax Expense		5,371.12	9,915.40	9,787.98	\$25,074.50
Total 60000 Payroll expenses		18,363.12	31,739.40	31,611.98	\$81,714.50
60800 Advertising & Promotio...		2,000.00	2,000.00	2,000.00	\$6,000.00
▼ 60900 Auto Expenses					\$0.00
60910 Auto Fuel		409.26	285.95	418.81	\$1,114.02
60920 Insurance		304.83	304.83	304.83	\$914.49
60930 Auto License		560.00			\$560.00
60940 Auto Service		294.62		1,056.78	\$1,351.40
Total 60900 Auto Expenses		1,568.71	590.78	1,780.42	\$3,939.91
62200 Dues & Subscriptions	40.00	254.00	254.00	254.00	\$802.00
63000 Insurance - Liability	600.00			2,400.00	\$3,000.00
63100 Insurance - Workers' C...	300.00	1,272.00	1,272.00	1,272.00	\$4,116.00
63200 Interest Paid		301.02	291.91	297.27	\$890.20
64100 Legal & Professional Fees		3,990.00	1,590.00	1,590.00	\$7,170.00
64200 License & Permits	700.00				\$700.00
64400 Office Expense		565.77	889.96	756.70	\$2,212.43
64500 Rent or Lease	6,000.00	6,000.00	6,000.00	6,000.00	\$24,000.00
64600 Repairs & maintenance		550.00	550.00	550.00	\$1,650.00
64800 Security	120.00	396.00	396.00	396.00	\$1,308.00
65100 Telephone & Communi...	200.00	541.13	568.44	571.64	\$1,881.21
66000 Uniforms		1,550.00	550.00	550.00	\$2,650.00
68000 Utilities	300.00	1,144.15	998.97	847.93	\$3,291.05
Total Expenses	\$8,260.00	\$38,495.90	\$47,691.46	\$50,877.94	\$145,325.30
NET OPERATING INCOME	\$ (8,260.00)	\$16,358.87	\$2,463.61	\$5,755.19	\$16,317.67
NET INCOME	\$ (8,260.00)	\$16,358.87	\$2,463.61	\$5,755.19	\$16,317.67

Accrual basis

Summary of discussion points for the Profit & Loss three-month comparison:

- Why didn't we include December? No sales and only a few expenses in December.
- Sales begin in January and continue to improve in the following months.
- Food sales are still number one.
- Interesting how much money they make in delivery fees.
- Cost of goods sold increases as sales increase.
- Do they have enough money left to pay the rest of their expenses including payroll?
- Payroll went up quite a bit between January and February and then remains consistent.
- Auto license looks like it is paid once a year.
- Dues and Subscriptions is consistent.
- Liability insurance is paid once a year. Could they spread that over monthly payments to improve cash flow?
- Legal and Professional services were higher in January. They paid for the setup of the entities in December.
- What else do you see?
- Why is net income higher in January?
- Do you think this is a healthy business?
- Do you think they can cut 10% of their expenses? How would they go about it?

Now that we have a sense of Sales by Month, it would be helpful to know how each location is doing in terms of income and expenses.

Let's review the Profit & Loss by Location.

1. Create and Save a custom Profit & Loss by location report.

Date: 01/01 – 03/31 current year

JDoe Sushi Coma Inc 2022

Profit and Loss by Location

January - March, 2021

	SALMON BLVD	TORREY SANTA FE	TOTAL
▼ Income			
40000 Food Sales	99,697.50	101,041.50	\$200,739.00
40100 Liquor Sales	7,216.00	6,102.00	\$13,318.00
40200 Beverage Sales	3,164.00	2,996.00	\$6,160.00
40300 Catering Fees		675.00	\$675.00
40400 Delivery Fees	11,200.00	12,820.00	\$24,020.00
40500 Discounts Given	(2,426.27)	(2,422.92)	\$ (4,849.19)
Total Income	\$118,851.23	\$121,211.58	\$240,062.81
▼ Cost of Goods Sold			
50000 Food Costs	32,372.66	34,868.00	\$67,240.66
50100 Liquor Costs	2,827.10	2,389.40	\$5,216.50
50200 Beverage Costs	751.65	700.35	\$1,452.00
50300 Restaurant Supplies	2,091.00	2,398.23	\$4,489.23
50700 Inventory Shrinkage	11.00	10.45	\$21.45
Total Cost of Goods Sold	\$38,053.41	\$40,366.43	\$78,419.84
GROSS PROFIT	\$80,797.82	\$80,845.15	\$161,642.97

Let's look at expenses by location. What do you see?

	SALMON BLVD	TORREY SANTA FE	TOTAL
▶ Income	\$118,851.23	\$121,211.58	\$240,062.81
▶ Cost of Goods Sold	\$38,053.41	\$40,366.43	\$78,419.84
GROSS PROFIT	\$80,797.82	\$80,845.15	\$161,642.97
▼ Expenses			
▼ 60000 Payroll expenses			\$0.00
60100 Salaries & Wages	28,320.00	28,320.00	\$56,640.00
60200 Payroll Tax Expense	12,359.94	12,714.56	\$25,074.50
Total 60000 Payroll expenses	40,679.94	41,034.56	\$81,714.50
60800 Advertising & Promotio...	3,000.00	3,000.00	\$6,000.00
▼ 60900 Auto Expenses			\$0.00
60910 Auto Fuel		1,114.02	\$1,114.02
60920 Insurance		914.49	\$914.49
60930 Auto License		560.00	\$560.00
60940 Auto Service		1,351.40	\$1,351.40
Total 60900 Auto Expenses		3,939.91	\$3,939.91
62200 Dues & Subscriptions	321.00	441.00	\$762.00
63000 Insurance - Liability	1,200.00	1,200.00	\$2,400.00
63100 Insurance - Workers' Co...	1,908.00	1,908.00	\$3,816.00
63200 Interest Paid		890.20	\$890.20
64100 Legal & Professional Fees	3,585.00	3,585.00	\$7,170.00
64400 Office Expense	1,047.81	1,164.62	\$2,212.43
64500 Rent or Lease	7,500.00	10,500.00	\$18,000.00
64600 Repairs & maintenance	825.00	825.00	\$1,650.00
64800 Security	594.00	594.00	\$1,188.00
65100 Telephone & Communi...	823.98	857.23	\$1,681.21
66000 Uniforms	1,325.00	1,325.00	\$2,650.00
68000 Utilities	1,412.83	1,578.22	\$2,991.05
Total Expenses	\$64,222.56	\$72,842.74	\$137,065.30
NET OPERATING INCOME	\$16,575.26	\$8,002.41	\$24,577.67
NET INCOME	\$16,575.26	\$8,002.41	\$24,577.67

Now that we have a sense of sales by month and location, it would be helpful to know if restaurant sales are higher than online sales. We will review Income and Cost of Goods Sold by Class.

Let's review the Profit & Loss by Class. What do you see?

1. Create and Save a custom Profit & Loss by class report.

Date: 01/01 – 03/31 current year

JDoe Sushi Coma Inc 2022						
Profit and Loss by Class						
January - March, 2021						
	ADMINISTRATIVE	CATERING	ONLINE	RESTAURANT	NOT SPECIFIED	TOTAL
▼ Income						
40000 Food Sales		1,818.00	106,962.00	91,959.00		\$200,739.00
40100 Liquor Sales				13,318.00		\$13,318.00
40200 Beverage Sales			828.00	5,332.00		\$6,160.00
40300 Catering Fees		675.00				\$675.00
40400 Delivery Fees		30.00	23,990.00			\$24,020.00
40500 Discounts Given					(4,849.19)	\$ (4,849.19)
Total Income	\$0.00	\$2,523.00	\$131,780.00	\$110,609.00	\$ (4,849.19)	\$240,062.81
▼ Cost of Goods Sold						
50000 Food Costs	67,240.66					\$67,240.66
50100 Liquor Costs				5,216.50		\$5,216.50
50200 Beverage Costs			310.50	1,141.50		\$1,452.00
50300 Restaurant Supplies	4,489.23					\$4,489.23
50700 Inventory Shrinkage	21.45					\$21.45
Total Cost of Goods Sold	\$71,751.34	\$0.00	\$310.50	\$6,358.00	\$0.00	\$78,419.84
GROSS PROFIT	\$ (71,751.34)	\$2,523.00	\$131,469.50	\$104,251.00	\$ (4,849.19)	\$161,642.97

Notice the types of expenses listed under the Administrative class.

Profit and Loss by Class

January - March, 2021

	ADMINISTRATIVE	CATERING	ONLINE	RESTAURANT	NOT SPECIFIED	TOTAL
Income	\$0.00	\$2,523.00	\$131,780.00	\$110,609.00	\$ (4,849.19)	\$240,062.81
Cost of Goods Sold	\$71,751.34	\$0.00	\$310.50	\$6,358.00	\$0.00	\$78,419.84
GROSS PROFIT	\$ (71,751.34)	\$2,523.00	\$131,469.50	\$104,251.00	\$ (4,849.19)	\$161,642.97
Expenses						
60000 Payroll expenses						\$0.00
60100 Salaries & Wages	56,640.00					\$56,640.00
60200 Payroll Tax Expense	25,074.50					\$25,074.50
Total 60000 Payroll expenses	81,714.50					\$81,714.50
60800 Advertising & Promotio...	6,000.00					\$6,000.00
60900 Auto Expenses						\$0.00
60910 Auto Fuel	1,114.02					\$1,114.02
60920 Insurance	914.49					\$914.49
60930 Auto License	560.00					\$560.00
60940 Auto Service	1,351.40					\$1,351.40
Total 60900 Auto Expenses	3,939.91					\$3,939.91
62200 Dues & Subscriptions	762.00					\$762.00
63000 Insurance - Liability	2,400.00					\$2,400.00
63100 Insurance - Workers' C...	3,816.00					\$3,816.00
63200 Interest Paid	890.20					\$890.20
64100 Legal & Professional Fees	7,170.00					\$7,170.00
64400 Office Expense	2,212.43					\$2,212.43
64500 Rent or Lease	18,000.00					\$18,000.00
64600 Repairs & maintenance	1,650.00					\$1,650.00
64800 Security	1,188.00					\$1,188.00
65100 Telephone & Communi...	1,681.21					\$1,681.21
66000 Uniforms	2,650.00					\$2,650.00
68000 Utilities	2,991.05					\$2,991.05
Total Expenses	\$137,065.30	\$0.00	\$0.00	\$0.00	\$0.00	\$137,065.30
NET OPERATING INCOME	\$ (208,816.64)	\$2,523.00	\$131,469.50	\$104,251.00	\$ (4,849.19)	\$24,577.67
NET INCOME	\$ (208,816.64)	\$2,523.00	\$131,469.50	\$104,251.00	\$ (4,849.19)	\$24,577.67

As we completed the training for each section, we saved several reports in our favorites group. We have provided an additional list of recommended reports from each section to review and discuss:

- **Sales by Class Summary** – Remember to sort by descending order. Date 01/01-03/31 current year. You will see that Online sales wins overall.
- **Sales by Location Summary** – Remember to sort by descending order. Date 01-03/31 current year. You will see that Torrey Santa Fe rocks.
- **Sales Tax Liability** – Shows a \$6,302.18 tax amount for 03/01-03/31 current year. We already paid January and February liabilities. This should match the California Department of Tax amount due on the Balance Sheet as of 03/31 current year.
- **Accounts Receivable Aging Summary** – Shows outstanding balance in 91 and over column (meaning the bill is still not paid at least 91 days out) for Miso Mimachi and matches the Accounts Receivable amount due as of 3/31 current year on the Balance Sheet.
- **Open Invoices** – Shows outstanding invoice 1060 Miso Mimachi, \$624.20 for all dates.
- **Sales by Customer Summary** – Remember to sort by descending order. Date 01/01-03/31 current year. Online customers take the lead.
- **Sales by Product/Service Summary** – Remember to sort in descending order. You will see the top selling items are as follows:
 - 5 Protein Bowl Qty 1068 Amt \$16,020.00.
 - Wine Qty 326 Amt \$2,608.00

- **Accounts Payable Aging Summary** – Shows \$14,630.89 in the 91 and over column.
- **Unpaid Bills** – Shows \$14,630.89. Oops, they are a little behind with Saki Fountain Inc. and Sushi Foods Inc.
- **Expenses by Vendor Summary** – January – March current year shows \$208,795.19. You can sort in descending order to top Vendor expenses.
- **Open Purchase Order list** – No open transactions.
- **Physical Inventory Worksheet** – Shows qty on hand and re-order point for the following Inventory items:
 - Beer 38 Qty 50 Re-order
 - Soda 54 Qty 75 Re-order
 - Water 71 Qty 75 Re-order
 - Wine 67 Qty 50 Re-order
- **Inventory Valuation Detail** – Shows history of all transactions for each Inventory item, FIFO cost, and asset value. The total asset value \$335.65 should match the Inventory asset value on the Balance Sheet as of 3/31 current year.
- **Bank Reconciliation Summary** – Access this report for each month you have completed the reconciliations for checking, savings and credit card accounts. (Found in the reconciliation feature.)
- **Budget vs Actual** – Results of this report depend on the Budget you created.
- **Ask My Accountant** – No unsolved transactions.
- **Audit Log** – Explore and practice with the filter feature.

This concludes the Sushi Coma Inc. training.

A few final thoughts:

A business owner may assume that a correct accounting software set up is just that, when in fact it is the basis upon which a solid financial foundation is built. QuickBooks Online incorporates accounting best practices and is a powerful platform upon which to build a successful business.

Workflow automation is all about streamlining simple, manual, and repetitive tasks and processes which take up valuable time and resources that could be better invested in growth-generating projects. Automated workflows in QuickBooks Online empower growing businesses to reduce the time and money they'd normally spend on processes, such as sending and paying invoices, transactional customer communications, and, perhaps most important, cash flow management.

Most important of all is access to real time data. While many business owners are intimidated by the numbers, the most successful business owners understand the daily use of financial reports will guide them every step of the way and provide deep insights into what action steps are necessary to improve results.

We hope you enjoyed this experience, and it has helped you to understand the value of accurate financial data, automated processes and workflow best practices. There is a significant need for business owners to understand financial reports, learn how to build cash flow and grow a healthy business. We are confident you will be part of that process!



Online Foundations Training

APPENDIX A

ADDITIONAL FEATURES

Attachments
Mileage
Importing Data from Desktop

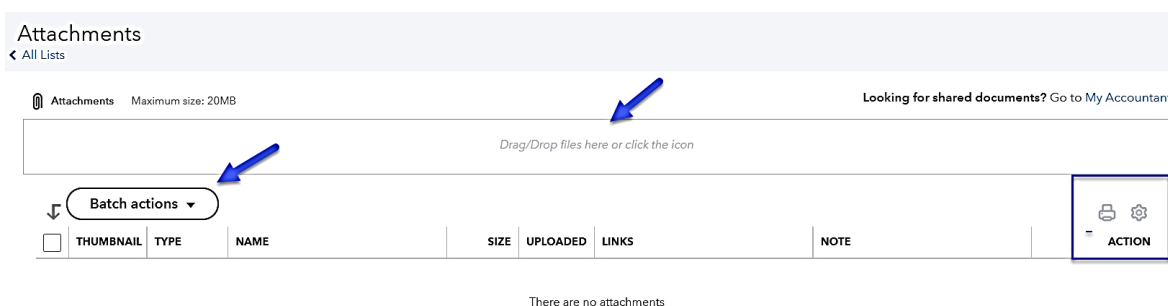
This feature allows you to drag and drop files directly into the **Attachment Center**, where you can manage documents and create transactions.

Click the **Gear** icon.    

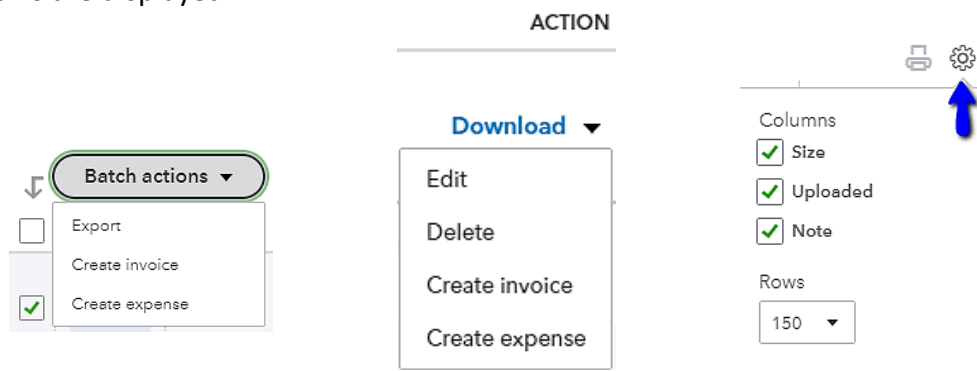
Click **Attachments** under **Lists**.

Select the **Attachment paperclip** or use the drag and drop feature to import files.

Click **Go to My Accountant** to locate shared documents.



Click the drop-down arrow for **Batch actions** to export documents or create a batch of Invoices or Expenses. Click the drop-down arrow in the **Action** column to edit, delete, or create an Invoice or Expense for a single file. Click the **Gear** icon to change the way columns and rows are displayed.



Tracking mileage is a necessary task for many business owners. You can manually track your mileage from within the company file or use the mobile app.

Within the company file:

Click **Mileage** from the **Left Navigation Bar** -> **Or add trips manually.**

Mileage can be tracked for business or personal, and the history will be kept for years.

Click the **Add Trip** button to manually add a vehicle and record a recent trip. Click **Save**.

Add business trip >

Trip date *

06/08/21

Distance (mi) *

Add distance

Start point

Add Address

End point

Add Address

Business purpose *

Add purpose

Vehicle

My vehicle

Business owners transitioning from the QuickBooks Desktop version to QuickBooks Online, will be interested in this important Import feature. Learn how-to set up a new company when converting from the Desktop version of QuickBooks Online by reviewing the information below:

Click **Gear Icon -> Import desktop data**.

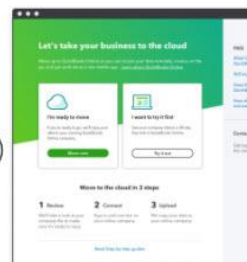
Click **See how it works**, watch the video and follow the instructions.

Bring in your QuickBooks Desktop data

Try a new and improved way to move your data online.

- 1** Update your desktop first
Make sure QuickBooks Desktop is up-to-date before you start moving.
- 2** Move your data online
After you start the move, sign in to QuickBooks Online and pick a company that you want to move to.
- 3** Finish setup in QuickBooks Online
After upload, come back to QuickBooks Online to finish the rest of the setup tasks.

Exporting
company
files



[See how it works](#) (3:09s)





Online Foundations Training

APPENDIX B

GLOSSARY OF TERMS

KEYBOARD SHORTCUTS

Accounts Receivable - Accounts receivable (AR) is the balance of money owed to you for goods received or services delivered but not yet paid by customers.

Accounts Payable - Accounts payable are amounts due to Vendors or suppliers for goods or services received that you have not yet paid for.

Assets - An asset is anything of value that can be converted into cash.

Fixed Asset - A fixed asset is a long-term tangible piece of property or equipment that a firm owns and uses in its operations to generate income. Fixed assets are not expected to be consumed or converted into cash within a year.

Liabilities – Your company debt. What you owe.

Equity - The net worth of a company. This is the difference between what you owe (liabilities) and what you own (assets).

Balance Sheet - A financial statement of assets, liabilities, and capital; the report details the balance of income and expenditure over a specified period of time.

Profit & Loss - A financial statement that summarizes the revenues, costs, and expenses incurred during a specified period, usually a fiscal quarter or year.

Statement of Cash Flow - A financial statement that provides aggregate data regarding all cash inflows a company receives from its ongoing operations and external investment sources.

Cash Flow Projection - A cash flow projection shows the amount of money expected to come into a business minus money expected to go out over a determined amount of time.

Cash flow - Cash flow is the net amount of cash and cash-equivalents being transferred into and out of a business.

Cost Analysis – The goal of Cost Analysis is to determine the true cost of the products or services you are offering.

Expenses – A resource or service you spend money on in order to generate revenue (wages, computers, etc.).

Direct Cost – A cost that can be directly tied to the production of specific goods or services.

Indirect Cost – A cost that is not directly related to a cost object (such as a specific project, facility, function or product).

Overhead - Ongoing business expenses not directly attributed to creating a product or service.

Breakeven - The level of production at which the costs of production equal the revenues for a product or service.

Variable Costs - A variable cost is an expense that changes in proportion with production output.

Fixed Costs – A cost that does not change with an increase or decrease in the amount of goods or services produced or sold.

Inventory – Products you purchase and currently stock to resell or products in stock you produce from raw goods to sell.

Revenue, Sales, Income - **Revenue** is the income a company generates before any expenses are subtracted from the calculation. **Sales** are the proceeds a company generates from selling goods or services to its customers. **Income** is a company's total earnings or profit.

Cost of Goods Sold - An account for costs directly related to producing a service or product for sale.

Chart of Accounts - An organizational tool that provides a digestible breakdown of all the financial transactions that a company conducted during a specific accounting period, broken down into subcategories.

Gross Payroll vs Net Payroll - **Gross payroll** refers to the total amount of money the company pays out for its employees during a pay period. **Net payroll** refers to the money that employees receive from the company after it deducts the required withholdings.

Gross Profit Margin - Gross profit margin is the proportion of money left over from revenues after accounting for the cost of goods sold (COGS).

Net Profit Margin - Net profit margin is the percentage of profit generated from revenue after accounting for all expenses, costs, and cash flow items.

Contribution Margin – Determines how much revenue can be used to contribute to fixed costs and profit.

Cash vs Accrual Basis – **Cash basis** accounts for the costs and sales where payments have already changed hands. **Accrual** includes AP, and AR where services and goods have been provided, but have not yet been paid for.

From the Dashboard use **[Ctrl]+[Alt]+[?]** to show **Keyboard Reference** while logged into QuickBooks®

Regular Pages

Ctrl + Alt + i	Invoice
Ctrl + Alt + w	Check
Ctrl + Alt + e	Estimate
Ctrl + Alt + x	Expense
Ctrl + Alt + r	Receive payment
Ctrl + Alt + c	Customers
Ctrl + Alt + v	Vendors
Ctrl + Alt + a	Chart of accounts
Ctrl + Alt + l	Lists
Ctrl + Alt + h	Help
Ctrl + Alt + f	Search transactions

Transaction Pages

Ctrl + Alt + x	Exit transaction view	Ctrl + Alt + c	Cancel
Ctrl + Alt + s	Save and new	Ctrl + Alt + d	Save and close
Ctrl + Alt + m	Save and send (think of it as “send as message”)		
Ctrl + p	Print		



Online Foundations Training

APPENDIX C RESOURCES

Debits & Credits
Quick Accounting Review

Assets

Debits	Credits
Increase	Decrease
Normal Balance	

Liabilities

Debits	Credits
Decrease	Increase
	Normal Balance

Equity Owner's Contributions

Debits	Credits
Decrease	Increase
	Normal Balance

Equity Owner's Distributions

Debits	Credits
Increase	Decrease
Normal Balance	

Income

Debits	Credits
Decrease	Increase
	Normal Balance

Expense

Debits	Credits
Increase	Decrease
Normal Balance	

ASSETS (what you own—things of commercial value)	=	Liabilities (what you owe others)	+	Equity (what your business is currently worth; in other words, your assets minus liabilities)
• Bank accounts		• Accounts payable (unpaid bills)		• Assets left over after paying all liabilities
• Petty cash		• Loans		• Owner investment
• Fixed assets (equipment, computers, trucks, etc.)		• Credit cards		• Owner draws
• Inventory		• Taxes (income tax, sales tax, payroll tax owed to the government, etc.)		• Stock
• Cash & checks on hand (not yet deposited in the bank)		• Line of credit balance		• Retained earnings
• Accounts receivable (what others owe you that you have not yet collected)		• Accrued wages (compensation earned but not yet paid to employees)		As you can see, revenue increases equity and expenses decrease equity.

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