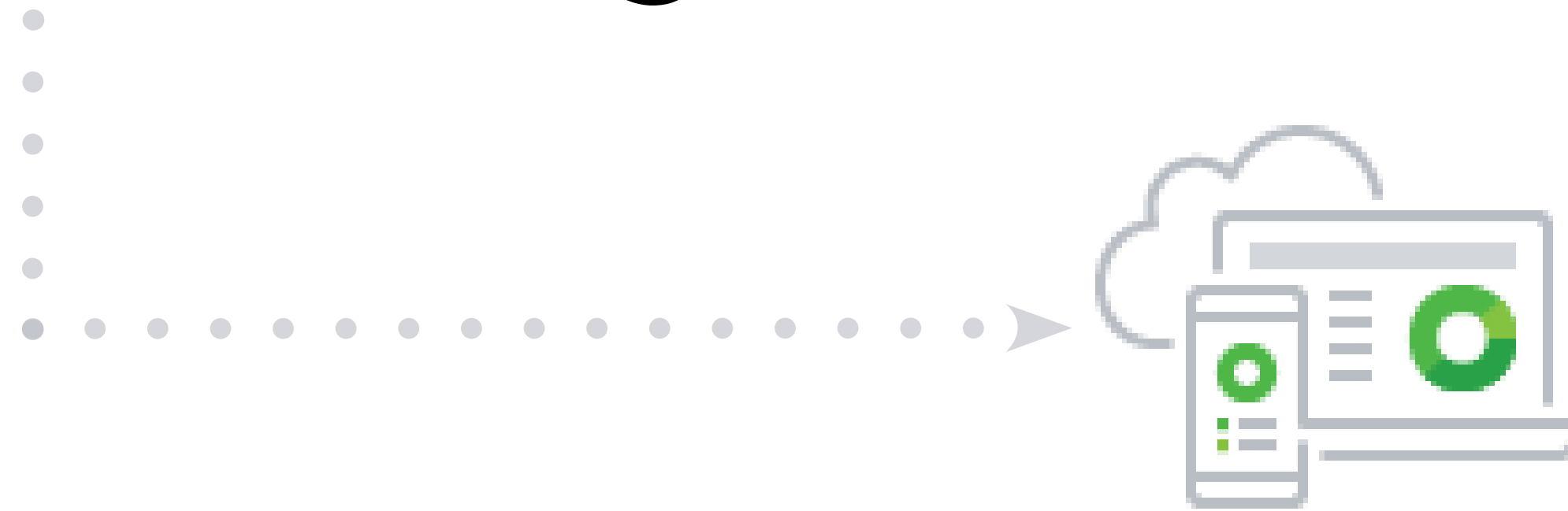




The QuickBooks Guide to Converting **QuickBooks Desktop**



to **QuickBooks Online**



Conversion Roadmap

Welcome! This guide is for anyone converting from **QuickBooks Desktop (Pro or Premier)** to **QuickBooks Online**. Each section offers step-by-step guidance, visuals, tips and hyperlinks to important resources.

1. Before you start

Should I convert from QuickBooks Desktop to QuickBooks Online?..... **4**

2. The Conversion Process

Sign up for QuickBooks Online and **create** a Company File..... **8**

Prepare your data in QuickBooks Desktop..... **10**

Export your file from QuickBooks Desktop..... **16**

3. Getting started in QuickBooks Online

Check your data before getting started in QuickBooks Online..... **21**

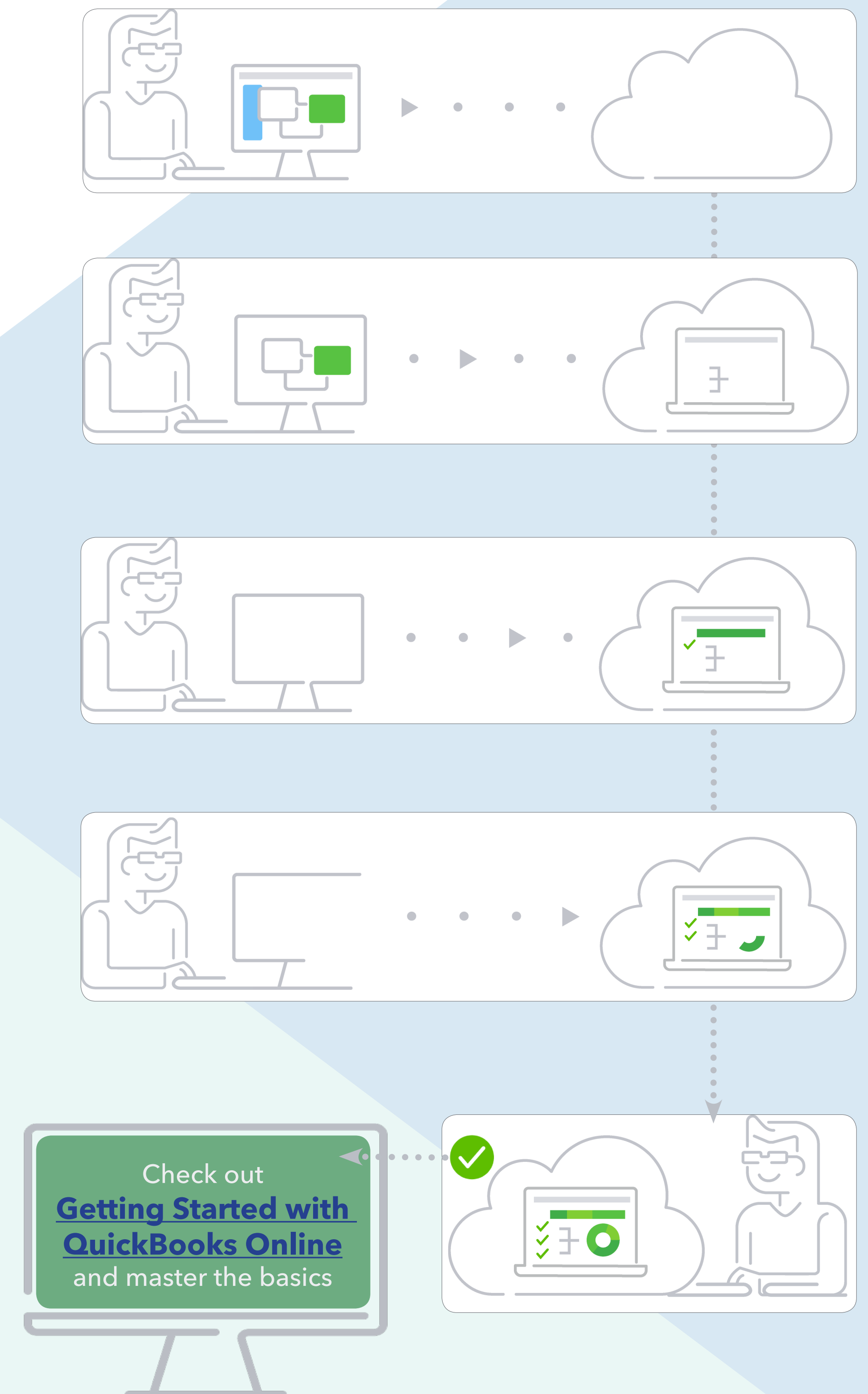
What's different in QuickBooks Online? Changes to your workflow..... **32**

Tips and Tricks for a smooth transition..... **40**

Appendix..... **43**

Are you a **QuickBooks Desktop Enterprise** user? Do you have a **complex inventory**? If you need its advanced features, we generally encourage Enterprise users to stay with their Enterprise software. If you need the online functionality of QBO, [qualified Intuit Hosting Services](#) can link multiple devices to your Enterprise software.

For those switching from QuickBooks Mac, or Desktop editions older than 2011, [jump to the appendix](#).



You always have resources

Stay connected with us after your conversion for continued accounting success!



Getting Started with QuickBooks Online

Our help center for first-time QuickBooks users



QB Community

Expertise through connections to others like you



@QBCares



QuickBooks



@IntuitQuickBooks

QuickBooks Social Media

Help at your fingertips with the latest updates and product tips

Before you start.....



Should I convert from QuickBooks
Desktop to QuickBooks Online?



Should I convert from QuickBooks Desktop?

Converting from QuickBooks Desktop to QuickBooks Online may mean significant changes to your workflow - we're here to help you prepare!

If you **need any of the features listed below** for your business, check our [Quick Conversion Reference](#) at the end of the guide to decide if converting to QuickBooks Online is right for you.

- **Advanced Inventory**
- **Average cost for Inventory**
- **Batch Transaction Processing**
- **Complex Sales Ordering**
- **Complex job or project costing**
- **Advanced Reporting features only available in QuickBooks Desktop**



These features are *not* supported in QuickBooks Online

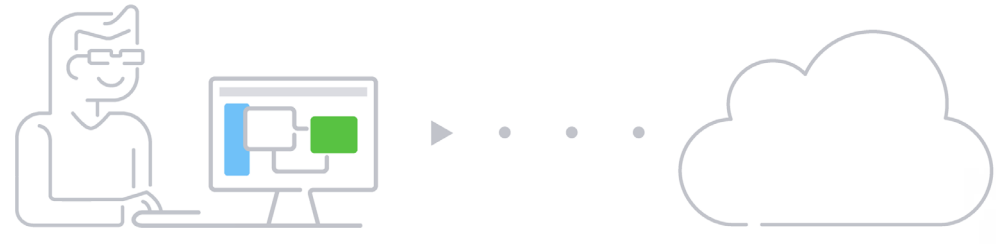




Technical considerations

- The entire conversion process can be done in **as little as an hour**. However, it depends on the **size of your company file** and how much **preparation** is required to complete outstanding tasks, such as payroll. If your file is complicated or has lots of moving pieces, plan ahead for more time. Though uncommon, the conversion can take up to 24 hours for extremely large files.
- Time is a factor - you can only convert QuickBooks Desktop data **within the first 60 days** of your QuickBooks Online company start date. If you're [beyond 60 days](#), you will need to cancel your existing QuickBooks Online account and start a new subscription ([learn more](#)).
- Don't know the size of your current file? With your QuickBooks Desktop company file open, **press F2** to check how many **targets** (i.e. various data points such as transactions, inventory items, and attachments) are in your file. If you are over **350,000 targets**, you will need to trim down your file. To learn more, see "[Condense your QuickBooks Desktop file](#)."
- Account names, item descriptions, and memos (among other data points) have strict **character limits** ([see the complete list](#)). You may need to make a few adjustments prior to your conversion.
- **QuickBooks Online has no file size or transaction limit**, but there are [minimum system requirements](#). The program uses an "as needed" processing method to maintain optimal performance, meaning your company file size won't impact performance.
- **Historical payroll data may not automatically convert over**. We'll go over how to [run reports and enter your payroll data into QuickBooks Online](#) later in this guide.





Business-specific situations to consider

- Do you currently handle multiple company files? In QuickBooks Desktop, you can create and manage multiple company files. In QuickBooks Online, **each company requires a separate subscription**. If you need to run accounts for eight different companies in QuickBooks Online, you will need eight subscriptions. You will be able to manage all of these files from the same login.
- How do you currently manage your inventory? QuickBooks Desktop uses the **average cost** method to calculate your inventory. QuickBooks Online uses the "**First-in-first-out (FIFO)**" **inventory management** method. If you're unsure whether this will work for your, reach out to your accountant.
- Do you plan to use Revel Point of Sale to track your inventory? If so, you'll need to complete a few additional steps to ensure everything is connected ([learn more](#)).
- If you **already turned on Payroll in QuickBooks Online before converting**, do **not** attempt to convert your Desktop file on your own - please [contact us](#)! We'll need to follow a special workflow to ensure your Payroll is set up correctly.

For a complete list of supported QuickBooks Online features, see [Import Limitations - QuickBooks Desktop to QuickBooks Online](#) and [What's not imported when you move from QuickBooks Desktop to QuickBooks Online](#)

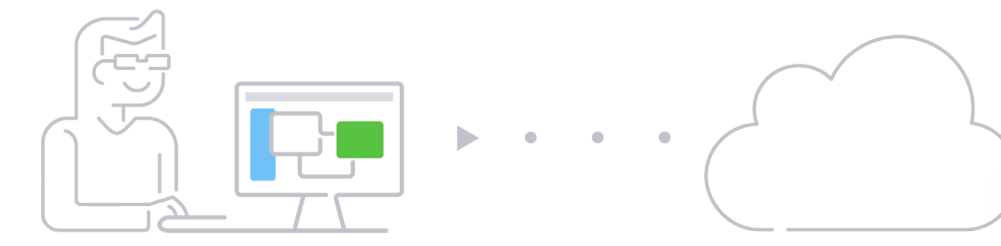


The Conversion Process



Sign up for QuickBooks Online and
create a company file

Sign up and sign in to QuickBooks Online




Start by **signing up** for QuickBooks Online. If you're a long-time QuickBooks Desktop user, we recommend converting to **QuickBooks Online Plus** since it has many of the same features, such as **inventory tracking**. Simple Start and Essentials *do not* have these capabilities ([learn more about each version](#)).

When you're ready, **sign in to QuickBooks Online** and create a new company file. Once you complete the welcome workflow and enter your basic company information, **do not enter** any more data. For now, all we need to do is create the new file.


Sign in to QuickBooks Online

Next time, skip this sign-in
Download the Windows app to run QuickBooks even faster



[Download it free](#)
[Learn how it works](#)

Sign in

 Sign in with Google

or

User ID

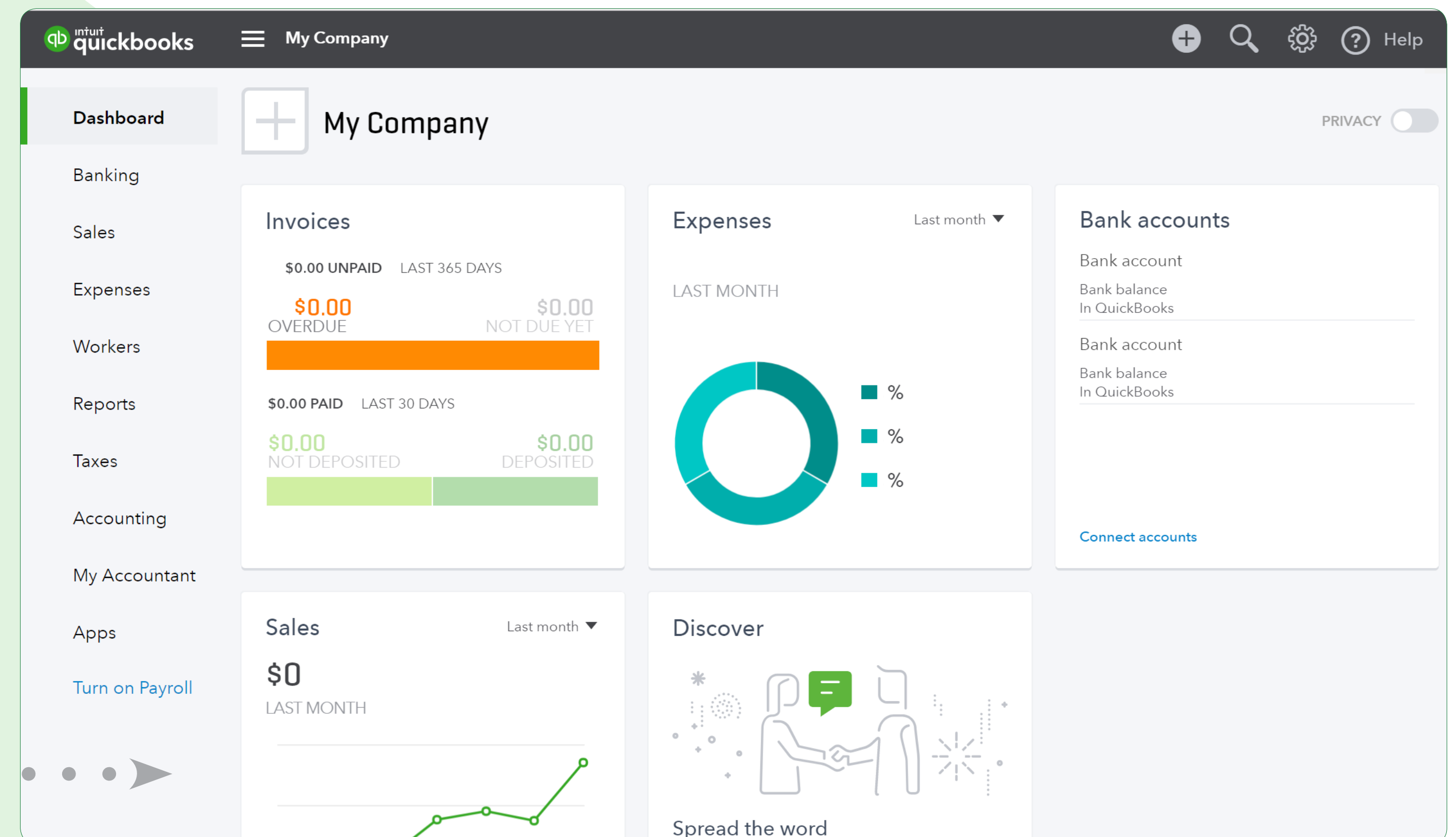
Password

☐ Remember my user ID

[Sign in](#)

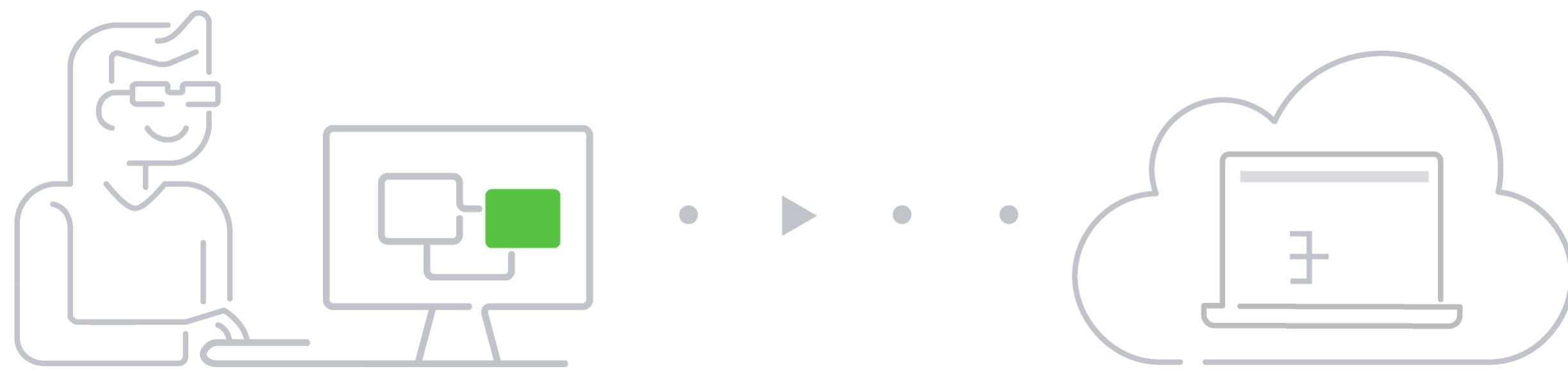
By clicking Sign In, you agree to our [License Agreement](#).

[I forgot my user ID or Password](#)
[New to QuickBooks? Sign up](#)



[Back to Roadmap](#)

The Conversion Process



Prepare your data in QuickBooks Desktop



Prepare your data in QuickBooks Desktop

Let's head back into QuickBooks Desktop to prepare your data. The **conversion process itself is all done from QuickBooks Desktop**, which means there's nothing to do in QuickBooks Online until the conversion is complete.

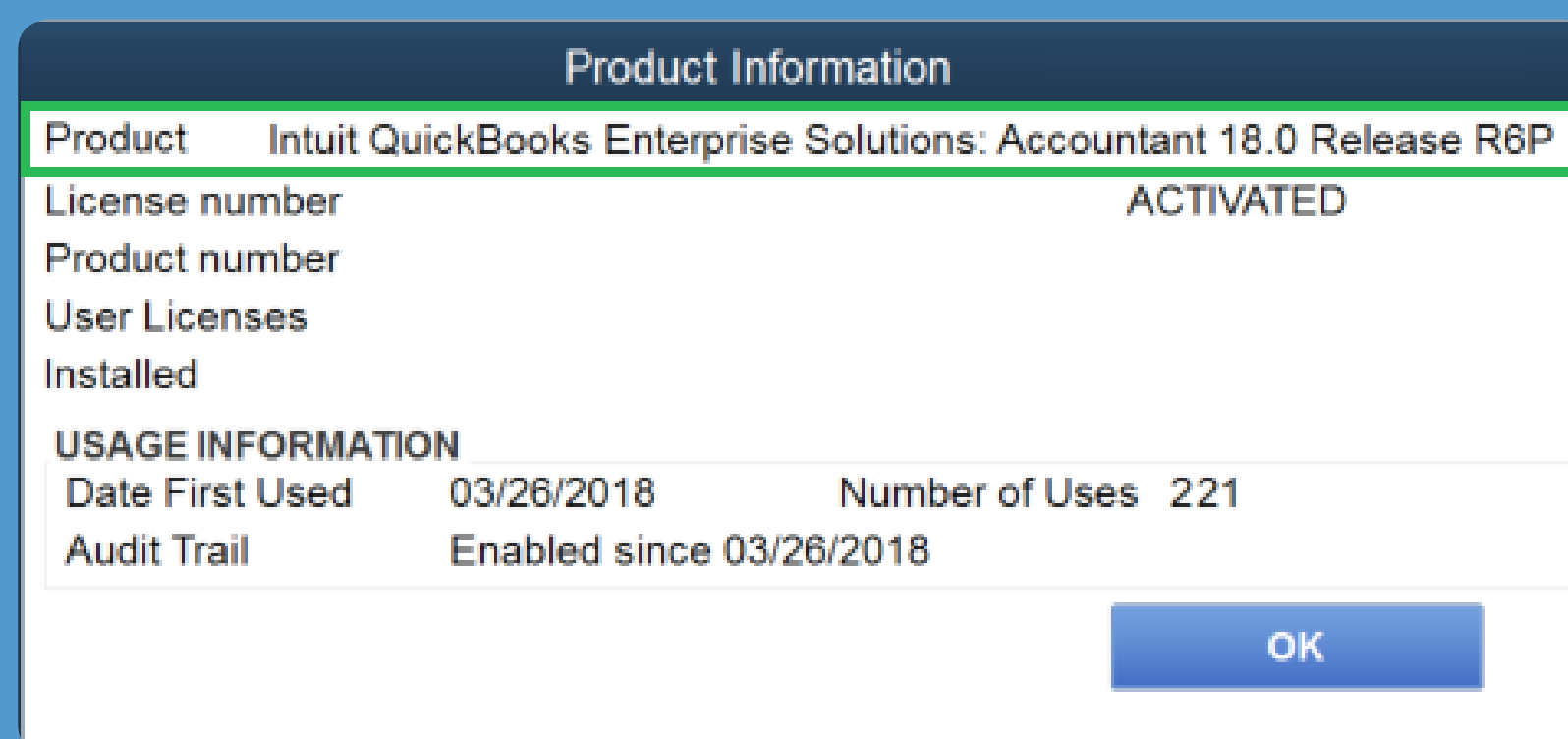


Take note

You must be running **QuickBooks Desktop 2016 or newer** to convert your file into QuickBooks Online.

If you are using a version from **2015 or earlier**, you'll first need to download the latest (free) trial version of QuickBooks Desktop and **update your existing file to the newest format**.

Don't know your version? Press **F2** while you're logged in to bring up the **Product Information** screen. Your product name and version will be displayed at the top.



Before you start

- Importing your QuickBooks Desktop file will **replace any existing information** in your QuickBooks Online. Having existing data in Online shouldn't block the conversion and you will receive a warning message before any data is **overwritten**.
- If you have any **existing issues** with your QuickBooks Desktop **inventory**, such as quantity/value on hand errors or [negative inventory issues](#), resolve them before converting to prevent any potential loss of data. It's much easier to resolve these types of issues while you're still in Desktop.



[Back to Roadmap](#)

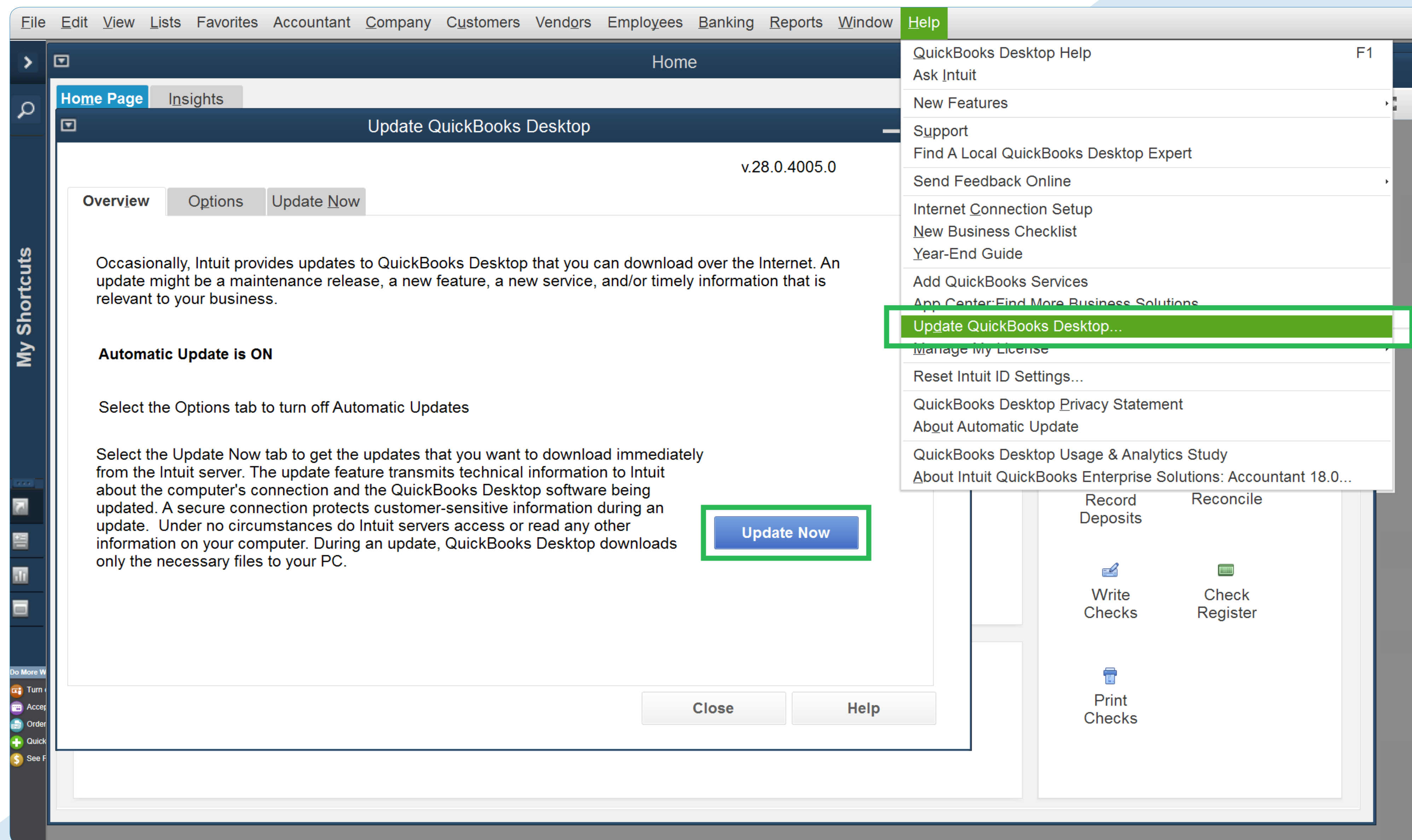




Update QuickBooks Desktop

Before you start the conversion, make sure your current Desktop software is **up-to-date**.

Sign in to QuickBooks Desktop as the administrator, click the **Help Menu** and select **Update QuickBooks Desktop** from the drop-down. Then, click **Update Now** on the next screen. Once the update process is complete, close and reopen QuickBooks Desktop.



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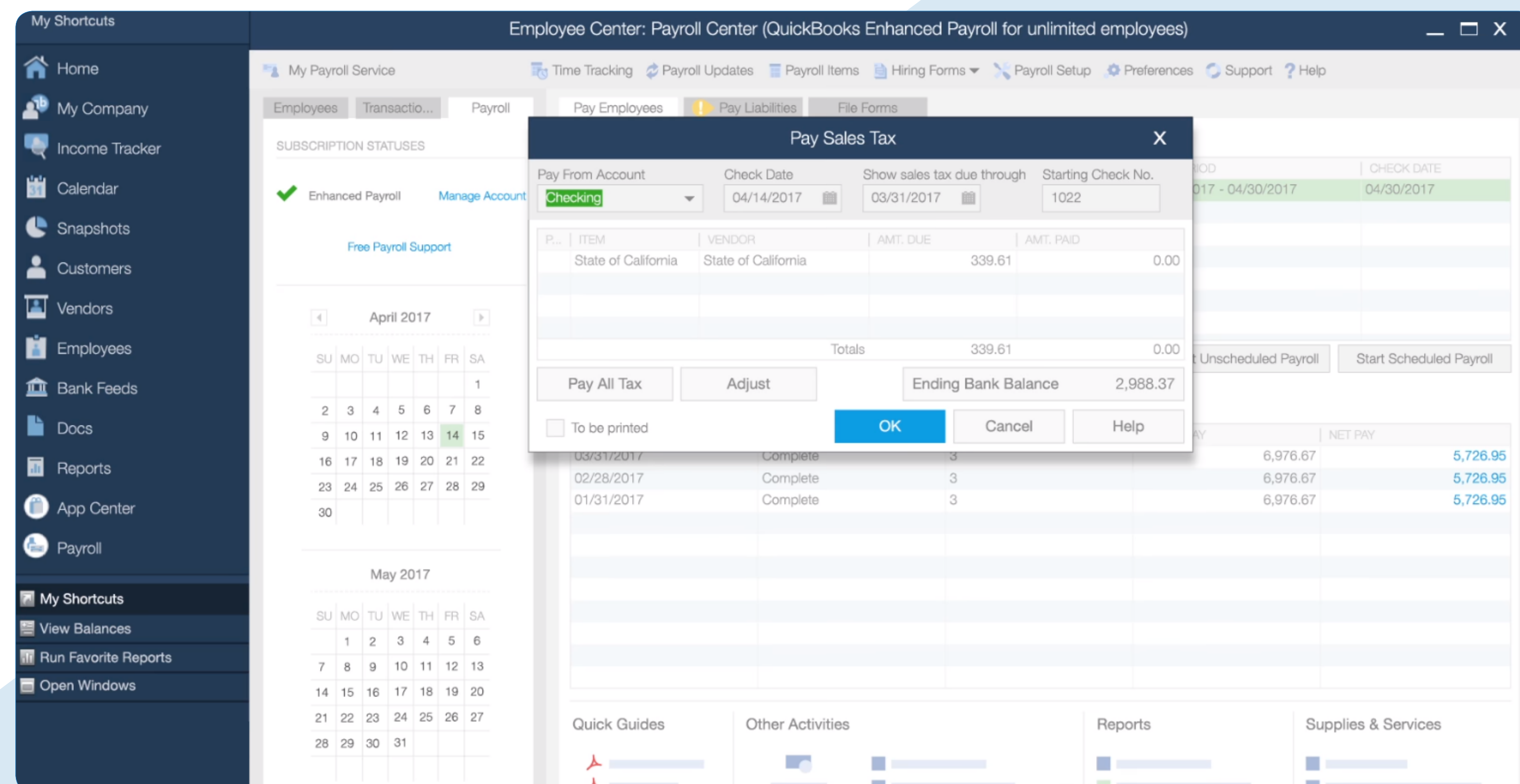


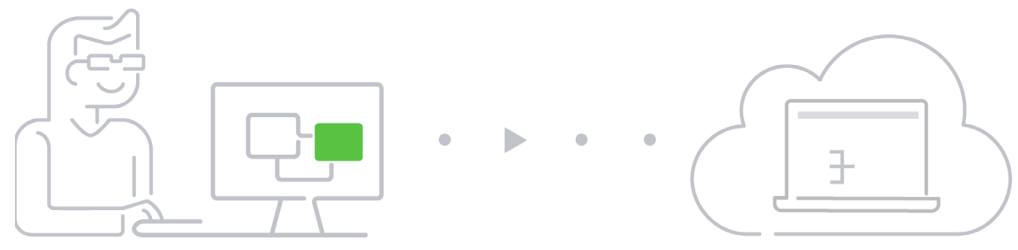
Finish Payroll and Tax Payments in Desktop

If you need to run payroll or make tax payments in QuickBooks Desktop, **finish these and other outstanding tasks** *before* converting. This can take time so plan accordingly based on your past experience.

There are a few additional house-keeping **payroll** tasks that will help the conversion go smoothly. In your payroll menu, mark any employees that are **no longer working for you** as **inactive**. If they're left active, QuickBooks Online will require you to fill in their employee data.

Now is also a good time to **fill out complete data for your current employees**. While not required in QuickBooks Desktop, information like gender, birthdays, W-4 withholdings, pay frequency, and home address *are required* to run payroll in QuickBooks Online.





Backup Your Data in Desktop

Now that you're finished with upkeep, let's create a **backup** of your company file. This backup creates a unique save point you can use to restore your current QuickBooks Desktop experience or start the conversion over.

Start by switching QuickBooks Desktop to single-user mode (**File > Switch to Single-user Mode**). If the option reads as "Switch to Multi-User Mode," your system is already in single-user mode. Next, go up to **File**, select **Backup Company**, and then **Create Local Backup**. If you click "Backup Options," you can specify the file location.

Follow the prompts and click **Save it now** to complete the process. You won't need to backup your company files after converting to QuickBooks Online since they're always saved for you in "the cloud."

Backup Options

Use this window to set default options for your manual and automatic backups.

LOCAL BACKUP ONLY

Tell us where to save your backup copies (**required**)

[Browse...](#)

☒ Add the date and time of the backup to the file name (recommended)

☒ Limit the number of backup copies in this folder to

ONLINE AND LOCAL BACKUP

☒ Remind me to back up when I close my company file every times.

Select an option to verify that your company data is OK (that is, not corrupted) when you save.

☒ Complete verification (recommended)

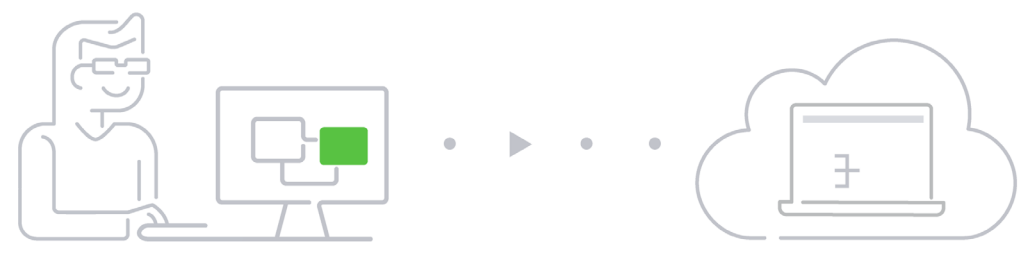
☐ Quicker verification

☐ No verification

[Help me choose](#)

[OK](#) [Cancel](#) [Help](#)





Print a Standard Balance Sheet and Profit & Loss Report

After converting your file, you'll need to **check a few data points** to ensure everything exported successfully. Go to your **Reports Center** in the Reports Menu and print standard versions of your **Profit & Loss Report**, **Balance Sheet**, and **Payroll Details Report**.

In the Reports Center, scroll until you find "**Balance Sheet Standard**." Click the "**Run**" arrow underneath the preview window to generate the report.

On the report page, select **All** for the Dates and **Accrual** for the Report Basis, then click "**Refresh**."

Repeat these steps for the **Profit & Loss Report**. Apply the following filters to these two reports:

- Run them as "**standard**" versions
- Run them for "**All Dates**"
- Set the accounting method to "**Accrual**"
- Consider printing them out to make side-by-side comparison easier

Balance Sheet	
All Transactions	
ASSETS	
Current Assets	
Checking/Savings	
Company Checking Account	12,649.10
Company Savings Account	12,653.00
Petty Cash Account	500.00
Total Checking/Savings	25,802.10
Accounts Receivable	
Accounts Receivable	93,751.90
Total Accounts Receivable	93,751.90
Other Current Assets	
Materials Inventory	135,560.69
Work in Progress-Direct Labor	38,889.98
Work in Progress-Utilities	761.59
Work in Progress-Indirect Mater	20.00
Finished Goods Inventory	-20,478.61
Prepays	
Prepaid Insurance	-0.06
Total Prepays	-0.06
Security Deposit	1,000.00
Undeposited Funds	19,000.00
Total Other Current Assets	174,753.59
Total Current Assets	294,307.59
Fixed Assets	
Automobiles & Trucks	56,963.45
Computer & Office Equipment	2,500.00
Office Equipment (over \$500)	5,236.32

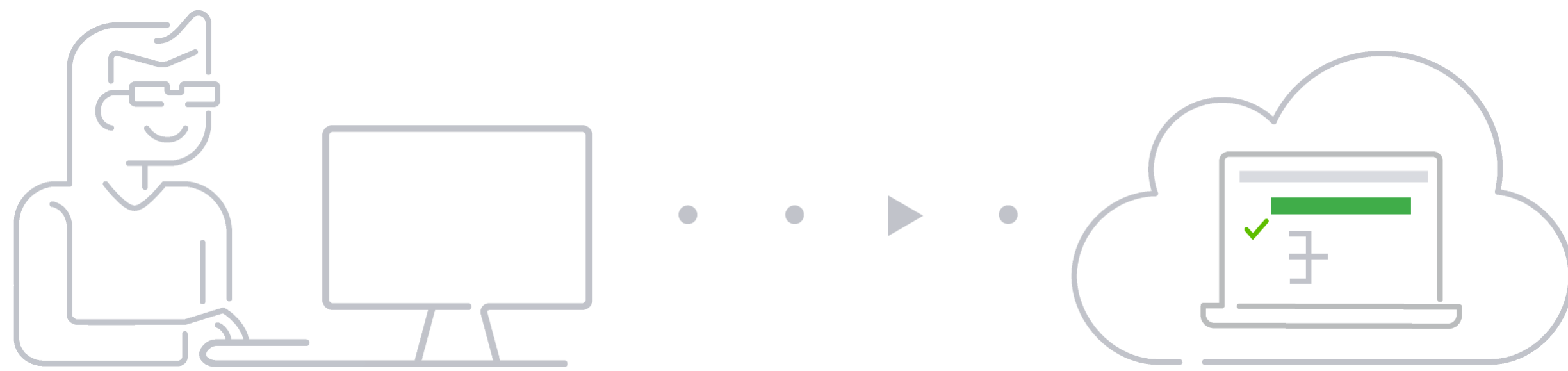
Before leaving the Reports Center, print out your **Payroll Details Report** (filtered for "All" dates). You'll use this report to enter your historical payroll data during the [Payroll Set Up Workflow](#), if you plan to import Payroll.



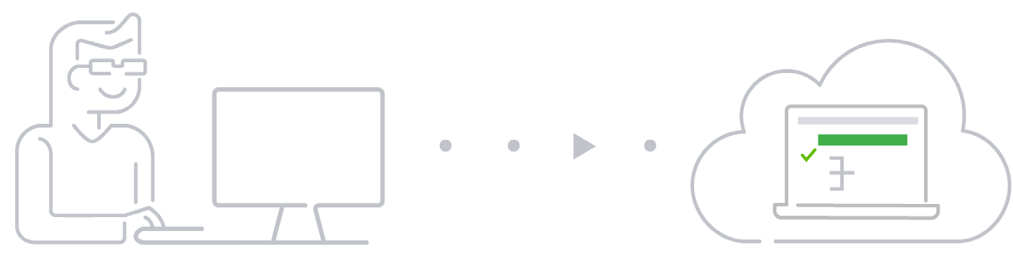
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The Conversion Process



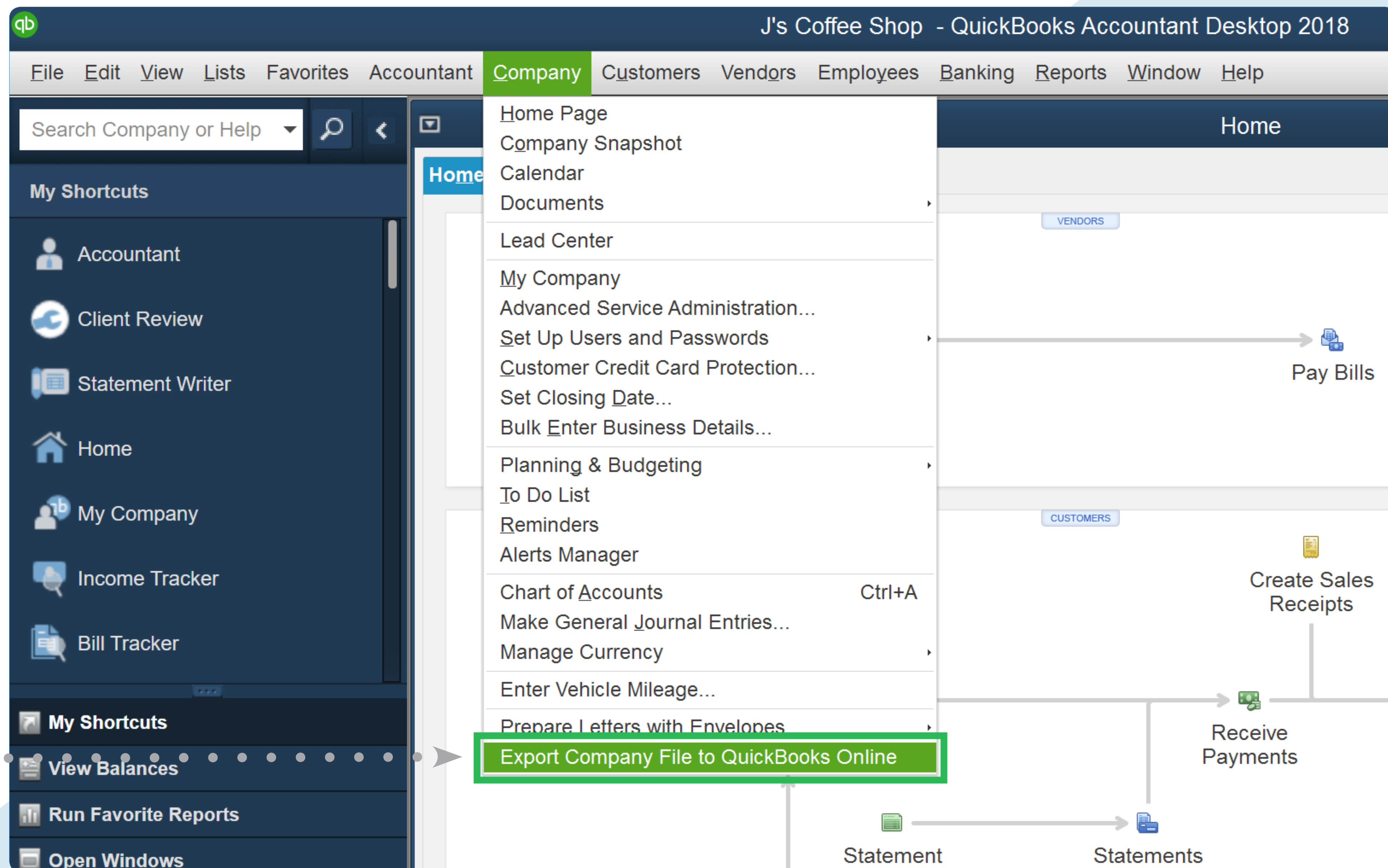
Export your file from QuickBooks Desktop



Start the conversion from QuickBooks Desktop

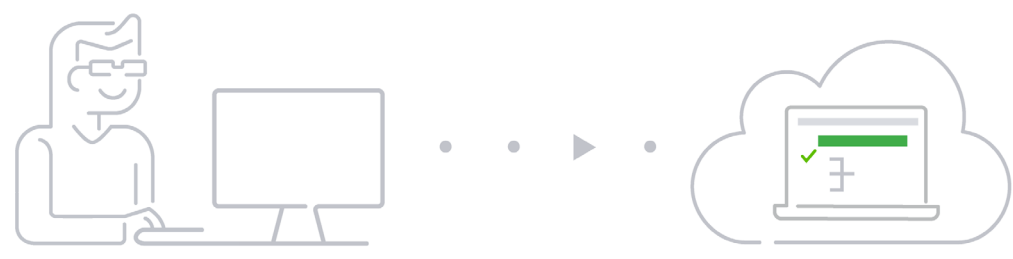
You've updated your QuickBooks Desktop software, backed-up your file, and finished all outstanding payroll and tax payment tasks - you're ready to convert your file to QuickBooks Online!

Open the company file you want to convert in QuickBooks Desktop. Then, go to the **Company Menu** and select **Export Company file to QuickBooks Online**. A pop-up window will ask you to log in to QuickBooks Online.



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Are you Importing Inventory?

If you're **importing inventory** from version 2016 or later, you'll see the screen below. Enter **the first day following your company's last tax filing period** for the "as of" date. Since QuickBooks Online will recalculate your inventory costs using **FIFO** and your designated "as of" date, it's best to use the first day following your company's last tax filing period so you avoid the need to file amended tax forms. This date is also important for maintaining accurate **quantity-on-hand** totals.

Export to QuickBooks Online

Should we bring your inventory?

QBO uses first-in-first-out (FIFO) instead of average cost to value your inventory. This is the recommended method and reflects costs more accurately, especially if prices change over time. [Learn more about this change.](#)

☒ Yes, turn on inventory and calculate using FIFO as of:

[Not sure what date to enter?](#)

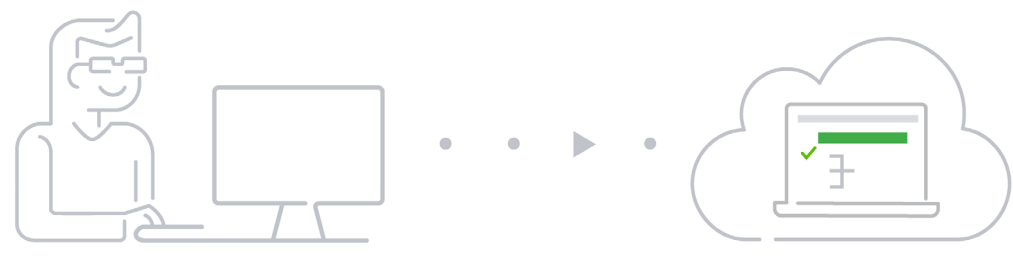
☐ No, don't turn on inventory and don't track quantity on hand.

[Continue](#) [Cancel](#)

Since many QuickBooks Desktop users have existing inventory data, we highly recommend converting to **QuickBooks Online Plus**. Upgrading [your subscription](#) before you convert will make the process much smoother.

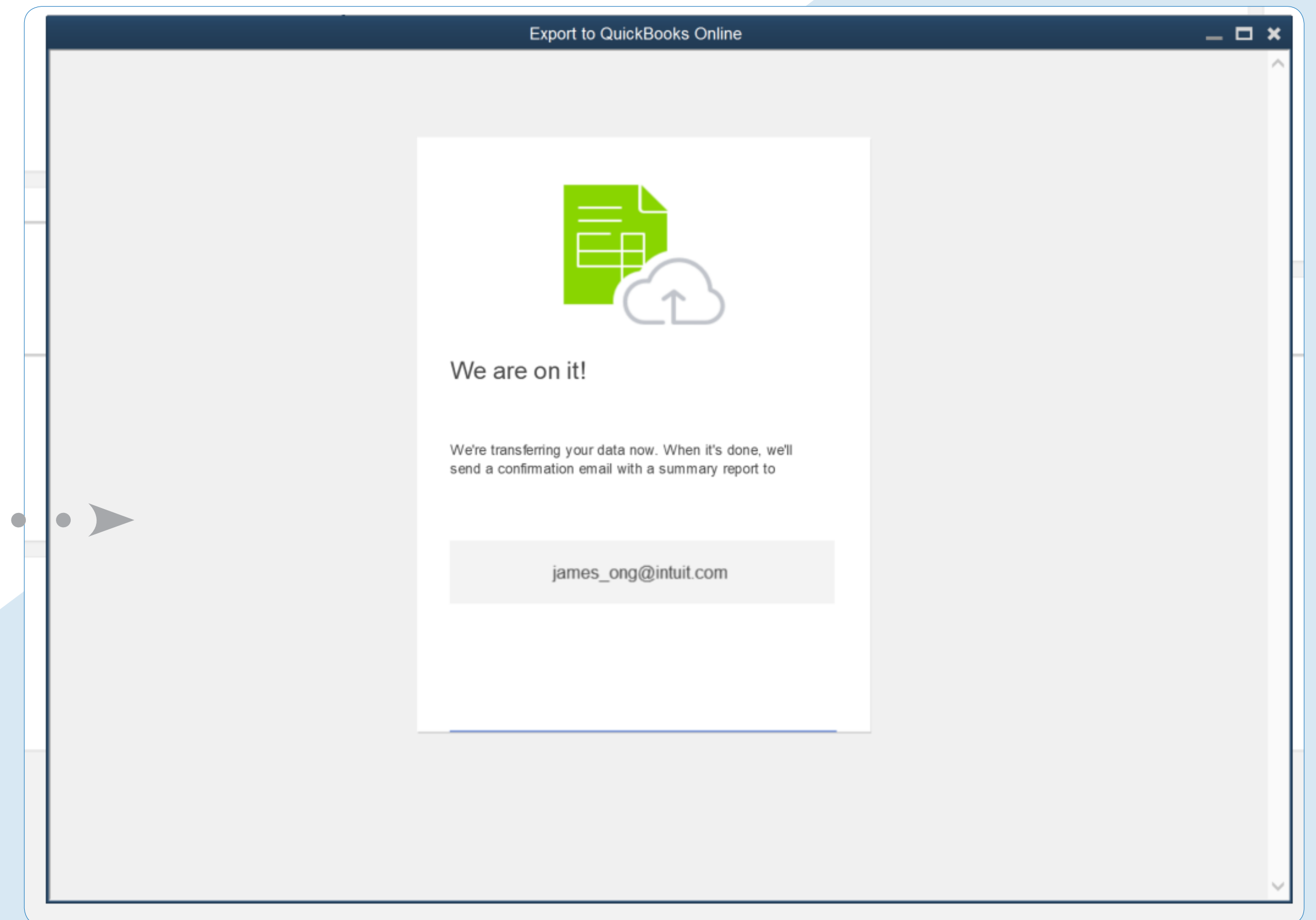
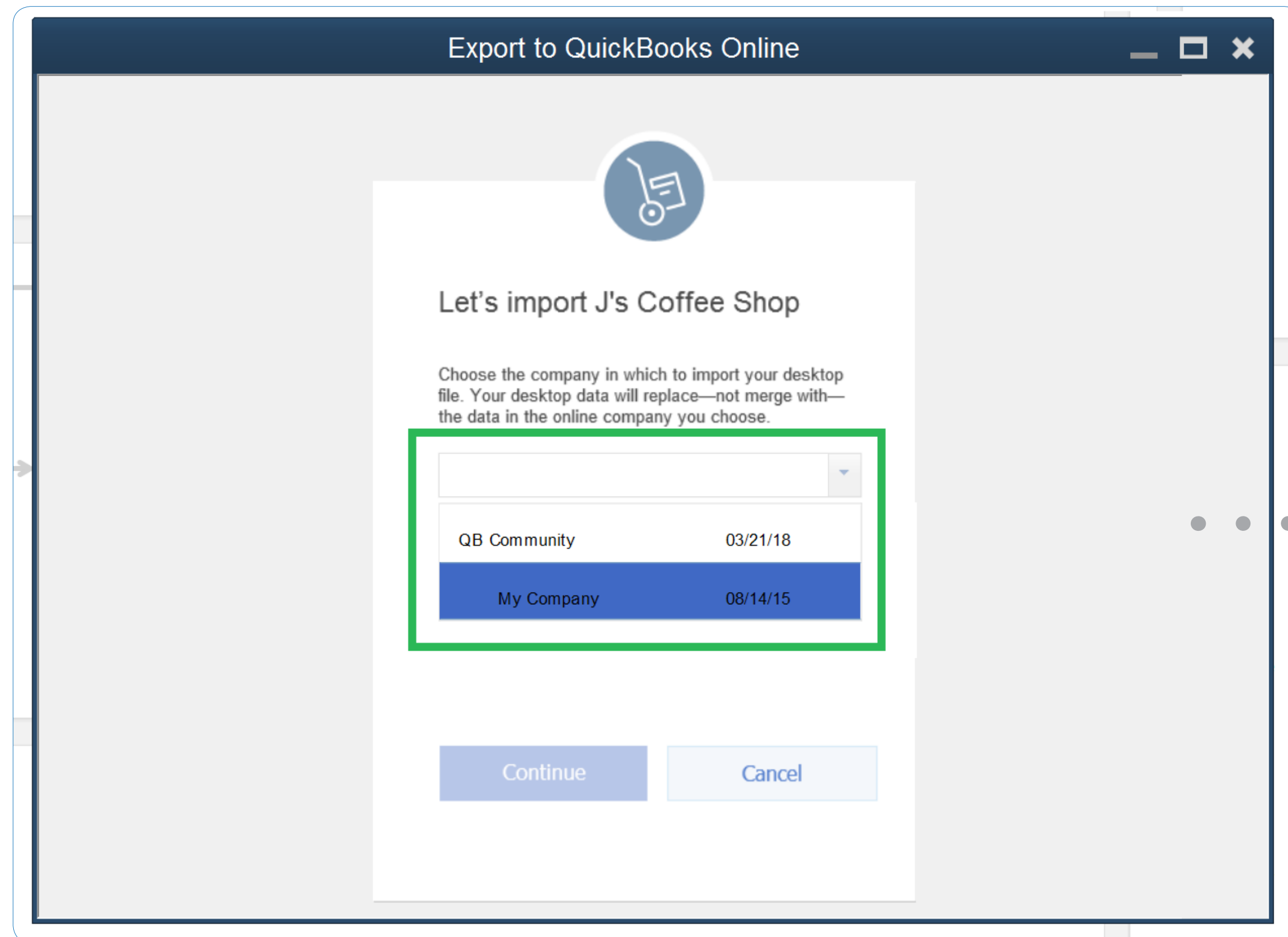
Some users prefer **not** importing their existing inventory and starting with a clean slate. If you have lots of inactive items or ones that will require significant reworking, consider [rebuilding your inventory in QuickBooks Online](#).





The conversion begins

On the next screen, select the QuickBooks Online company you created earlier. Unless you skipped this step and have not yet created a new company, **do not** create one here - doing so will generate an additional subscription.



The conversion process has officially begun!

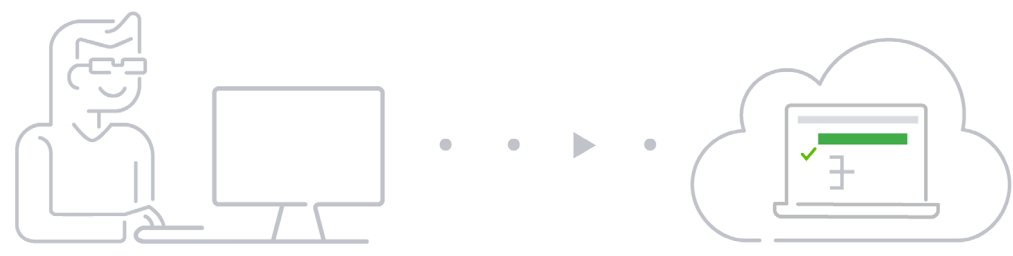
The actual time required to convert your file depends on its size. Feel free to step away and let the program run automatically. If you encounter a "slow scripting error" message, select "**no**" - choosing "yes" halts the conversion.

Once the conversion is complete, you will receive an email confirmation.




[Back to Roadmap](#)





Conversion complete!


Success, your QuickBooks Desktop data has been successfully converted into QuickBooks Online.



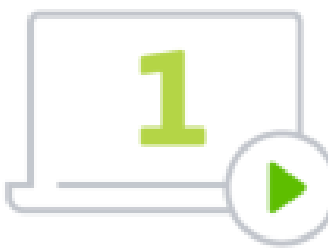
Congratulations!

Your data is now available on QuickBooks Online.

[Complete your setup](#)




To get started, take our guided tour through QuickBooks Online. After that, we'll show you how to add your accountant, and set up reports.




How to navigate your way through QuickBooks Online

[Watch in 1:40 mins](#)



How to invite your accountant to Quickbooks Online

[Watch in 0:41 mins](#)



How to customize reports and emails in QuickBooks Online

[Watch in 3:25 mins](#)

If you're looking for more training resources we also have live webinars to help walk you through the features and functions of QuickBooks Online.

[Register for a live webinar](#)

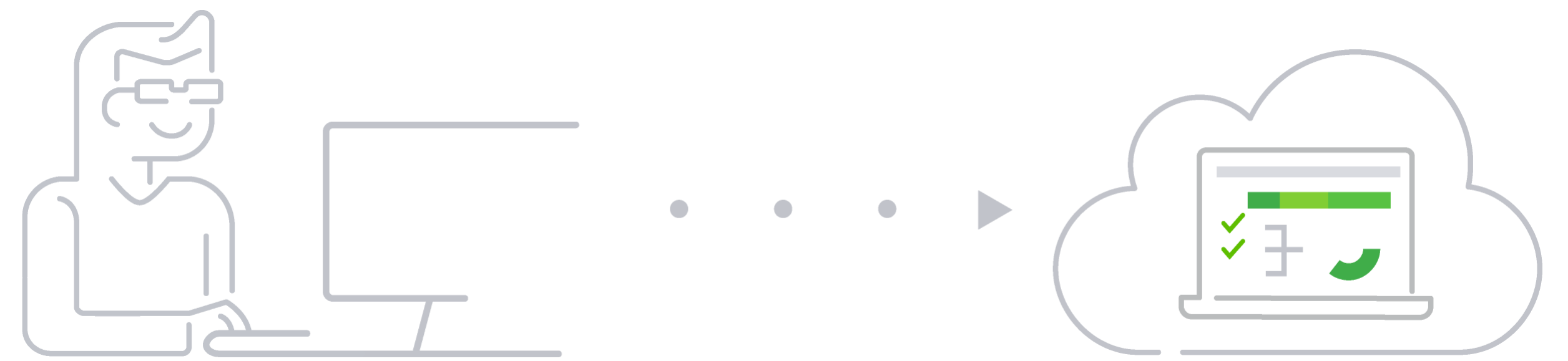
What's next? Learn with us!



[Back to Roadmap](#)

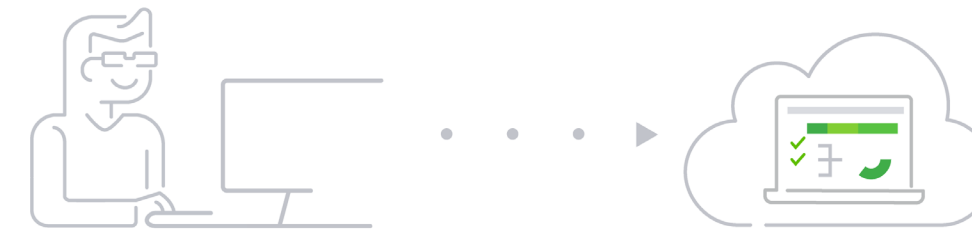


What's next?



Check your data before getting started
in QuickBooks Online

Welcome to QuickBooks Online!



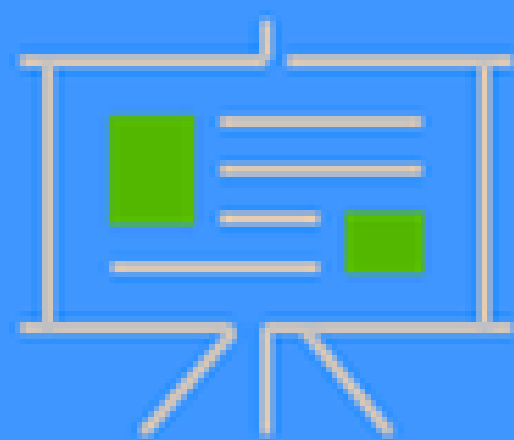
While the functionality of QuickBooks Online feels familiar, it will look quite different. We'll cover a few of the major **workflow** and **feature differences** in detail in the next section, "[What's different in QuickBooks Online](#)."

Before you can start using QuickBooks Online, there are a few data points you'll need to check to ensure everything was successfully converted. This review includes comparing QuickBooks Desktop and Online financial reports and reviewing imported inventory and payroll data. We know you're excited, but **finish these checks before starting activities in QuickBooks Online**.

Can't wait to get started? Practice with QuickBooks Test Drive

[QuickBooks Test Drive](#) is a demo version of QuickBooks Online that contains "practice data." Practicing with this tool is a great way to familiarize yourself with the program. The practice data resets after each session, so you can go back and test features and settings as many times as you'd like without impacting your data.

If you decide to explore, **log out** of your QuickBooks Online account *before* opening Test Drive.



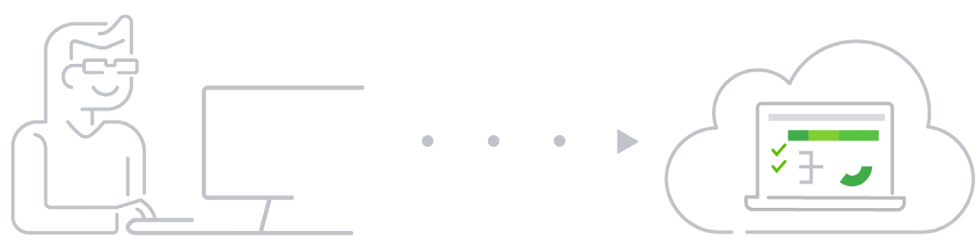
Try it in Test Drive!

Before using your actual accounts, use the sample data in QuickBooks Test Drive to learn how this feature works.



[Back to Roadmap](#)

Navigating QuickBooks Online



Let’s get you oriented in your new workspace before reviewing your converted data.

While most users use the main dashboard to **navigate** around QuickBooks Desktop, you use the **Navigation Bar** and the **icon menus** at the top of each page to get around in QuickBooks Online.

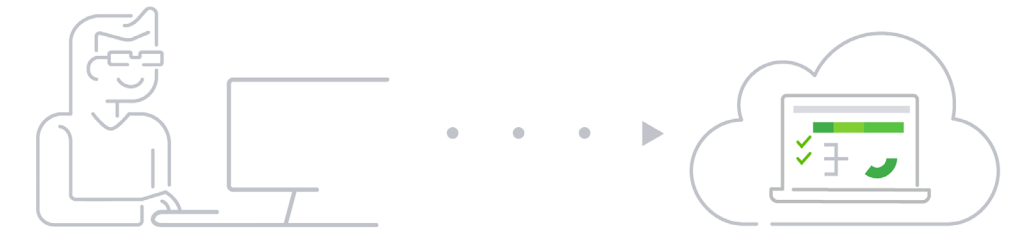
The screenshot displays the QuickBooks Online interface. On the left is the 'My Shortcuts' sidebar. The main area shows a 'Home Page' with a flowchart of business processes. A 'Navigation Bar' is visible at the top right, containing icons for adding, searching, settings, and help. A 'Nav bar' is shown as a vertical menu on the right side of the main area. An 'Icon menus' section is highlighted at the bottom right, showing the same four icons as the Navigation Bar.

Navigation Bar

Nav bar

Icon menus

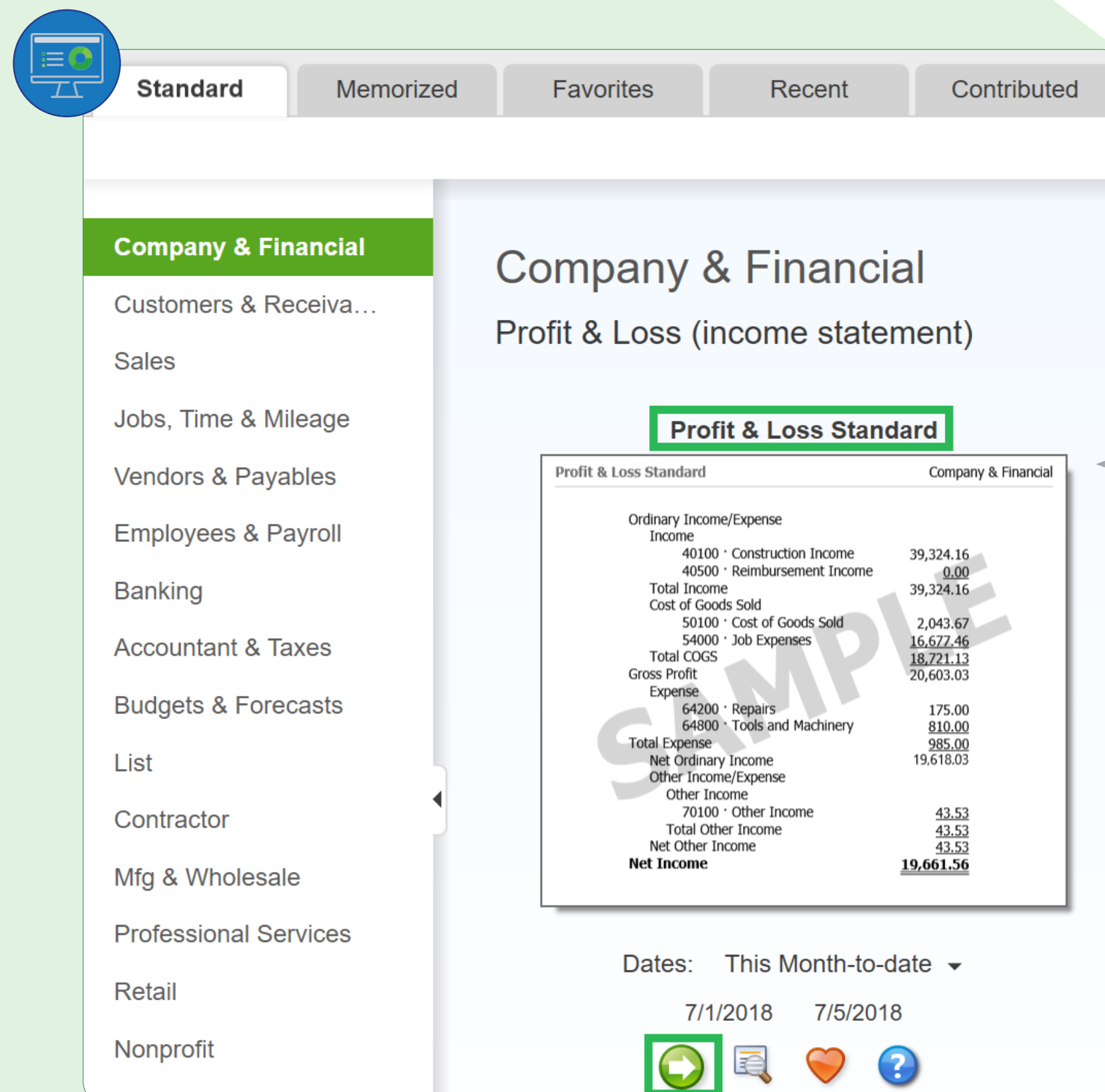
Compare Profit & Loss and Balance Sheet Reports Part 1 of 2



The first review is comparing pre-conversion totals against what's currently recorded on your **Profit & Loss Report** and **Balance Sheet** in QuickBooks Online. Remember when we asked you to run these reports in QuickBooks Desktop before the conversion? Here's where those come in handy.

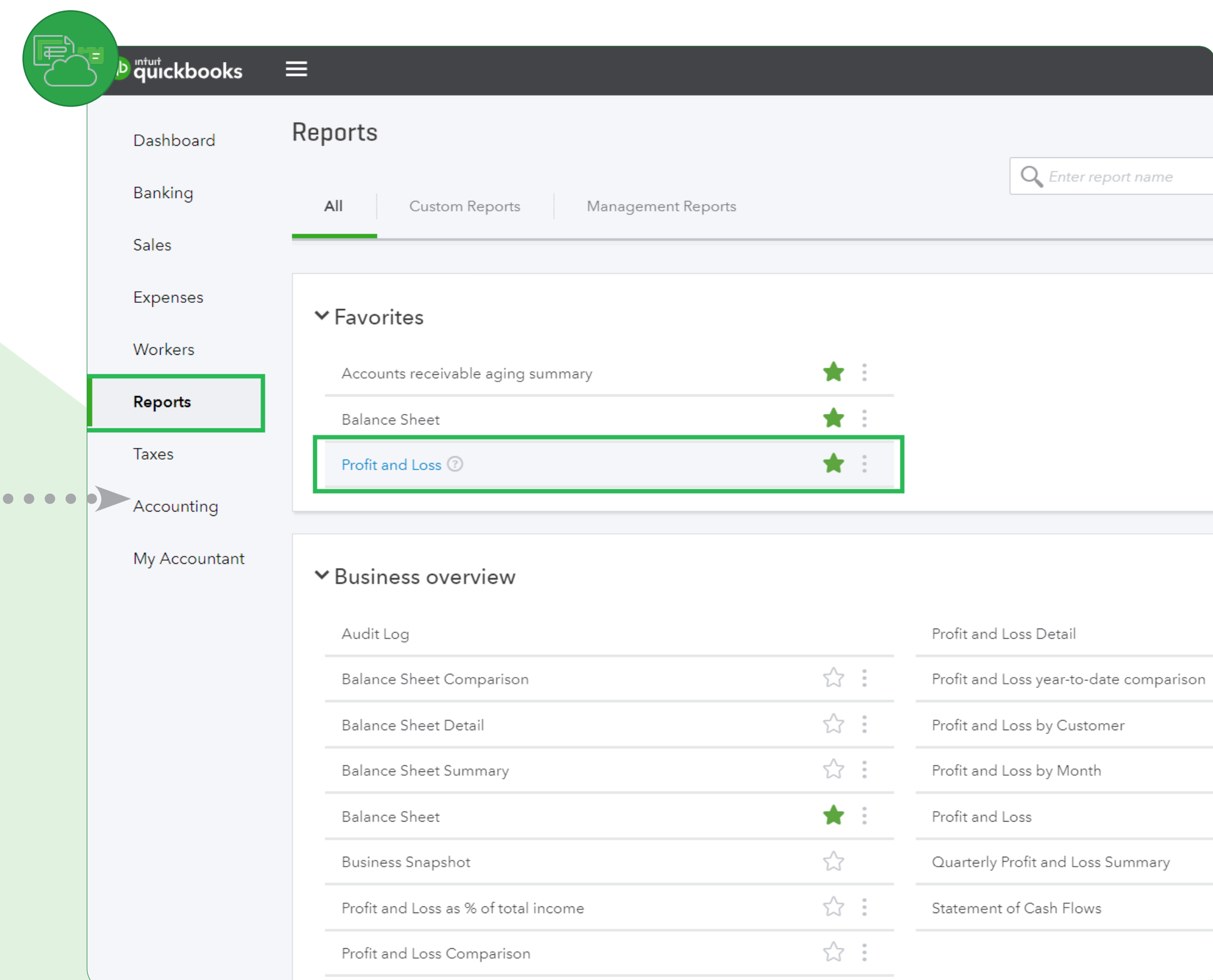
In QuickBooks Desktop:

1. Go to the **Reports Menu** and select **Report Center**
2. Find "**Profit & Loss Standard**" on the list and click **Run**"
3. Select **All** for the Dates and **Accrual** for the Report Basis
4. Click **Refresh** to apply these criteria
5. Repeat for the **Balance Sheet**



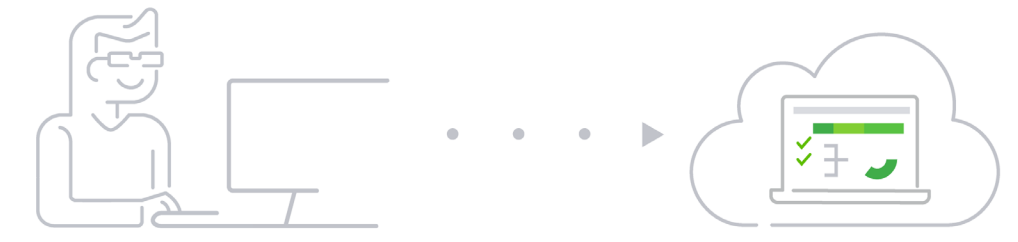
In QuickBooks Online:

1. Go to the **Reports Tab** and select "**Profit & Loss**" from the list
2. Make sure **All Dates** and **Accrual** are selected at the top
3. Repeat for the **Balance Sheet**



- Run these reports as "**standard**" versions
- Run them for "**All Dates**"
- Set the accounting method to "**Accrual**"
- Consider printing them out to make side-by-side comparison easier

Compare Profit & Loss and Balance Sheet Reports Part 2 of 2



With these reports side-by-side, go through each section and **match the totals**. On the **Balance Sheet** in particular, check your **Accounts Receivable (A/R)** and **Undeposited Funds** balances.

If there are missing accounts or slightly skewed figures, review the “[Expected Report Discrepancies](#)” section in “[What to do after completing an import to QuickBooks Online](#)” to troubleshoot.

Balance Sheet
All Transactions

ASSETS	
Current Assets	
Checking/Savings	
Company Checking Account	12,649.10
Company Savings Account	12,653.00
Petty Cash Account	500.00
Total Checking/Savings	25,802.10
Accounts Receivable	
Accounts Receivable	93,751.90
Total Accounts Receivable	93,751.90
Other Current Assets	
Materials Inventory	135,560.69
Work in Progress-Direct Labor	38,889.98
Work in Progress-Utilities	761.59
Work in Progress-Indirect Mater	20.00
Finished Goods Inventory	-20,478.61
Prepays	
Prepaid Insurance	-0.06
Total Prepays	-0.06
Security Deposit	1,000.00
Undeposited Funds	19,000.00
Total Other Current Assets	174,753.59
Total Current Assets	294,307.59
Fixed Assets	
Automobiles & Trucks	56,963.45
Computer & Office Equipment	2,500.00
Office Equipment (over \$500)	5,236.32
Accumulated Depreciation	-923.04
Total Fixed Assets	63,776.73
TOTAL ASSETS	358,084.32
LIABILITIES & EQUITY	358,084.32

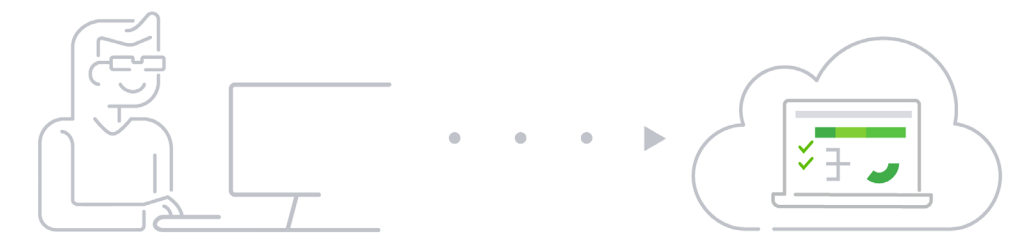
Craig's Design and Landscaping Services
BALANCE SHEET
All Dates

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Total Bank Accounts	\$25,802.10
Accounts Receivable	
Accounts Receivable (A/R)	\$93,751.90
Total Accounts Receivable	\$93,751.90
Other Current Assets	
Undeposited Funds	\$19,000.00
Total Other Current Assets	\$174,753.59
Total Current Assets	\$294,307.59
Total Fixed Assets	\$63,776.73
TOTAL ASSETS	\$358,084.32



[Back to Roadmap](#)

If you imported Inventory from Desktop Part 1 of 4



If you imported inventory from QuickBooks Desktop, your **inventory will be recalculated with the (FIFO) principle of inventory management**, using the “as of” date you specified during the conversion.

For compliance purposes, you’ll need to **file Form 3115* with the IRS** notifying them of your business’ inventory accounting change. There will be a **task on your QuickBooks Online homepage containing this form**. This form and more information can also be found [here](#).



Take note

To learn more about how FIFO recalculations will affect your inventory calculations, see “[Moving your inventory over from Desktop](#)”


We also recommend reviewing “[Why some data doesn’t come over from QuickBooks Desktop](#)”

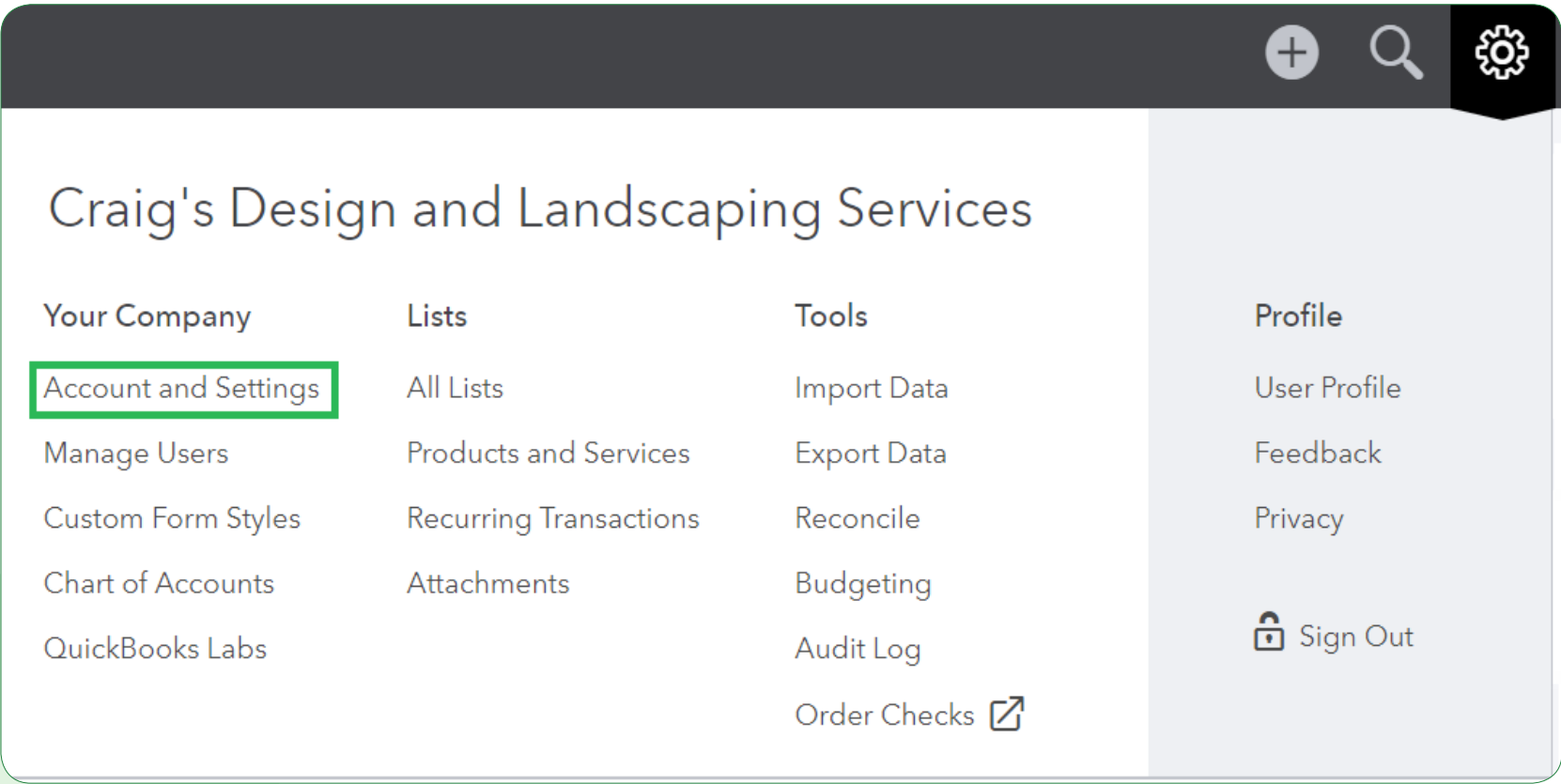
* The IRS requires you to commit to an inventory costing method the first year you file a business tax return. However, you can apply to change your cost method **by filing Form 3115 for the tax year you implement the new inventory cost method**. IRS consent is automatic when you file a correctly completed Form 3115. There is no review or approval process.



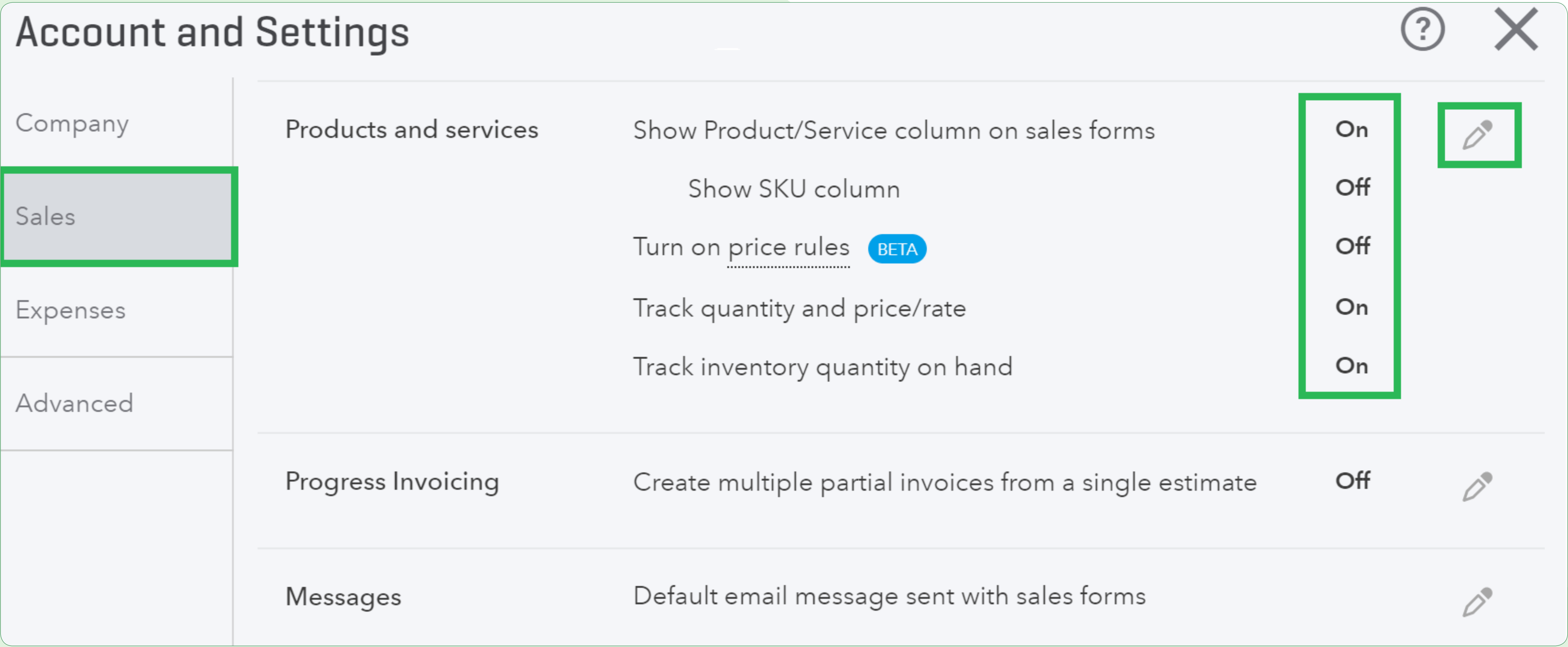
If you imported Inventory from Desktop Part 2 of 4



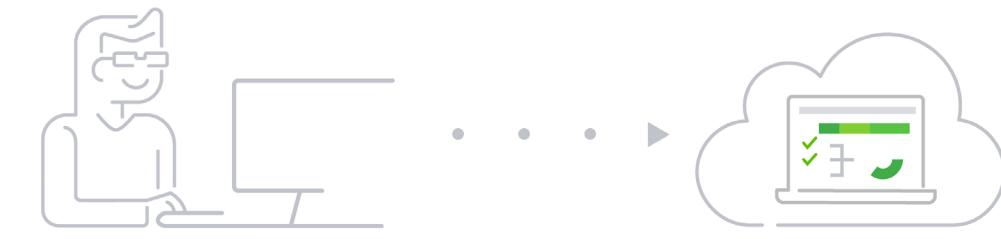
Next, let's enable inventory tracking in QuickBooks Online. Click the **Gear Icon**  at the top of the screen and then **Account and Settings** (or **Company Settings**) from the menu.



Select the Sales tab and the **pencil icon** to edit the **Products & Services section**. Ensure **"Tracking inventory quantity on hand"** is enabled. Click **Save** and **Done** to finish.



If you imported Inventory from Desktop Part 3 of 4



Only follow parts 3 and 4 **if you're importing inventory but will not be selling or tracking inventory in QuickBooks Online** (i.e. you plan to manage your inventory with a third party app, using an accounting method other than FIFO). You need to complete the steps outlined in parts 3 and 4 **as soon as possible** following your conversion - the review process becomes increasingly difficult the longer you wait since buying and selling products impacts reported totals.

To start, print an **Inventory Valuation Summary Report** from QuickBooks Desktop. You will compare inventory figures from this report against your **Balance Sheet** in QuickBooks Online.

In QuickBooks Desktop:

1. Go to the **Reports Menu** and select **Inventory**
2. Find "**Valuation Summary**" and click "**Run**"
3. Select **All** for the Dates

In QuickBooks Online:

1. Go to the **Reports Tab** and select "**Balance Sheet**"
2. Select **All** for the Dates

intuit quickbooks

Dashboard < Back to report list
Report period
All Dates

Banking

Sales
Display columns by: Total Only

Expenses

Workers

Reports

Taxes

Accounting

My Accountant

Customize Save customization

Show non-zero or active only: Active rows/active columns

Compare another period: Select period

Accounting method: ☐ Cash ☒ Accrual

Run report

Craig's Design and Landscaping Services

BALANCE SHEET
As of July 4, 2018

	TOTAL
▶ ASSETS	\$23,436.29
▶ LIABILITIES AND EQUITY	\$23,436.29

Accrual basis Wednesday, July 4, 2018 09:49 PM GMT-07:00

If you imported Inventory from Desktop Part 4 of 4



We're ready to set up your [Products & Services List](#) in QuickBooks Online. Your existing inventory items will already be in your Products and Services list. Each item will have an associated Cost of Goods Sold and Inventory Asset sub-account entry. This is done to preserve the accuracy of your asset and Cost of Goods Sold accounts.

1. Check each inventory item one-by-one. Select the **Gear icon** and go to **Products & Services**. Select a product from the list and click **edit** to adjust the price or quantity.

2. If a product is *not* set up as an **"Inventory"** item (i.e. it's labelled "non-inventory" or "service"), select **change type** and then **Inventory** as the type.

3. In the **Initial quantity on hand** and **Cost** fields, enter the price and quantity as they're recorded on your QuickBooks Desktop **Inventory Valuation Summary**.

4. Since this inventory data is current based on the "as of" date you entered during the conversion ([page 18](#)), rates and quantities may not be up-to-date. Update inventory items as needed so they match your Inventory Valuation Report.

Important - If you're making *any* changes, update the **as of** date accordingly. Entering values other than what's recorded on the Inventory Valuation Summary will create discrepancies and inaccurate totals.

5. When everything is updated, select **save** and **close**.

6. Head back to the Products and Services List. Select the **sub-products** named **COGS** and **Inventory Asset** under the product you're editing. These are the placeholder items mentioned above. Select **Delete** and then **Yes** to remove both placeholders.

Repeat this process **for each inventory item**. Note that once you've entered the quantity and "as of" date for an item, you won't be able to create new transactions using the item prior to the specified date.

Product/Service information

Inventory [Change type](#)

Name*
12oz Roasted Coffee Bag

SKU

Category
Wholesale Coffee

Initial quantity on hand* 100

As of date* 07/11/2018
[What's the as of date?](#)

Reorder point 5
[What's the reorder point?](#)

Inventory asset account
Inventory Asset

Sales information
[Description on sales forms](#)

Sales price/rate

Income account
Sales of Product Income

☒ Is taxable

Sales tax category Type category

What you sell Start typing here

Purchasing information
[Description on purchase forms](#)

Cost

Expense account
Cost of Goods Sold

Preferred Vendor
Select a preferred vendor

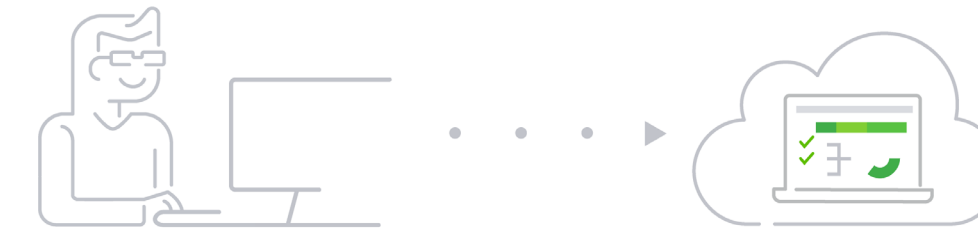
[SHOW MORE](#)

[Save and close](#)



[Back to Roadmap](#)

A final note about converting Inventory



If the **FIFO start date** was entered correctly and the adjustments to your pre-conversion numbers look accurate, your inventory is ready to go.

.....

In special cases where totals do not match even after taking FIFO readjustments into account, you'll need to create a **journal entry**. This is done to offset the old Inventory Asset account entry brought over during the conversion.

When you converted your data into QuickBooks Online, there was an **Inventory Asset account** on the Balance Sheet. When you edit your inventory in QuickBooks Online using the process outlined on the previous page, a new account called "**Inventory Asset-1**" will be created and set as the **default account**.

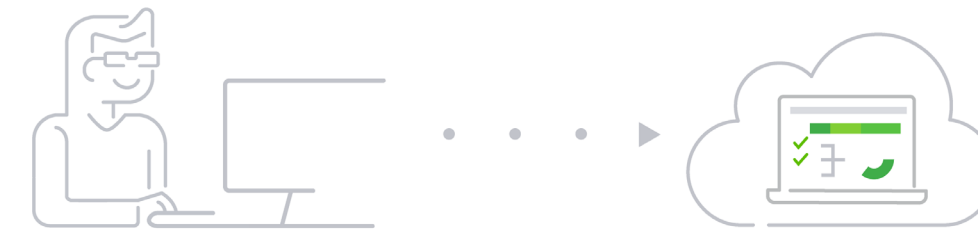
In this case, create a **journal entry** using the old Inventory Asset account total and offset it using the "**Opening Balance Equity**" account.

- Select the **Plus icon (+)** at the top of the screen, then **Journal Entry**.
- On the first line, select the **old Inventory account**, then enter its **balance** under "**Credit**."
- On the second line, choose "**Opening Balance Equity**," then enter an **equal amount** under "**Debit**."
- Select **Save** and **close**.
- Once this is complete, **delete the old Inventory Asset account** from the Chart of Accounts.

Journal entries can be challenging and should be used sparingly. If this step feels a bit too complicated, we recommend working with your accountant.



If you imported Payroll data from Desktop



Payroll data converts into QuickBooks Online in very specific ways in order to maintain accurate account totals.

For QuickBooks Desktop Windows users, **paychecks** and **liability payments** convert over as regular checks. **Liability refunds, adjustment transactions,** and **opening balance transactions** convert as journal entries.

Note that transactions and payroll account totals are converted, **but the details** behind them (such as payroll item breakdowns and employee year-to-date figures) **do not convert**.

For more on Payroll, see "[Completing your Payroll Setup](#)" in the appendix.



What's next?.....



What's different in QuickBooks Online?

Changes to your workflow

Working with a single window



We already introduced [basic navigation](#) on [page 23](#). In this section, we'll go over a few more key differences between QuickBooks Online and QuickBooks Desktop.

Let's start with the basic workflow. Instead of breaking tasks into multiple windows, **QuickBooks Online uses a single browser page**. Menus and features for sales, reports, and other tasks are organized by **tabs** and **sub-tabs**.

The image compares the QuickBooks Desktop and QuickBooks Online interfaces. On the left, the QuickBooks Desktop interface is shown with multiple overlapping windows: 'Chart of Accounts', 'Enter Sales Receipts', and 'Create Sales Orders'. On the right, the QuickBooks Online interface is shown as a single browser page. It features a left-hand navigation bar with tabs like 'Dashboard', 'Banking', 'Sales', 'Expenses', 'Workers', 'Reports', 'Taxes', 'Accounting', and 'My Accountant'. The 'Sales' tab is highlighted, showing sub-tabs for 'All Sales', 'Invoices', 'Customers', and 'Products and Services'. The main content area displays 'Sales Transactions' with summary cards for 'Unbilled Last 365 Days' (\$0) and 'Unpaid Last 365 Days' (\$750). Below these are filter and batch action controls, followed by a table of transactions.


	DATE	TYPE	NO.	CUSTOMER	DUE DATE
<input type="checkbox"/>	06/09/2018	Invoice	1035	Mark Cho	07/09/2018
<input type="checkbox"/>	06/09/2018	Invoice	1037	Sonnenschein Famil...	07/09/2018
<input type="checkbox"/>	06/09/2018	Invoice	1036	Freeman Sporting G...	07/09/2018
<input type="checkbox"/>	06/09/2018	Payment		Freeman Sporting G...	06/09/2018
<input type="checkbox"/>	06/09/2018	Payment		Cool Cars	06/09/2018
<input type="checkbox"/>	06/08/2018	Payment		Travis Waldron	06/08/2018
<input type="checkbox"/>	06/08/2018	Invoice	1034	Rondonuwu Fruit an...	07/08/2018

Each tab in the Nav Bar has a dashboard and related sub-tabs with more details. The **Sales tab** is where you access invoice, customer, and products & services features. If you can't live without multi-window functionality, it's available for the free web-based [QuickBooks Online App](#).

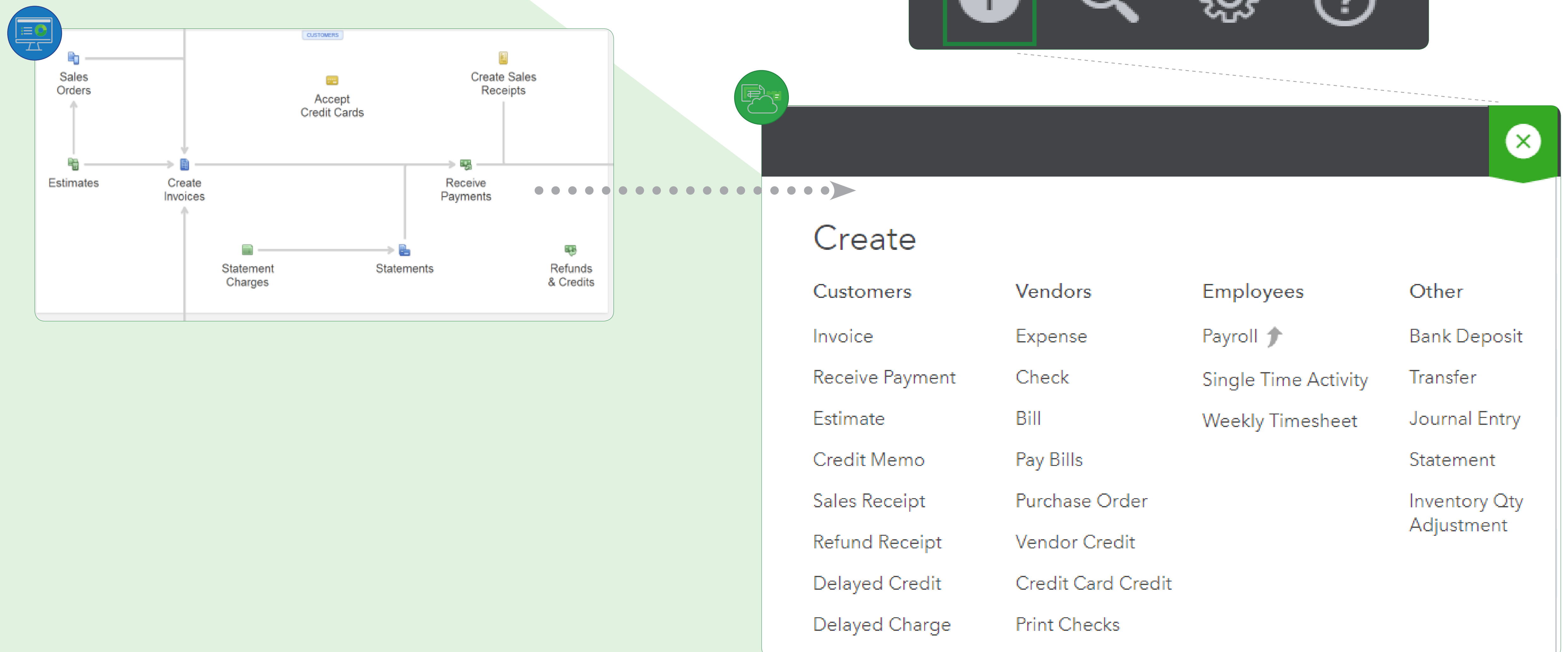


Using the Global Create Button




Most **transactions** and **daily tasks** start with the **Global Create Button** . This button is essentially your main QuickBooks Desktop dashboard compressed into a quick-access menu. This icon (and others) appears on every page in QuickBooks Online.

This is where you begin the process of sending invoices, entering expenses, or making bank deposits. Many of these features also appear in the various **Tabs**.



The diagram illustrates the central role of the 'Create Invoices' button in QuickBooks Online. It is connected to various transaction types and tasks. A callout box shows the 'Global Create Button' menu, which provides quick access to these functions.

Global Create Button Menu:

Customers	Vendors	Employees	Other
Invoice	Expense	Payroll 	Bank Deposit
Receive Payment	Check	Single Time Activity	Transfer
Estimate	Bill	Weekly Timesheet	Journal Entry
Credit Memo	Pay Bills		Statement
Sales Receipt	Purchase Order		Inventory Qty Adjustment
Refund Receipt	Vendor Credit		
Delayed Credit	Credit Card Credit		
Delayed Charge	Print Checks		

Learn more about navigating QuickBooks Online in the [Getting Started with QuickBooks](#) section of the QB community.



[Back to Roadmap](#)

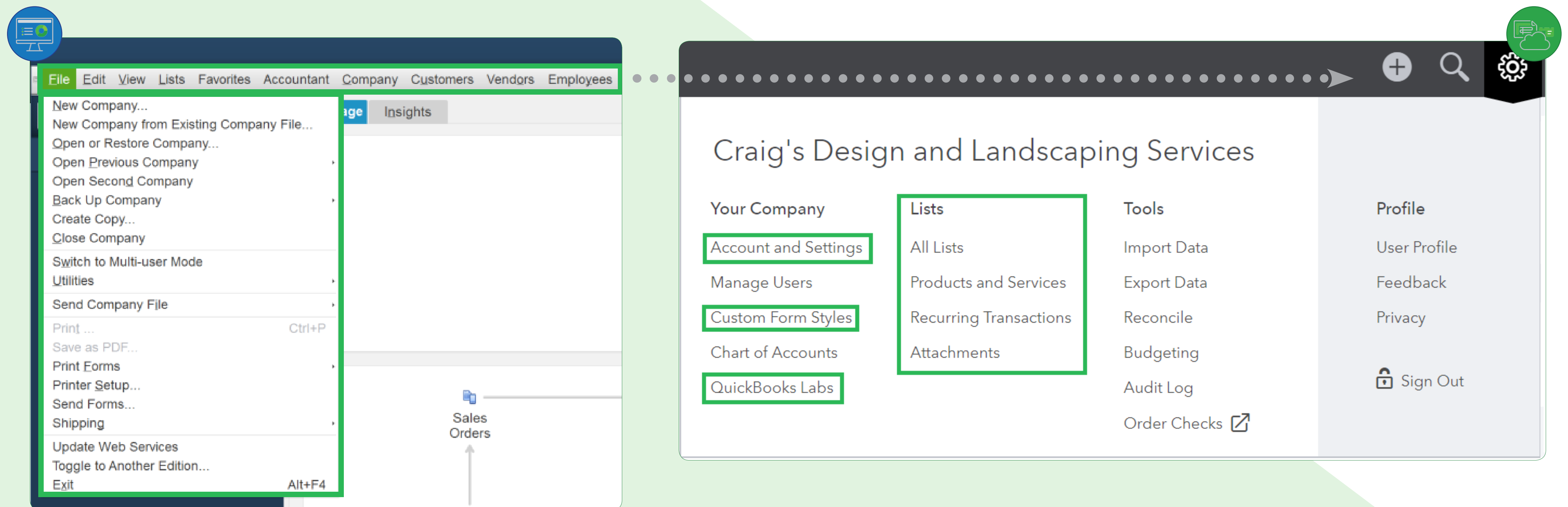
Using the Gear Menu



The **Gear Menu** is where you can adjust settings and access less frequently used features, like the **Custom Form Styles** module for editing Invoice layouts. This, along with the Global Create Button, essentially take the place of drop-down menus from QuickBooks Desktop.



There are tons of resources packed into this menu. For example, **Lists** are accessible from Nav Bar tabs and subsequent dashboards, but you can also quickly access them from this menu. Another useful feature is **QuickBooks Labs**. This is where you can beta test upcoming features that are still in production.



Creating Invoices in QuickBooks Online



Creating Invoices is a very simple process. Start with the **Global Create Button** and select **Invoice**. All the **customer** and **products & services** data you will need for Invoices is stored in the various sections of the **Sales Tab**. Once product and customer information is added to a **list**, it can be added to forms from the drop-downs. When your invoice is ready, click **“Save and send”** to send it to your customer via email.

Create

Customers

Invoice

Receive Payment

Estimate

Credit Memo

Sales Receipt

Refund Receipt

Delayed Credit

Delayed Charge

Vendors

Expense

Check

Bill

Pay Bills

Purchase Order

Vendor Credit

Credit Card Credit

Print Checks

Employees

Payroll

Single Time Activity

Weekly Timesheet

Other

Bank Deposit

Transfer

Journal Entry

Statement

Inventory Qty Adjustment

Invoice

Amy's Bird Sanctuary

Birds@Intuit.com

☐ Send later

Cc/Bcc

BALANCE DUE

\$50.00

Billing address

Amy Lauterbach
Amy's Bird Sanctuary
4581 Finch St.
Bayshore, CA 94326

Terms

Net 30

+ Add new

Due on receipt

Net 10

Net 15

Net 30

Net 60

Invoice date

07/05/2018

Due date

08/04/2018

#	PRODUCT/SERVICE	QTY	RATE	AMOUNT	TAX
1	Landscaping:Installation	1	50	50.00	
2					

Add lines

Clear all lines

Add subtotal

Subtotal

\$50.00

Message displayed on invoice

Thank you for your business and have a great day!

Taxable subtotal

\$0.00

California

8%

0.00

Discount percent

\$0.00

Cancel

Clear

Print or Preview

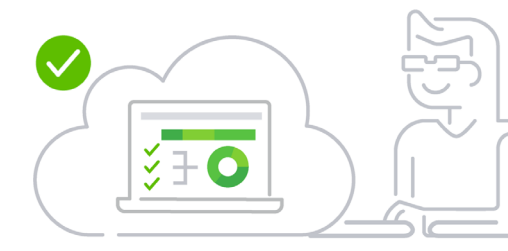
Make recurring

Customize

Save

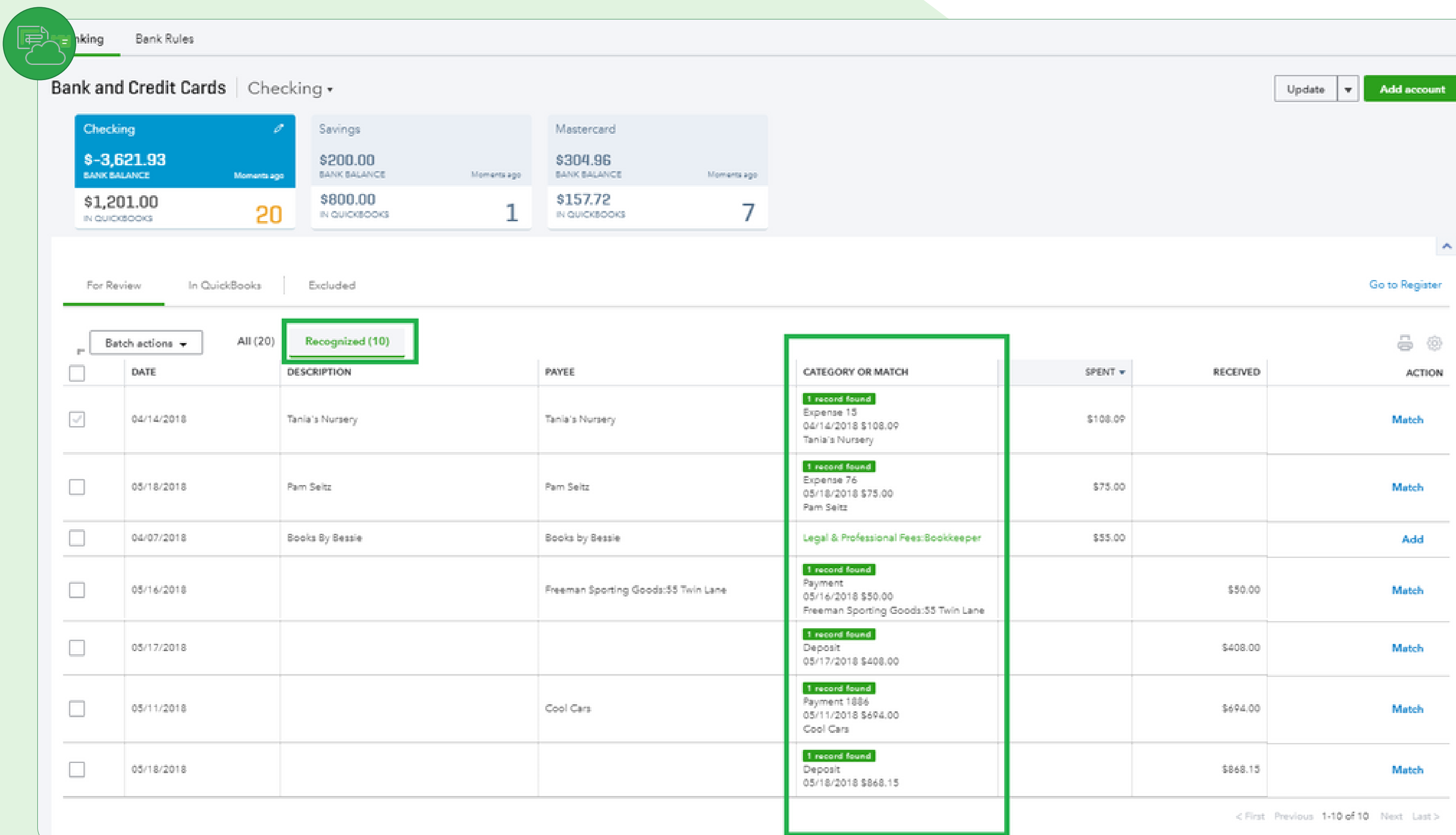
Save and send

Online Banking in QuickBooks Online



Online Banking is one of many areas that demonstrate the power of “accounting in the cloud.” If you connect your bank accounts and credit cards to QuickBooks Online, the program will automatically import your recorded sales and expense transactions. The program will then **match these incoming transactions against existing sales forms in QuickBooks** or **start new records for transactions without existing sales forms**, eliminating the need for additional data-entry.

This feature is separate from the Bank Feeds in QuickBooks Desktop. To connect your accounts in QuickBooks Online, go to the **Banking Tab**, select **Add Account** and follow the workflow. Learn more about Online Banking in “[How to Connect a Bank Account for the First Time in QuickBooks Online.](#)”



The screenshot shows the 'Banking' tab in QuickBooks Online. Under 'Bank and Credit Cards', the 'Checking' account is selected. It displays three account balances: Checking (\$-3,621.93), Savings (\$200.00), and Mastercard (\$304.96). Below these, it shows the number of transactions in QuickBooks: 20 for Checking, 1 for Savings, and 7 for Mastercard. The main table lists transactions for review, with columns for DATE, DESCRIPTION, PAYEE, CATEGORY OR MATCH, SPENT, RECEIVED, and ACTION. A green box highlights the 'Recognized (10)' filter and the 'CATEGORY OR MATCH' column, which shows '1 record found' for each transaction, indicating a successful match.

	DATE	DESCRIPTION	PAYEE	CATEGORY OR MATCH	SPENT	RECEIVED	ACTION
<input checked="" type="checkbox"/>	04/14/2018	Tania's Nursery	Tania's Nursery	1 record found Expense 13 04/14/2018 \$108.09 Tania's Nursery	\$108.09		Match
<input type="checkbox"/>	05/18/2018	Pam Seltz	Pam Seltz	1 record found Expense 76 05/18/2018 \$75.00 Pam Seltz	\$75.00		Match
<input type="checkbox"/>	04/07/2018	Books By Bessie	Books by Bessie	Legal & Professional Fees:Bookkeeper	\$55.00		Add
<input type="checkbox"/>	05/16/2018		Freeman Sporting Goods:55 Twin Lane	1 record found Payment 05/16/2018 \$50.00 Freeman Sporting Goods:55 Twin Lane		\$50.00	Match
<input type="checkbox"/>	05/17/2018			1 record found Deposit 05/17/2018 \$408.00		\$408.00	Match
<input type="checkbox"/>	05/11/2018		Cool Cars	1 record found Payment 1886 05/11/2018 \$694.00 Cool Cars		\$694.00	Match
<input type="checkbox"/>	05/18/2018			1 record found Deposit 05/18/2018 \$868.15		\$868.15	Match



Take note

If you **track sales tax**, we recommend **creating sales forms in QuickBooks Online and matching them against incoming transactions**, rather than letting the program create new entries.

Adding sales tax and tax expenses from your bank into QuickBooks Online **does not automatically move this data to sales tax reports.**



[Back to Roadmap](#)

Name changes to familiar features in QuickBooks Online



The **Basic Invoice Customization** and **Layout Designers** from QuickBooks Desktop are combined into the “**Custom Form Styles**” module in QuickBooks Online. You can access this module from the **Gear Menu**.

The screenshot shows the QuickBooks Online interface. On the left, the Gear Menu is open, displaying the 'Custom Form Styles' option under the 'Your Company' section. A dashed arrow points from this option to the 'Custom Form Styles' module. The module is titled 'invoices that turn heads and open wallets' and has tabs for 'Design', 'Content', 'Emails', and 'Payments'. The 'Design' tab is active, showing options to 'Dive in with a template', 'Add your unique logo', 'Splash on some color', 'Get choosy with your font', and 'When in doubt, print it out'. On the right, a preview of an invoice is shown for 'Craig's Design and Landscaping Services'. The invoice includes a table with columns for DATE, ACTIVITY, QTY, RATE, and AMOUNT, and a summary section at the bottom.

DATE	ACTIVITY	ACTIVITY	QTY	RATE	AMOUNT
12/01/2016	Item name	Description of the item	2	225.00	450.00
01/12/2016	Item name	Description of the item	1	225.00	225.00

Thank you for your business and have a great day!	
SUBTOTAL	675.00
DISCOUNT 2%	-13.50
TOTAL TAX	101.25
TOTAL	\$776.25
BALANCE DUE	\$776.25

“**Jobs**” are referred to as “**Projects**” in QuickBooks Online (Plus version only). The functionality is similar, but not identical. Expenses and sales forms can be tagged to specific projects and managed from the Projects Center. Projects and other features can be enabled from **Account and Settings** in the **Gear Menu**.

Projects ☒ Organize all job-related activity in one place ? On

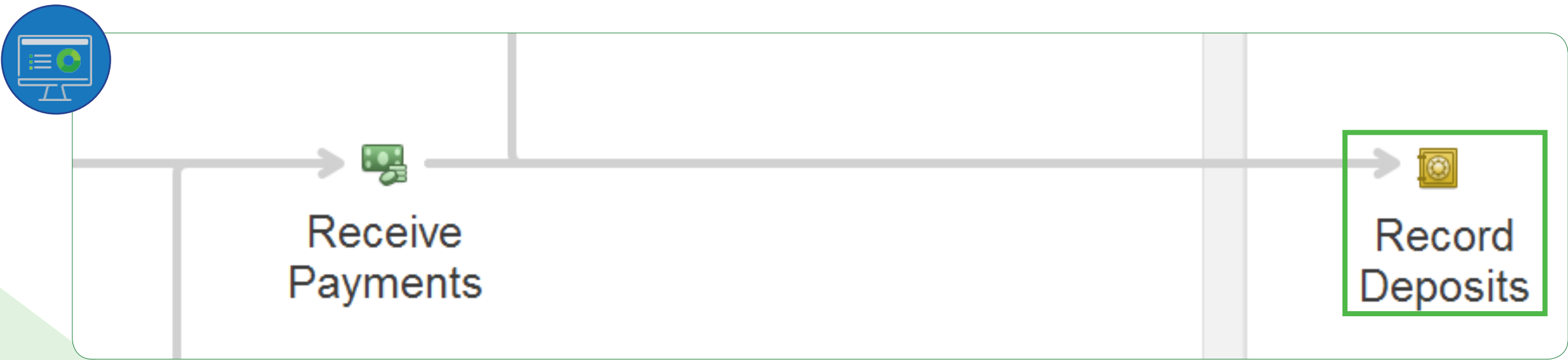


[Back to Roadmap](#)

Changes to familiar features in QuickBooks Online



The **Record Deposits** feature is known as **Bank Deposits** in QuickBooks Online and functions a bit differently.



If you **receive invoice payments** into your **Undeposited Funds account**, they appear in the top section of the **Bank Deposit** screen. This feature is hard-wired to the Undeposited Funds account.

On the Bank Deposit screen, you can deposit payments **individually** or **as a group**. This way, payments in QuickBooks can be recorded exactly as they appear on your bank statements. Using this workflow consistently will simplify your monthly [bank reconciliations](#).

For entries that aren't captured on sales forms, such as loans or equity, use the **"Add funds to this deposit"** section on the bottom half of the screen.

The screenshot shows the 'Bank Deposit' screen in QuickBooks Online. At the top, there's a header with 'Bank Deposit', 'Account: Checking', 'Balance: \$1,201.00', 'Date: 05/30/2018', and a total amount of '\$0.00'. Below this is a section titled 'Select the payments included in this deposit' which contains a table with columns: RECEIVED FROM, DATE, TYPE, PAYMENT METHOD, MEMO, REF NO., and AMOUNT. Two payments are listed: 'Cool Cars' for \$1,675.52 and 'Freeman Sporting Goods:0969 Ocean View Road' for \$387.00. Below the table are 'Select all' and 'Clear all' buttons. A 'Total' of 2062.52 and 'Selected Payments Total' of 0.00 are shown. Below this is a section titled 'Add funds to this deposit' which contains a table with columns: #, RECEIVED FROM, ACCOUNT, DESCRIPTION, PAYMENT METHOD, REF NO., and AMOUNT. Two empty rows are shown. Below the table are 'Add lines' and 'Clear all lines' buttons. At the bottom, there's a checkbox for 'Track returns for customers' and an 'Other funds total' of \$0.00.

What's next?.....



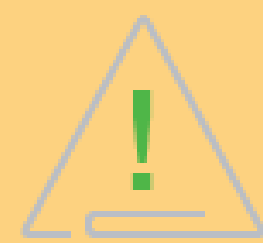
Tips and tricks for a smooth conversion

Troubleshooting your conversion



If you start with a clean QuickBooks Online file and do the necessary preparation outlined in this guide, you will seldom run into errors. If you encounter any during the conversion, you'll receive an **email** summarizing the issue. These can be caused by a number of factors:

- Oversized QuickBooks Desktop files (containing more than 350,000 targets)
- Existing QuickBooks Online data blocking converted data
- Payroll was already enabled *and* run in QuickBooks Online before conversion
- The location of your QuickBooks Desktop file (it must be stored on a local harddrive, not a server, and no more than four folders deep)



Keep in mind

Since errors depend on the status of your QuickBooks Desktop file, we recommend reviewing the full list of troubleshooting tips if you need to diagnose potential issues.

Remember, if you ever feel stuck, you can always [restore your Desktop company file](#) from the backup ([page 13](#)) and start again.



What's next?.....



Appendix and special cases

Quick Conversion Reference

Should I Convert from QuickBooks Desktop to QuickBooks Online?

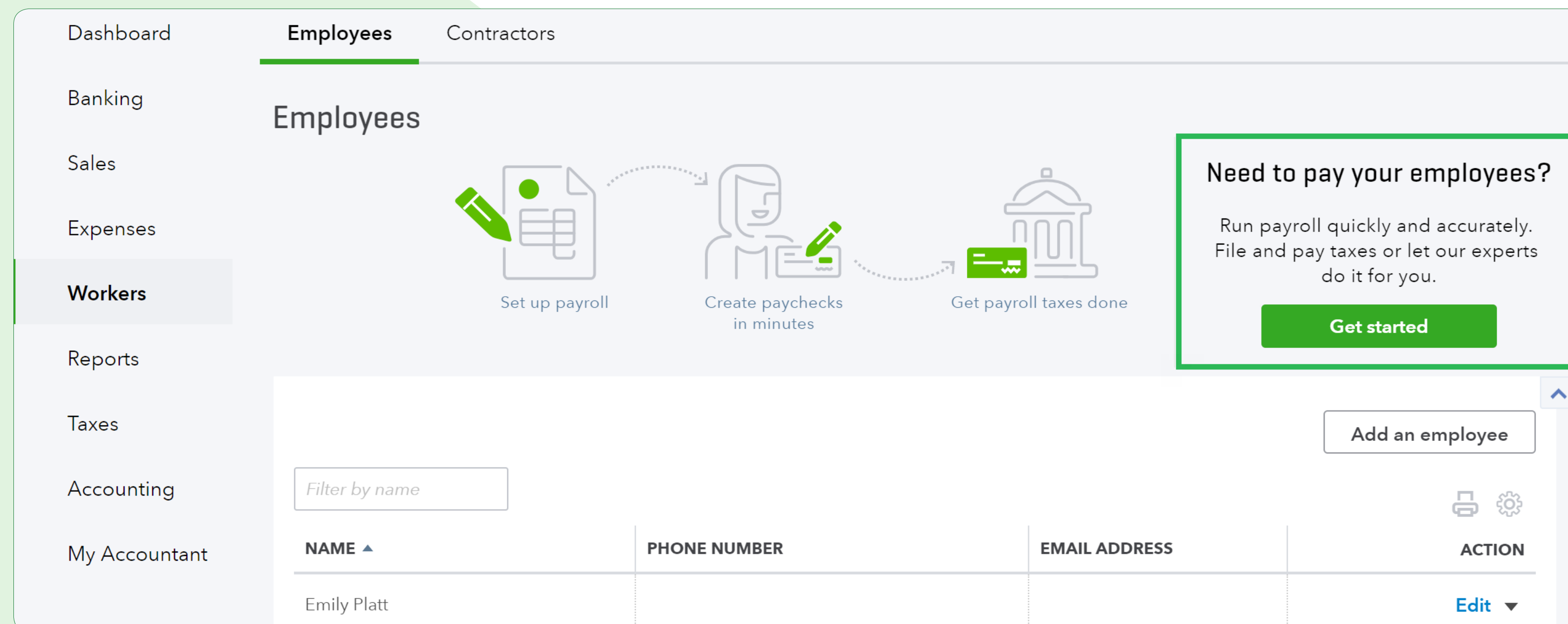
Important: QuickBooks Online Simple Start is not the right fit for most long-time users of QuickBooks Desktop. Advanced features in QuickBooks Enterprise Desktop, such as Advanced Inventory or Advanced Reports, are not available in QuickBooks Online.

Today, I use QuickBooks Desktop to...		Can be done in QuickBooks Online	Can be done in QuickBooks Desktop
		*Some features below not available in all editions or require subscription to additional service	*Some features below not available in all editions or require subscription to additional service
Access my company file and manage my data	Back up my data.	No need! QuickBooks Online automatically backs up your data.	All Editions *Online backups require a subscription to Intuit Data Protect All editions *Requires a working backup file
	Revert to prior version of my company file	Not available	
	Send an Accountant's Copy to my Accountant.	No need! Invite your Accountant to view your books without using an Accountant's Copy.	All editions
	Access my company file remotely from an Internet connected device.	All editions	All editions *Requires remote desktop application, terminal server setup, or hosting provider
	Allow multiple users to access my company file, including some view-only users.	Essentials & Plus	All editions
	Maintain multiple company files.	*Requires a separate subscription for each company file	All editions
	Work with multiple QuickBooks windows open at once.	*Available when using multiple browser tabs or the desktop app	All editions
Work with my customers	Create and manage my invoices and bill my customers.	All editions *Essentials and Plus include automation to create invoices from unbilled activity	All editions
	Create and manage my estimates, send them to my customers, convert them into invoices, and use progress invoicing to bill my customers.	All editions (Progress Invoicing is in Plus Only)	All editions
	Track my sales, accept payments, and calculate sales tax.	All editions (requires QuickBooks Payments subscription)	All editions (requires QuickBooks Payments subscription)
	Track international sales and expenses in multiple currencies.	Essentials & Plus	All editions
	Track my projects including time expenses, pending payments, and unbilled work.	Plus	All editions
	Invoice multiple customers at once with batch invoicing.	Not available	All editions
	Prevent sales to customers with overdue invoices.	Not available	Enterprise
Work with my vendors	Manage my bills so that I can pay my vendors.	Essentials & Plus	All editions
	Billable expenses	Plus	All editions
	Track and manage my 1099 contractors.	All editions	All editions
Manage my employee data	Track my employees' time, including billable hours by client or employee.	Essentials & Plus *Third-party applications can provide additional time-tracking functionality	All editions
	Pay my employees, e-file federal and state payroll taxes, and print/file W2s.	All editions *Requires additional subscription to Enhanced Payroll	All editions *Requires additional subscription to payroll service
	Get help setting up my payroll and filing my payroll taxes.	All editions *Requires subscription to Full Service Payroll	All editions *Requires subscription to payroll service
Use online banking	Connect to my bank, download transactions, and reconcile.	All editions	All editions *Your bank may charge a fee for services related to directly connecting your bank account to QuickBooks Desktop
	Undo previous bank reconciliations.	Only by an accountant with QBOA	All editions
Manage my inventory	Use the first in, first out (FIFO) inventory method to track quantities, sales revenue, and the cost of goods sold.	Plus *Third-party applications can provide more advanced inventory functionality	Enterprise with subscription to Advanced Inventory
	Use Average Costing inventory method to track your inventory.	Not available	All editions
	Set and manage inventory reorder points	All editions	All editions
	Use advanced inventory functionality such as mobile inventory scanning, bin location tracking, bar code scanning, serial number or lot tracking, multiple location management, FIFO costing, customized and automated pricing.	Not available	Enterprise with subscription to Advanced Inventory
Create and run reports that help me understand my business	Track my income and expenses and organize them according to tax categories so that I know what tax I will owe.	All editions	All editions
	Run P&L, expense, and balance sheet reports and create customized reports.	All editions	All editions
	Manage fixed assets.	Not available *You can track depreciation in the Chart of Accounts	Enterprise with Fixed Asset Manager
	Forecast my sales and expenses to create a business plan.	Plus (Budgeting Tool)	Premier & Enterprise
	Use Intuit Statement Writer to create custom reports.	Not available	Enterprise
	Use Advanced Reporting to create custom reports, consolidate reports from multiple company files, and/or directly connect my ODBC-compliant application to the QuickBooks database.	Not available	Enterprise
	Use industry-specific features including separate billing rates; track changes on estimates and orders; review current availability for inventory items; manage sales orders; print pick lists and packing slips; run industry specific reports.	Plus (Price Rules)	Premier (Industry-Specific) & Enterprise

Completing your Payroll setup Part 1 of 2

Before we run payroll in QuickBooks Online, let's check your imported payroll data from QuickBooks Desktop. Even though we [completed all outstanding payroll tasks](#) and validated the numbers before the conversion, review the **Payroll Details Report** we printed out one more time.

If the numbers look good, head over to the **Employees Tab** in QuickBooks Online. Click "**Get started**" to begin the **Payroll Setup workflow**. This is where you enter tax agency information, tax IDs, and prior pay and payroll tax history. Continue through the prompted workflow to complete your payroll setup.



When supported, your **payroll history will automatically convert over** into QuickBooks Online. In this case, all you'll have to do is verify the totals.

If your payroll history did *not* convert, you can [enter year-to-date totals](#) during the **Payroll Setup Workflow** (these numbers are on your Payroll Details Report from Desktop).

Completing your Payroll setup Part 2 of 2

After completing the setup, review the data and, if needed, add any missing payments. Go to the **Taxes tab** in the Nav Bar and click **Enter prior tax history** to review the numbers. Again, use your printed Payroll Details Report.

Also, check each individual employee account to ensure **employees who received a paycheck this year** are switched to “**Yes**” in the **Paid in [Year]** column. Employees who have *not* been paid in the current year are automatically listed as “No.”



Keep in mind

After running payroll for the first time in QuickBooks Online, it will be very difficult to make any adjustments to prior payroll data.

Make sure your historical payroll data is accurate *prior* to running your first payroll.

Once you've completed the **Payroll Setup workflow** and confirmed the numbers, you're all set. The next time you're ready to pay your employees, go back to the Employees Tab and click “**Run Payroll.**”



Regarding Payroll Pay History and Certain Pay Types

The following are addressed during the [Payroll Setup Workflow](#):

- If you were **using** or **want to use Direct Deposit** for your employees, you'll need to add your employer and employees' individual bank account information in QuickBooks Online. This can be done from [Payroll Settings](#) or the [Employee setup](#) in the Workers Tab.
- If you were using **E-services to pay/file your taxes electronically**, you'll need to [re-enroll](#) for this service in QuickBooks Online. To enable this feature, simply follow the steps in Payroll Settings (Gear icon > Payroll Settings) to enroll for [Electronic Services](#).
- For more on **pay types** and how **health insurance payments** are calculated on your QuickBooks Online Payroll and QuickBooks Desktop Summary reports, review our [complete Payroll Conversion Guide](#).



Special Cases: Mac and Older Windows Editions

Converting from QuickBooks Desktop Mac

If you're running a version of QuickBooks Desktop Mac older than 2016, [download and install a free trial](#) to update your file to the latest version. When you're ready, follow the standard conversion process: **update your Desktop software**, **back up your file**, go to the **file menu** and **select Export > To QuickBooks Online**, then follow the workflow. The same conversion [limitations](#) apply to both Windows and Mac versions.

If you **plan to import your inventory from QuickBooks Desktop Mac** into QuickBooks Online, you'll first have to convert your QuickBooks Desktop Mac file into a QuickBooks Desktop Windows file ([learn more](#)). For the complete guide, check out "[Import QuickBooks Desktop for Mac file into QuickBooks Online](#)" and "[What to do after completing an import to QuickBooks Online from QuickBooks Desktop Mac/Windows](#)."

Converting from a discontinued version of QuickBooks Desktop Windows (2011 and older)

Even if you're working with older files, you can usually [download a free trial version of QuickBooks Desktop 2018](#) and update to the latest version without issue (see [page 11](#)). If you tried this method using a pre-2011 version of QuickBooks Desktop and were not successful, [reach out to us for support](#).

