Intuit QuickBooks Training
by Real World Training

Mastering QuickBooks®

Level 1
Online Edition

Learning Manual

Mastering QuickBooks © Learning Manual

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Day 1 Agenda

During webinars, all times listed below are in Central Time.

Seminar Welcome...9:30

Chapter 1: Quickbooks Online Setup

Chapter 2: Getting Around

Break   .... 10 minutes

Chapter 3: Lists

Chapter 4: Financial Statements

Chapter 5: Products and Services

Lunch Break ....1 hour

Chapter 6: Money In I

Chapter 7: Money In II

Break   .... 10 minutes

Chapter 8: Customizing QuickBooks

Chapter 9: Saving Time

Chapter 10: Estimates

Chapter 11: Sales Tax

Class Dismissed 5:00

Day 2 Agenda

During webinars, all times listed below are in Central Time.

Seminar Welcome...**9:30**

Chapter 12: Money Out I

Chapter 13: Money Out II

Break .... 10 minutes

Chapter 14: Online Banking

Chapter 15: Reconciliation

Lunch Break ....1 hour

Chapter 16: Mobile App

Chapter 17: Working with Reports

Chapter 18: Accounting Tasks

Break .... 10 minutes

Chapter 19: Payroll Setup

Chapter 20 Payroll Cycle

Chapter 21: Inventory

Class Dismissed 4:50

Q and A

Day 1- Table of Contents
Select the headers below to be taken to the content

Day 2- Table of Contents
Select the headers below to be taken to the content.

Chapter 1

QuickBooks Online Setup

Introduction

Welcome to Day 1 of the Mastering QuickBooks seminar. Using QuickBooks software effectively for your business is the focus of this seminar.

Goals/Learning Objectives

- Learn the features and capabilities of QuickBooks.
- Learn the most common problems (and their fixes!) in each area of QuickBooks.
- Discover the tricks and tips of QuickBooks to help you use QuickBooks to its fullest potential.

About Intuit

Intuit Inc. is a leading provider of business and financial management solutions for small businesses, consumers and accounting professionals. Its flagship products and services, including QuickBooks®, Quicken® and TurboTax® software, simplify small business management and payroll processing, personal finance, and tax preparation and filing. ProSeries® and Lacerte® are Intuit's leading tax preparation software suites for professional accountants. For more information, visit **www.intuit.com** on the internet.

About Real World Training

Real World Training was founded in 1992 by David J. O'Brien, CPA. Initially the company provided one-on-one accounting software training to small businesses. In 1994, the company began focusing exclusively on QuickBooks and began offering training courses on the program. In 1996, Real World Training developed the *Mastering QuickBooks* seminar. Since that time, Real World Training has taught over 1,500,000 students how to master QuickBooks for their business. For more information on Real World Training or to see seminar schedules online, visit **www.quickbookstraining.com** on the internet.

QuickBooks Online

If you use QuickBooks Online, your screen will look like this:
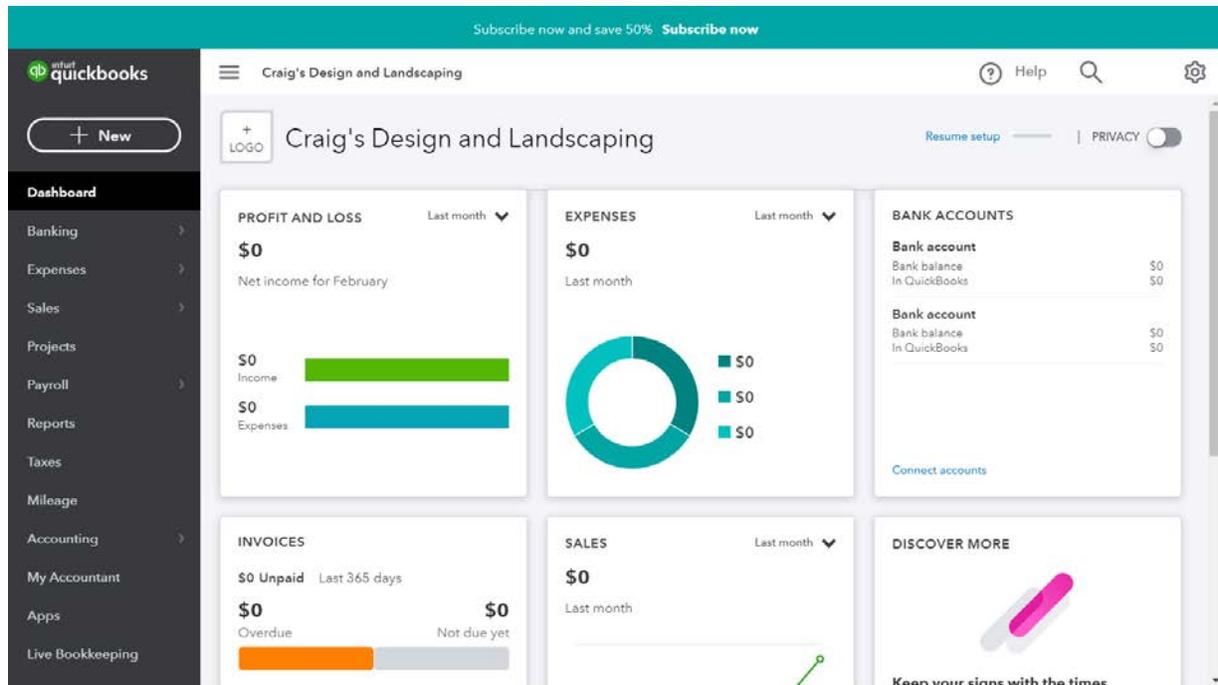
Desktop Editions (Pro, Premier, Enterprise Solutions)

If you use one of the desktop editions of QuickBooks, your screen will look like this:

Setting Up QuickBooks

There are 5 steps to setting up and getting started using QuickBooks Online.

1. **Create QuickBooks Account**

This is how you create your company in QuickBooks.

2. **Customize/Personalize QuickBooks**

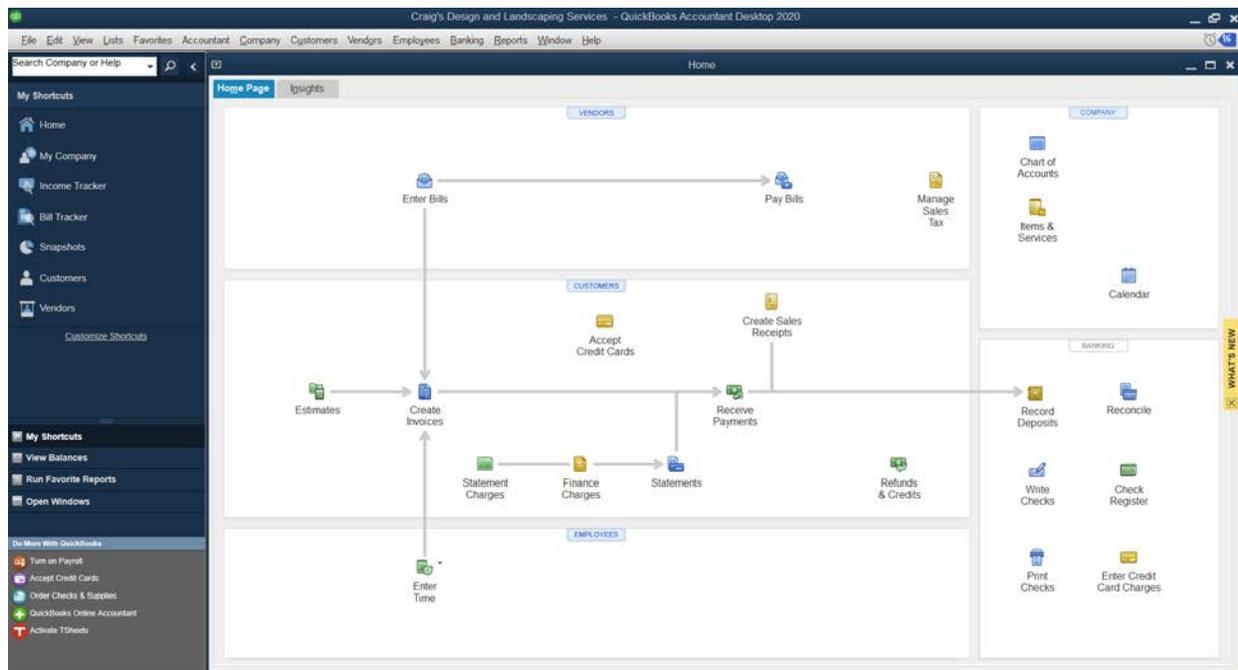Customize your settings and invoices to make QuickBooks work best for you. Also, invite other people to your company file and set up their permissions.

3. **Import Lists or QuickBooks Desktop Data**

If you are coming to QuickBooks Online from QuickBooks Pro or Premier, you can import your company file to your QuickBooks Online account and your transactions, lists, and opening balances will come over during that process. If you are coming to QuickBooks Online from another accounting program that is not QuickBooks Pro or Premier, you can import your lists (customers, vendors, chart of accounts, products and services) using CSV or Excel files.

4. **Enter Opening Balances**

Entering account balances is necessary to get complete and accurate financial statements. Opening balances become the "starting point" for your business because they catch QuickBooks up to how much you had in a bank account, or owed on a credit card, as of a specific date that you choose. Most businesses choose the beginning of a fiscal year as the starting point for their QuickBooks data, so the balance of an account on that date is used to set up its opening balance. You can find that number on your bank and credit card statements.

5. **Link Your Bank Account**

This helps you add and categorize bank transactions going forward. It also makes reconciliations significantly easier, which you'll learn about later in the training.

Step 1: Create QuickBooks Account

Getting started with QuickBooks Online for your own business is easy. Just follow the steps below to start a free trial.
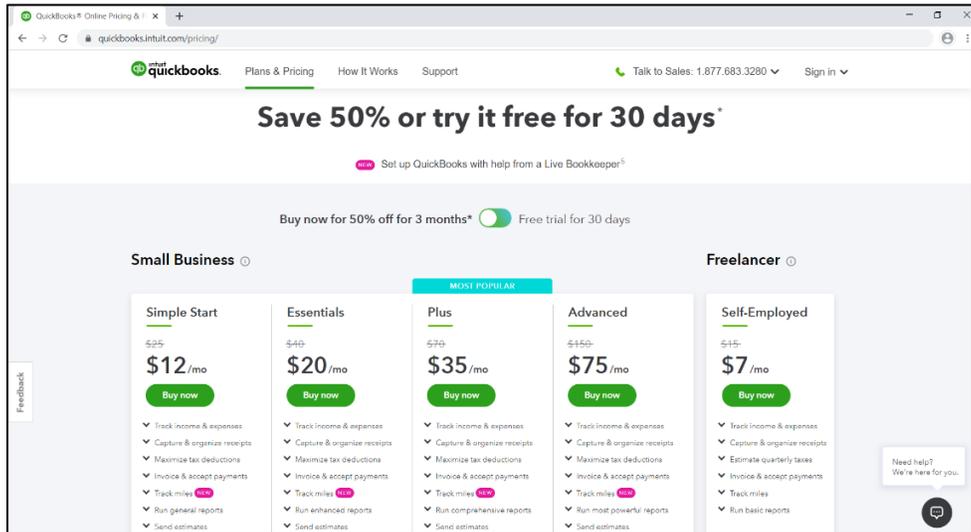
Choose an Edition and Start a Free Trial

There are several editions of QuickBooks. Each edition includes basic features such as check writing, entering sales, and additional features and capabilities to support your growing business. To review features and compare current online editions, visit https://quickbooks.intuit.com/online/compare/.

Note: The QuickBooks Online setup steps frequently change. The screenshots you see in this part of our manual may not match exactly to what you see on the site.

Start Free Trial

1. Open an internet browser (Intuit recommends Chrome).
2. Browse to **https://quickbooks.intuit.com/pricing/.**
3. Click **Free Trial**.
4. Click **Try it free** below the edition of your choice.
5. Complete the enrollment form and click **Create Account**.
6. Make the appropriate selections in the screens displayed by QuickBooks Online.
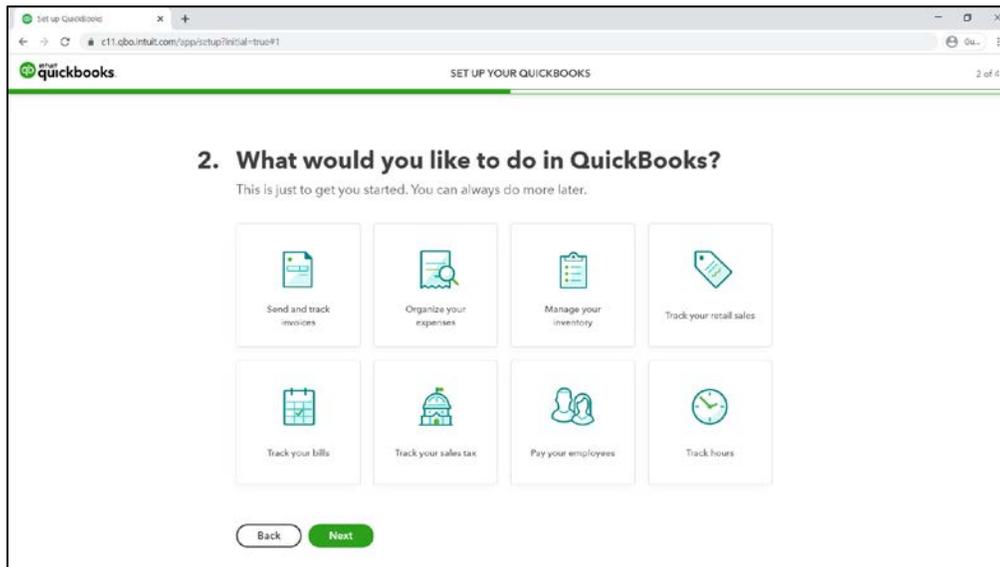

Setup

Answer a few questions about your business to help QuickBooks set up your business.

Step 2: Customize/Personalize QuickBooks

During account creation you might be asked how you plan to use QuickBooks. Pages like these help QuickBooks customize your account to best suit your company's needs. Anything you select/change can be customized later.

Accountant View vs. Business View

Based on your choice in the screen below, your QBO account will be in "Accountant View" or "Business View." These different views slightly alter the names of some transactions, but QBO still operates in the same way, regardless of your choice. You can also change this choice in your company's Advanced settings later.
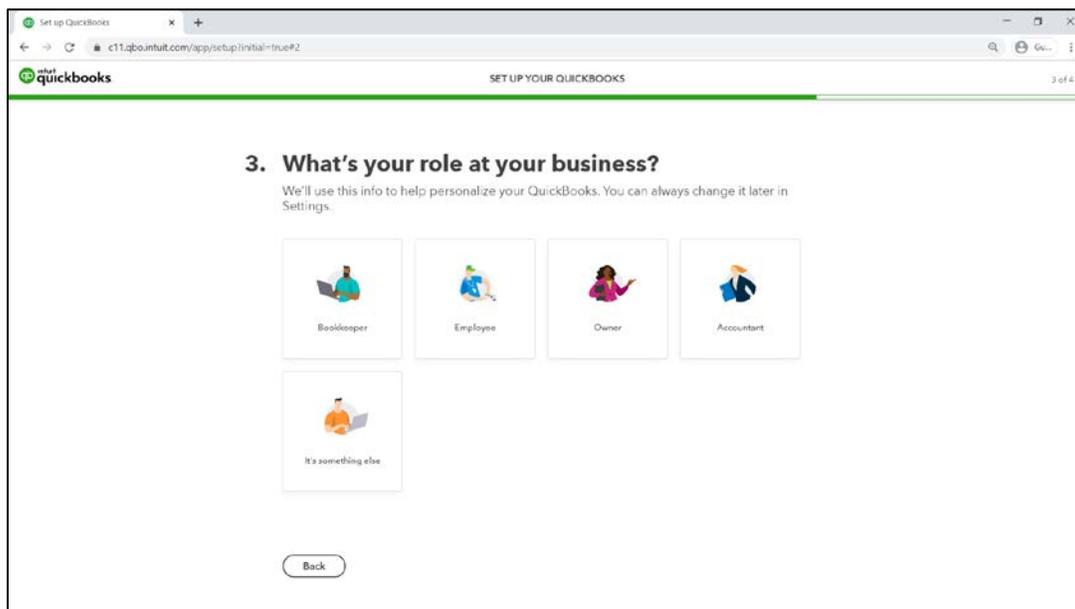
Review/Update Company Settings

After setup, you may want to customize your QuickBooks settings and forms to suit your needs. You learn about personalizing QuickBooks throughout this class.

1. Click the **Gear** menu and select **Account and Settings**.
2. Make the appropriate selections in the **Account and Settings** page.
3. Click **Done.**
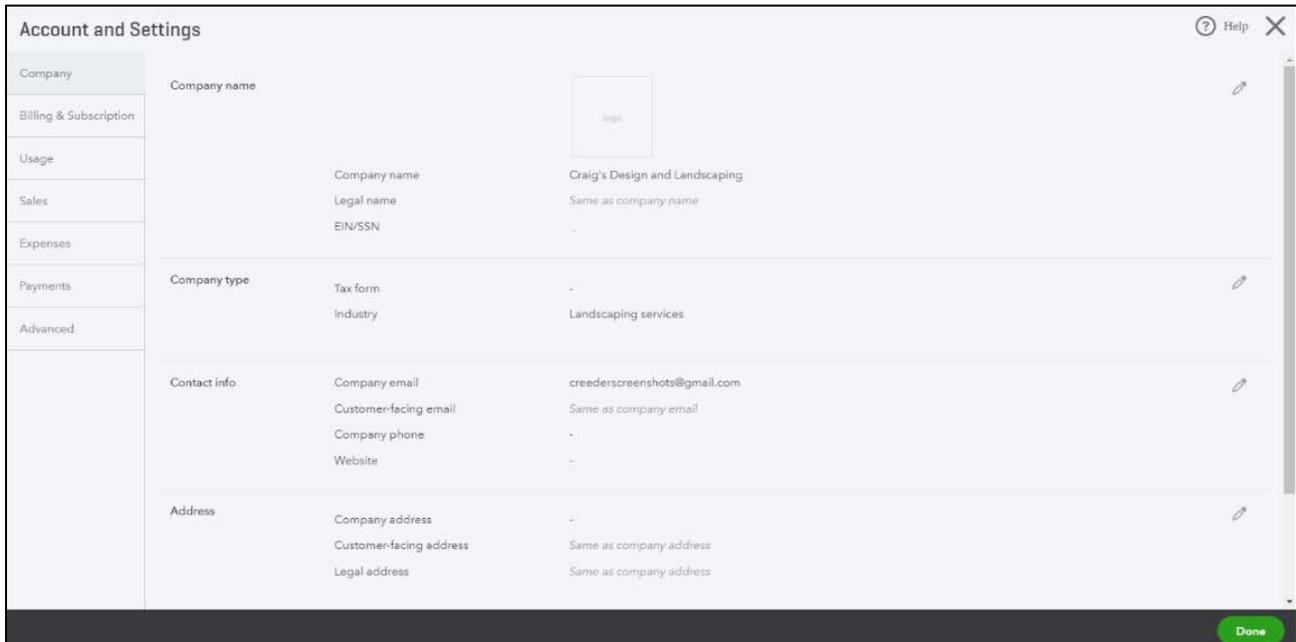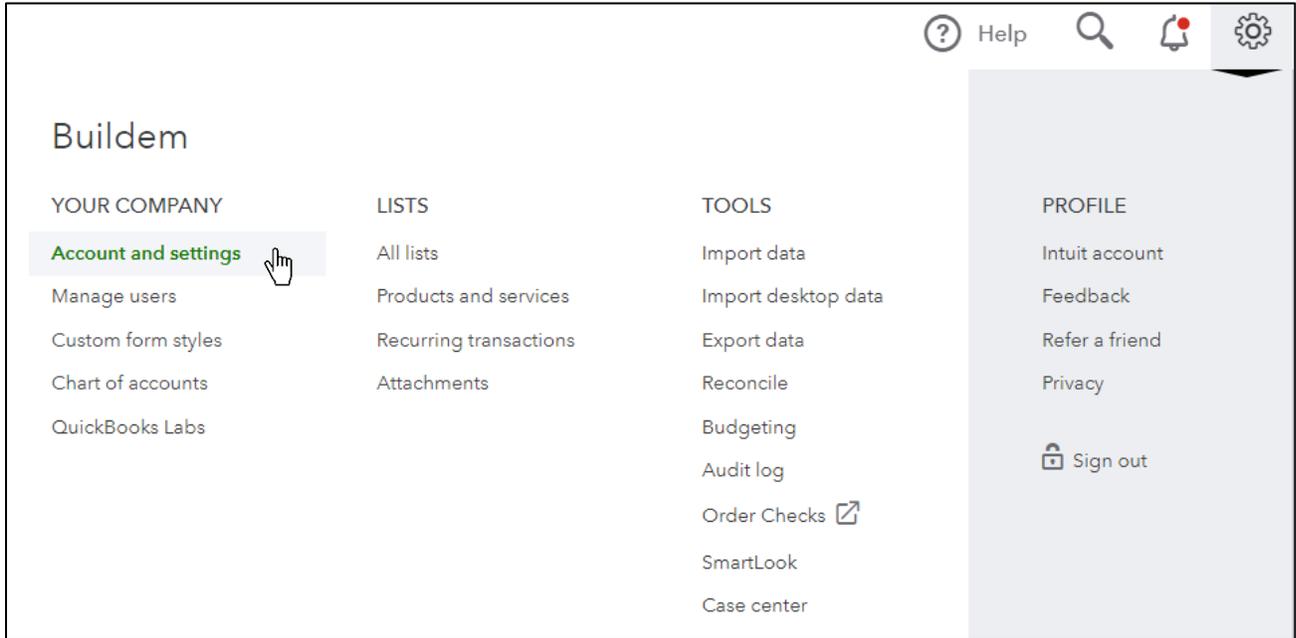
Step 3: Import Data

Import Company File from QuickBooks Pro/Premier

If you have your accounting information in a QuickBooks Pro or Premier company file, you can copy the data to you QuickBooks Online account. The process takes a few minutes, and most of your transactions, lists, and account balances are brought over.

Export Company File to QuickBooks Online

1. Within QuickBooks Desktop, click the Company menu and select Export Company File to QuickBooks Online.
2. Follow the onscreen instructions.
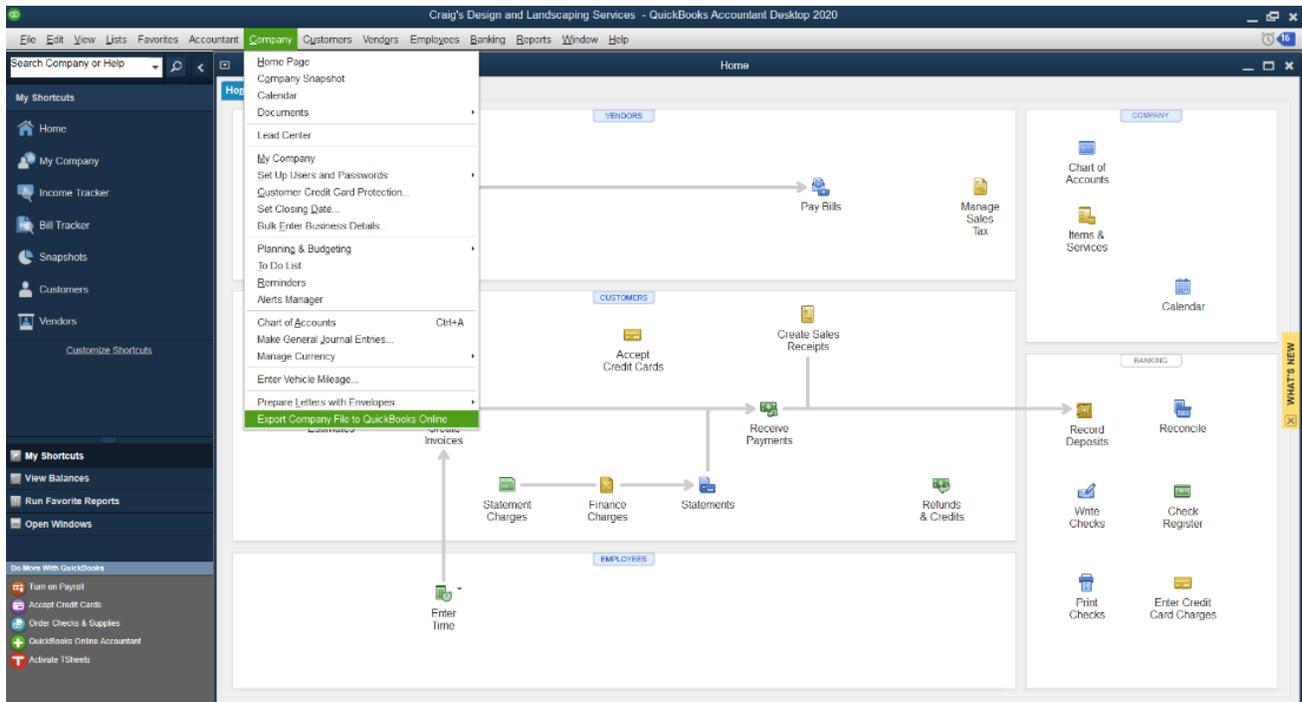
Tips for a Successful Conversion

There are a few tasks you should complete in your desktop company file before you convert it to QuickBooks Online.

Before you Convert to QuickBooks Online

- Reconcile your Checking and Credit Card accounts
- Pay Sales and Payroll Taxes
- File Payroll quarterly forms (you'll need to set up payroll again in QuickBooks Online)

After you Convert

Open your QuickBooks desktop company and QuickBooks Online company at the same time. Run the following reports in both and compare. The balances should match.

- Profit and Loss Standard
- Balance Sheet Standard
- A/R Aging Summary
- A/P Aging Summary

Import Lists from CSV or Excel Files

If you currently use QuickBooks Pro or Premier, your lists are imported during the conversion to QuickBooks Online. However, if you use a different accounting program, you can import lists with CSV or Excel files. Just export the lists you want to bring into QuickBooks, such as your list of customers, and use the menu below to bring them into QuickBooks.

1. Click the **Gear** menu and select **Import Data**.
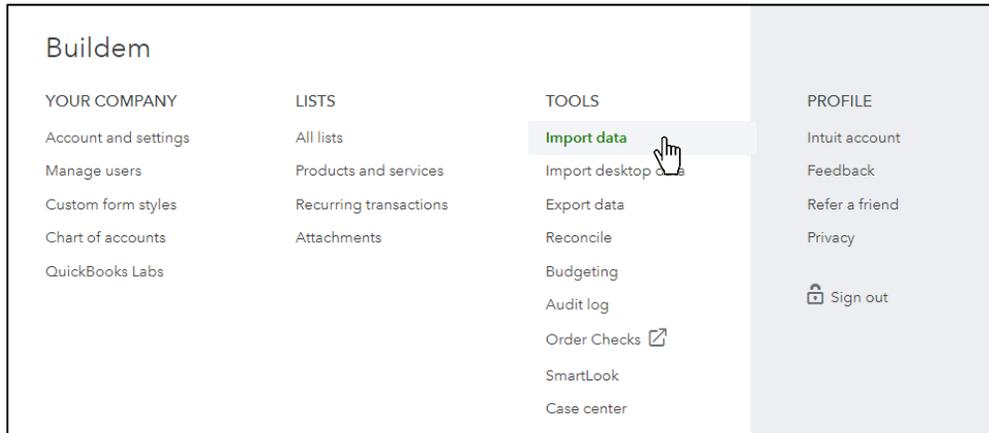
2. Select the kind of data you want to import into QuickBooks.

Step 4: Enter Opening Balances

If you currently use a desktop edition of QuickBooks, account opening balances will be included during the conversion to QuickBooks Online. However, if you use another accounting program, you will need to enter opening balances for most accounts on your Balance Sheet. Opening balances serve as your "starting point" for your accounts. They summarize how much money you had in a bank account, or owed on a credit card/loan, as of a specific day. Typically businesses choose the first day of their fiscal year as their starting point and use bank and credit card statements to find out what their balances were on that day.

You have three choices when entering account opening balances:

1. **Enter an opening balance as you set up the account.**

When you set up a new account on your Chart of Accounts you can enter the opening balance and the account's starting point at the bottom right of the New Account screen.

2. **Let the Online Banking feature enter opening balances for you.**

When you link a bank or credit card account to QBO, you're asked how far back you want it to go to download transactions. This is used to automatically set your starting date for the account and also the opening balance.

3. **Enter a journal entry for opening balances.**

This usually requires help from an accountant. Don't worry if you can't do it right away. You can start using QuickBooks now.

Enter Journal Entry for Opening Balances

1. Click the **New (+)** menu and select **Journal Entry**.

Step 5: Link Bank Accounts

When you link your checking and credit-card accounts with QuickBooks, you choose how far back you want QuickBooks to look when it downloads transactions. It's generally recommended to start from the beginning of your fiscal year. You can also tell QuickBooks what transactions to exclude if you download something you've already recorded, or notice a duplicated transaction.

Link Bank Account

1. Click **Banking** on the navigation bar.
2. Click **Connect account** in the Bank accounts section of the page.
3. Follow the onscreen instructions.
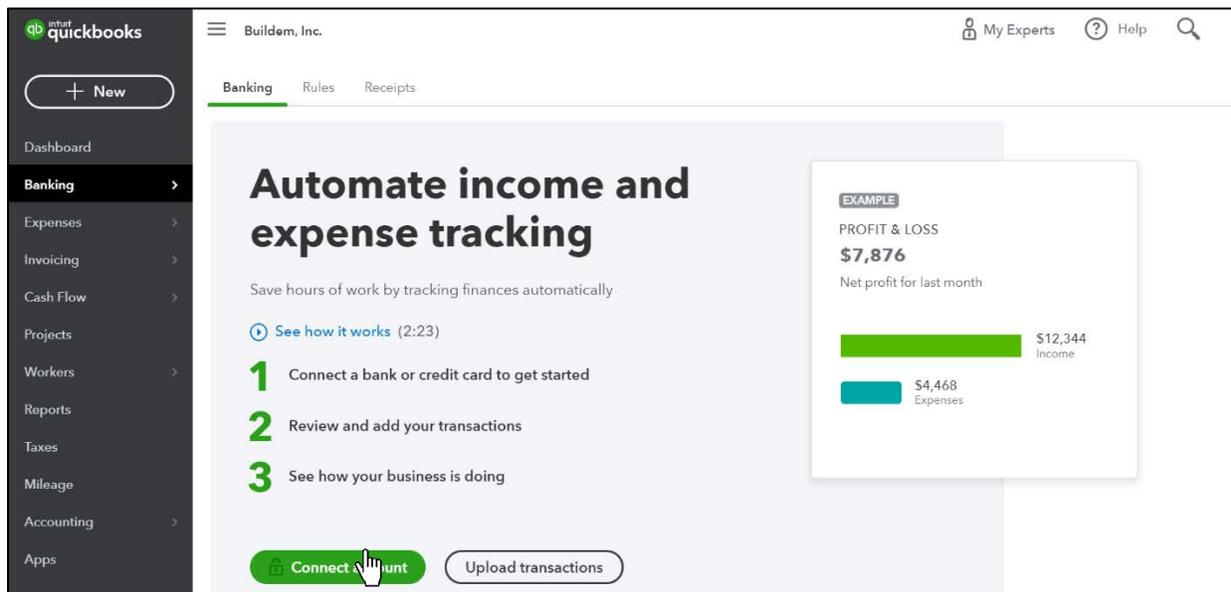
Test Drive QuickBooks Online

You can practice in QuickBooks using a sample file. Please note: The test drive will expire and log you out due to inactivity after about an hour and any changes or transactions you've entered will be deleted.

Start Test Drive

1. Open an internet browser.
2. Browse to **https://qbo.intuit.com/redir/testdrive**. You can also do a Google search for "QBO Test Drive" to find the test drive page.
3. Enter the provided security code or Captcha.
4. Click **Continue**

Chapter 2

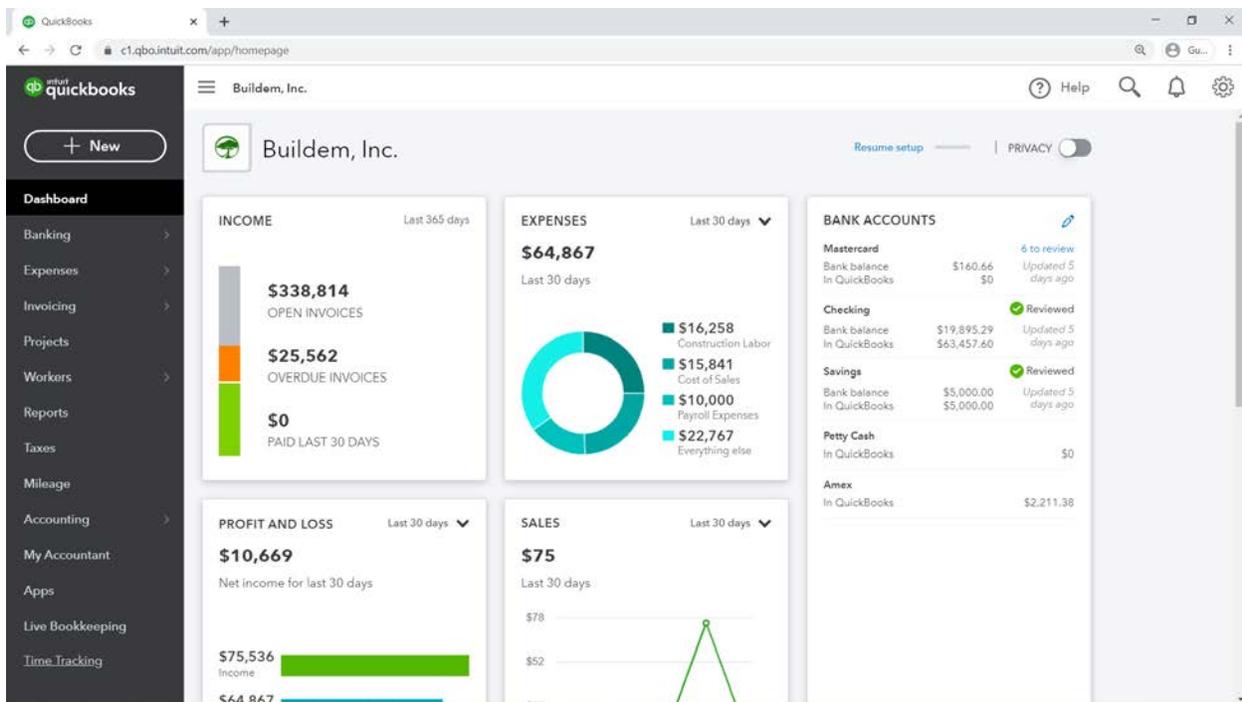# Getting Around

Getting Around in QuickBooks Online

Now you learn more about the dashboard and the location of menus that let you to record new transactions, view historical transactions and access and edit your account settings. You'll also learn what transactions are and the value of entering financial data online so that you can build accurate reports about your business.

Dashboard

The *Dashboard* provides quick information at your fingertips, including a financial dashboard, and bank account balances. You can enable *Private Mode* to hide this sensitive data if you're using QuickBooks in a public place.

Display the Home Page

Click **Dashboard** from the left menu.

Moving Around in QuickBooks

You access all the features of QuickBooks Online from three areas:

1. **Navigation bar**
2. **New (+)** menu
3. **Gear** menu (aka, Company menu)
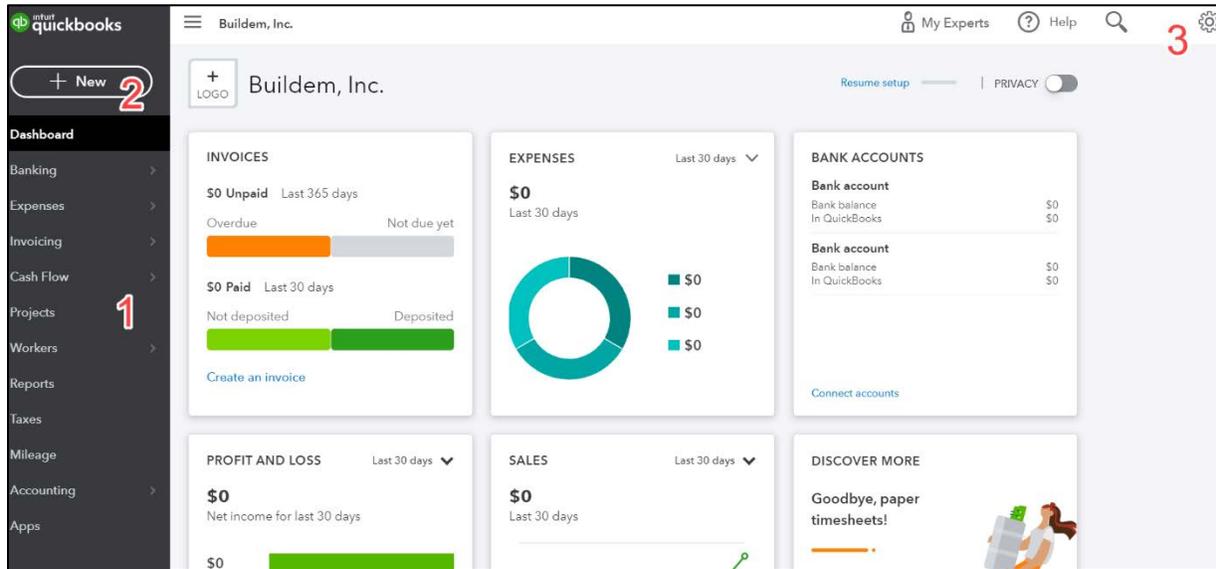
Navigation Bar

The Navigation Bar is the left-most menu on most pages within QuickBooks. It provides quick access to information about the people you do business with as well as a history if your business' financial transactions.
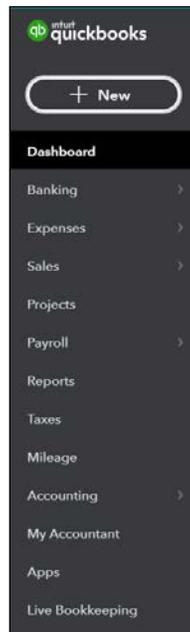
New (+) Menu

The New (+) menu is at the top-left of the screen. It allows you to record your financial transactions. Note that your menu may look different depending on your settings.

Accountant View:

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

Show less

Business View:

MONEY IN	MONEY OUT	OTHER
Make a sale	Add expense	Transfer between bank accounts
Create invoice	Add bill	Record bank deposit
Receive invoice payment	Pay bills	Track mileage
Create estimate	Pay down credit card	Track time
Receive credit	Write check	Add product/service
Receive credit card credit	Print checks	Add customer
Send customer statement	Create purchase order	Add vendor
	Give refund	Add employee
	Give credit	Add contractor
	Pay employee ⬆	
	Pay contractor	

Switch Between Views

In this class we use the Accountant View. To stay consistent as you learn the content feel free to switch over to the Accountant View throughout the class.

1. Select the **Gear** icon.
2. Select **Account and Settings** from the **My Company** column.
3. Select the **Advanced** tab.
4. In the **User view** section, select **Edit.**
5. Choose either **Business** or **Accountant** view from the dropdown.
6. Select **Save.**

Gear Menu (aka. Company Menu)

The Gear menu provides access to company settings, lists, tools, and account management.
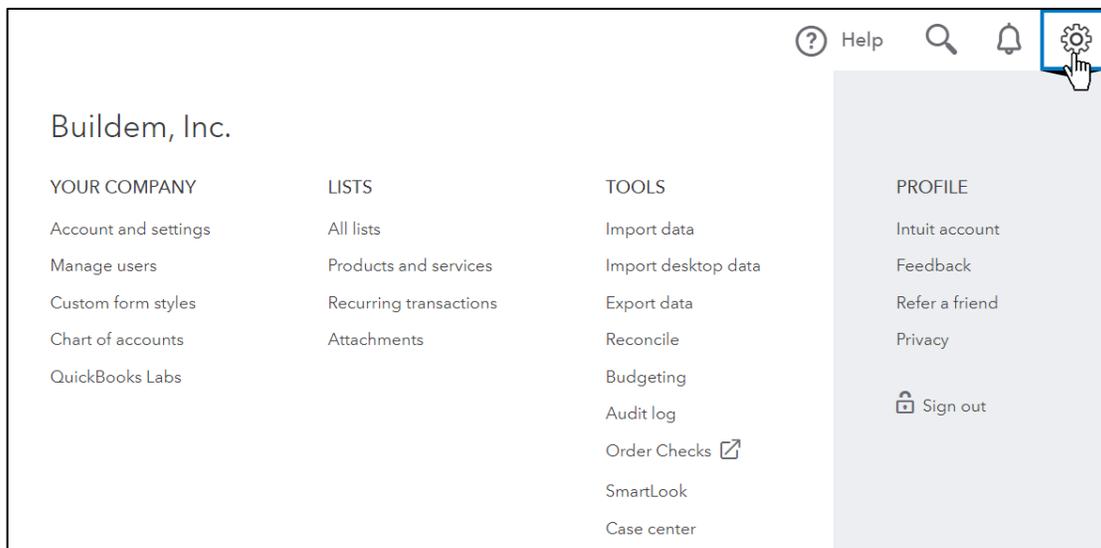
Search/Recent Transactions Menu

The Search/Recent Transactions menu is an easy way to search by transaction number, date, amount, and name. You can quickly open a recently entered transaction from the Recent Transactions list.
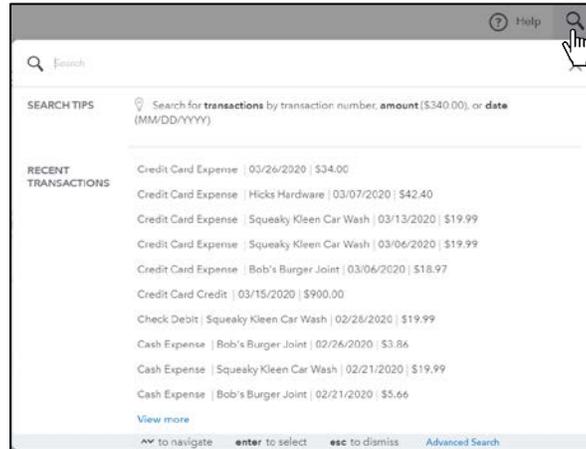
What You See on a Transaction

All the forms in QuickBooks look similar. This makes it even easier to get around and enter transactions. Just fill out the "**Who?**" and the "**When**" at the top, the "**What?**" below, and the amount or the "**How Much.**"

Parts of a QuickBooks Transaction

1. **Who-** Who are you paying or who is paying you?
2. **When**- When the transaction happened in the real world.
3. **What**- What are you purchasing or selling?
4. **How Much** – The amount of money you receive or spend on a transaction.

Chapter 3

Lists

What are Lists?

QuickBooks uses lists to organize information about the people and businesses you buy things from as well as the things you buy and sell. Lists help you save time in several ways:

1. They store information about people and businesses you work with so you can record transactions more quickly.
2. They help you find transactions you previously entered and also run reports to see how much money you've spent/received with a specific person or business.
3. They also let you track who owes you money and who you owe money to.

List types

The user interface and functionality of lists is different depending on what type of list you are working with. For example, with Names lists (Customers, Vendors and Employees), you have a Center that helps you quickly sort and filter information. On *Other Lists* (Chart of Accounts, Terms List, Products and Services List, etc.), your choices for interaction are more limited but you can still add/remove columns and resort the list.

Names Lists

Names lists include Customers, Vendors, and Employees. You work with names lists often and you see them often throughout QuickBooks.

Who Goes on Which Names List?

Customers - This list stores the people or businesses that pay you money for goods, services and donations. To invoice a company on account or to track sales/donations by customer, they must be entered as a customer.

Vendors (Suppliers) - This list stores the companies and contractors you pay for goods or services. To track accounts payable (money you owe on open bills), issue a 1099, or track purchases by person or business, they must be set up as a vendor.

Employees - This list stores employees and their related payroll information. To pay an employee using payroll or issue a W-2 to an employee, he/she must be entered as an employee. Note that the Employees List is only for W-2 employees. People you issue a 1099 to are considered vendors/contractors.

Other Lists

Other Lists include Products and Services, the Chart of Accounts, etc. You use these lists often because they're related to transactions, but you don't need to update them very often.

All Lists
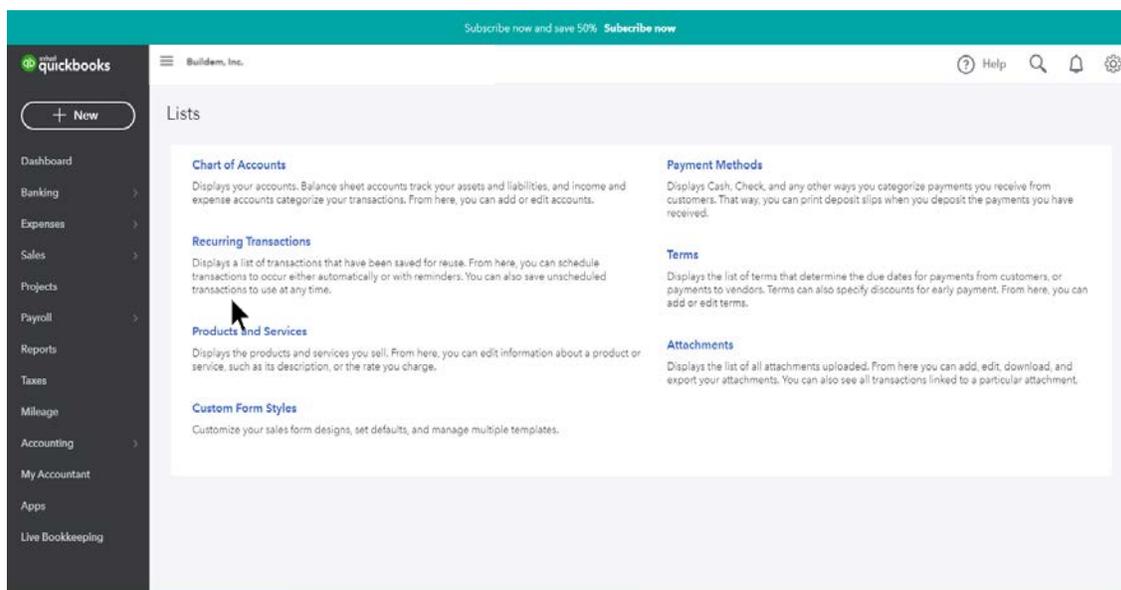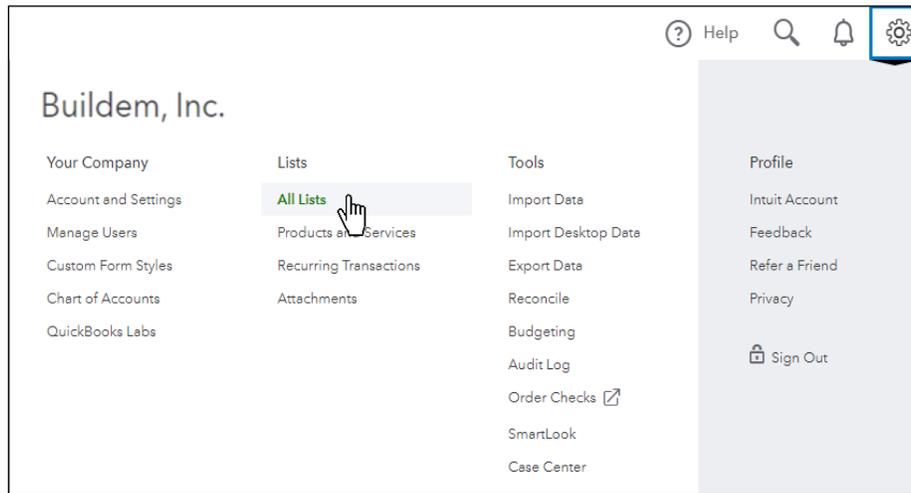
Work with Lists

Add Entry Before You Need It

1. Open the appropriate list.
2. Click the **New** (List Name) button.
3. Enter the appropriate information in the window.
4. Click **Save**.
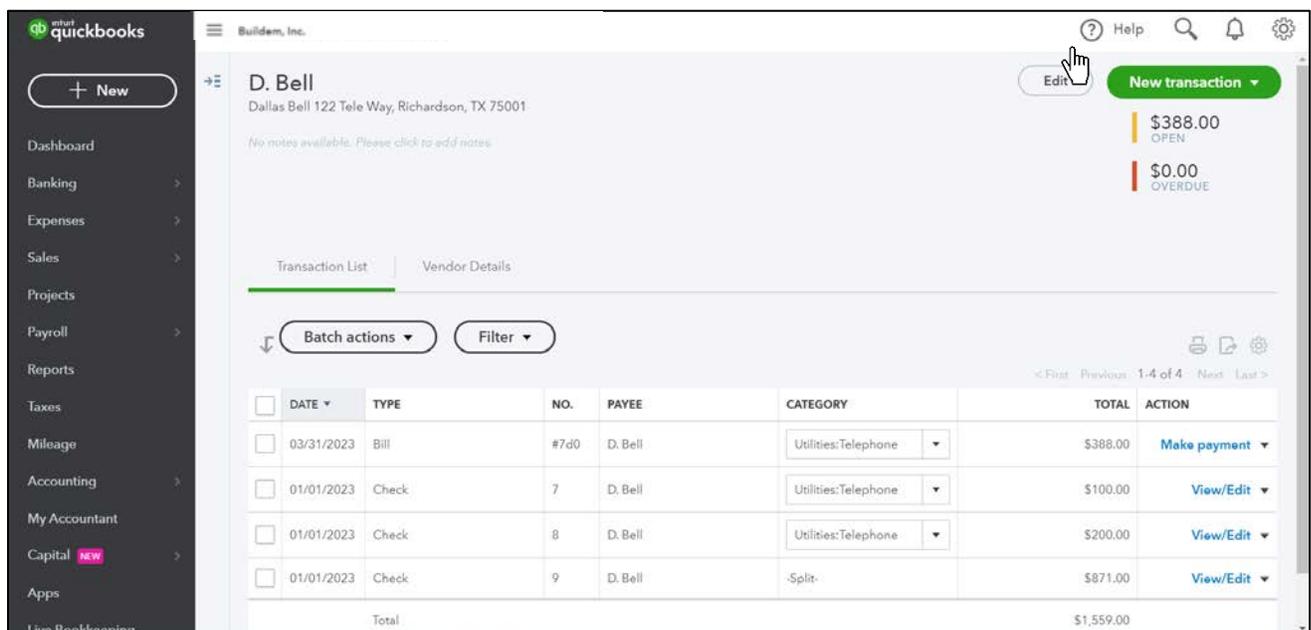
New Names List Entry

New *Other List* Entry

Add Entry as You Need It

1. Open a transaction and enter appropriate information.
2. Type the name of the new list entry as you want it to appear on the list.
3. Select **Add** to add the new entry to the list.
4. Select the appropriate type (if applicable) and click **Save**.
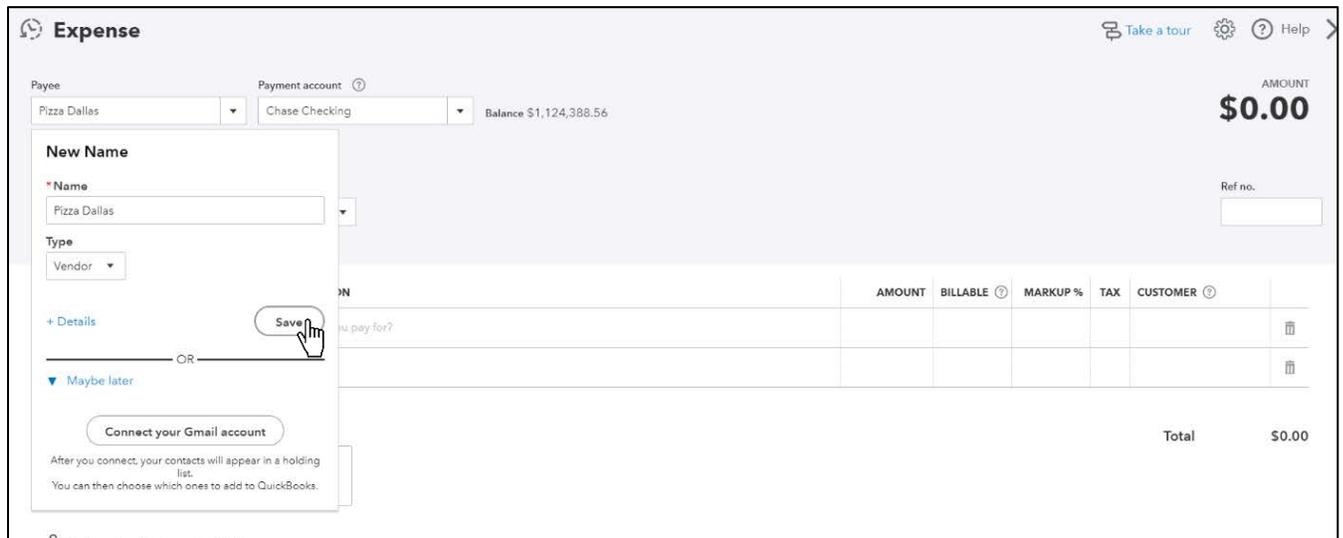
Edit Names List Entry

1. Display the appropriate list.
2. Select the entry in the list to edit.
3. Click the **Edit** button.
4. Enter or change appropriate information.
5. Click **Save**.

Edit *Other List* Entry

1. Display the appropriate list.
2. Select the dropdown in the Action column beside the desired list entry.
3. Click **Edit.**
4. Enter or change appropriate information.
5. Click **Save**.

List Rules

1. There is no limit to the number of list entries you can have in QuickBooks. However, keeping your lists under 10,000 is recommended.
2. Every entry in the "Display Name As" field for Customers, Vendors and Employees must be unique. If you want to list the same entity on multiple lists, make sure to give them different "Display Name As" entries.
3. Once entered on a list, the name can't be moved to another list.
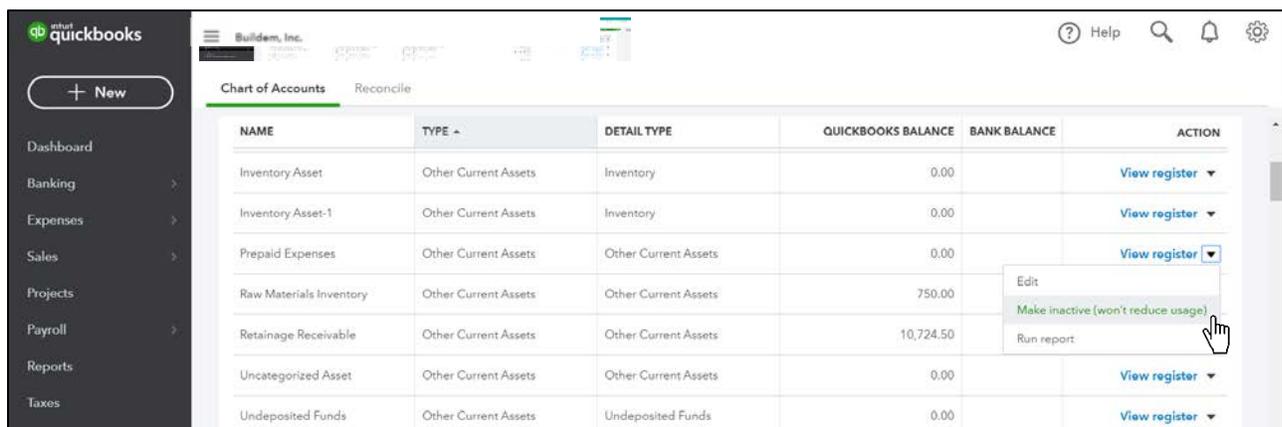
Delete Entry (Without Balance)

Delete List Entry- Names List

1. Display the appropriate list.
2. Select the entry in the list to delete.
3. Click the drop-down arrow next to the entry to delete and select **Make inactive**.
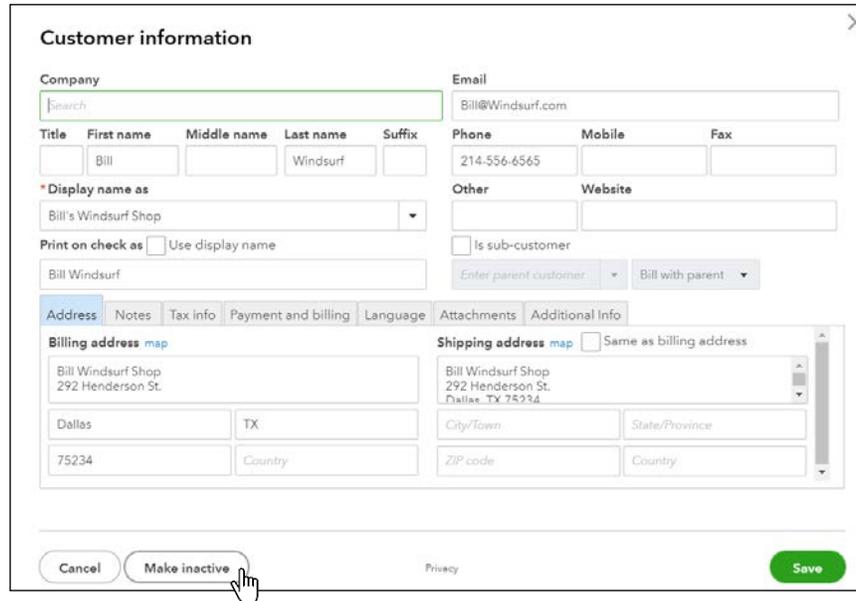4. Click **Yes** to confirm the deletion.
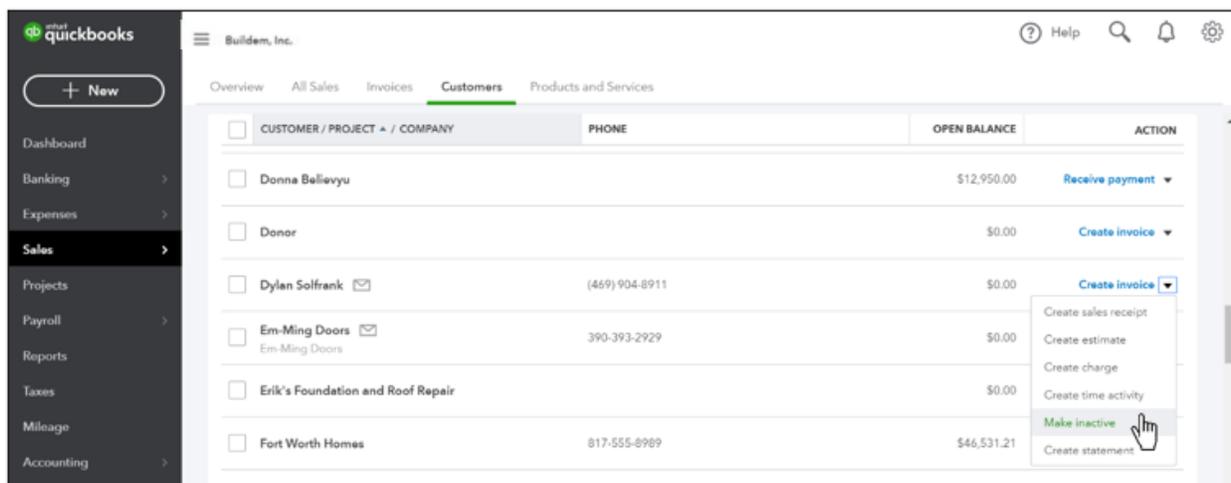
Delete List Entry- *Other List*

1. Display the appropriate list.
2. Select the entry in the list to delete.
3. Click the drop-down arrow next to the entry to delete and select **Make Inactive**.
4. Click **Yes** to confirm the deletion.

Delete Entry (With Balance)

Deleting a list entry with a balance causes QuickBooks to record adjusting entries to zero the balance. These adjusting entries vary by what you make inactive.

Delete List Entry-Names List

1. Display the appropriate list.
2. Select the entry in the list to delete.
3. Click the **Edit** button.
4. Click the **Make inactive** button.
5. Click **Yes** to confirm and have QuickBooks make adjusting entries to zero the balance

Delete List Entry-*Other List*

1. Display the appropriate list.
2. Click the **Action** drop-down menu for the appropriate entry and select **Delete**.
3. Click **Yes** to confirm and have QuickBooks make adjusting entries to zero the balance.
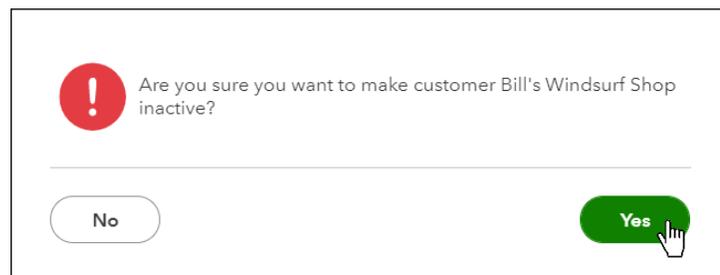
See Deleted/Inactive Entries

Deleted list entries are hidden from view. However, you can still see them if you want.

View Inactive Entries

1. Open the appropriate list.
2. Click the **Gear icon** and select **Include inactive**.

Include Inactive - *Other Lists*

Include Inactive-Names Lists

Merge Entry

1. Display the appropriate list.
2. Select the entry in the list to merge.
3. Click the **Edit** button.
4. Type the name of what you want to merge it with in the **Display Name As** field.
5. Click **Save**.
6. Click **Yes** to merge the list entries.
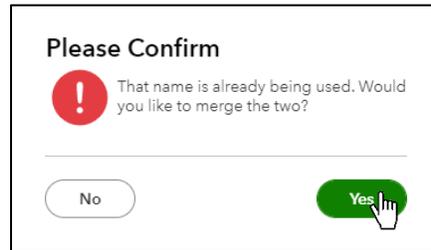
Note: When merging accounts on the Chart of Account, you can only merge accounts that are of the same type (e.g. liability, expense).

Chapter 4

Financial Statements

Financial Statements

For those of you who are from a non-accounting background, this chapter will help you to learn some accounting basics, which leads to understanding more about how QuickBooks works. You'll discover the intention behind the Chart of Accounts and how it relates to two financial statements: the Balance Sheet and the Profit & Loss.

Chart of Accounts

The Chart of Accounts represents the "hub" of your accounting system. Each account represents something that your business owns/owes or a reason that your business earns/spends money. As you record transactions, you assign accounts that represent where the money came from/went to and why. After each transaction, account balances are updated on your financial statements based on the accounts and amounts you entered.

For example, you used a debit card in an office supplies store and then later download the transaction. The first account affected by the transaction is the Checking account linked to your debit card. That represents where the money came from/went to. The second account the transaction affects is a summary of why money was earned/spent…in this case, office supplies. So you would probably use an expense account named Office Supplies so that you could track how much you've spent on office supplies over time.

Balance Sheet

The Balance Sheet is the financial *snapshot* or **position** of your business. If someone took a photograph of your business right now, it would the Balance Sheet? The Balance Sheet is comprised of assets, liabilities, and equity.

Assets

Anything owned by your business. Assets include cash/liquid assets like bank accounts, inventory you plan to sell to customers, fixed assets like vehicles and equipment, and even receivables that are owed to you by customers.

Liabilities

What your business owes people/companies outside of your business. Liabilities include credit cards, loans like mortgages and car notes, lines of credit and even payables that you owe on open bills from vendors.

Equity

What the business owes the owners of the business. Equity is used to track investments into the business, draws out of the business to pay the owner/partner and retained earnings. You might also see an account called Opening Balance Equity, which is a summary of what the business was worth to the owner before the business started using QuickBooks.

Profit & Loss

This statement is the *movie* of your business. It measures **performance** over a specified time period. This financial statement includes income, costs of goods sold and expenses.

Income

Income accounts track money that comes into your business through the sale of goods or services. They're also used to track income generated through donations or pledges from donors. Examples include sales and service income.

Cost of Goods Sold

Cost of Goods Sold accounts track the money you spend that is directly related to a specific sale. This includes the cost of contractors you paid to work on a specific job, materials that are purchased for a specific customer/project, and even the original purchase price of inventory that you've sold. Note that if you use inventory products & services, QuickBooks automatically calculates the cost of goods sold for you when you record your sale of inventory. You learn about this in the Inventory chapter.

Expenses

Expense accounts track what your business spends on regular expenses like rent, insurance and payroll. Expenses are also often called "overhead" and don't tend to increase or decrease based on the work you perform.

Account Types

The most important element when working with the Chart of Accounts is the Account Category Type. This must be correct, or your financial statements will be wrong!

Account Types-Balance Sheet

QuickBooks Type	Description	Examples
Bank	Your bank accounts	Checking and Savings
Accounts Receivable	What your customers owe you	Accounts Receivable
Other Current Asset	Assets likely to be turned into cash within 1 year	Inventory and Short-term Investments
Fixed Asset	Assets expensed over more than 1 year	Furniture & Fixtures and Computer Equipment
Other Asset	Assets that do not belong in other types	Long-Term Investments
Accounts Payable	What you owe vendors in open bills	Accounts Payable
Credit Card	Company credit cards	Mastercard and Visa
Other Current Liabilities	Liabilities you'll pay off within 1 year	Sales Tax Payable and Payroll Taxes
Long-Term Liabilities	Liabilities that take longer than 1 year to pay off	Mortgage Payable
Equity	Owner's investments and draws out of the business	Owner Contribution and Owners Draw

Account Types-Profit & Loss

QuickBooks Type	Description	Examples
Income	Revenue generated through sales/donations	Product Sales and Service Income
Other Income	Income earned outside of normal operations	Interest Income
Cost of Goods Sold	Cost you pay for products sold/services performed	Materials and Cost of Sales
Expense	Operating expenses and overhead	Insurance and Rent
Other Expense	Non-operating expenses	Interest Expenses

Add Accounts/Subaccounts

When adding an account, you are required to choose an **Account Type** and a **Detail Type**. This **Detail Type** selection doesn't affect your accounting. Just choose a **Detail Type** that best sounds like what you're trying to track.

Accounts

Add Account

1. Click **Accounting** on the left navigation bar.
2. Select **Chart of Accounts**.
3. Click the **New** button at the top right.
4. Select the appropriate **Account Type** and **Detail Type**.
5. Enter the appropriate information in the remaining fields.
6. Click **Save and Close**.

Subaccounts

Subaccounts are used when you need to track more detail associated with an account. For example, you might have an account called Legal and Professional Fees, and subaccounts under that called Accounting, Lawyer, and Bookkeeping.

Add Subaccount

1. Click **Accounting** on the left navigation bar.
2. Select **Chart of Accounts**.
3. Click the **New** button at the top right.
4. Select the appropriate **Account Type** and **Detail Type**.
5. Enter the appropriate information in the remaining fields.
6. Check the box next to **Is sub-account** and select the appropriate parent account.
7. Click **Save and Close**.

Convert an Account to a Subaccount

1. Click **Accounting** on the left navigation bar.
2. Select **Chart of Accounts**.
3. Click **Edit** from the dropdown menu beside the account you wish to change to a subaccount.
4. Check the box next to **Is sub-account** and select the appropriate parent account.
5. Click **Save and Close**.

Collapse Financial Statements

When running financial statements with subaccounts, the collapse feature allows you to hide the subaccounts and only show the parent accounts.

Collapse/Expand Financial Statements

1. Click **Reports** on the navigation bar.
2. Select **Profit and Loss**.
3. Click the **Collapse** button to collapse the subaccounts.
4. Click the **Expand** button to show the subaccount detail.

Collapse Sort ▾ Add notes	✉ 🖶 ↗▾ ⚙
Buildem, Inc.	
SALES BY CUSTOMER SUMMARY	
January 1 - May 8, 2020	
	TOTAL
Aaron's Photography Studio	953.15
Amy's Bird Sanctuary	825.00
Bill's Windsurf Shop	150.00
Cassie's Dog Grooming	1,125.00
▾ Columbia Management	
Seattle School	2,621.25
Total Columbia Management	**2,621.25**
Cool Cars	917.75
▾ Crandall Contractors	
Cheyenne 1	1,979.95
Total Crandall Contractors	**1,979.95**
Dittrich Motors	100.00
Dylan Solfrank	337.50
Em-Ming Doors	0.00
Erik's Foundation and Roof Repair	408.00
▾ Fort Worth Homes	
Convention Center	2,849.49
Total Fort Worth Homes	**2,849.49**

Journal Entries

Occasionally, you may need to change the balances of your accounts in the chart of accounts. Typically account balances should be updated with regular transactions and not journal entries. However, there are three occasions that might call for a journal entry:

1. You need to record something that another transaction just can't summarize, like the depreciation of an asset.
2. You need to fix an error and your account gave you a journal entry to enter.
3. You're setting up a new company and need to enter many balances at once.

Add Journal Entry

1. Click the **Global Create** menu.
2. Select **Journal Entry**.
3. Enter appropriate **Debit** and **Credit** accounts and amounts.
4. Click **Save and Close**.

Journal Entry

Profit & Loss Statement After Journal Entry

Cash vs Accrual

When running financial statements, choose the appropriate report basis. Accrual basis shows transactions in the period when the service was performed or when the goods were delivered, not when it was paid. Cash Basis shows transactions in the period when they were paid. You can also change the company setting which sets your report defaults.
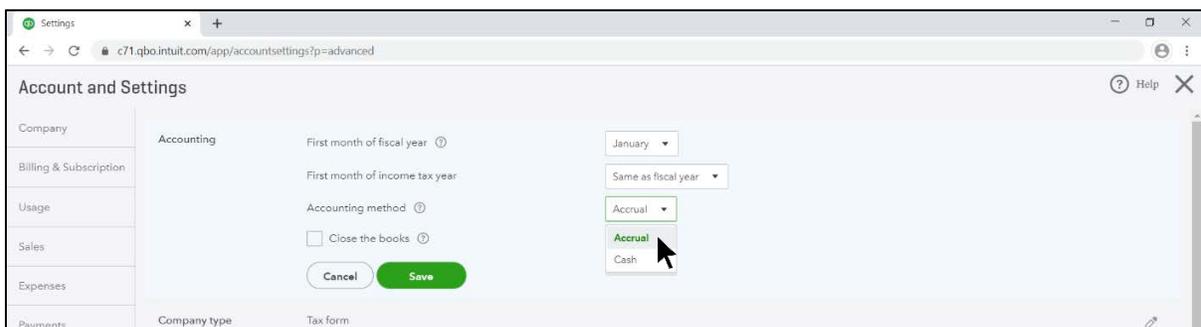
Change Report to Cash Basis

1. Open the desired financial statement.
2. Select **Cash** at the top of the report.
3. Click **Run report**.
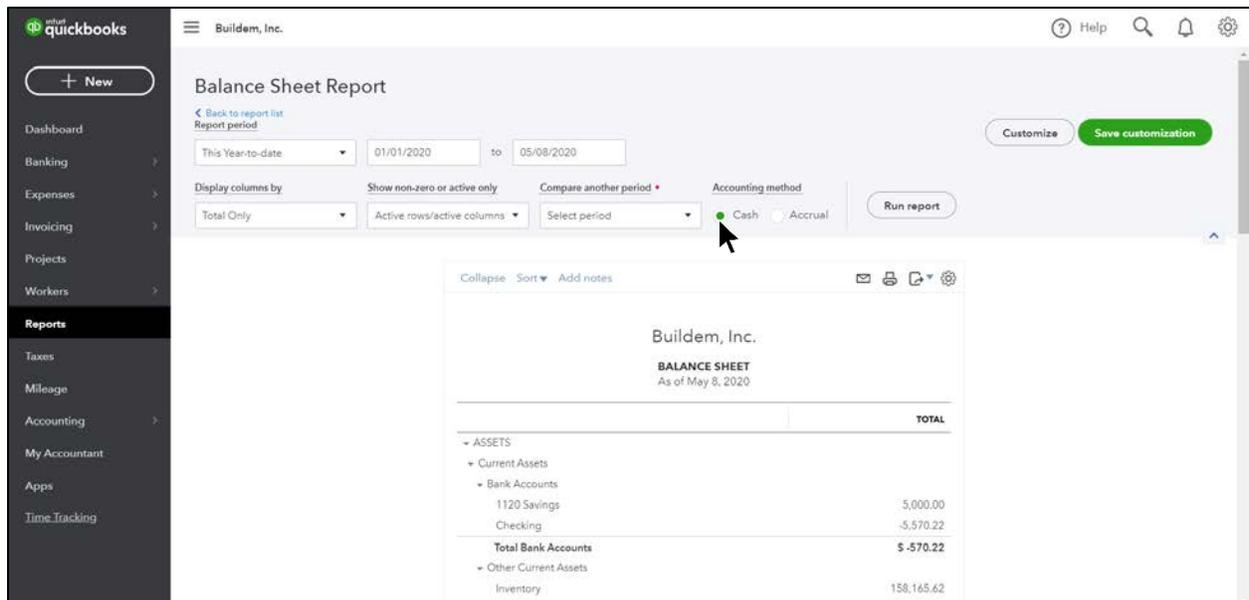
Change Accounting Method-Company Setting

1. Click the **Gear** menu and select **Account and Settings**.
2. Click **Advanced** on the list to the left.
3. Click in the **Accounting** section and change the **Accounting Method**.
4. Click **Save**

Chapter 5

Products and Services

Products and Services Settings

Products and Services are the things you charge customers for, whether that happens to be physical goods, services performed, or even pledges and donations. Reviewing your products and services settings can help customize QuickBooks to suit your needs.

Turn Off Products and Services

It's possible that your business doesn't need products or services because your company is small enough that there is no need to separate what you do into separate categories. If this is the case, you can products and services off in order to remove certain fields on your sales forms.

1. Click the **Gear** menu and select **Account and Settings**.
2. Click **Sales** on the list to the left.
3. Click in the **Products and Services** section.
4. Make the appropriate selections.
5. Click **Save.**
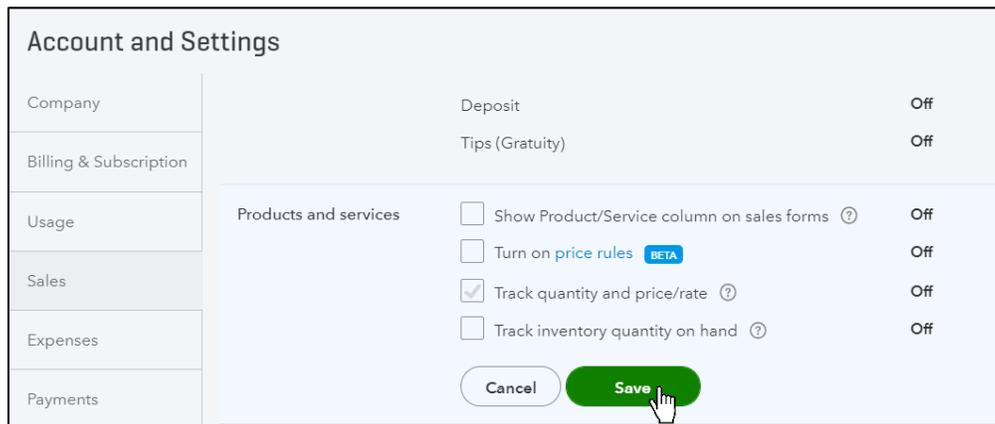
Invoice WITHOUT Products and Services

If you turn off products and services, invoices will be categorized on your Profit and Loss Statement as Services income.
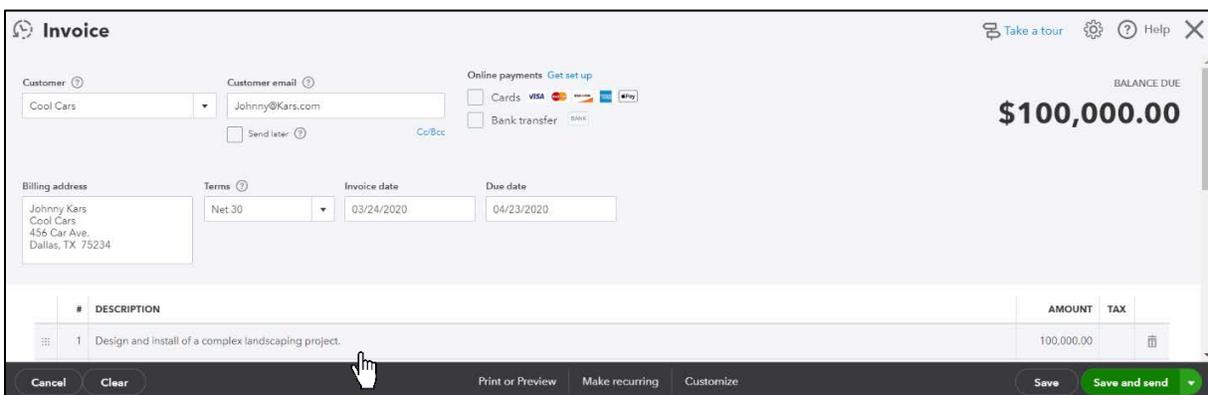
Understanding Products and Services

Products and Services can make using QuickBooks easier and provide additional information to help you run your business. They perform the following functions:

1. Make it easier to fill out forms by providing default descriptions and sale prices.
2. Act as pointers to the financial statements. In other words, they handle the behind the scenes accounting for sales and purchases, routing the correct amounts to your income and expense accounts.
3. Can help you track the quantity of products you've sold, or hours of services you've charged customers for.

Access the Products and Services List

Products and Services List

Products and Services on Invoice

Add Products and Services

1. Click the **Gear** menu and select **Products and Services**.
2. Click the **New** button.
3. Select the appropriate **Type**. Non-Inventory is usually something physical that you sell but you don't keep track of how many of them you have on hand. Services are services you charge customers for.
4. Enter remaining information in the **Product/Service Information** window.
5. Click **Save and close**.

Products and Services – Day 1: Chapter 5

Elements of a Product or Service

1. The **Name** of the product or service.
2. Enter a **Description** of the product or service. This will appear in the description field on sales forms that include this item. *
3. Enter a default **Sales Price**. *
4. Choose the account which will track the **Income** of this items sales.
5. Select this box if you also purchase this product or service in addition to selling it. You'll see additional purchasing information if you select this. *

* These sections are optional. By entering details in this window you'll save time in the sales for creation process.

Quantity and Rate

Tracking how much money you've made by product or service is great, but you might also want to know how many hours or units you sold to get to that amount of sales dollars.

Turn on Quantity and Rate in Settings

1. Click the **Gear** menu and select **Account and Settings**.
2. Click **Sales** on the list to the left.
3. Click in the **Products and Services** section.
4. Click the box beside **Track Quantity** and **Price/Rate**.
5. Click **Save**.

Results of Using Quantity and Price/Rate

Reports

Review the Sales by Product/Service Summary

1. Click **Reports** on the navigation bar.
2. Enter **Sales by Product/Service Summary** in the search field.
3. Select the **Sales by Product/Service Summary** report.

Buildem, Inc.
SALES BY PRODUCT/SERVICE SUMMARY
January 1 - May 8, 2020

	TOTAL			
	QUANTITY	AMOUNT	% OF SALES	AVG PRICE
Bag Of Nails	65.00	646.75	2.25 %	9.95
Bag of Washer	10.00	299.50	1.04 %	29.95
Bolts	30.00	598.50	2.08 %	19.95
Cedar Door	5.00	2,499.75	8.69 %	499.95
Design	33.00	2,475.00	8.60 %	75.00
Door Knob	0.00	0.00	0.00 %	
Double Install	3.00	2,402.00	8.35 %	800.6666667
Garage Install	6.00	2,375.94	8.26 %	395.99
Garage Repair	1.00	868.15	3.02 %	868.15
Glass Install	1.00	218.75	0.76 %	218.75
Knob Install	1.00	103.55	0.36 %	103.55
Lock	6.00	419.70	1.46 %	69.95

By turning on and using the Quantity and Price/Rate feature, you are also able to track that specific information now when running the Sales by Product/Service Summary and Detail reports.

Review a Profit and Loss Statement

1. Click **Reports** on the navigation bar.
2. Select **Profit and Loss**.

<table>
<tr><td colspan="2" align="center">Buildem, Inc.</td></tr>
<tr><td colspan="2" align="center">**PROFIT AND LOSS**
January 1 - May 8, 2020</td></tr>
<tr><td></td><td align="right">**TOTAL**</td></tr>
<tr><td>▾ Income</td><td></td></tr>
<tr><td>4020 Service Income</td><td align="right">64,029.13</td></tr>
<tr><td>4030 Freight Income</td><td align="right">45.00</td></tr>
<tr><td>Construction Income</td><td align="right">253,732.36</td></tr>
<tr><td>Design Income</td><td align="right">2,475.00</td></tr>
<tr><td>Markup Income</td><td align="right">3,718.20</td></tr>
<tr><td>Parts Sales</td><td align="right">83,248.96</td></tr>
<tr><td>Sales Discount</td><td align="right">-9,104.25</td></tr>
<tr><td>Sales of Product</td><td align="right">1,000.00</td></tr>
<tr><td>**Total Income**</td><td align="right">**$399,144.40**</td></tr>
</table>

The income from your sales is reported on the Profit and Loss statement. QuickBooks increases the balance of the income account you assign to each product or service whenever you record a sale of that product or servce.

Chapter 6

Money In- I

Money In Part I

Without your customers you wouldn't have a company. QuickBooks helps you track your customers' information, their balances, and who has paid you. This chapter guides you through setting up customer information, sending and tracking invoices, and depositing their payments at the bank. You'll learn about great reports that help you with collections and help you track who's overdue. When your customer pays, QuickBooks helps you close your Invoice and record the deposit at your bank.

Customers

The Customers list stores information about your customers and makes it easy to find out which customers owe you money, are overdue on payments, etc.

Sales Transactions

You can also see sales transactions in the Sales/Invoicing tab.

Add Customers

1. Click **Invoicing** or **Sales** on the navigation bar.
2. Click **Customers.**
3. Click **New** customer.
4. Enter the appropriate information in the **Customer Information** page.
5. Click **Save**.

Customer Information

Set up a Sub-Customer

Many businesses have separate jobs with the same customer that they'd like to track separately for job costing. QuickBooks Online helps you do this with sub-customers. With sub-customers, you can see your income and expenses for each job, but still bill the customer for the work that's been done. This also helps track multiple addresses.

1. Create New Customer OR Edit an Existing Customer
2. Select the box next to **Is sub-customer**
3. Select the parent customer in the drop-down

Billing Options

If you choose an account in the **Bill with Parent** drop-down, anytime this sub-customer is used on a sales form, the parent customer will be billed.

Payment and Billing Information

Methods to Record Sales

There are 4 ways to record sales in QuickBooks.
1. **Invoice -** Use this method if a customer owes you money and will pay you later.
2. **Sales Receipt -** Use this method if your customer pays you at the time of the sale.
3. **Deposit -** Use this method to record income on a deposit, when none of the previous methods are used.
4. **Import from Other Program-** Use this method if you use an integrated app to capture sales.

Method 1- Invoice

Use this workflow if the customer pays you later. As you enter invoices, Accounts Receivable increases, and the customer is given a due date to pay their balance.

Steps for Method 1

1. Create Invoice
2. Receive Payment
3. Make Deposit

Step 1. Enter Invoice

1. Click the **New (+)** button.
2. Select **Invoice**.
3. Click the customer drop-down arrow and select the appropriate customer.
4. Click the **Product/Service** drop-down arrow to add the appropriate products and/or services.
5. Click the **Save and send** drop-down arrow and select the appropriate option.

What is Accounts Receivable?

When you enter an invoice for a customer, QuickBooks tracks the open balance in the Accounts Receivable account. The balance in this account is the total of all open invoices you have for your customers. When you apply payment against an invoice, the balance goes down.

Buildem, Inc.

BALANCE SHEET
As of April 25, 2020

	TOTAL
▾ ASSETS	
▾ Current Assets	
▾ Bank Accounts	
1120 Savings	5,000.00
Checking	-14,179.13
Total Bank Accounts	**$ -9,179.13**
▾ Accounts Receivable	
Accounts Receivable	31,517.25
Total Accounts Receivable	**$31,517.25**
▾ Other Current Assets	
Inventory	174,835.72
Raw Materials Inventory	750.00
Undeposited Funds	0.00
Total Other Current Assets	**$175,585.72**
Total Current Assets	**$197,923.84**

Accounts Receivable Reports

Review Open Customer Invoices

1. Click **Invoicing** or **Sales** on the navigation bar.
2. Select Customers.
3. Click the **Unpaid** filter at the top of the window.

Review Accounts Receivable Aging Summary

1. Click **Reports** on the navigation bar.
2. Select **Accounts Receivable Aging Summary** under Who owes you.

Collapse Sort ▼ Add notes   ✉ 🖨 ⤴▼ ⚙

Buildem, Inc.

A/R AGING SUMMARY
As of May 12, 2020

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
Aaron's Photography Studio					85.00	$85.00
Amy's Bird Sanctuary	75.00				750.00	$825.00
Bill's Windsurf Shop					150.00	$150.00
Cassie's Dog Grooming					1,125.00	$1,125.00
▾ Columbia Management						$0.00
Seattle School				2,621.25		$2,621.25
Total Columbia Management				**2,621.25**		**$2,621.25**
Cool Cars	100,000.00					$100,000.00
▾ Crandall Contractors						$0.00
Cheyenne 1				1,979.95		$1,979.95
Total Crandall Contractors				**1,979.95**		**$1,979.95**
Dittrich Motors					100.00	$100.00
▾ Fort Worth Homes						$0.00
Convention Center			3,084.59			$3,084.59
Total Fort Worth Homes			**3,084.59**			**$3,084.59**
Home & Hardware Stop			867.23	539.63	906.32	$2,313.18
John Melton		1,082.50				$1,082.50

What Is Undeposited Funds?

If you use Undeposited Funds, you can combine multiple customer payments into a single deposit so that your records in QuickBooks match your bank's records exactly. This is the general workflow for sales where a customer is given time between receiving a product or service and paying.

Rename Undeposited Funds (Optional)

QuickBooks uses an account called Undeposited Funds to hold money received that is waiting to be deposited. Renaming this account can help you understand where the money really is. For example, if you keep customer checks and cash payments in a blue vinyl bank bag, you could rename your Undeposited Funds account to 'Blue Vinyl Bank Bag'. If you have multiple places where you keep customer payments before they are deposited, you can use a generic term like 'Payments to be Deposited'.

1. Click **Accounting** on the left navigation bar and select **Chart of Accounts.**
2. Next to **Undeposited Funds** (Other Current Asset) click the drop-down arrow in the **Action** column and select **Edit.**
3. Enter an appropriate account **Name.**
4. Click **Save and Close**.

Step 2. Receive Payment Toward an Invoice

1. Click the **New (+)** button
2. Select **Receive Payment**.
3. Click the customer drop-down arrow and select the appropriate customer.
4. Enter the appropriate information in the remaining fields.
5. Select the appropriate Outstanding Transaction(s).
6. Enter a **Memo**. (Optional)
7. Click the **Save and new** drop-down arrow and select the appropriate option.

Step 3. Make Deposit

1. Click the **New (+)** button
2. Select **Bank Deposit**.
3. Click the **Account** drop-down arrow and select the account to deposit to.
4. Select the payments to deposit.
5. Enter a **Memo.** (Optional)
6. Click the **Save** drop-down arrow and select the appropriate option.

Chapter 7

Money In- II

Method 2-Sales Receipts

Enter sales receipts when your customer pays you in full at the time of the sale. Sales receipts record income and they also record where the money goes. Whenever you're receiving money it can go into Undeposited Funds, just like with invoices and receiving payments, or they can go directly into a bank account. The second step in this process is a bank deposit.

Steps for Method 2

1. Create **Sales Receipt**
2. **Make Deposit** as you learned in Chapter 6

Step 1. Create Sales Receipt

1. Click the **New (+)** button.
2. Select **Sales Receipt**.
3. Enter the appropriate information on the **Sales Receipt** form.
   This would be the time to consider using Undeposited Funds based on the location of the funds when you receive them as well as the method in which you'll be depositing this money into the bank.
4. Click **Save and close**.
5. Follow the steps from Method 1 to record the deposit.

Record Deposit

Method 3-Make Deposits

Use this method to record income on a deposit when none of the other methods are used. Please note that although money deposited using this method shows on your financial statements, it will not show on sales reports. If you need the money being deposited to show on sales reports, use one of the previous methods.

Step 1. Make Deposit

1. Click the **New (+)** button.
2. Select Bank Deposit.
3. Select the appropriate **Deposit to** account at the top.
4. Enter appropriate information in the **Add New Deposits** section of the form.
5. Click Save and close.

Method 4- Import from Other Program

With Method 4, another program or app designed for your industry determines how sales are imported into QuickBooks. You can browse apps at apps.intuit.com.

Learn About Integrated Apps

1. Click **Apps** on the navigation bar.
2. Select an app from the list to review.
3. Click **Try It Free** (if available) to start a free trial.
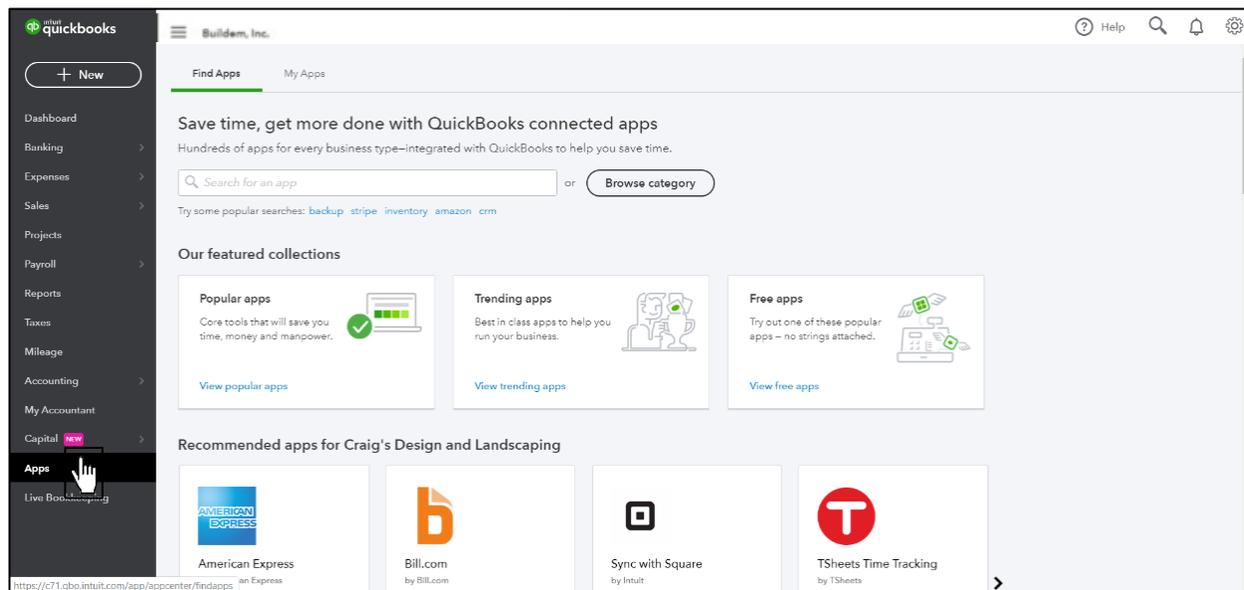
Refund Receipt

Use this form when you need to give your customer a refund instead of keeping a credit to use later.

Enter Refund Receipt

1. Click the **New (+)** button.
2. Select **Refund Receipt**.
3. Enter the appropriate information in the **Refund Receipt** window.
4. Click **Save and close.**

Credit Memos

Use this form to issue a customer credit for a previously recorded sale. You should create credit memos if you use sales methods 1 or 2.

Enter Credit Memo

1. Click the **New (+)** menu.
2. Select **Credit Memo.**
3. Enter appropriate information in the **Credit Memo** window.
4. Click **Save and close**.

Credit Memo Applied to Invoice

Money In II – Day 1: Chapter 7

## Review Advanced Automation Setting-Automatically Apply Credits

1. Click the **Gear** menu and select **Account and Settings**.
2. Click **Advanced** in the list to the left.
3. Click in the **Automation** section.
4. Check the box next to Automatically apply credits.
5. Click **Save.**
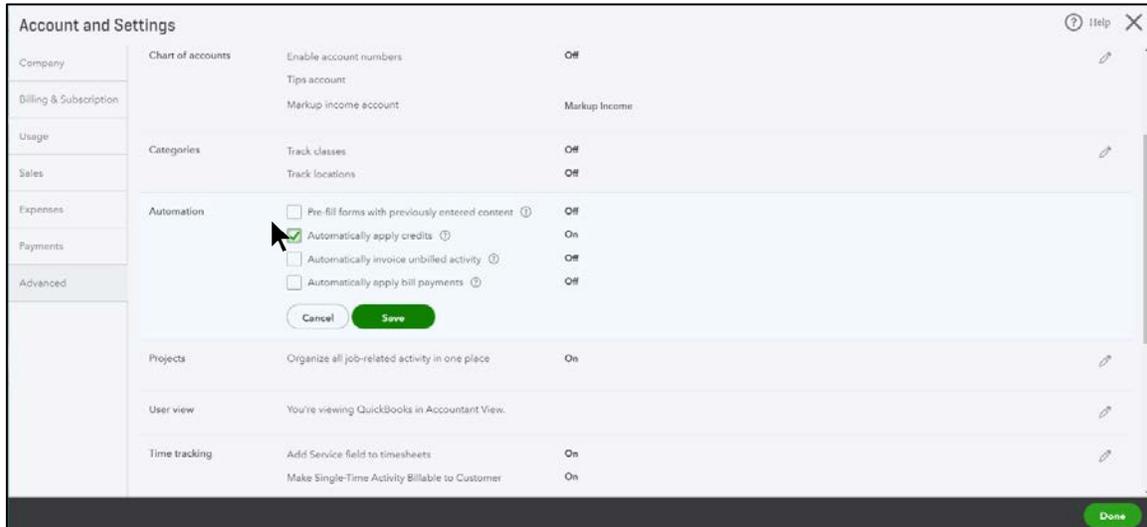
Apply the Credit Memo

If you want to select the invoices that the credit memo is applied to, as opposed to the automation option shown earlier, you may do so by creating a payment that links the Credit Memo to the Invoice.

1. Click the **New (+)** menu.
2. Select **Credit Memo**.
3. Enter appropriate information in the **Credit Memo** window.
4. Click **Save and Close**.
5. In the customer center, select the **Received Payment** option.
6. In the **Amount Received** field, enter $0.00 if you're only applying the credit to the account, not taking any additional payment from this customer.
7. Select **Save and Close.**
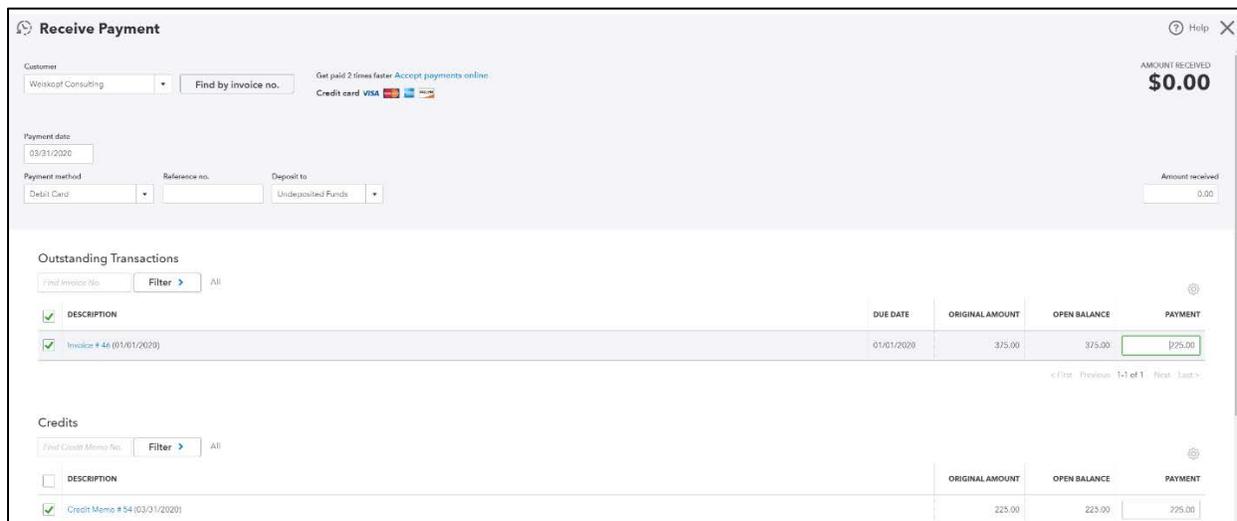
Customer Statements

Use statements to remind customers of unpaid balances on their account or send them a list of transactions that you've had with them.

Prepare Customer Statements

1. Click **Invoicing** or **Sales** on the navigation bar.
2. Select **Customers**.
3. Select the checkboxes for the customers you want to send statements to.
4. Click the **Batch actions** button and select **Create statements**.
5. Make the appropriate selections in the **Statement Settings** window.
6. Click **Print** or **Preview** to print the statements, or **Save and send** to send the statements to your customers.
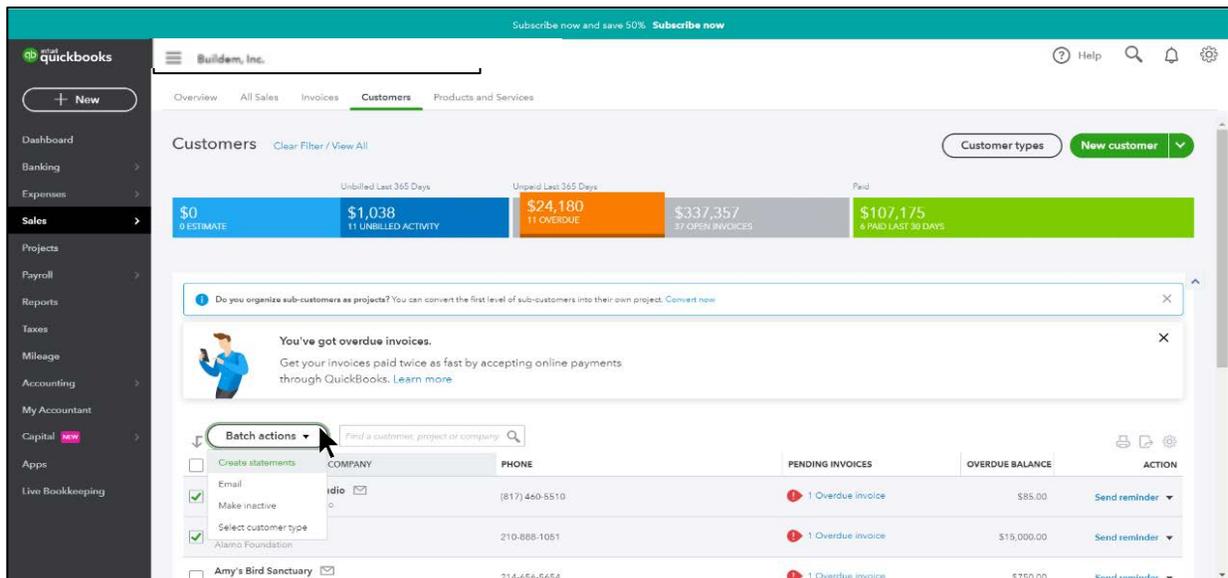
Statement Settings-Balance Forward

The customer is sent is a statement that tells them the amount of money that they owed one day before the Start Date. Then it also lists each individual transaction that affected their accounts receivable balance between the start and the end date you entered when setting up the statement.

Customer Statement-Balance Forward

Buildem, Inc.
13520 Mount Castle Dr.
Farmers Branch, TX 75234 US
qboshooting30+04142020@gmail.com

Statement

TO		STATEMENT NO. 1001
Howard Weiskopf		DATE 03/24/2020
Weiskopf Consulting		TOTAL DUE $75.00
589 Consultation Ave.		ENCLOSED
Dallas, TX 75234		

DATE	DESCRIPTION	AMOUNT	BALANCE
02/23/2020	Balance Forward		375.00
03/24/2020	Credit Memo #51	-225.00	150.00
03/24/2020	Credit Memo #52	-75.00	75.00

Statement Settings-Open Item

Looking at their statement, a customer might wonder where the "Balance Forward" came from since it isn't detailed on the statement. In those situations, an Open Item statement can be sent as well, or instead. Open Item statements show each "open" transaction linked to Accounts Receivable, such as unpaid invoices or unapplied credits and payments.

Create Statements

Statement Type

Open Item (Last 365 days) ▼

Statement Date

04/24/2020

Customer Balance Status

Open ▼

Open
Overdue

Customer Statement-Open Item

Buildem, Inc.
13520 Mount Castle Dr.
Farmers Branch, TX 75234 US
qboshooting30+04142020@gmail.com

Statement

TO		STATEMENT NO. 1039
Amy Sparrow		DATE 05/04/2020
Amy's Bird Sanctuary		TOTAL DUE $825.00
654 Pelican Ave.		ENCLOSED
Dallas, TX 75240		

DATE	DESCRIPTION	AMOUNT	OPEN AMOUNT
01/03/2020	Invoice #100: Due 01/03/2020.	750.00	750.00
04/30/2020	Invoice #47: Due 05/30/2020.	75.00	75.00

Statement Settings-Transaction Statement

If you want to tell the customer how much they've spent or donated over a period of time, run the Transaction Statement.

Customer Statement-Transaction Statement

Review the Sales by Customer Summary

1. Click **Reports** on the navigation bar.
2. Click the **Sales by Customer Summary** under Sales and Customers.

Chapter 8

Customizing QuickBooks

Customizing QuickBooks

There are a lot of ways to change how QuickBooks works for you, and in this chapter you'll learn customization options for sales and customers.

Customer Label

The Customer label is how you refer to your customers. When you select a customer label, QuickBooks changes all instances of the word Customer to the label you select.

Customize Customer Label

1. Click the **Gear** menu and select **Account and Settings.**
2. Click **Advanced** in the list to the left.
3. Click in the **Other preferences** section.
4. Click the **Customer label** drop-down arrow and select the appropriate label.
5. Click **Save.**
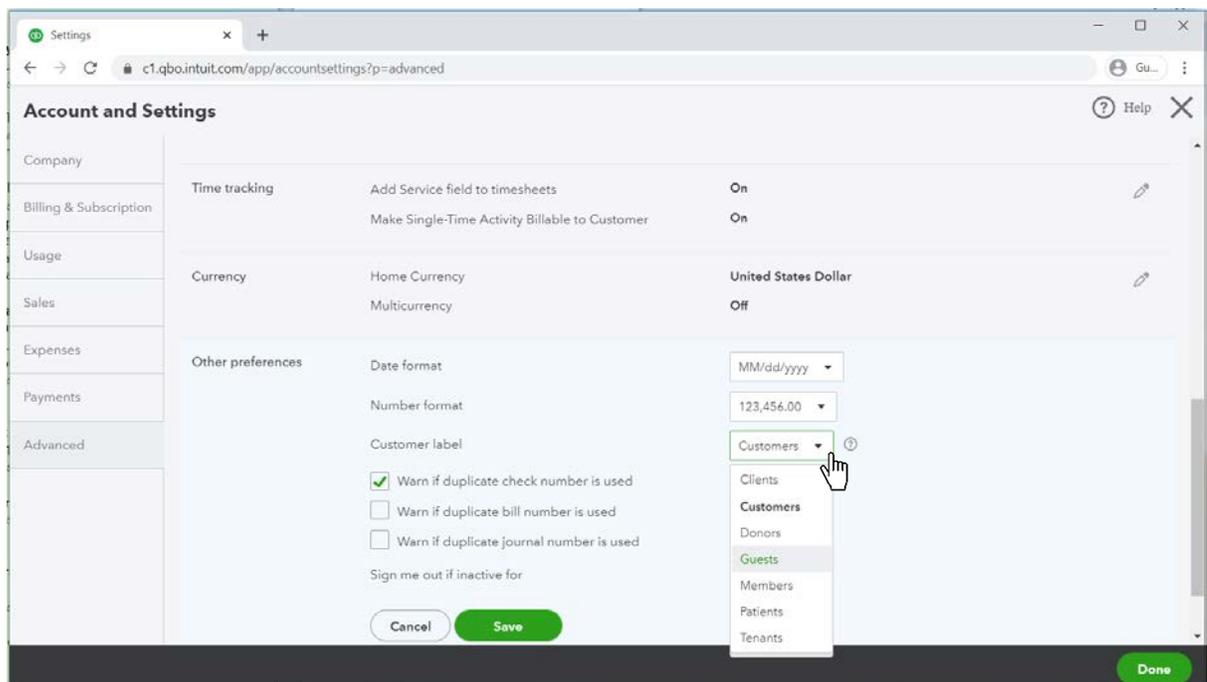
Custom Fields

Use Custom Fields to add data to sales forms that is not included in QuickBooks. You can also run reports that include your custom fields.

Add Custom Field

1. Click the **Gear** menu and select **Company and Settings**.
2. Click **Sales** on the list to the left.
3. Click in the **Sales Form Content** section.
4. Enter the **Name** for the custom field.
5. Select the appropriate checkboxes next to **Internal** or **Public**.
6. Click **Save.**
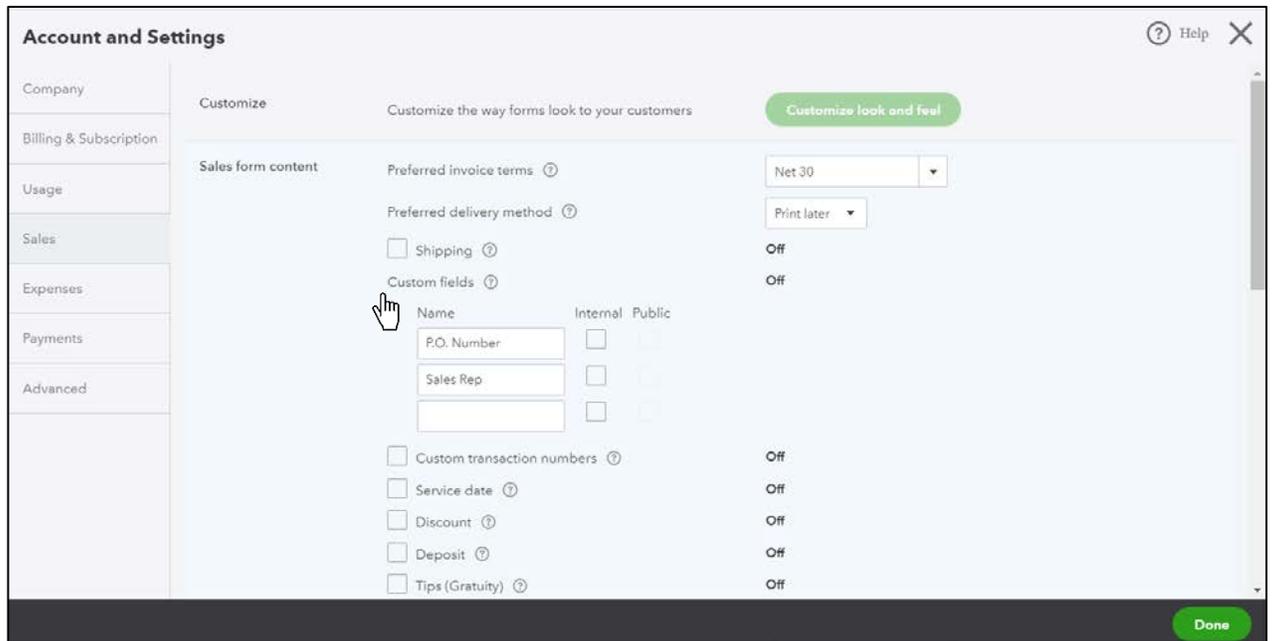
Customize Forms

QuickBooks provides some customization options for your sales forms. As you make changes to what appears on your form and how it appears, QuickBooks provides a preview of the form appearance. If you edit the Standard style your changes apply to invoices, credit memos and sales receipts. But you can also create new styles that only apply to a specific transaction type.

Customize Invoice Form

1. Click the **Gear** menu and select **Custom Form Styles**.
2. Click the **New Style** button.
3. Select the form type to customize.
4. Make appropriate selections on the **Design** tab.
5. Make appropriate selections in the **Content, Emails,** and **Payments** tabs.

Customize Look and Feel
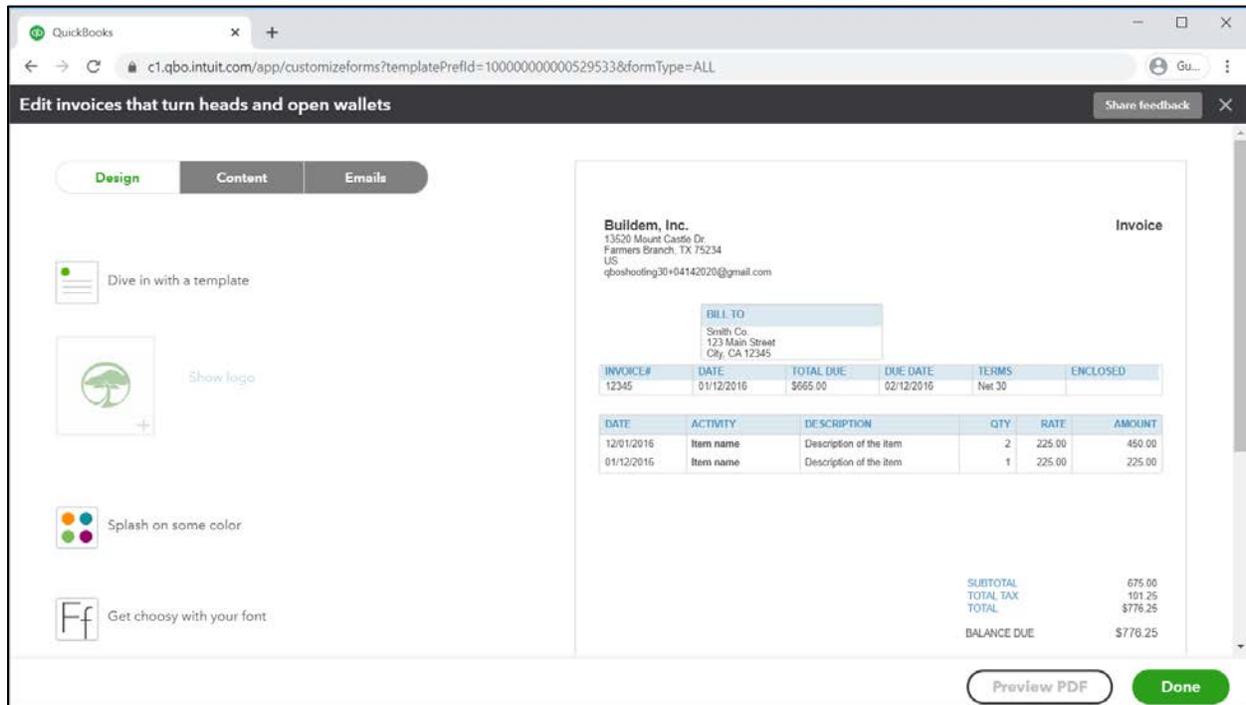
Sales form content is divided up into three parts: The Header, Table and Footer. The Header as at the top of the form. While the Table, or body is where the customer sees what products and services they are being charged and the Footer is at the bottom of the form.

Customize Form Content- Header

Customize Form Content- Body

Customize Form Content- Footer

Customize Email Template

QuickBooks has a standard email template for your sales forms. But you can customize this for all of your sales forms, or for individual forms.

Customize Form Messaging
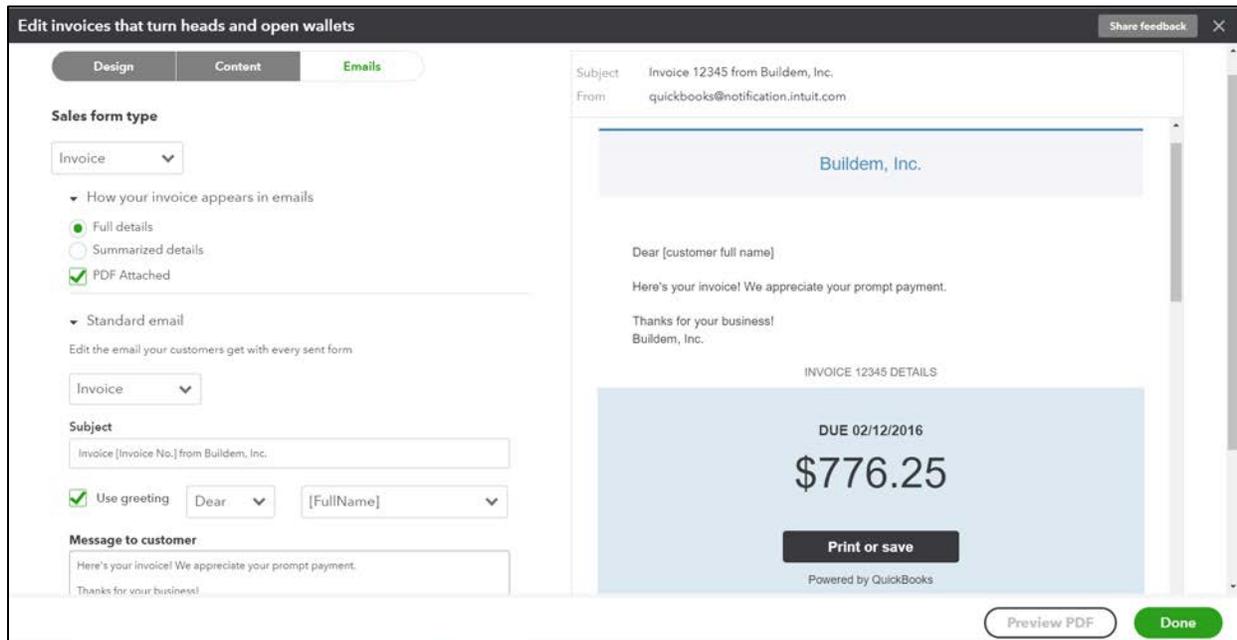
1. Click the **Gear** menu and select **Company and Settings**.
2. Click **Sales** on the list to the left.
3. Click in the **Messages** section.
4. Enter the appropriate information for the sales form message.
5. Click **Save**.

Set Your Custom Form as Default

After creating your own custom form, you can make your form the default communication sent to customers.

1. Select the **Gear**.
2. In the **Company and Settings** column, click **Custom Form Settings**.
3. To set your template as the default, select the dropdown in the **Action** tab beside the template you wish to make default.
4. Select **Make Default.**
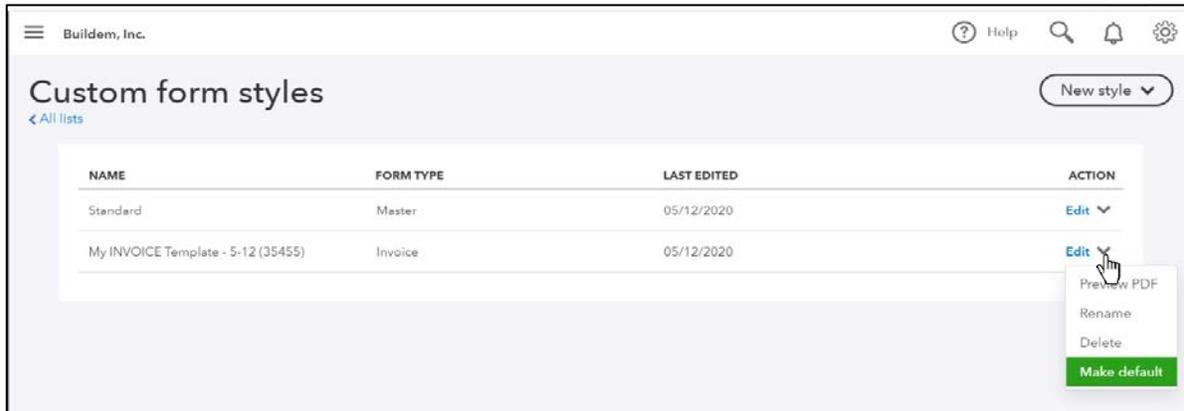
Editing Default Messaging in Settings

Another location in QuickBooks Online where you're able to edit default messaging is found in your Sales Settings. Here you're able to edit the standard messaging for numerous communications for both customers and vendors.

1. Select the **Gear** icon.
2. Select the **Sales** tab.
3. Edit the message(s) as desired.
4. Click **Save.**

# Chapter 9

Saving Time

Find Transactions

There are a few ways to find transactions in QuickBooks. You can use the Sales/Invoicing or Expenses lists, and the built-in search function.

Sales Transactions

If you're looking for a sales transaction, you can look at the Sales/Invoicing tab on the left navigation bar. Use the Filter drop-down menu to help narrow down the list to just the transaction(s) you're looking for.

Find in Sales Transactions List

1. Click **Sales** (or **Invoicing**) in the left navigation bar.
2. Select **All Sales**.
3. Use the filters at the top of the list, or click the **Filter** button at the top left and select the appropriate filters and click **Apply.**
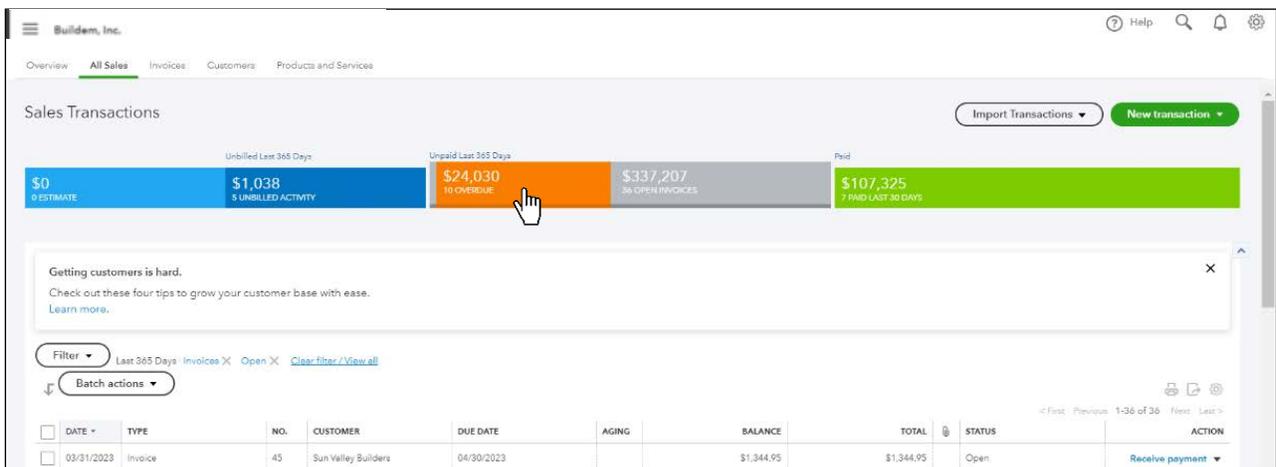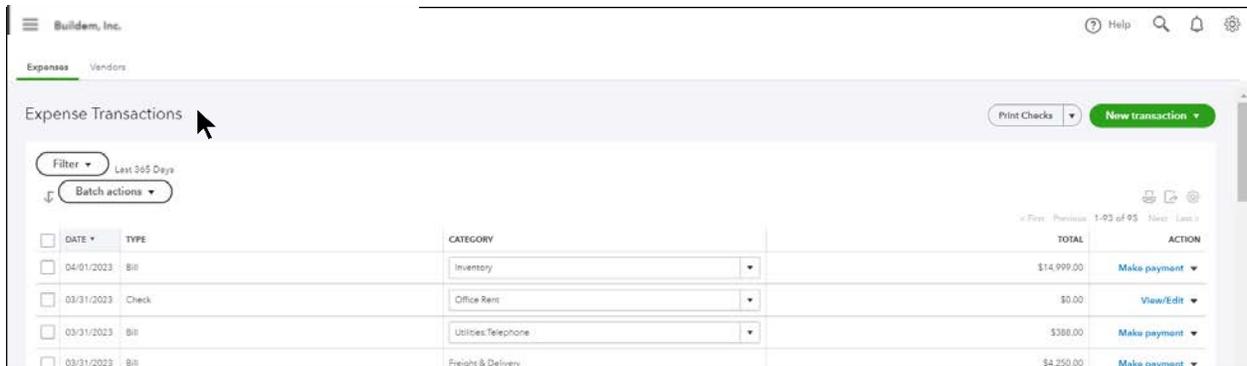
Expense Transactions

If you're looking for an expense transaction, you can look at the Expenses tab on the left navigation bar. Use the **Filter** button to help narrow down the list to just the transaction(s) you're looking for.

Find in Expense Transactions List

1. Click **Expenses** in the left navigation bar.
2. Select **Expenses.**
3. Use the filters at the top of the list, or click the **Filter** button and select the appropriate filters then click **Apply.**

Find in Names List

If you know the name used on a transaction, you can find it using the appropriate names list.

1. Open the appropriate names (Customers or Vendors) list.
2. Select the name from the list.
3. Find the transaction in the **Transactions** list.
4. Click on the transaction to open it.
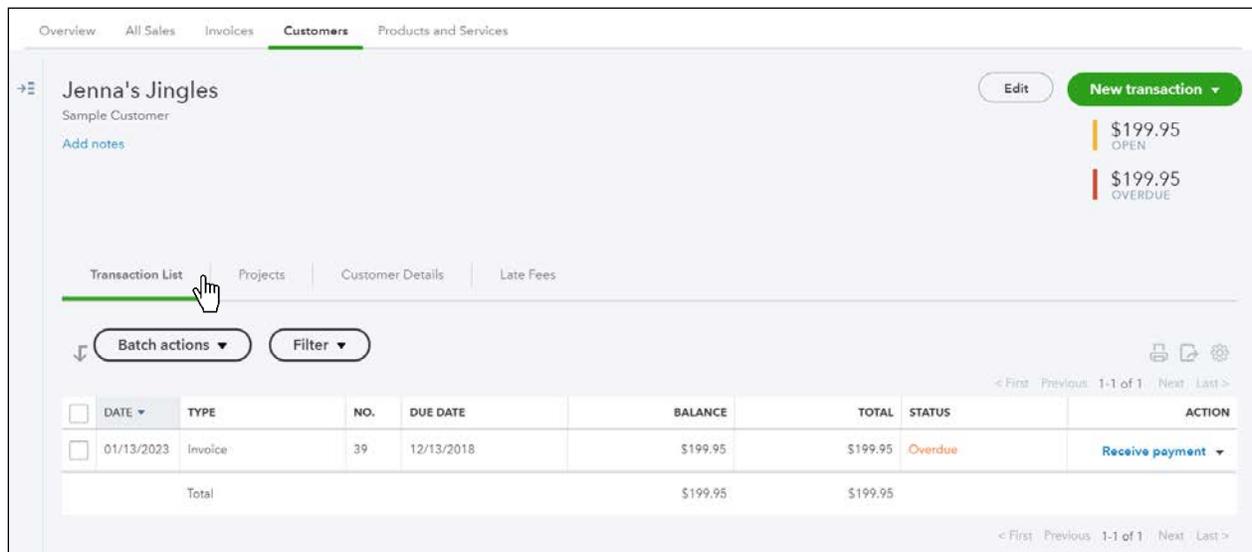
Search

Use the Search function to find transactions quickly. You can use basic search to find transactions based on transaction number, date, or amount. Use Advanced Search for expanded search options.

Transaction Search
1. Click the **search** icon.
2. Enter the search criteria for the transaction and press Enter, or click **Advanced Search**.
3. Enter the appropriate search filters.
4. Click **Search**.
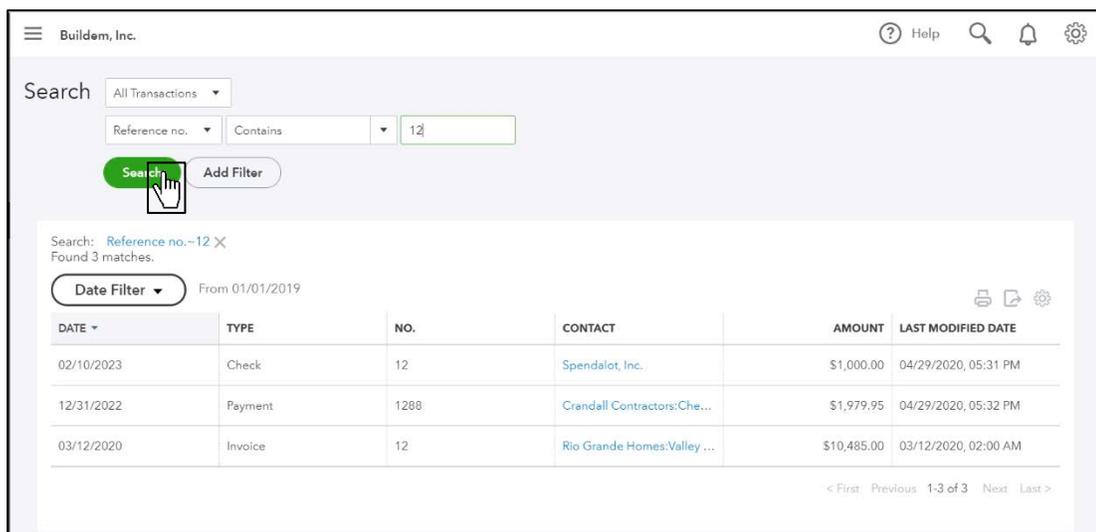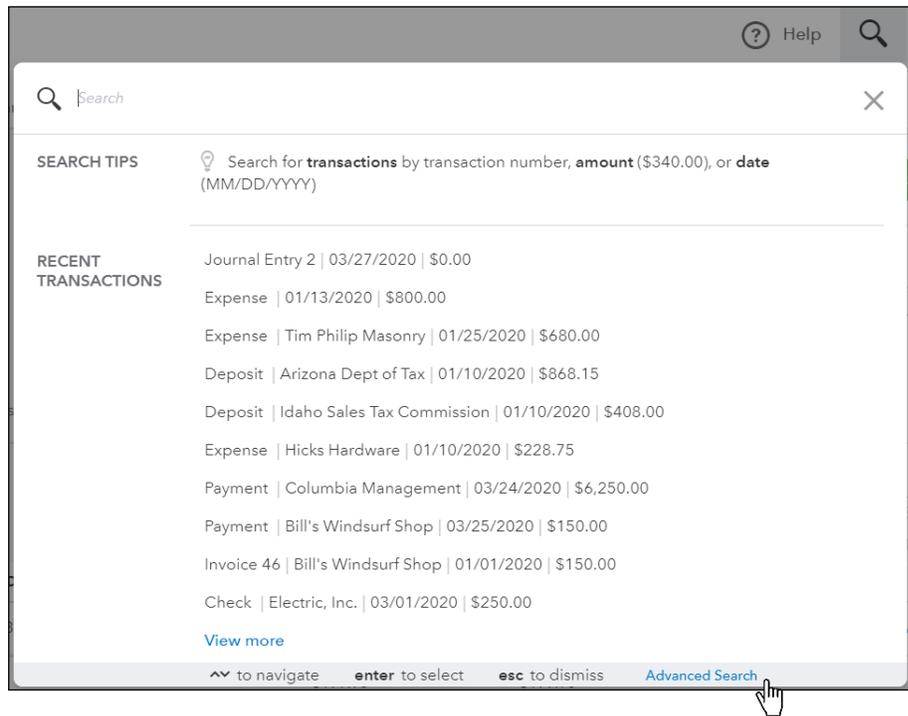
Recurring Transactions

Some transactions need to be entered the same way many times. Save time entering these with recurring transactions. When it's time to enter the recurring transaction, QuickBooks will ask you to confirm that you want to enter it.

Set Recurring Transaction

1. Create a new transaction and add information that will be the same every time.
2. Click **Make Recurring**.
3. Enter the appropriate information for the recurring transaction.
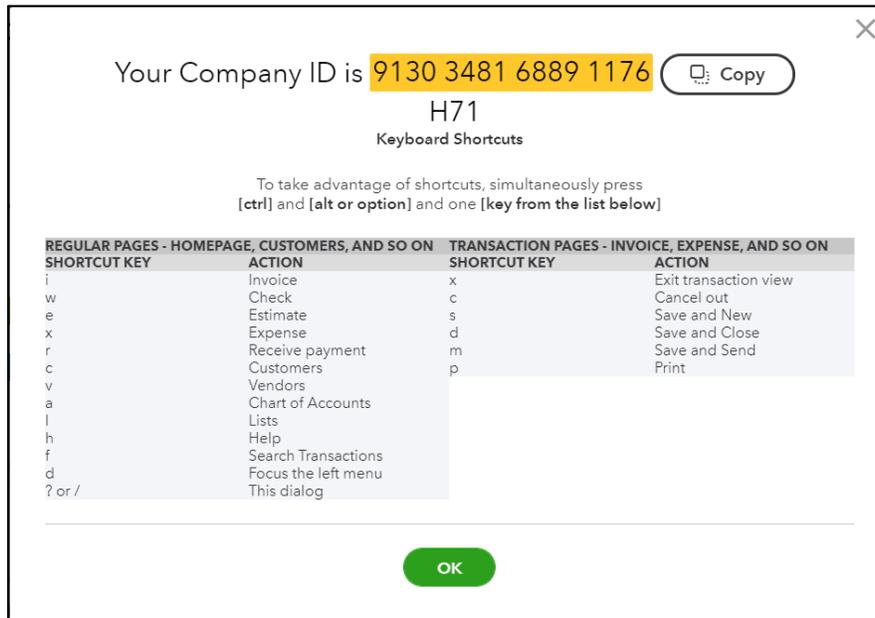4. Click **Save template**.

Quickmath

When you are in a transaction, you can calculate different amounts for products and services with Quickmath. In any number field, enter a dollar amount and a math symbol (+, -, *, /). Then enter the number or amount you want to add, subtract, multiply or divide by and press Tab on your keyboard.

Keyboard Shortcuts

QuickBooks has keyboard shortcuts to make your life easier. To display a list of these shortcuts, hold down the **Control key** and press **Alt or Option+?**. To use a shortcut, hold down **Control or Option+Alt**, and the corresponding shortcut key.

Your Company ID is 9130 3481 6889 1176   Copy
H71
Keyboard Shortcuts

To take advantage of shortcuts, simultaneously press
[ctrl] and [alt or option] and one [key from the list below]

REGULAR PAGES - HOMEPAGE, CUSTOMERS, AND SO ON		TRANSACTION PAGES - INVOICE, EXPENSE, AND SO ON	
SHORTCUT KEY	ACTION	SHORTCUT KEY	ACTION
i	Invoice	x	Exit transaction view
w	Check	c	Cancel out
e	Estimate	s	Save and New
x	Expense	d	Save and Close
r	Receive payment	m	Save and Send
c	Customers	p	Print
v	Vendors		
a	Chart of Accounts		
l	Lists		
h	Help		
f	Search Transactions		
d	Focus the left menu		
? or /	This dialog		

OK

Date Shortcuts

Quickly change the date on forms using the keyboard shortcuts in the table below.

+	Increase form number or increase date
-	Decrease form number or decrease date
R	Changes date to end of year
Y	Changes date to beginning of year
M	Changes date to beginning of month
H	Changes date to end of month
T	Changes date to today's date

QuickBooks Online Payments

QuickBooks Online Payments makes it easy for your customers to pay you online. When you send your customer an invoice, you can include a Pay Now button that they can use to enter their payment information. When they do this, QuickBooks enters all the necessary transactions for you and deposits their payment into your designated bank account.
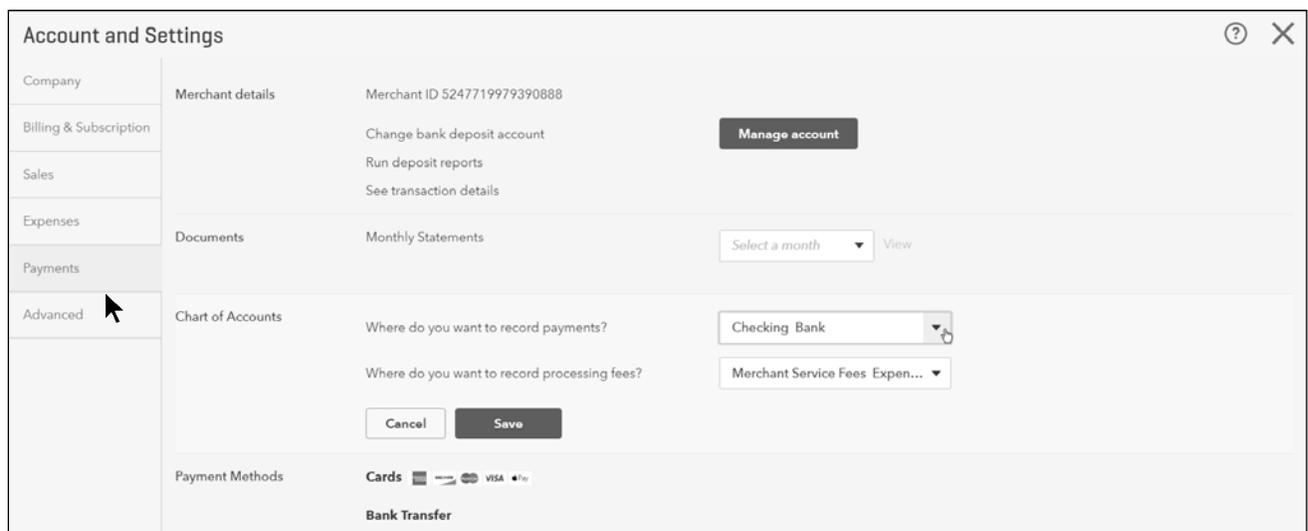
Note: Some fees apply for credit card payments. Go to **https://quickbooks.intuit.com/payments/** for more information.

Sign up for QuickBooks Online Payments

1. Click the **Gear** menu and select **Account and Settings**.
2. Select **Payments.**
3. Click **Learn more**.
4. Click **Finish setup**.
5. Enter the appropriate information in the following sections.
6. Click **Submit**.

Edit QuickBooks Payments Settings

1. Click the **Gear** menu and select **Account and Settings**.
2. Select **Payments**.
3. Click the edit icon in the appropriate section, and make any necessary changes.
4. Click **Save.**

Use QuickBooks Online Payments-Invoice

1. Click the **New (+)** menu and select **Invoice**.
2. Enter the appropriate information on the invoice.
3. Select the options at the top of the form to allow **Card** or **Bank transfer** payments.
4. Click **Save and send**.
5. Click **Send and close**.

Use QuickBooks Online Payments-Sales Receipt

1. Click the **New (+)** menu and select **Sales Receipt**.
2. Enter the appropriate information on the sales receipt.
3. Click the **Payment method** drop-down and select the appropriate payment method.
4. Select the checkbox next to **Process credit card**.
5. Click **Enter credit card details**.
6. If this is a credit card payment, click **Swipe card** if you have the credit card reader from Intuit, or enter the customer's payment information manually.
7. Click **Save**.
8. Click **Got it**.
9. Click **Save and send**.
10. Click **Send and close**.

Chapter 10

Estimates

What are Estimates?

Estimates are a way to provide your customers with the proposed cost of a job or service before invoicing them. They are non-posting transactions, so they will not show up on reports or financial statements.

Record and Send an Estimate

1. Click the **New (+)** menu.
2. Select **Estimate**.
3. Enter the appropriate information in the **Estimate** window.
4. Click **Save and close** (or) **Save and Send** to email the estimate to your customer.

Create an Invoice from an Estimate

If your customers request a bid, proposal, or estimate and then you later do the work, invoicing based on an estimate is the solution. You might want to set up jobs (sub-customers) to track specific projects for your customers.

Steps for Invoicing Based on Estimate

1. Create **Estimate**
2. Create **Invoice**

Invoice Based on Estimate

1. Visit the **Customers** center.
2. Select the **Estimates filter** at the top of the page.
3. Select **Start invoice** to the create the invoice for the desired estimate.
4. On the right side of the invoice, click **Add all** or select individual estimates to add.
5. Click **Save and close**.

Create Multiple Invoices from a Single Estimate

When you select an estimate to add onto an invoice, you're given the option to invoice all or just a portion of the estimate. If you choose to invoice for a portion, this is called Progress Invoicing.

1. Click the **New (+)** menu.
2. Select **Invoice.**
3. Enter the customer to invoice.
4. On the right side of the invoice, select individual estimates to add.
5. Choose to invoice for a percentage of the estimate or choose the specific products and services to invoice for.
6. Click **Save and close**.

Chapter 11

Sales Tax

What is Sales Tax?

Sales taxes are taxes placed on the sale or lease of goods and services. Sales tax is governed at the state level in the United States and there is no national sales tax.

Set Up Sales Tax

If you sell taxable goods or services, you'll need to collect the sales tax for your state and any other qualifying state. QuickBooks automatically chooses the sales tax rate based on your location. But if you have a distribution center or an office in another state, you'll also need to collect sales tax on sales made in that state. Intuit has thought of this and during the sales tax setup you can tell QuickBooks you're required to collect tax for other states.

Edit Sales Tax Settings

1. Click **Taxes** on the navigation bar and select **Sales Tax.**
2. Click **Set up** sales tax.
3. Make the appropriate selections in the following windows.
4. Click **Got it**.
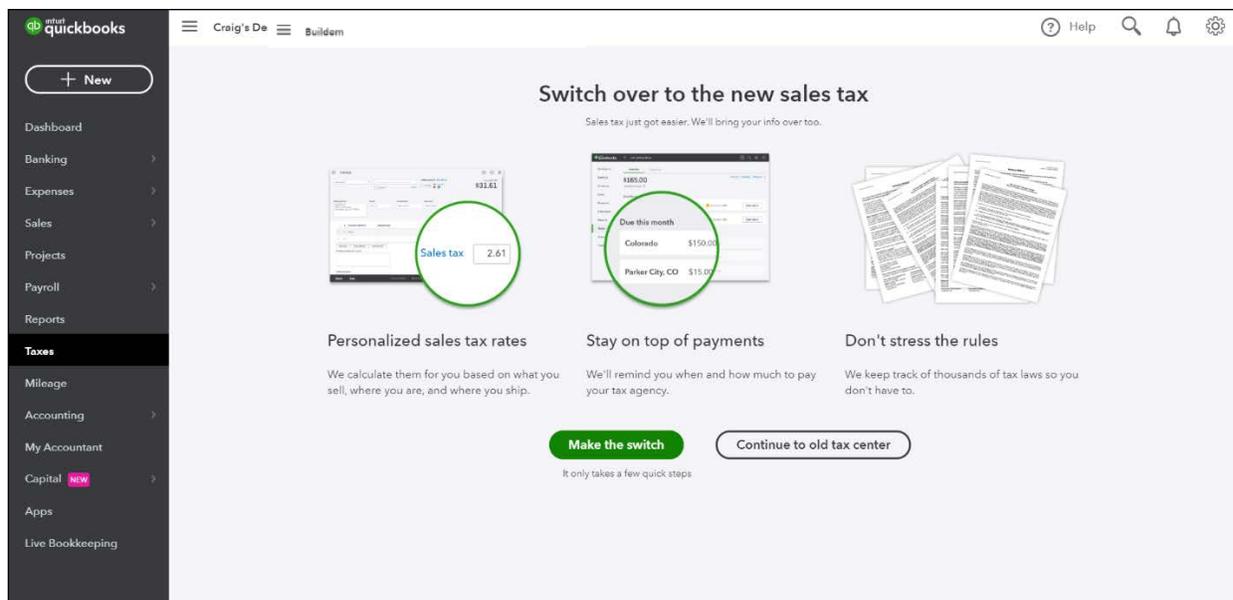
Sales Tax Options for Customers

By default, QuickBooks sets all customers as taxable. If you have a customer who is tax exempt, you need to change their settings in their customer information.

Set Up Nontaxable Customer

1. Click **Sales** on the navigation bar and select **Customers**.
2. Click **New**.
3. Enter the appropriate information for the customer.
4. Click the Tax Info tab.
5. Select the checkbox next to **This customer is tax exempt**.
6. Click the **Reason for exemption** drop-down list and make the appropriate selection.
7. Click **Save.**

Sales Tax Options for Products

1. Click **Sales** and select **Products and Services**.
2. Edit a **product** to mark as taxable.
3. Select the correct category in the **Sales Tax Category** dropdown.
4. Click **Save and close**.
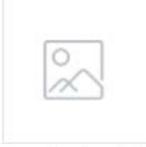
Taxable Sale

To record a taxable sale, either use a product that you've set up as a taxable item, or check the box beside "Tax" to make an item taxable from the sales form window. QuickBooks then adds up all of the taxable products and displays them as a Taxable subtotal. QuickBooks then adds up all of the taxable products and displays them here as a Taxable subtotal. This is the amount of sales tax the customer will pay. You collect this amount on the sale, and then later, send this money to the state.

Non-taxable Sale

In order for the sale to include sales tax, two things must be true: the product or service being sold must be taxable and the customer must be taxable as well. As long as one of those situations is not true to the sale being made, it will remain nontaxable.
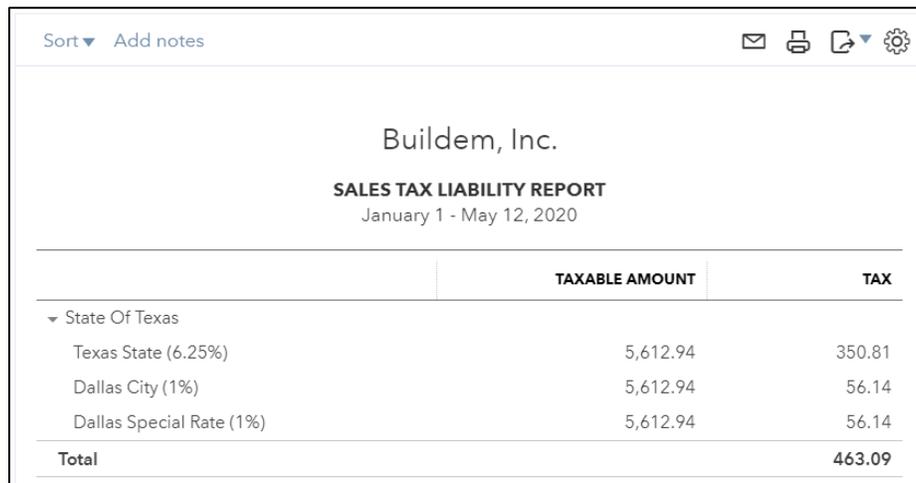
Pay Sales Taxes

When you collect sales tax, you're in a unique position. Since it's money you have that's owed to someone else, it's considered a liability on your Balance Sheet. Whenever you collect sales tax, QuickBooks calculates the tax amount and increases the account balance for you. When you send the money to the tax agency you collected for, QuickBooks lowers the balance of the account.

# Determine Amount Due

Review Sales Tax Liability Report

1. Click **Reports** on the navigation bar.
2. Select the **Sales Tax Liability** report in the **Sales Tax** section.

Pay Sales Taxes

1. Click **Taxes** on the navigation bar, and select **Sales Tax**.
2. Click **View return** next to the appropriate sales tax.
3. Click the **Select Filing Method** button.
4. Select the appropriate filing method based on the options available to you.
5. Enter the appropriate information in the **Record payment** window (if filing manually).
6. Click **Record payment.**
7. Click **Close**.
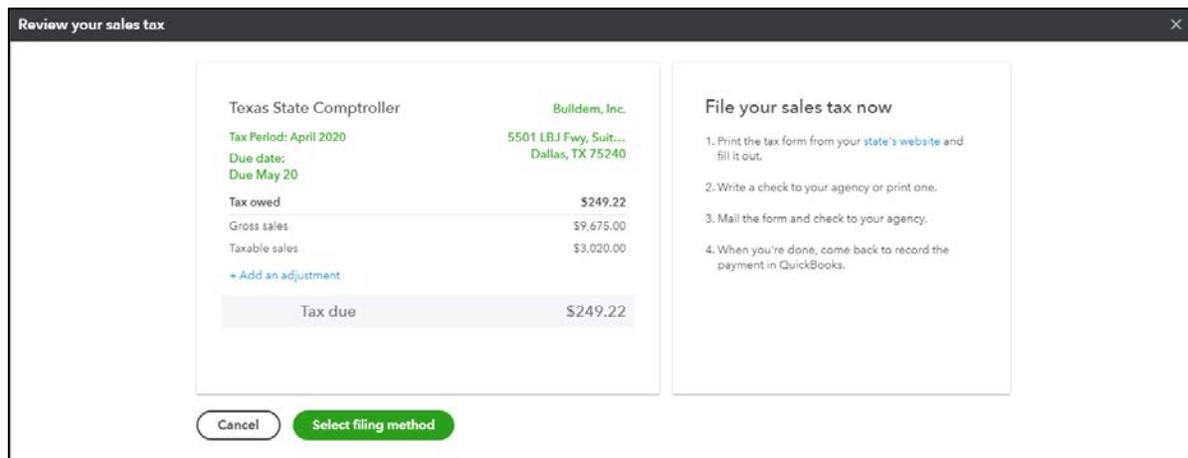
Chapter 12

Money Out- I

Vendors

Companies or individuals you purchase goods or services from are called vendors (or Suppliers in QuickBooks Online Canada). If you need to enter a bill, send a 1099 to a company or individual, or track purchases by vendor, they must be set up as a vendor. The Vendors list stores vendor information and makes it easy to filter to see all vendors, vendors you owe money to and even vendors that you're overdue on paying.
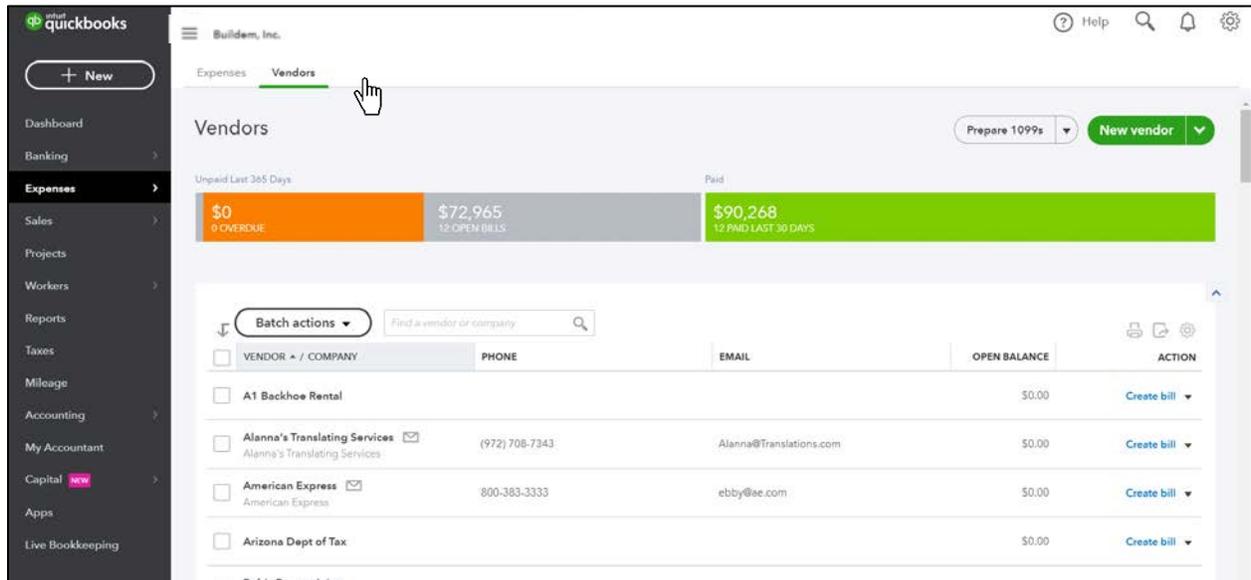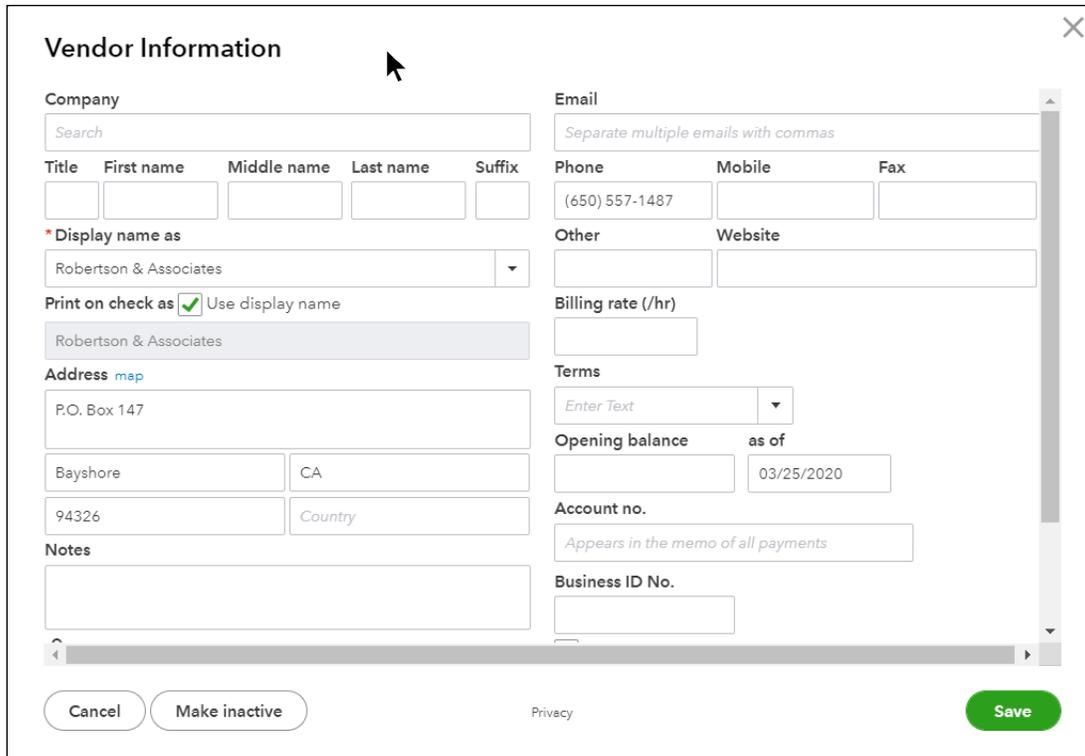

Purchase/Expense Transactions

You can also see purchase and expense transactions associated with vendors.
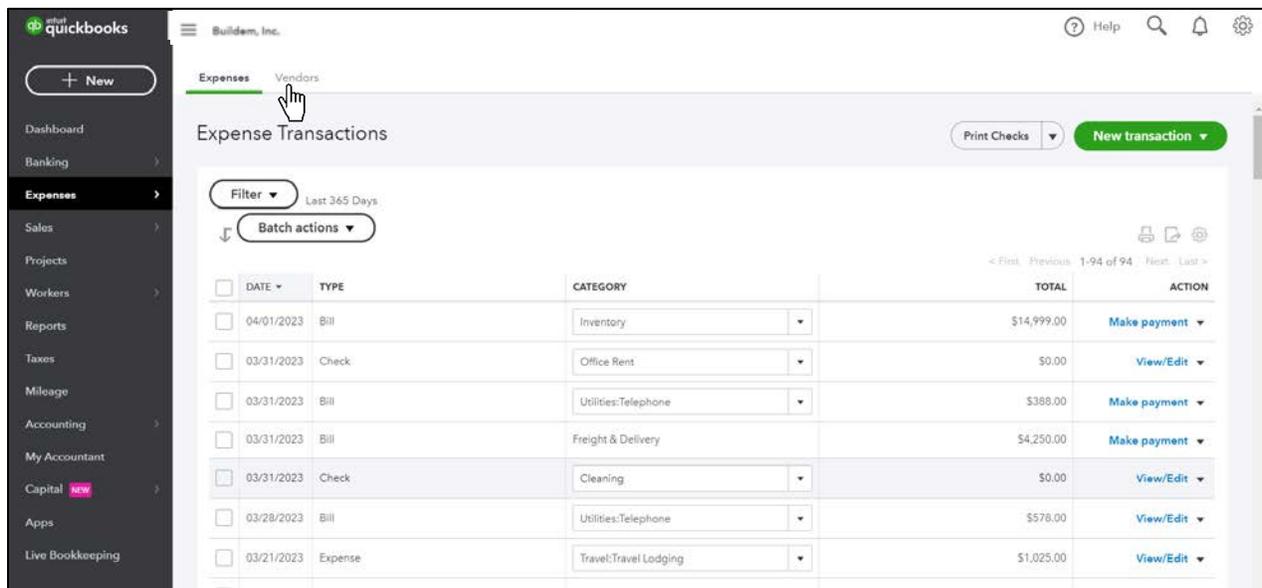
Add Vendor

1. Click **Expenses** on the navigation bar.
2. Click **Vendors.**
3. Click **New vendor**.
4. Enter appropriate information in the **Vendor Information page.**
5. Click **Save**.

Vendor Information

Company					Email		
Search					Separate multiple emails with commas		

Title	First name	Middle name	Last name	Suffix	Phone	Mobile	Fax
					(650) 557-1487		

*Display name as

Robertson & Associates

Other | Website

Billing rate (/hr)

Print on check as ✔ Use display name

Robertson & Associates

Terms

Address map

P.O. Box 147

Enter Text

Opening balance   as of

Bayshore   CA

03/25/2020

94326   Country

Account no.

Appears in the memo of all payments

Notes

Business ID No.

Cancel   Make inactive   Privacy   Save

Money Out Workflow

Your bookkeeping should accurately mirror the transactions that occur in the real world as closely as possible. There are two different ways to enter and pay bills. The method you use depends on if you track accounts payable for a transaction.

Method 1: Use Accounts Payable

What is Accounts Payable?

Tracking accounts payable means that you **enter the bill before paying** the vendor. If you track accounts payable, you always know how much you owe vendors for bills. Expenses are also recorded in the correct accounting period. You will also be warned when entering duplicate bills.

Not all money out transactions require you to use Accounts Payable. If you pay for something right away, or you paid it in the past, you won't need to use Accounts Payable. You learn how to deal with those kinds of money out transactions later.
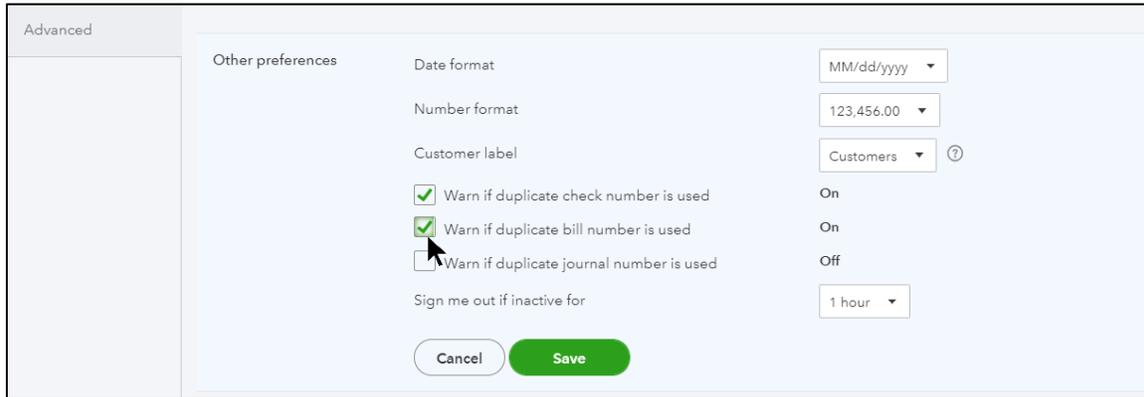
Steps if you use Accounts Payable

1. Enter Bill
2. Pay Bill (regardless of how you pay the bill: check, credit card, PayPal, cash, other

Advantages of Bills

1. Company Setting-Warn About Duplicate Bills

1. Click the **Gear** menu and select **Account and Settings**.
2. Click **Advanced** on the list to the left.
3. Click in the **Other preferences** section.
4. Click the box next to **Warn if duplicate bill number is used**.
5. Click **Save**.

2. Greater Control over Expenses and Financial Statements

Using Bills allows you to realize the expense on the day of the Bill and not the day of the Bill Payment.

3. Keep Track of Who you Owe and Bill Due Dates

By using Bills you have access to two important Accounts Payable reports: Accounts Payable Aging Summary and Detail. Both reports show who you owe, how much you owe them and if you are overdue. The Summary report shows totals owed to the vendor whereas the Detail report shows each bill separately.

Step 1. Record Bills

1. Click the **New (+)** menu.
2. Select **Bill.**
3. Enter the appropriate information on the bill.
4. Click **Save and close**.

Should You Record a Bill Payment?

If you enter a Bill in QuickBooks the only way to record the payment is with Pay Bills. Entering the Bill increases Accounts Payable and your payment lowers Accounts Payable. It is, however, possible that you'll also download your bill payments. If you record a bill and then later download the bill payment, you won't need to enter it manually at all. Just visit the Banking Center and you should see the downloaded transaction "Match" against your bill. If, however, you pay a bill with a check or aren't using online banking, you can still enter bill payments manually.

Recording Bill Payments

Step 2. Pay Bills

1. Click the **New (+)** menu.
2. Select **Pay Bills**.
3. Select the appropriate **Payment** account.
4. Select the bills you're paying.
5. Enter the **Payment Date**.
6. Click **Save and Close** or **Save and Print**.

Select Bills to Pay

Method 2: No Accounts Payable

If you've decided to not track Accounts Payable in QuickBooks, or you've just paid for something that didn't involve a bill, you don't need to use Bills/Bill Payments. Instead, all you have to record is a Check or Expense. Checks are used for physical checks that are not connected with a bill. Whether you want to print them through QuickBooks or record a handwritten check, Checks are the right transaction to record. If you spent money through any method other than a check use an Expense instead.

Record a Check

1. Click the **Global Create** menu.
2. Select **Check**.
3. Enter the appropriate information on the **Check** form.
4. Click **Print check** to print the check now. Otherwise, click the box next to **Print later** to print the check along with other checks later.

5. Click **Save and close**.

Check-To Be Printed Later

Hand-written Check

Printing Checks

Record an Expense

For expenses other than checks and bill payments, use the Expense form. This form can be used for debit cards, credit card charges, PayPal charges, and other non-check forms of payment.

1. Click the **New (+)** menu.
2. Select **Expense**.
3. Select the appropriate payment account and Payment method.
4. Enter appropriate information in the Expense form.
5. Click **Save and close**.

Enter Expense (Credit Card Charge)

Enter Expense (Debit Card)

Reports

Review the A/P Aging Summary

1. Click **Reports** on the navigation bar.
2. Select **Accounts Payable Aging Summary** under Who you owe.

Sort ▾ Add notes

Buildem, Inc.

A/P AGING SUMMARY
As of May 16, 2020

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
A Cheung Limited		-10,600.00				$ -10,600.00
Cal Gas & Electric					98.68	$98.68
Cal Telephone					77.92	$77.92
Custom Kitchens of Bayshore					3,076.32	$3,076.32
Daigle Lighting					-1,100.00	$ -1,100.00
East Bayshore Tool & Supply					790.00	$790.00
Holly Heating and Electric					289.95	$289.95
Internet Provider					-67.80	$ -67.80
Sergeant Insurance					4,050.00	$4,050.00
Sloan Roofing					850.00	$850.00
Thomas Kitchen & Bath					-79.00	$ -79.00
TOTAL	$0.00	$ -10,600.00	$0.00	$0.00	$7,986.07	$ -2,613.93

Review the Expenses by Vendor Summary

1. Click **Reports** on the navigation bar.
2. Select **Expenses by Vendor Summary** under **Expenses and Vendors**.

Sort ▾ Add notes

Buildem, Inc.

EXPENSES BY VENDOR SUMMARY
January 1 - May 12, 2020

	TOTAL
A1 Backhoe Rental	1,800.00
Arizona Dept of Tax	
Bob's Burger Joint	8.95
Books by Bessie	530.00
Brosnahan Insurance Agency	3,800.00
Chamber of Commerce	50.00
Chin's Gas & Oil	185.00
Computers by Jenni	89.95

Chapter 13

Money Out- II

Credit Cards

You handle credit card transactions in much the same way as bank account transactions. You need to have a credit card account on your Chart of Accounts, and whenever you purchase something with that credit card, or pay it off, you need to record it in QuickBooks. You can set up your credit card to download transactions, or you can record transactions manually.

Set up Credit Card Account

1. Click **Accounting** on the left navigation bar.
2. Click **New.**
3. Click the **Account Type** drop-down list and select Credit Card.
4. Enter the **Name** of the account.
5. Enter the **Balance** on the card, and the date it had that balance (usually it's best to find your balance from the beginning of the fiscal year and enter that).
6. Click **Save and Close**.

Record Credit Card Expense

1. Click the **New (+)** menu and select **Expense**.
2. (Optional) **Enter a Payee**.
3. Click the **Payment account** drop-down and select your credit card account.
4. Enter the **Payment date.**
5. (Optional) Click the **Payment method** drop-down menu and select the appropriate payment method.
6. Click on the first line under **Account Details** and select the appropriate expense account.
7. (Optional) Enter a description.
8. Enter the amount.
9. Click **Save and close**.

Record Credit Card Payment

1. Click the **New (+)** menu and select **Expense.**
2. (Optional) **Enter a Payee**.
3. Click the **Bank/Credit** account drop-down and select your bank account.
4. Enter the **Payment date.**
5. (Optional) Click the **Payment method** drop-down and select the appropriate payment method.
6. Click on the first line under **Account Details**, and select the credit card account.
7. (Optional) Enter a description.
8. Enter the amount.
9. Click **Save and close**.

Turn on Customer/Project Costs

1. Click the **Gear** menu and select Account and Settings.
2. Click **Expenses** on the list to the left.
3. Click in the **Bills and expenses** section.
4. Make appropriate selections in the **Account and Settings** window.
5. Click **Save.**

Account and Settings

Company	
Billing & Subscription	
Usage	
Sales	
Expenses	
Payments	
Advanced	

Bills and expenses

☐ Show Items table on expense and purchase forms ⑦ **Off**

☑ Track expenses and items by customer ⑦ **On**

☑ Make expenses and items billable ⑦ **On**

☑ Markup with a default rate of `10` % ⑦

☐ Track billable expenses and items as income ⑦

☐ Charge sales tax ⑦

Default bill payment terms   `Net 10` ▾

(Cancel)   (**Save**)

Enter Customer/Project Related Costs

You can enter expenses related to customers/projects by using the Customer field on expenses, checks and bills.

1. Click the **New (+)** menu.
2. Select **Expense, Check**, or **Bill**.
3. Use the **Customer** field to record who/what the expense was for.
4. Click **Save and close**.

	#	CATEGORY	DESCRIPTION		AMOUNT	BILLABLE	MARKUP %	TAX	CUSTOMER		
⊕	1	Subcontractors ▾			900.00	✓	10	☐	Enter Text ▾		🗑
⠿	2										🗑

Check #17 ⑦ Help ✕

Payee: Tony Rondonuwu ▾

Bank Account: Chase Checking ▾ Balance $1,123,488.56

AMOUNT **$900.00**

Mailing address: Tony Rondonuwu

Payment date: 01/01/2020

Check no.: 17

☐ Print later

Vendor Credit Memos

When a vendor gives you a credit to use on a future bill, enter a Vendor Credit. QuickBooks will automatically apply this credit to future bills from the same vendor.

Enter Vendor Credit

1. Click the **New (+)** menu.
2. Select **Vendor Credit.**
3. Enter appropriate information in the **Vendor Credit** window.
4. Click **Save and close.**

Vendor Credit ⑦ Help ✕

Vendor: Hicks Hardware

CREDIT AMOUNT **$200.00**

Mailing address:
Geoff Hicks
Hicks Hardware
1234 Hardware Ave.
Dallas, TX 75240

Payment date: 05/12/2020

Ref no.:

▼ Category details

	#	CATEGORY	DESCRIPTION		AMOUNT	BILLABLE	MARKUP %	TAX	CUSTOMER		
⠿	1	Equipment Rental	overbilled for equipment rental		200.00						🗑
⠿	2										🗑

Add lines | Clear all lines

Vendor Balance Detail Report

Run a vendor balance detail report to keep track of who your business owes money to and when it needs to be paid.

Pay Bills- Apply Credit
1. Click the **New (+)** menu.
2. Select **Pay Bills**.
3. Select the appropriate bills to pay (Notice QuickBooks uses available credits).
4. Click **Save and print** or **Save and close**.

Bill Payment Check and Voucher Showing Credit Applied

03/25/2020						
Hicks Hardware						**2,415.00
Two thousand four hundred fifteen and 00/100***						
Geoff Hicks						
Hicks Hardware						
1234 Hardware Ave.						
Dallas, TX 75240						

03/25/2020   **Hicks Hardware**

Date	Type	Reference	Original Amount	Balance Due	Payment
03/01/2020	Bill		2,615.00	2,415.00	2,415.00
		Check Amount			2,415.00

Void vs. Delete Checks

Void a check if you used the check number but the check will never be cashed. Delete a check if the check was never written.

Delete a Check

1. Display the appropriate check.
2. Click the **More** button and select **Delete**.
3. Click **Yes** to confirm.

Void a Check

1. Display the appropriate check.
2. Click the **More** button and select **Void**.
3. Click **Yes** to confirm.

Chapter 14

Online Banking

Online Banking

You can potentially download transactions directly from your bank and credit cards allowing you to skip some of the manual data entry. You'll learn how to set up a bank account on your Chart of Accounts, then take a tour of the Banking Center and learn how to integrate them into your books. You'll learn the difference between matching and adding transactions, and situations such as transfers, credit card charges and payments.

Add Bank Account

Managing your bank and credit card accounts in QuickBooks is free and easy to use. After you add your bank account to QuickBooks you choose how far back you want QuickBooks to go when downloading historical transactions. After that, it's easy to add and match transactions that are automatically downloaded as they clear your bank.

Option 1: Add Bank Account to Chart of Accounts

1. Click **Accounting** on the left navigation bar.
2. Select **Chart of Accounts** at the top of the page.
3. Click **New**.
4. Enter appropriate information on the new account page.
5. Click **Save**.

If you choose to add the bank account to your Chart of Accounts, you will upload the bank transactions from your downloaded bank statements on a regular basis.

Set Up for Online Banking

1. Click **Banking** on the navigation bar.
2. Click **Add account**.
3. Enter your bank name or online banking URL, or select from a list of popular banks.
4. Enter the login information you use to access your account on your bank's website.
5. Click **Sign in.**
6. Click the drop-down list next to each account you want to connect and select the bank or credit card account on your chart of accounts.
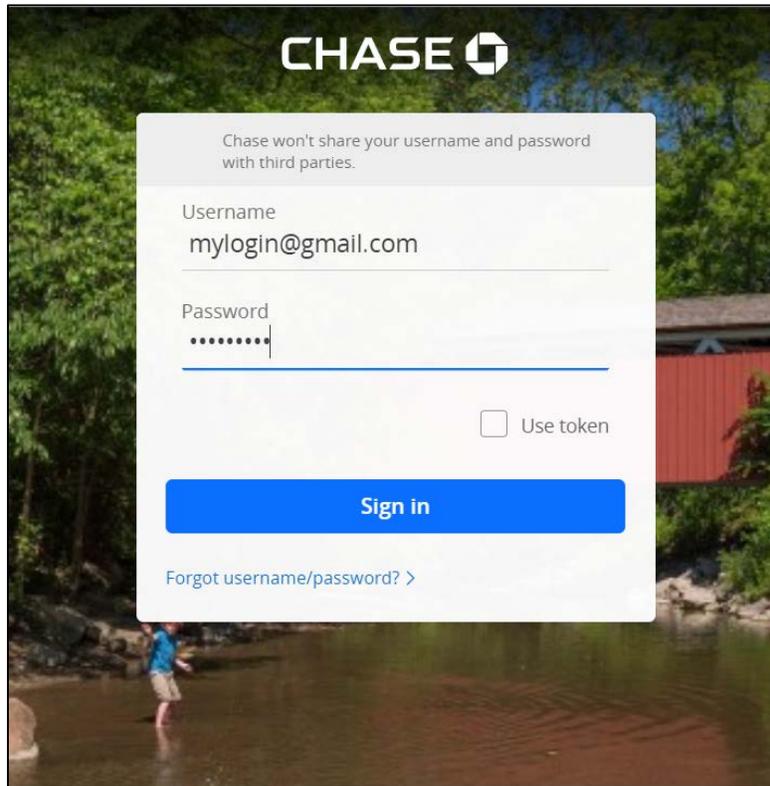7. Click **Connect.**

The Online Banking Center

Add Account

Login to Your Bank Account

Connect Your Accounts
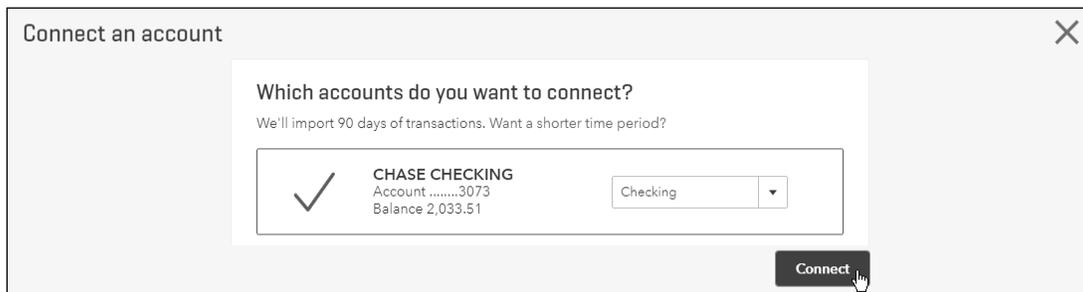
If you connect your bank account, you'll be able to download previous transactions into your banking center. Future transactions in your bank account will be automatically downloaded into your QuickBooks Banking Center.

The Online Banking Center

After you've connected your bank account to QuickBooks, you're ready to update QuickBooks with new bank activity. You manage this process through the Online Banking Center.

Note: Each connected account shows a Bank Balance and an In QuickBooks balance. These balances will often differ from each other as the Bank Balance is based on transactions that have cleared the bank account, and the QuickBooks Balance is based only on transactions that have been recorded in QuickBooks.

Online Banking Center Processes

The Bank and Credit Cards page is where you perform all your online banking tasks.

- **File upload**

  Click **File upload** to upload a list of transactions from your bank. Note that you won't need to do this if you choose to connect your bank to QuickBooks.

- **Link account**

  Click **Link account** to connect a new account to QuickBooks.

- **For Review**

  The **For Review** tab lists transactions downloaded from your bank that haven't been added or matched to existing transactions in QuickBooks. Until these transactions are added or matched, they have no impact on your accounting records.

- **Categorized**

  The **Categorized** tab lists transactions you have matched or added to QuickBooks. This tab does NOT show transactions that you manually entered into QuickBooks.

- **Excluded**

  The **Excluded** tab lists transactions you have chosen to exclude, such as duplicate transactions or transaction history you don't need in QuickBooks. You can undo this action at any time.

Open the Online Banking Center

1. Click **Banking** on the navigation bar.
2. Select an account from the top of the page.

Manage Downloaded Transactions

There are two types of downloaded transactions: ones that you have already entered into QuickBooks, and ones that have not been entered into QuickBooks.

Match- Transactions that you've already entered need to be verified or '**matched**' to the downloaded expense. If QuickBooks finds that you've already entered something that it has downloaded, you'll see "**Match**" or "**View**" as an option. By matching a downloaded transaction with something you've already entered, you ensure that the transaction is not entered twice. QuickBooks attaches the downloaded version to the version you've already entered.

View- If QuickBooks finds that you've already entered two or more transactions like the bank transaction you've downloaded, you'll need to choose the exact transaction which is a match. The non-selected transaction(s) will remain in the Online Banking center until action is taken on that remaining transaction.

Review/Match Downloaded Transactions (Already Entered)

1. On the **For Review** tab, select a transaction to match.
2. Select the appropriate match, or click **Find match** if the transaction was not matched correctly.
3. Click **Match.**

Batch Accept Downloaded Transactions (Already Entered)

1. On the **For Review** tab, select all matched transactions.
2. Check the box to the left of the desired transactions and select **Accept**.

Add Downloaded Transactions (Not Already Entered)

New transactions that you haven't recorded in QuickBooks yet can be "**added,**" which means that QuickBooks creates a new transaction for you based on the downloaded information and the information that you add into the transaction, specifically the **Who**, **When**, **What** and **How Much**. Sort the list by the column headers to help organize your work.

When dealing with a new transaction, you'll see the date it cleared the bank (the **When**), how much money it was for (the **How Much**), and something called the Bank Detail, which is usually who you paid (the **Who**). QuickBooks cannot download the reason **Why** you spent the money, so you must enter the category, or account, as an explanation to QuickBooks for why the money was spent or received. In doing so, you'll be able to track why you spent or received the money later on your financial statements.

1. On the **For Review** tab, select a transaction to add.
2. Correct or enter an appropriate name (optional) and account category.
3. Click **Add**.

Recognized Transactions

As you add information to downloaded transactions, QuickBooks 'remembers' the accounts and names you've added to previous transactions, and prefills some of this information for you. These transactions are listed together on the Recognized list. You can batch add these recognized transactions to save time.

Add Downloaded Transactions (Recognized)

1. Click All transactions at the top of the list and then choose **Recognized**.
2. Review the information for new transactions, and make any necessary changes.
3. Check the box to the left of the desired transactions and select **Accept.**

What Gets Downloaded

You might be wondering why you would need to manually add anything into QuickBooks if your transactions are already downloaded from your connected bank account. Since online banking makes it so easy to enter transactions, it's tempting to rely on it to record all of your transactions. However, there are some transactions that cannot be downloaded from the bank that you still need to enter manually. If you want QuickBooks to print a check, or if you want to record more specific products and services a customer purchased from you, you'll need to enter in those details through a manually entered transaction.

Transactions You Add Through Online Banking

- Receive Payment (should still be entered manually if it applies to multiple invoices, or was deposited with other payments)
- Expenses
- Bill Payments (if a bill was paid with a check, it should still be entered manually)
- Credit Card Credit
- Transfers

Transactions You Enter Manually

- Invoices
- Estimates
- Credit Memos
- Sales Receipts
- Refund Receipts
- Delayed Credits
- Delayed Charges
- Checks
- Bills
- Purchase Orders
- Vendor Credits
- Paychecks and Timesheets (third party payroll can sometimes be downloaded as an expense)
- Deposits

Manage Downloaded Deposits

Deposits you make at the bank can be added through online banking if they're deposits for a single transaction. For example, a refund from a vendor. But if a deposit you make at the bank is for a batch of transactions, such as customer payments on invoices, you should still record it manually in QuickBooks.

When you receive a refund from a vendor, this effectively reduces the expense you incurred with that vendor. When the refund is downloaded from the bank, select the expense account you used on the original expense with the vendor to reduce your expense account balance on your financial statement.

Review/Add Downloaded Deposits (Not Entered)
1. On the **For Review** tab, select the deposit.
2. (Optional) Add a vendor name.
3. In the **Category** field, select the appropriate income or expense account.
4. Click **Add.**

Add Split Transactions

When an expense is downloaded that needs more than one expense account associated with it, you can do this with the Split option.

Review/Add Split Transactions

1. On the **For Review** tab, select the transaction.
2. Click **Split Transaction.**
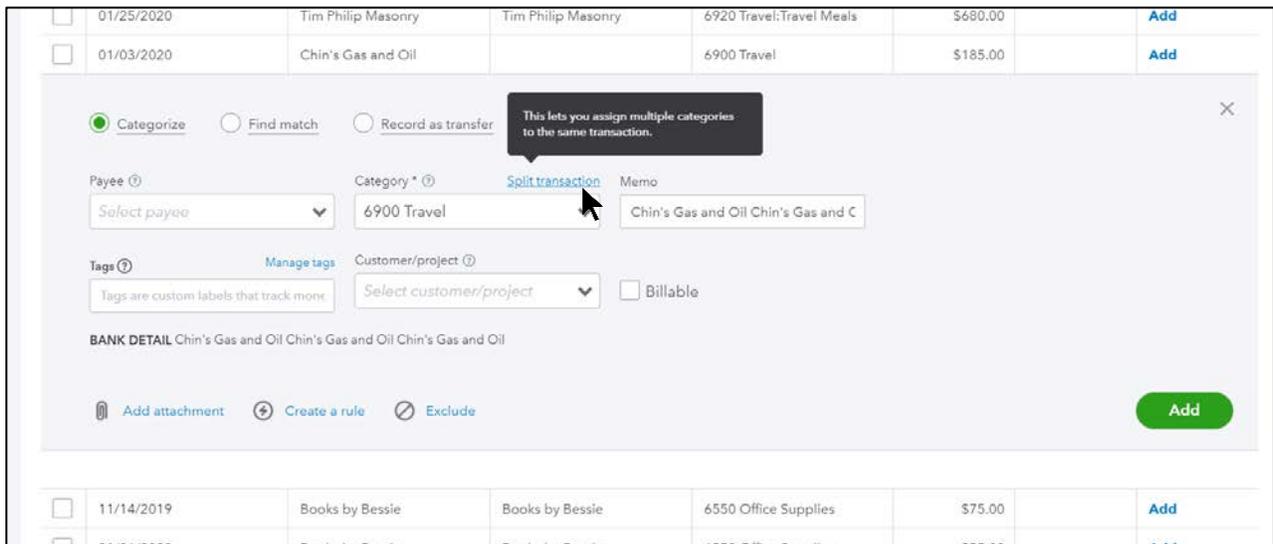
3. (Optional) Add a payee name.
4. On the first line, select an appropriate account.
5. On the following lines, select the appropriate expense accounts, and enter the appropriate amounts (click **Add lines** if necessary).
6. Click **Save and add.**
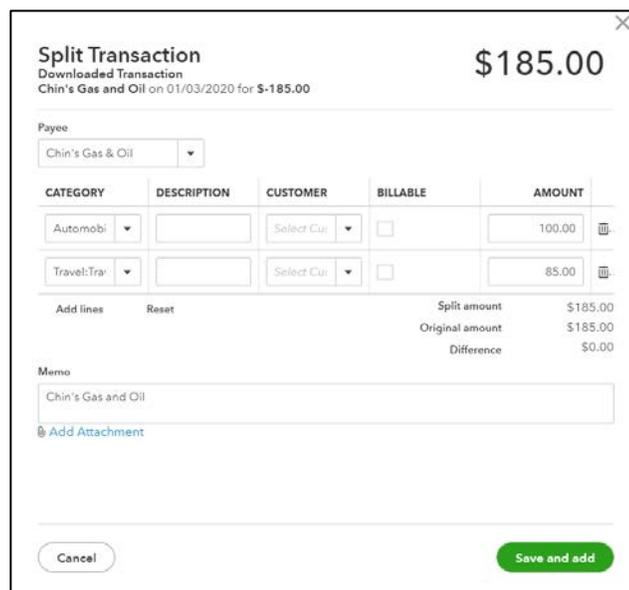
Exclude Transactions

You can exclude downloaded transactions such as duplicates or transactions that took place before when you chose to start tracking an account.

Reasons to Exclude Transactions

1. If you are connecting an account you have used manually in QuickBooks Online and are now starting to download transactions from your bank and transactions you've already reconciled appear in the Banking Center
2. If the bank sent the transaction more than once.
3. If the transaction happened before the starting date/balance for the account. In other words, if it happened before the "As of" date that you entered for the account as you set it up.

Exclude New Transactions

1. On the **For Review** tab, click the box next to transactions to exclude.
2. Click **Exclude**.
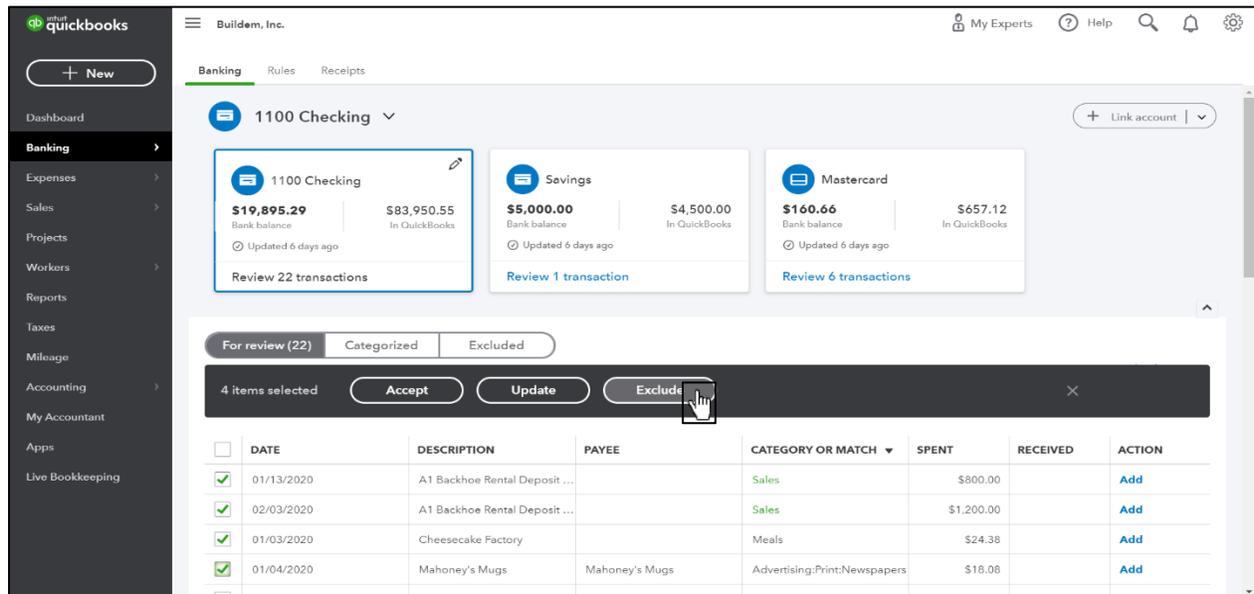
Transfers

Transfers are financial transactions that represent you moving money from one bank account to another. They can be downloaded and added to QuickBooks without entering them manually first. If you transfer money between two bank accounts that you've connected to download transactions, then you only need to **Add** the transfer for one account, and then **Match** it for the other.

Add Transfers

1. On the **For Review** tab, select the transfer.
2. In the **Category** field, select the account the money came from (if this is an increase in the bank account) or the account the money went to (if this is a decrease in the bank account).
3. Click **Add.**
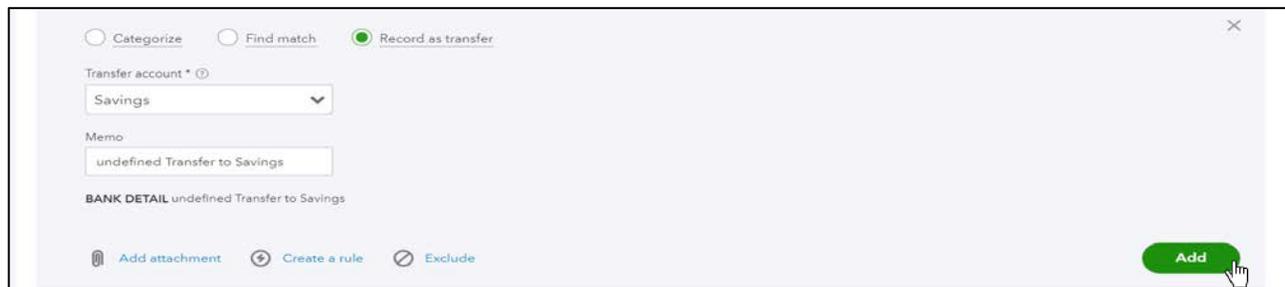
Credit Card Payments

If you pay your credit card balance online or with your debit card, those payments will be downloaded to the banking center.

Add Credit Card Payments

1. On the **For Review tab**, select the credit card payment.
2. (Optional) Click the **Payee** drop-down and select a payee.
3. In the **Category** field, select the credit card account to apply the payment towards.
4. Click **Add**.

Note: If you have your credit card account connected as well, once you Add the transaction for the bank account, it will show up as a Match on the credit card account.

Recording a Personal Expense

It's tempting to want to exclude personal expenses, however, all transactions from your bank account need to be recorded in QuickBooks in order for you to reconcile the account. During reconciliations you compare your bank statements to what you have in QuickBooks to make sure you've recorded everything that happened in that account. If you exclude ANY transactions that appear on your bank statement, you'll not be able to reconcile.

Instead of excluding these transactions when they show up, you can use an **Equity** account in the **Category** field to properly record the transaction. Most businesses have an equity account named **Owner's Draw** that is used for these kinds of personal purchases. If you do not have this on your Chart of Accounts, you can easily create a new Equity account with this name.

Chapter 15
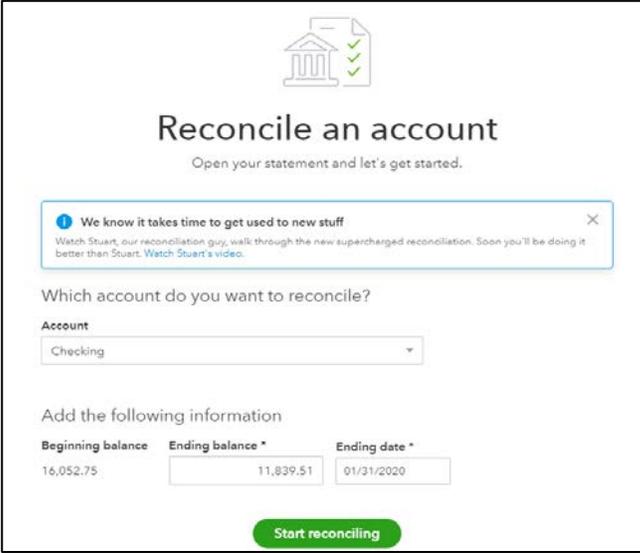
Reconciliation

Reconcile Bank Account

Trusting your reports and balances in QuickBooks is important. Your task with all bookkeeping is to record transactions accurately so that they match with the reality of your business' bank and credit card accounts. The best way to check for accuracy is to perform a reconciliation, which is the process of comparing your records in QuickBooks to the official records you receive from your bank and credit card issuers.

When to reconcile: Real World Training recommends that you reconcile every month when you receive the bank/credit card's official statement.

Before you reconcile: To reconcile, you should have last month's bank statement on hand for this process, printed if possible.

Reconcile Account

1. Click the **Gear** menu and select **Reconcile**.
2. Click the **Account** drop-down arrow and select the appropriate bank or credit card account.

3. Enter the Ending balance and the Ending date you see on the statement.
4. Click the **Start reconciling** button.
5. Select the transactions that cleared the bank.

What you'll see on the reconciliations screen...

1. **Reconciliation equation** - Throughout the reconciliation process QBO calculates several numbers. The first is the *beginning balance* which is the amount you had in the bank at the beginning of the month. QuickBooks determines this by adding up all of the transactions you've reconciled in the past. *The Cleared Balance* is the balance of all the selected transactions. If what's on the bank statement doesn't match what you've checked off for your cleared balance, QuickBooks shows you a *difference*. That means there's a difference between what you have in QuickBooks and what the bank or credit card reports on the statement.
2. **Pre-reconciled transactions** - If you use Online Banking, the transactions you've added or matched already have checkmarks. This is one of the great things that online banking does for you. If you're using online banking to add and match all of your transactions you might just see an entire row of checkmarks and you won't need to do any more work at all since everything has already been checked against the bank's records.
3. **The goal of the reconciliation** - The goal is to check off all the transactions that appear on your bank statement and get a difference of zero!

Completing your Reconciliation

1. Click **Finish Now**.
2. Click **View report** to open the Reconciliation Report.
3. Click **Print**.

Reconcile Completed
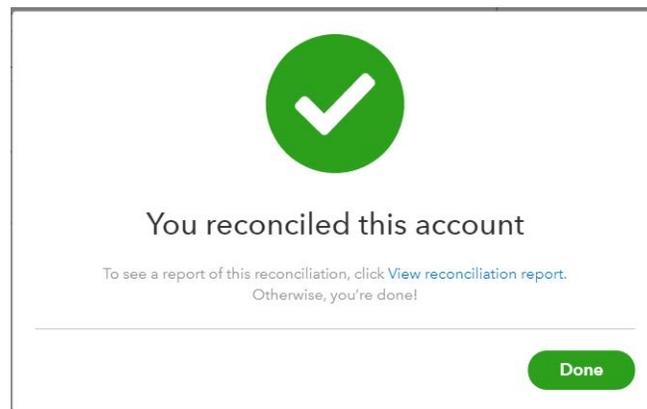
What Causes a Reconciliation Difference?

There are a few reasons for a difference between your bank or credit card statement and what you have in QuickBooks.

1. The ending balance or date is incorrect. This can be fixed by clicking the Edit button to change it to what you see on your statement.
2. You might have a transaction checked on the Reconciliation window that shouldn't be. To fix this, just uncheck it in the reconciliation window to remove it from the balance.
3. One of the transactions you've checked in the reconciliations window is for the wrong amount. You may edit the balance by clicking on the line of the incorrect transaction.

Reconciliation Report

It's important to remember that in most cases you should never change transactions after they're reconciled. To track down changes or deletions if they happen, you can view the **History by Account.** Here you'll see a brief summary of your reconciliations including beginning and ending balances, as well as changes, if any have occurred, and any adjustments that might have been made while reconciling.

<div style="border:1px solid #000; padding:1em;">

<div align="center">

Buildem, Inc.

Checking, Period Ending 01/31/2020

RECONCILIATION REPORT

Reconciled on: 05/04/2020

Reconciled by: creederpracticeaccountapril@gmail.com

</div>

Any changes made to transactions after this date aren't included in this report.

Summary	USD
Statement beginning balance	16,052.75
Checks and payments cleared (9)	-4,213.24
Deposits and other credits cleared (0)	0.00
Statement ending balance	11,839.51
Uncleared transactions as of 01/31/2020	4,747.40
Register balance as of 01/31/2020	16,586.91
Cleared transactions after 01/31/2020	0.00
Uncleared transactions after 01/31/2020	63,356.55
Register balance as of 05/04/2020	79,943.46

</div>

Account Register

Every Balance Sheet account in QuickBooks has a register. A register is a record of all the transactions you've recorded for that account. It shows transactions you manually added, as well as those you matched and added through the Bank and Credit Cards page. QuickBooks marks matched/added transactions as "C" cleared and indicates it was an automatically added transaction. Reconciled transactions are indicated with an "R".

Review Bank Account Register

1. Click **Accounting** on the navigation bar.
2. On the **Chart of Accounts**, click the **View register** link next to the account.

Chapter 16

Mobile App

Install Mobile App

The free mobile app for QuickBooks Online makes it easy to enter sales and expense transactions, add and match downloaded transactions, and manage lists. You can install the app on your phone or tablet from the app store for your device.

1. Browse to the app store on your phone or tablet (App store on Apple® devices, Google Play store on Android® devices).
2. Search for 'QuickBooks Accounting'.
3. Select the QuickBooks Accounting app in the list of results.
4. Select the option to Get (Apple) or Install (Android) the app.
5. Follow the prompts to complete the installation.
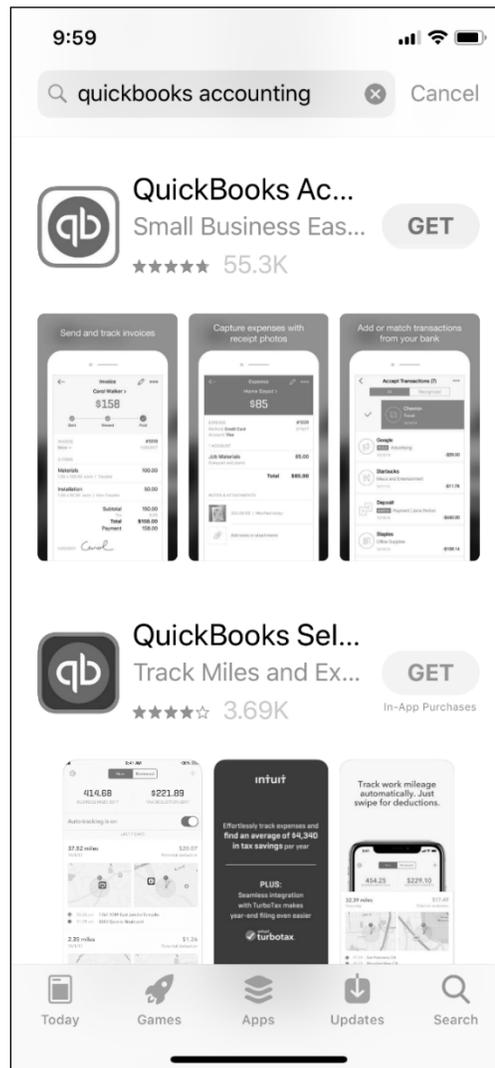
Mobile App Dashboard

The Dashboard in the mobile app displays information about your business such as a Profit and Loss graph, and an Expenses graph. You also see an Activity list which shows recent transactions and changes to list entries and company information.

Access Mobile App Dashboard

1. Browse to the **QuickBooks Accounting** app on your mobile device.
2. Enter your login information and select **Sign in**.
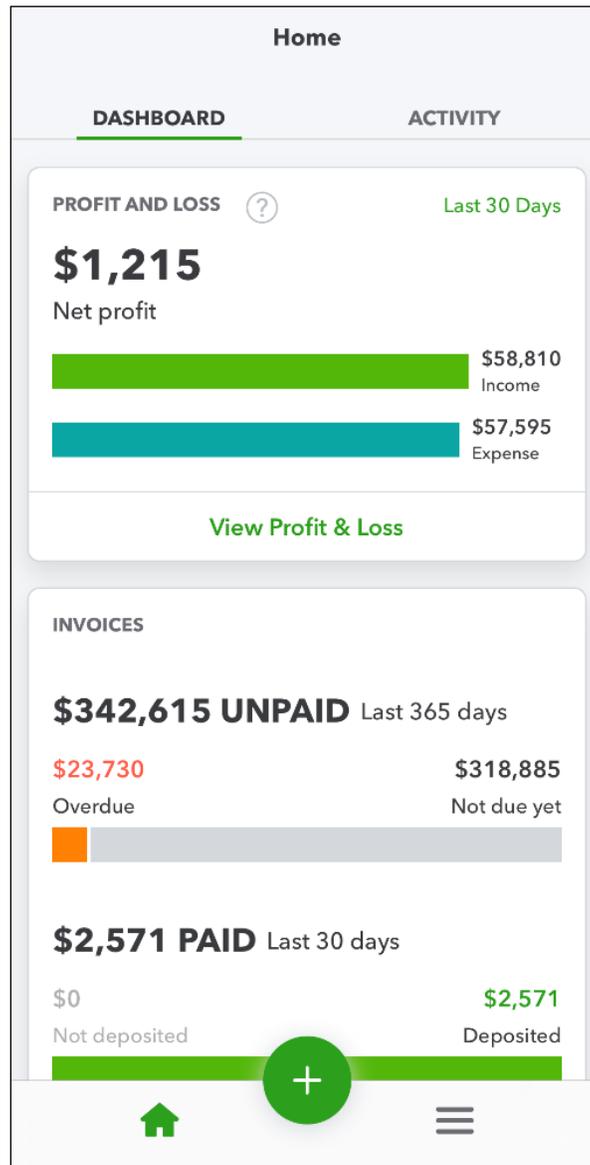
Moving Around in QuickBooks Mobile

You can access all the features in the mobile app from two areas:

1. Hamburger menu
2. **New (+)** menu
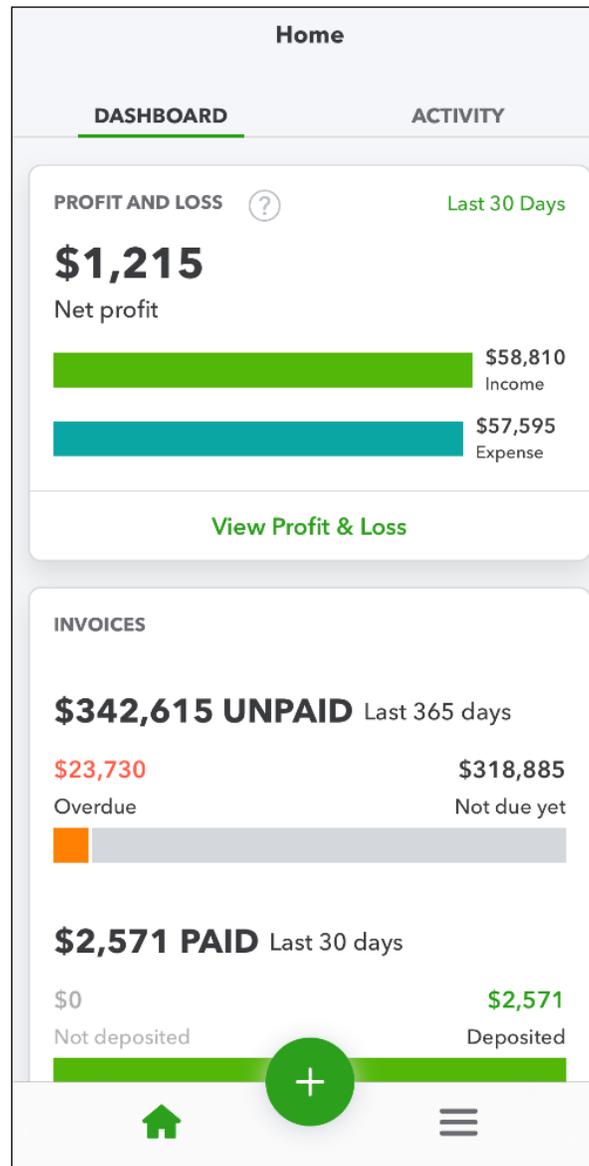
Hamburger Menu

The **Hamburger menu** appears at the bottom right on the IOS app. It provides quick access to lists you use often as well as common transactions and reports.
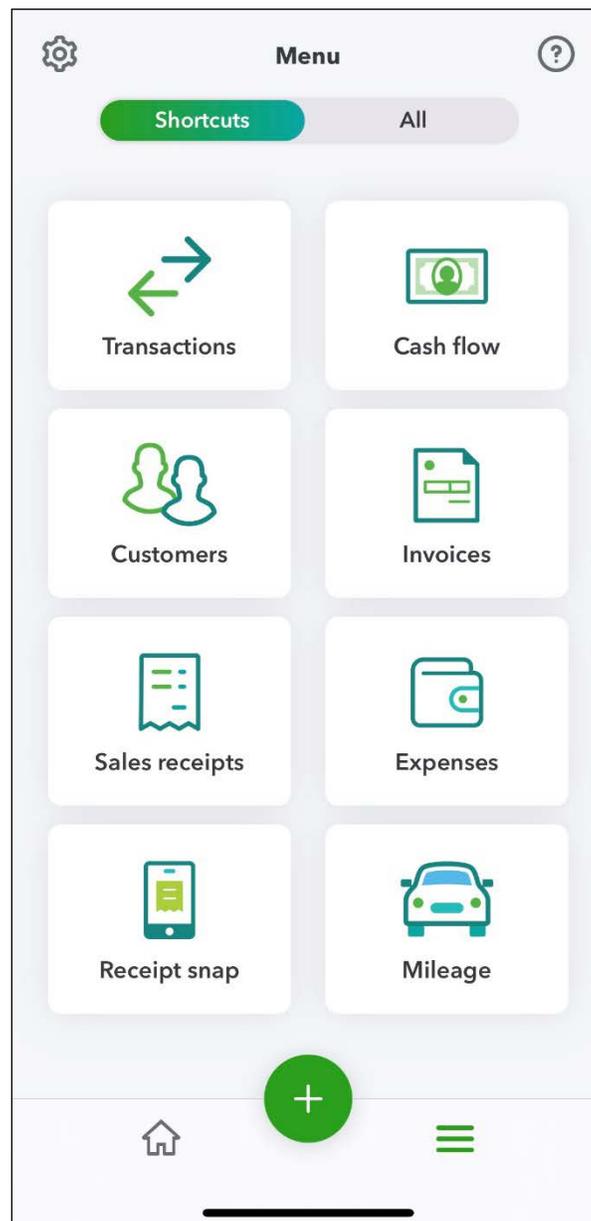
New (+) Menu

The **New (+)** appears at the bottom middle of the app. It allows you to record transactions for customers and vendors, as well as deposits.
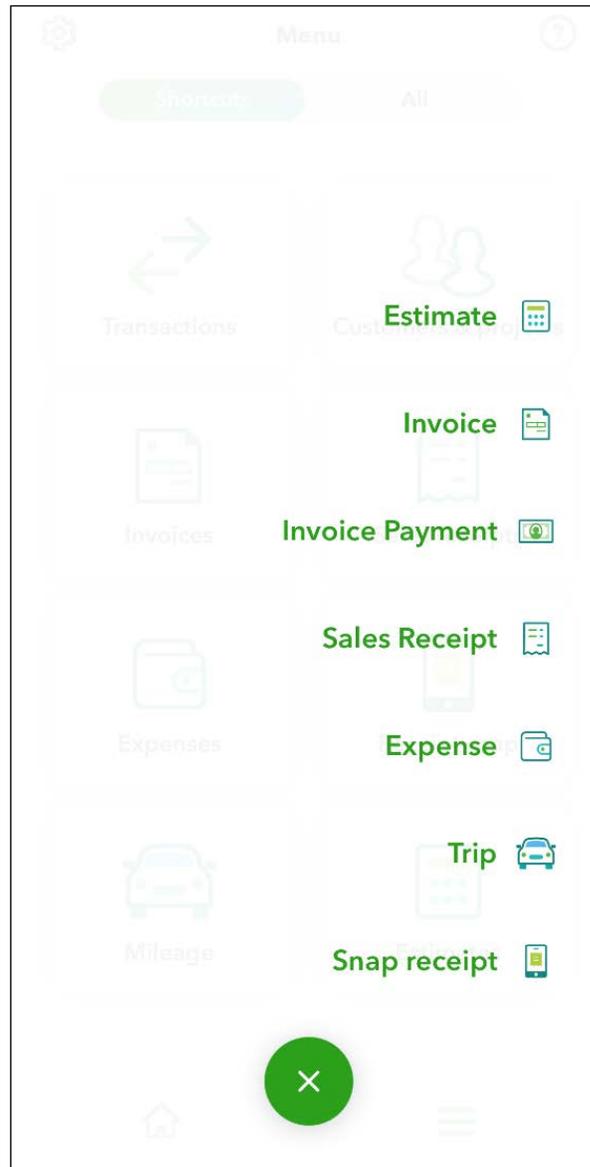
View Customer/Vendor Information

1. Tap the **Hamburger** menu.
2. Select **Customers or Vendors**.
3. Select the name you want to view more information for.
4. Select **Activity** to see transactions for that name; select **Details** to see contact information such as phone number and address.
5. Select the **phone icon** to call the customer or vendor.
6. Select the **speech bubble** icon to send a text message to the customer or vendor.
7. Select the **envelope icon** to email the customer or vendor.
8. Select the **map location** icon to get directions to their address.
9. Select the **back arrow** (<) to return to the list.
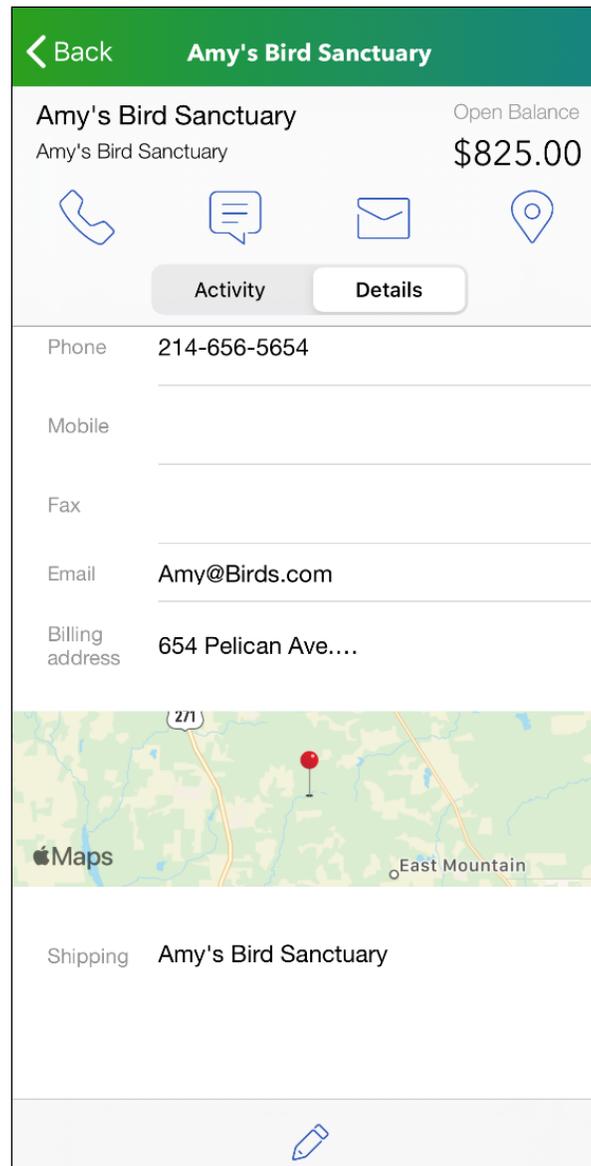
Online Banking in App

When transactions are downloaded from your bank, you can add and/match them directly in the QuickBooks Online app. There's no need to wait to get back to the office to manage your transactions.

Add/Match Downloaded Transactions

1. Tap the **Hamburger** menu.
2. Select **Banking**.
3. Select the appropriate account.
4. Select a transaction in the list:

   - To Match a transaction, select Accept at the bottom of the screen.

   - To Add a transaction, select the appropriate name and account information and select Accept.

Run Reports

You can run two reports in the QuickBooks Online app: the Profit & Loss Statement and the Balance Sheet.

Run Profit & Loss

1. Tap the **Hamburger** menu.
2. Select **Profit & Loss.**
3. Select **View Report**.
4. Select the settings icon at the top right to change the date range on the report.

Viewing the Profit and Loss

Profit & loss	
Jan 1, 2020 – Mar 31, 2020	
INCOME	
Construction Income	172,906.86
Design Income	3,150.00
Freight Income	45.00
Markup Income	2,435.67
Parts Sales	54,138.94
Sales Discount	-5,955.89
Sales of Product	250.00
Service Income	46,078.65
Total Income	**$273,049.23**
COST OF GOODS SOLD	
Construction Labor	48,735.45
Cost of Sales	49,934.94
Materials	25,612.40
Cost of Goods Sold	**$124,282.79**
GROSS PROFIT	
Gross Profit	**$148,766.44**

Run Balance Sheet

1. Tap the **Hamburger** menu.
2. Select **Balance Sheet.**

Record Transactions

You can record sales and expense transactions in the QuickBooks Online app.

Record an Invoice

1. Tap the **New** (+) menu.
2. Select **Invoice**.
3. Select a **Customer**.
4. Select **Add Line Item** to add a product or service to the invoice.
5. Select the product or service from the list.
6. Enter the **Quantity and Rate**.
7. Select **Add** at the top right.
8. Repeat steps 4-7 for additional products and services.
9. Select **Save**.
10. Select **Send invoice** to email the invoice to the customer, then select **Send**.

Cancel	New Invoice	Save
Bill's Windsurf Shop		>
Date	April 17, 2020	
Terms	Net 30	
Due	May 17, 2020	
Sales Rep		
Design		750.00
⊖ 10.00 x 75.00 each		Non-Taxable
Custom Design Services		
⊕ **Add Line Item**		
Subtotal		$750.00
Dallas 8.25% >		0.00
Total		$750.00
Balance Due		$750.00

Viewing the Invoice Status

Record an Expense

1. Tap the **New (+)** menu.
2. Select **Expense.**
3. Enter the amount.
4. (Optional) Select the camera icon to add a picture of your receipt.
5. Select the method of payment.
6. Select the **Account** the expense was paid from.
7. Enter the payee in the **Who did you pay?** field.
8. Select the appropriate account in the **What kind of expense is this?** field.
9. (Optional) Select a customer in the **Who was it for?** field.
10. Enter a description in the **Anything you need to remember?** field.
11. Select **Add a Split** if you need to select another account.
12. (Optional) Enter a **Reference #** and a **Memo**.
13. Select **Save.**

Chapter 17

Working With Reports

Working with Reports

The reason you use QuickBooks is to get reports. If entering transactions and performing reconciliations is the work, then reports are the results. Reports you get out of QuickBooks are only as reliable as the data that you put in, This chapter teaches you how to find what you're looking for in the QuickBooks reports center.

Run Reports

The Report Center is where you can find all the reports that help you keep track of your business. There are four areas of the report list:

- **All Reports**

A list of all available reports in QuickBooks.

- **Custom Reports**

Reports that you have customized and memorized for future use.

- **Management Reports**

Customizable report packet that includes a cover letter, and table of contents.

- **Search Box**

Just type the name of a report and QuickBooks finds it for you.

Running Reports

1. Click **Reports** on the navigation bar.
2. Click **Run** next to the appropriate report or search for a report and press **Enter.**
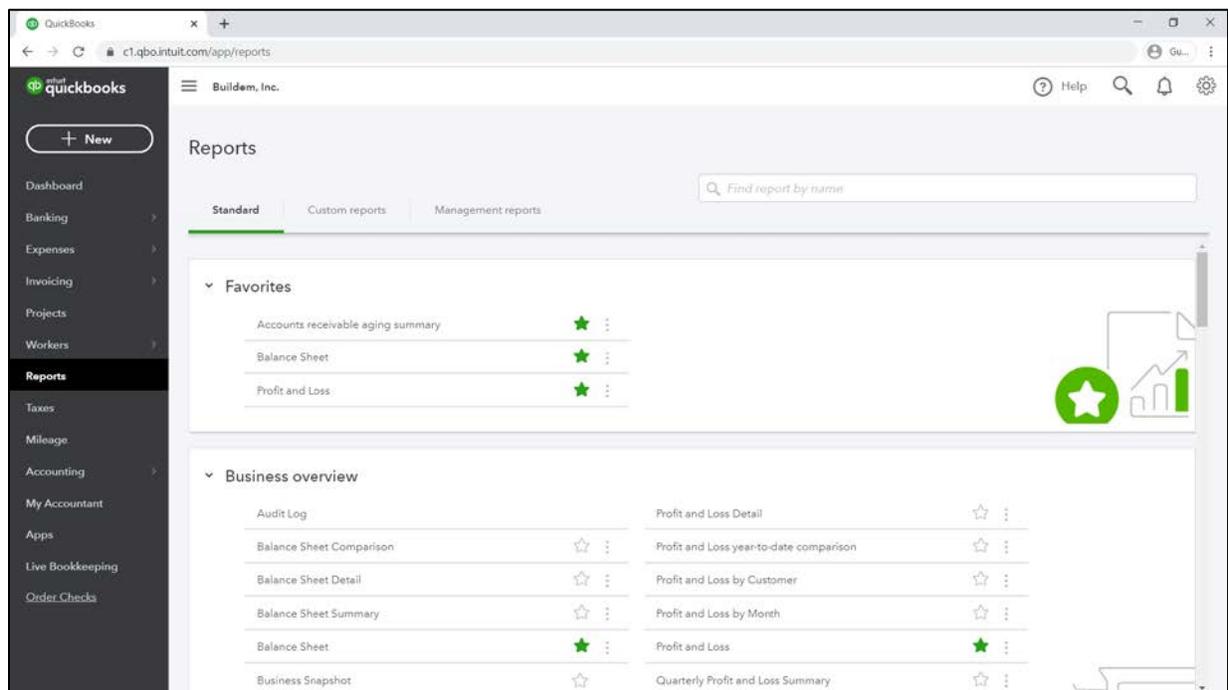
Types of Reports

There are three types of reports in QuickBooks. Each type offers different views of company information and has varying levels of details.

List Reports

List reports are the most basic kind of report in QuickBooks. They don't do any analysis, they only list data. Examples include the Customer Contact List, and the Invoice List. Lists reports are great if you want to look up a lot of data quickly. They are good for looking up information and printing or exporting it.

Sort ▾ Add notes						✉ 🖨 ⤤ ⚙	

Buildem, Inc.

INVOICE LIST BY DATE
January 1 - May 4, 2020

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	DUE DATE	AMOUNT	OPEN BALANCE
01/01/2020	Invoice	46	Bill's Windsurf Shop		01/11/2020	150.00	150.00
01/01/2020	Invoice	46	Weiskopf Consulting		01/01/2020	375.00	375.00
01/01/2020	Invoice	45	Dittrich Motors		01/01/2020	100.00	100.00
01/01/2020	Invoice	46	Ruvaldt Pickling Co.		01/01/2020	400.00	400.00
01/01/2020	Invoice	2020-8	Aaron's Photography Studio		01/01/2020	85.00	85.00
01/02/2020	Invoice	2020-5	Dylan Solfrank		01/02/2020	337.50	0.00
01/03/2020	Invoice	2020-7	Cool Cars		01/03/2020	699.00	0.00
01/03/2020	Invoice	100	Amy's Bird Sanctuary		01/03/2020	750.00	750.00
01/03/2020	Invoice	46	Cassie's Dog Grooming		01/03/2020	1,125.00	1,125.00
01/06/2020	Invoice	2020-1	Aaron's Photography Studio		01/06/2020	868.15	0.00
01/06/2020	Invoice	2020-3	Cool Cars		01/06/2020	218.75	0.00
01/07/2020	Invoice	2020-2	Erik's Foundation and Roof R...		01/07/2020	408.00	0.00
01/08/2020	Invoice	2020-4	Travis Waldron		01/08/2020	103.55	0.00
01/17/2020	Invoice	1	Home & Hardware Stop		02/01/2020	906.32	0.00
01/18/2020	Invoice	2	Columbia Management:Seatt...		02/17/2020	2,621.25	0.00
02/12/2020	Invoice	3	Crandall Contractors:Cheyen...		02/27/2020	1,979.95	0.00
02/13/2020	Invoice	4	Ruvaldt Pickling Co.		02/13/2015	1,295.00	1,295.00

Detail Reports

Detail reports show the transactions that affect balances for customers, vendors, accounts, or products and services. Examples include the Sales by Customer Detail report, and Profit and Loss Detail

DATE	TRANSACTION TYPE	NUM	PRODUCT/SERVICE	MEMO/DESCRIPTION	QTY	SALES PRICE	AMOUNT	BALANCE
▾ Aaron's Photography Studio								
01/01/2020	Invoice	2020-8	Repair Hinges	Repaired Hinges.	1.00	85.00	85.00	85.00
01/06/2020	Invoice	2020-1	Garage Repair	Garage Repair	1.00	868.15	868.15	953.15
Total for Aaron's Photography Studio							$953.15	
▾ Amy's Bird Sanctuary								
01/03/2020	Invoice	100	Design	Custom Design Services	10.00	75.00	750.00	750.00
04/30/2020	Invoice	47	Design	Custom Design Services	1.00	75.00	75.00	825.00
Total for Amy's Bird Sanctuary							$825.00	
▾ Bill's Windsurf Shop								
01/01/2020	Invoice	46	Design	Custom Design Services	2.00	75.00	150.00	150.00
Total for Bill's Windsurf Shop							$150.00	
▾ Cassie's Dog Grooming								
01/03/2020	Invoice	46	Design	Custom Design Services	15.00	75.00	1,125.00	1,125.00
Total for Cassie's Dog Grooming							$1,125.00	
▾ Columbia Management								
▾ Seattle School								
01/18/2020	Invoice	2	Lock Repairs:Lock Repair-Thel…	Repair by senior specialist Th…	25.00	29.95	748.75	748.75

Buildem, Inc.
SALES BY CUSTOMER DETAIL
January 1 - May 4, 2020

Summary Reports

Summary reports are the most used of the report types. They show a list of customers, vendors, products and services, or accounts and information on balances associated with them without showing the transactions that contribute to that balance. Examples include the Sales by Customer Summary report, and the Balance Sheet.

Summary reports show you a total but instead of showing you each individual transaction you'll see a total for each item, whatever it might be. By clicking on the total for a particular item, you'll get a detail report that shows you individual transactions that make up the total.

Modify Reports – General

Customize Report

1. Click the **Customize** button.
2. Select **General**.

Changing Date Range

By default, the many reports show the company's data for the year-to-date, but you can choose what time period you want more information on like the Previous Quarter. Now you'll see all income, cost of goods sold, and expenses for that chosen period of time.

Modify Reports- Numbers

QuickBooks lets you change how numbers are displayed by dividing them by 1000. You can also display values without cents. You can even choose how negative numbers are displayed.

Numbers Without Cents

	BAG OF NAILS	BAG OF WASHER	DESIGN	TOTAL
Amy's Bird Sanctuary			825	$825
Bill's Windsurf Shop			150	$150
Cassie's Dog Grooming			1,125	$1,125
Home & Hardware Stop	647	300		$946
Weiskopf Consulting			375	$375
TOTAL	$647	$300	$2,475	$3,421

Accrual basis Monday, May 4, 2020 05:24 PM GMT-05:00

Collapse/Expand

Modify Reports- Rows/Columns

Customize Report

1. Click the **Customize** button.
2. Select **Rows/Columns.**

You can change the columns to break up the data in other ways, by selecting Customize, then Previous Comparison. You also have the option to see a dollar and/or percentage change for the previous year or period.

Rows/Columns

Sort Order-Descending

It is possible to change the sorting method.

1. Click the **Sort** drop down arrow
2. Select **Total in descending order**.

	TOTAL
Aaron's Photography Studio	953.15
Amy's Bird Sanctuary	825.00
Bill's Windsurf Shop	150.00
Cassie's Dog Grooming	1,125.00
Columbia Management	2,621.25
Cool Cars	917.75
Crandall Contractors	1,979.95

Columns-Total By Month

By default, reports show a single column for income, cost of goods sold and expenses. You can break up the report by dividing the data by days, weeks, months, quarters and more. Instead of a single column, you can select **Display Columns by** and select the desired view (e.g. months).

Modify Reports-Filters

Customize Report

You have the option to change the accounts that are viewed on your reports. This includes accounts that were used in transactions only (active), all accounts, or only those with a non-zero balance.

Select from Filters

1. Click the **Customize** button.
2. Select **Filter**.

These filters represent all the data displayed on the report. Right now, all income, cost of goods, expense accounts, and all customers, vendors, employees, and other metrics are building the report. To see income and expenses for a particular customer (for example), select the checkbox(es) beside the selection(s) you want details on.
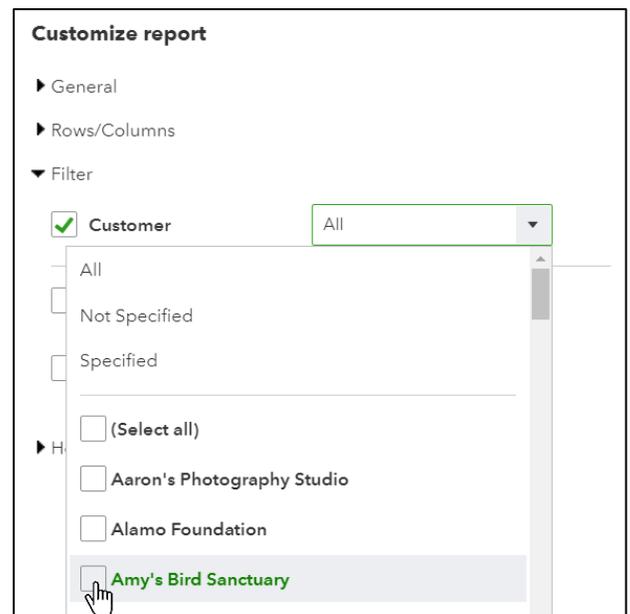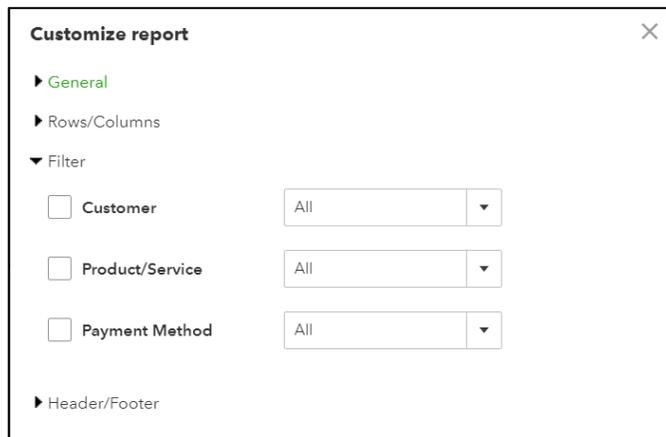
Removing Filters

At the top of the report, QuickBooks shows all of the filters that are currently applied. Just click the X to remove the filter.

Reporting by Specific Product/Service

Customize report   ✕

▸ General

▸ Rows/Columns

▾ Filter

☑ Product/Service   [Select Multiple ...   ▼]

    ☐ Customer   ☑ Bag Of Nails

    ☐ Payment Method   ☑ Bag of Washer

                         ☐ Bolts

    ☐ P.O. Number   ☐ Cedar Door

                         ☐ Check

    ☐ Sales Rep   ☐ Client Retain

                         ☐ Dallas City

▸ Header/Footer   ☐ Dallas Special Rate

                         ☑ Design

                                            [Run report]

Collapse   Sort ▾   Add notes   ✉ 🖶 ⤓▾ ⚙

Buildem, Inc.

SALES BY CUSTOMER SUMMARY

January 1 - May 4, 2020

	BAG OF NAILS	BAG OF WASHER	DESIGN	TOTAL
Amy's Bird Sanctuary			825.00	$825.00
Bill's Windsurf Shop			150.00	$150.00
Cassie's Dog Grooming			1,125.00	$1,125.00
Home & Hardware Stop	646.75	299.50		$946.25
Weiskopf Consulting			375.00	$375.00
TOTAL	$646.75	$299.50	$2,475.00	$3,421.25

Accrual basis Monday, May 4, 2020 05:22 PM GMT-05:00

Modify Reports- Header/Footer

Customize Report

1. Click the **Customize** button.
2. Select **Header/Footer**.

In the customize menu, you can change more features of the header or footer. To remove a section such as company name select the checkbox to the left of the field. On this menu you can also edit title details and adjust alignment as desired.

Header/Footer

Save Report Customizations

1. Click **Save Customizations**.
2. Enter the appropriate information for the customized report.
3. Click **Save**.

Save Customizations

1. **Groups** help you organize your customized reports. This is helpful if you have a lot of customized reports that you want QuickBooks to access or email for you on a regular basis.
2. You can also **share this report** with other users in your company file, so they can see it as well.

Run My Custom Report

1. Click **Reports** on the navigation bar.
2. Click **Custom Reports**.
3. Click the name of the report to run.
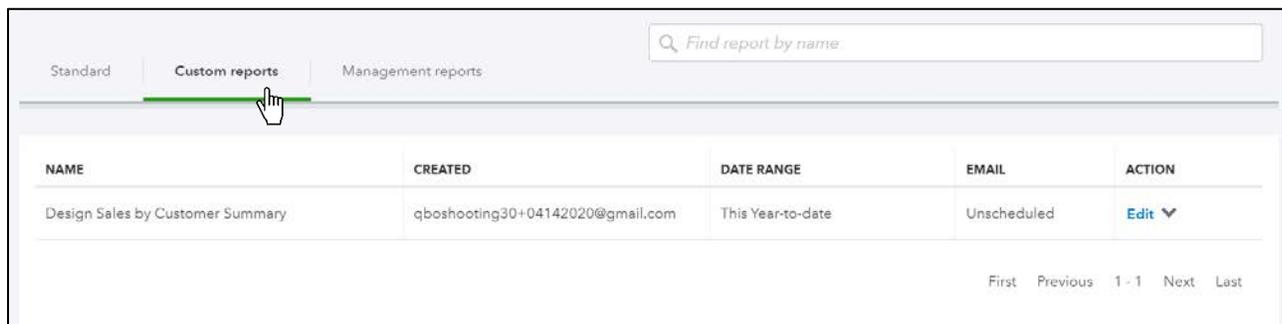
Email & Schedule Reports

Email Once

QuickBooks lets you schedule reports so you can receive them daily, weekly, monthly, or twice a month through email. After saving the report customizations, locate the report in **Custom Reports** window. The report is sent as a PDF attachment.

Email Report

1. Run the appropriate report.
2. Click the email icon at the top of the report.
3. Click the **Email** button.
4. Enter the appropriate information.
5. Click **Send.**
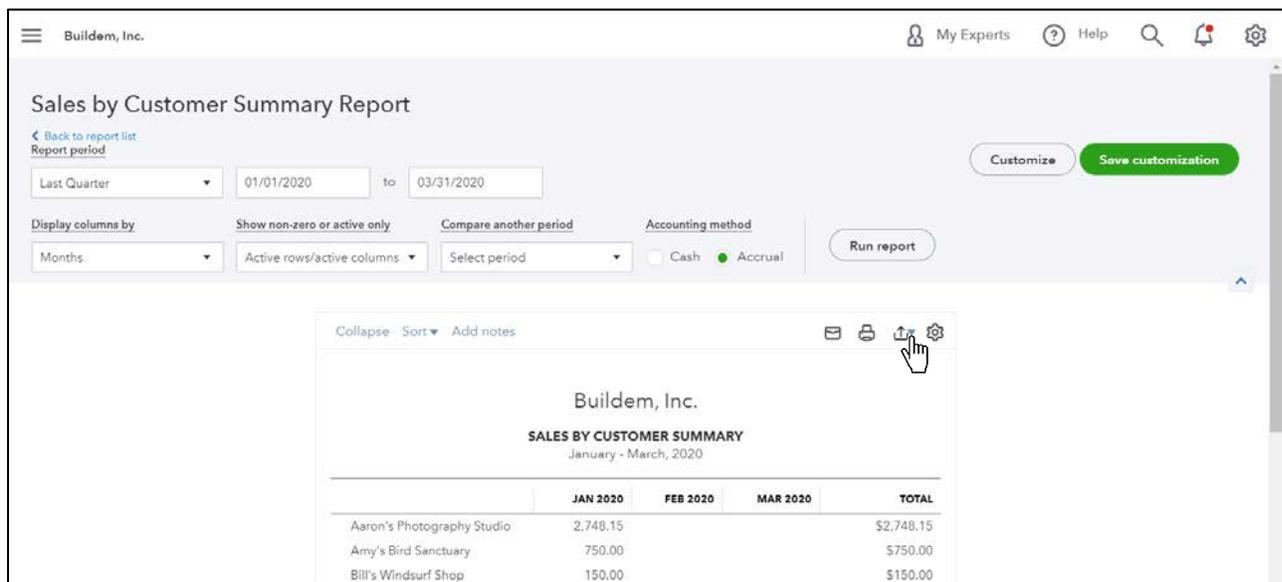
Email Report

Email on Schedule

You can set an email schedule for your customized reports and report groups. By default, QuickBooks sends the report as a PDF attachment. You can choose to send the report as an Excel file.

Set Report Email Schedule

1. Click **Reports** on the navigation bar.
2. Select **Custom Reports.**
3. Click **Edit** next to the appropriate report or report group.
4. Click the **Set email schedule** option.
5. Make the appropriate selections.
6. Click **Save and close**.
7. (Optional) Select Attach the report as an Excel file.
8. Click **Save**.

Edit Memorized Report/Report Group

Custom Reports-Email Scheduled

Chapter 18

Accounting Tasks

Accounting Tasks

You learn about a variety of important topics in this chapter such as account numbers, how to create a closing date for your books post-reconciliation or year-end, as well as how to add and manage users that you can add to your QuickBooks online account.

Account Numbers

Account numbers make it easy for you to standardize your Chart of Accounts. After you enable account numbers, you must enter an account number for each account. Ask your accountant for assistance in assigning the appropriate account numbers. When entering transactions, you can enter the account name or the account number.

Enable Account Numbers

1. Click the **Gear** menu and select **Account and Settings**.
2. Click **Advanced** on the list to the left.
3. Click in the **Chart of accounts** section.
4. Click the box next to **Enable account numbers**.
5. Click **Save**.
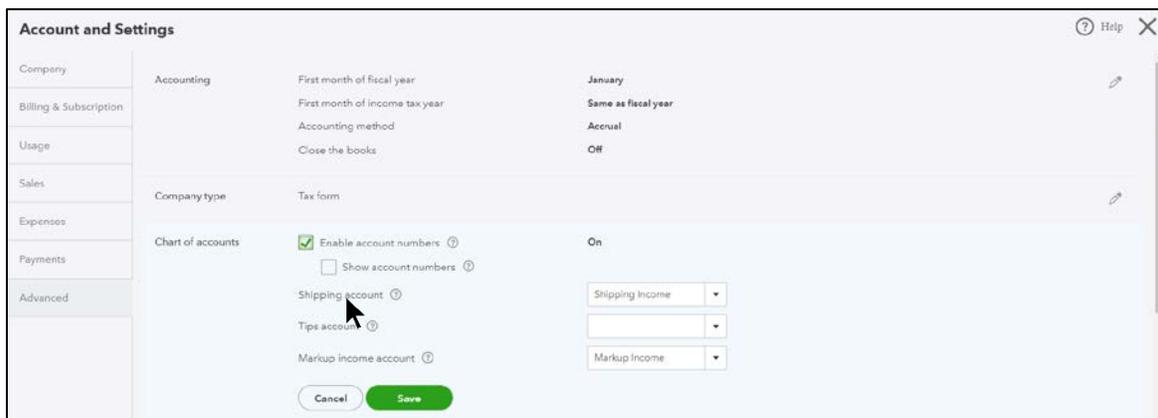
Assign Account Numbers

1. Click the **Gear** menu and select **Chart of Accounts**.
2. Click the **edit** icon.
3. Enter the appropriate account numbers in the **Number** column.
4. Click **Save**.

What is a Closing Date?

The Closing Date in QuickBooks essentially "locks" all of your transactions with a specific date or any date before that chosen date. That makes it harder to change the protected transactions. It also restricts the entry of new transactions with that date or any date before it. To make any changes to the accounting period, a user must know the closing date password (if you have set one).

Set Closing Date and Password

1. Click the **Gear** menu and select **Account and Settings**.
2. Click **Advanced** on the list to the left.
3. Click in the **Accounting** section.
4. Click the box next to **Close the books**.
5. Enter the **Closing date**.
6. Click the drop-down arrow and select the appropriate option.
7. (Optional) Enter the password in the **Password** and **Confirm Password** fields.
8. Click **Save.**
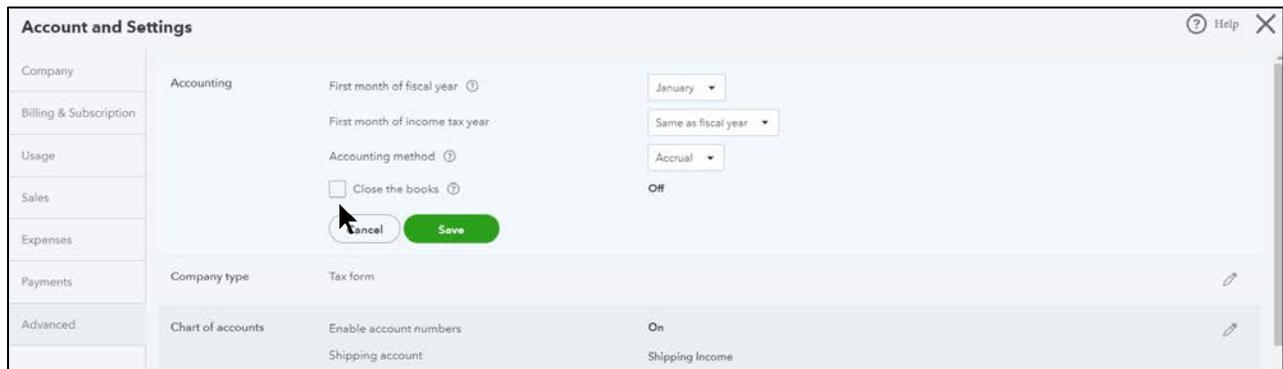
Manage Users

There are five types of users you can add in QuickBooks.

User Type	Description
Standard user	You specify the areas of QuickBooks this user can access: All, Accounts Receivable only, or Accounts Payable only.
Company admin	Can access all areas of QuickBooks, including other subscription services.
Reports only	Logs in to a special version of QuickBooks that shows reports only. Can access all reports except payroll reports, and reports listing contact information for customers, vendors, or employees. Does not count toward total user limit. (QuickBooks Online Plus and Advanced only)
Time tracking only	Logs in to a special version of QuickBooks that only allows them to fill out or edit their own time sheets. Does not count toward total user limit. (QuickBooks Online Plus and Advanced only)
Accountant	An accountant user gets special access to QuickBooks Online Accountant, which has special tools they can use to work with your data. You can only have two Accountant users.

Add Standard User

1. Click the **Gear** menu and select **Manage Users**.
2. Click the **Add** user button.
3. Select the appropriate **User Type**, and click **Next**.
4. Select the appropriate **access rights,** and click **Next** .
5. Select the appropriate **user settings**, and click **Next** .
6. Enter the new **user's name** and **email address**.
7. Click **Save**.
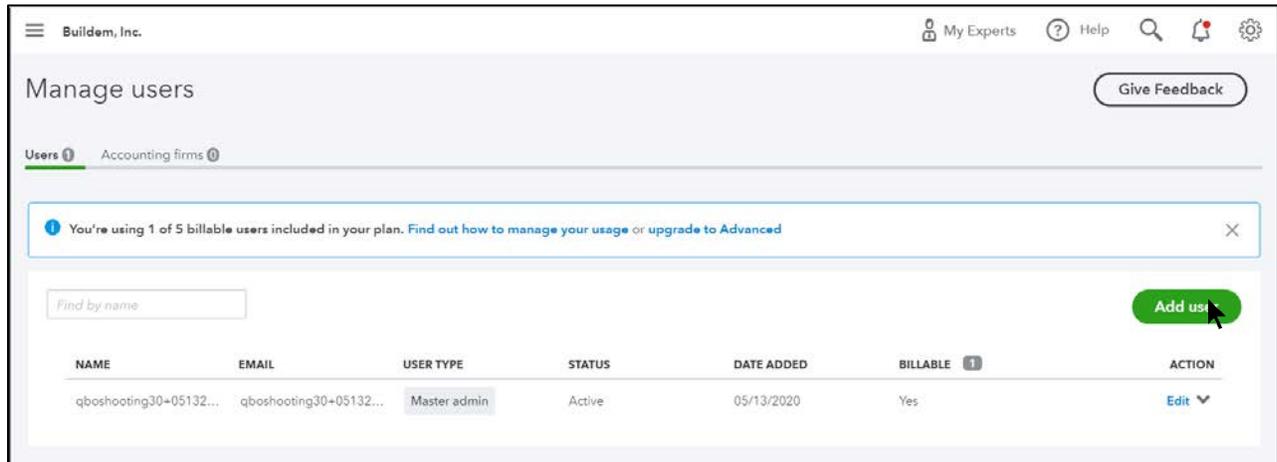
Add Accountant User

1. Click the **Gear** menu and select **Manage Users**.
2. Click the **Accountants tab.**
3. Enter your accountant's **email address**, and click **Invite**.
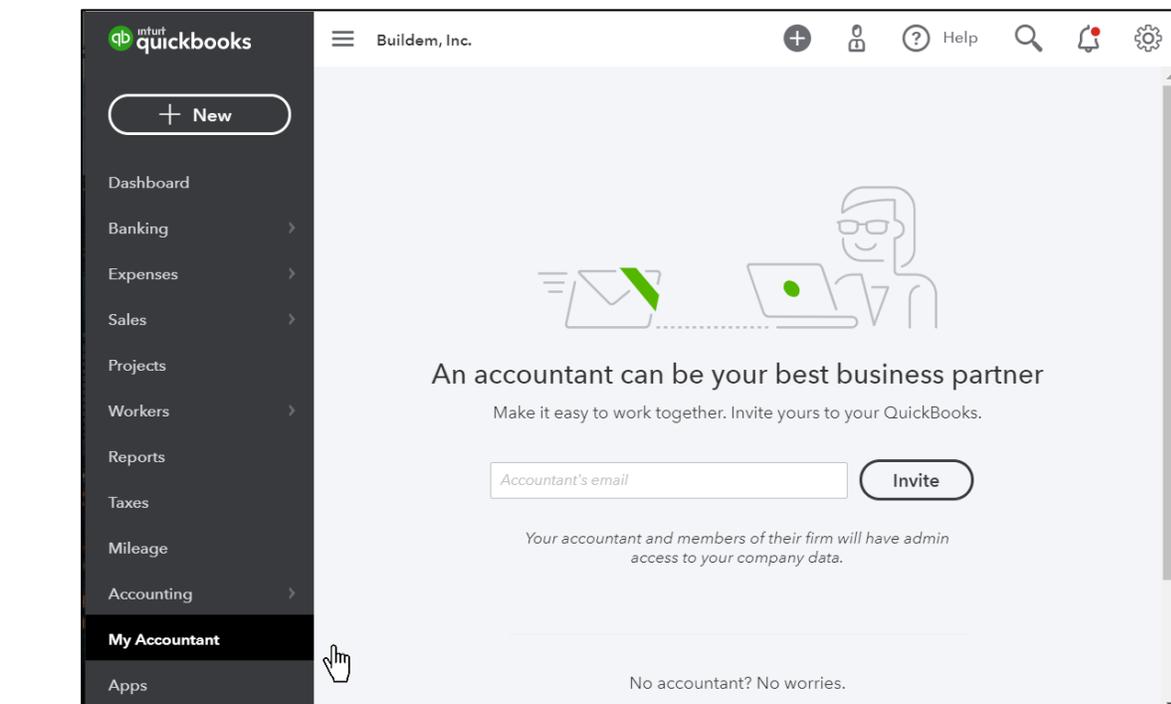
Audit Log

The Audit Log allows you and your accountant to see almost every activity in QuickBooks, including when users log in and log out, when transactions are entered, changed, or edited, and any list activity such as adding or editing list entries.

Run Audit Log

1. Click the **Gear** menu and select **Audit Log**.
2. (Optional) Click the **Filter** drop-down arrow to select the appropriate filters.
3. Click **View** to open any activity on the Audit Log.

Chapter 19

Payroll Setup

Payroll Setup

Before you get too far with Payroll setup, there are a few things you should collect to have in front of you during the setup process. This way you can complete your Payroll setup in one session instead of starting and stopping multiple times just to go find the needed paperwork.

- Federal and state IDs
- Unemployment Insurance Rate
- W4s
- Year-to-date Payroll
- Banking and Routing numbers

Enable Payroll

Before you can use Payroll in QuickBooks, you must turn it on.

1. Click **Workers** on the navigation bar.
2. Select **Employees**.
3. Click **Get started**.
4. Select your payroll plan.
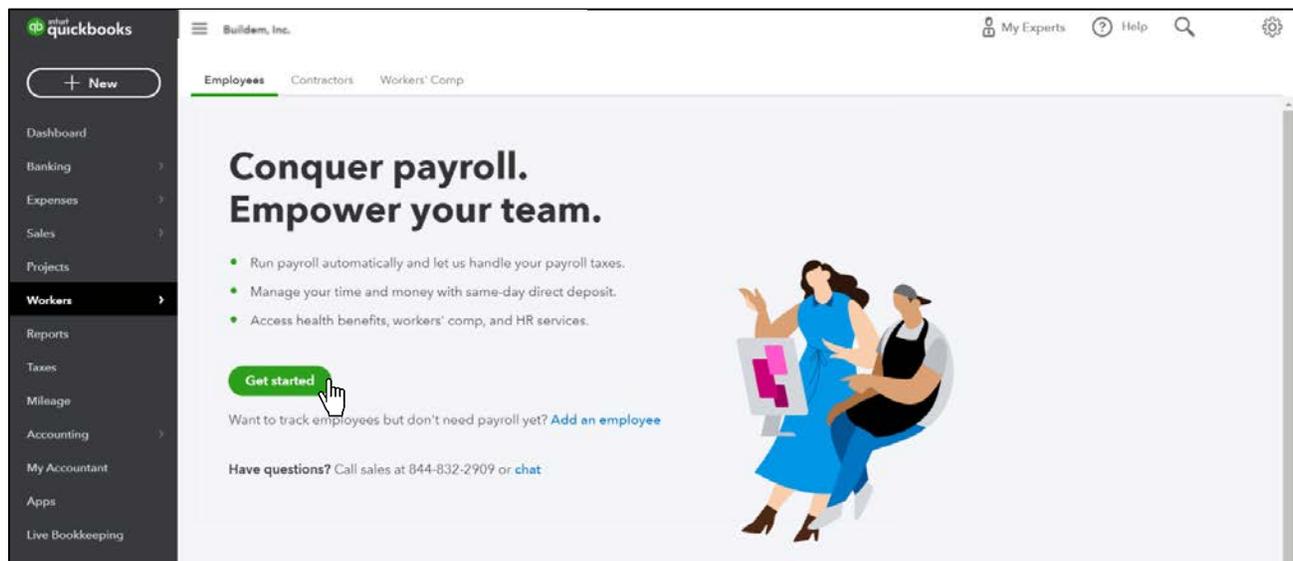
Start Payroll Setup

The most important part of using payroll in QuickBooks is the setup. QuickBooks makes it easy to set up your employees, payment schedules, and taxes.

Setup Payroll

1. Click **Workers** on the navigation bar.
2. Click **Employees**.
3. Click **Get started**.
4. Select whether you have paid any W-2 employees in the current year.
5. Click **Next**.
6. Enter the next date when you will run payroll.
7. Click **Done**.
8. Enter your business location details.
9. Click **Done**.
10. Select **Let's Go** to add your first employee.
11. Select **Add an Employee**
12. Enter the employees **Personal Info**
13. Click **Enter W-4 form**, fill in requested information, and click **Done.**
14. Click **Create pay schedule**, fill in requested information, and click **Done.**
15. Click **Add additional pay types** to add other payroll types, make appropriate selections and fill in requested information, and click **Done**.
16. Click **Add deductions to** set up deductions on step 5, make appropriate selections and fill in requested information, and click **OK.**
17. Select the desired method for paying this employee, make appropriate selections and fill in requested information.
18. Enter required employees' **birthday and hire date** in step 7.
19. Enter **prior pay details** (if any) for the employee, to let QuickBooks know how much you've paid this employee so far this year, and click **Done**.
20. Complete Steps 10-18 above for each employee until done, then click **Continue**.
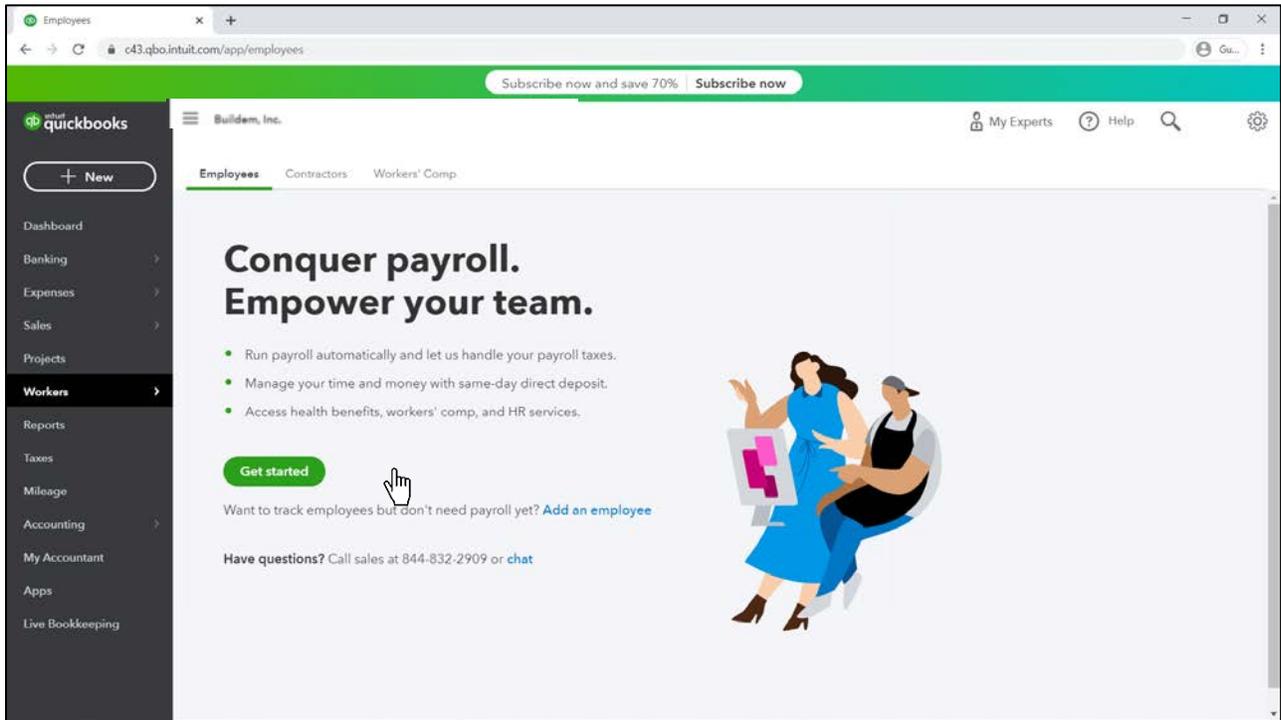
Enter Company Information

For tax purposes, QuickBooks needs to know about any prior payroll runs made to your employees during the current year. Note that you can only set this up during the setup step.
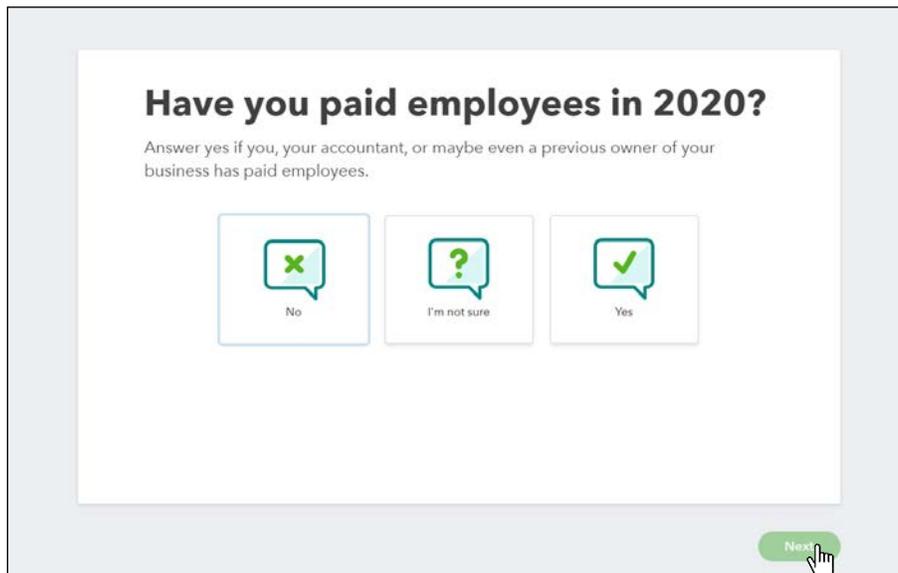
Provide the principal business address to QuickBooks.

Where is your business located?

Enter the street address where most of your employees work. This is also called your principal business address.

Business name*

Buildem

Business address*

754 Main Street

City*

Dallas

State*

TX

ZIP code*

75231

Enter in the contact details for your company's payroll contact.

Who's your payroll contact?

This helps us make sure that reminders and other important payroll info get to the right person.

First name*

Jason

Last name*

Ruvaldt

Business phone*

(455) 787-9887

Email address*

jason@buildem.com

Add an Employee

1. Click **Workers** on the navigation bar.
2. Click **Employees**.
3. Click **Add an Employee**.
4. Complete the forms and pages with appropriate information until done.
5. Click **Done**.

Employee Personal Information

If you would like your employees to view their paystubs and W-2s through Intuit Workforce online, be sure to select the checkbox. You may also have the option to allow your employee to track and record their hours in "TSheets Online" from this screen.

Employee W-4 Information

1. Select **+ Enter W-4 form**.
2. Enter W-4 withholdings.
3. Click **Done**

Payroll Taxes Setup and Compliance

What are Jason's withholdings?

Need blank W-4 forms?

Important Form W-4 changes for 2020
The IRS has made significant changes to Form W-4. Beginning January 1, 2020, all new employees plus current employees making changes must use the new form. Learn more

W-4 | Employee's Withholding Allowance Certificate | **2020**

1a. First name*   M.I. Last name*
Jason   M   Ruvaldt

1b. Social Security number*
789-98-8998

Home address*
745 West Lake

1c. Federal filing status*
○ Single or Married Filing Separately
○ Married Filing Jointly (or Qualifying Widow(er))
○ Head of Household
○ Exempt

City or town*   State*   ZIP code*
Dallas   TX   75241

2c. If employee marked box 2c, check here ☐

3.   Dependents claimed, in dollars $ 0.00

4a. Other income $ 0.00
4b. Deductions $ 0.00
4c. Extra withholding $ 0.00

Employee Payroll Schedules

Adding Additional Pay Types per Employee

Deductions

---

(4) Does Jason have any deductions? (Examples: retirement, health care)

Deductions may include healthcare or retirement plans. Garnishments and loan repayments can be added here too.
Learn more about deductions

No deductions (most common).

+ Add deductions

Deductions / Contributions and Garnishments

What deductions or contributions does Jason have?

Deduction/contribution or garnishment

Deduction/contribution ▼

Deduction/contribution type

Health Insurance ▼

Type

Medical Insurance ▼

Provider (appears on paycheck)

Good Health Insurance

Employee deduction   **Company-paid contribution**

Amount per pay period   Amount per pay period

$ amount ▼ $ 50.00   None ▼

Annual maximum (Optional)
$

How to Pay Your Employee

(6) How do you want to pay Jason?

In a rush? Choose paper check for now and come back to change this later. Learn about ways to pay

Paper check   ▼

Direct deposit

Direct deposit to two accounts   aycheck that you can print and hand to

Direct deposit with balance as a check

Paper check

(7) Just a few more details...
Add employee's personal details.

Enter Prior Payroll Details

Before completing your payroll setup for each employee, QuickBooks will ask you to provide details about any prior payroll payments that have been made for this employee during the year. This step is crucial, because without the data in these fields, you will not be able to create a proper W2 next year that includes all of the employees pay for the year.

It's also important that you enter this information now during the payroll setup steps, because there is no way to backtrack and get back to this screen. This information has to be entered now, or you will not be able to enter it without contacting QuickBooks Payroll Support.

Payroll Employee Setup Complete
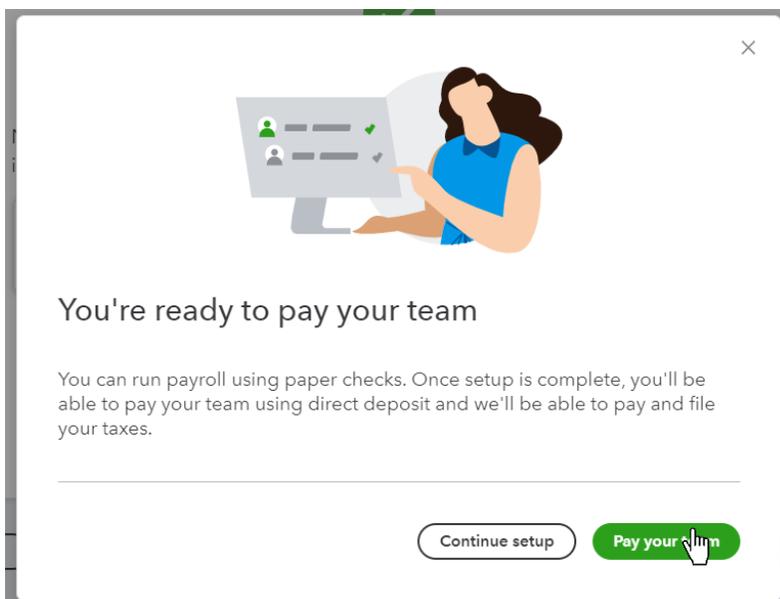
Set Up Payroll Taxes

When you're ready to set up your payroll taxes, you need to gather any state and federal tax notices, and your employee's W-4 forms. If you have any questions during this process, ask your accountant for assistance.

Set Up Taxes

1. Click **Taxes** on the navigation bar.
2. Click **Payroll Tax**.
3. Click **Finish payroll setup**.
4. Click **Let's Go** on step 4, Fill in your tax info.
5. Enter appropriate **Business Details**, and click **Continue**.
6. Enter your **Federal tax details** and click **Continue**.
7. Enter your **State tax details** and click **Done**.

Payroll Taxes Setup- Business Details

Payroll Taxes Setup – Federal Taxes

Payroll Taxes Setup and Compliance

Federal tax details

Do you know your federal Employer Identification Number (EIN)?

◉ Yes, it is `75-1234567`

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

☑ I agree to share my information with Intuit partners for workers comp offers.

Which payroll tax form do you file with the IRS?

Form 941 each quarter (most common) ▼

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

After each payroll (federal deposit schedule "semiweekly") ▼

Back   **Continue**

Payroll Taxes Setup – State Taxes

Payroll Taxes Setup and Compliance

State tax details

Do you know your Texas Account Number?

○ Yes, it is

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

Do you know what SUI (State Unemployment insurance) rate Texas assigned to your business?

○ Yes, it is ____ %

◉ No, please use 6.31% for now

What Employment & Training Investment Assessment rate did Texas assign to your business?

0.10% ▼

What Obligation Assessment rate did Texas assign to your business?

0.0% ▼

Back   **Done**

Connecting your Bank

Now that you've completed your Payroll setup, it's time to connect your bank. Because all QuickBooks Online Payroll options now automate the payment of taxes, every Payroll subscription needs to have an active Bank connection. Additionally, if you want to utilize Direct Deposit, you'll need your bank account for that, too.

Direct Deposit Setup

Bank Connection

You are now ready to pay your employees by running payroll.

Add Employees After Setup

After setting up payroll, you can add additional employees using the steps below. Make sure you have their completed W-4 forms on file.

1. Click **Workers** on the navigation bar.
2. Select **Employees**.
3. Click **Add an employee**.

Chapter 20

Payroll Cycle

Payroll Setup

QuickBooks Online Payroll automates much of your payroll, but you'll still have to track your employees time, run payroll, print paychecks, and send direct deposits. In this chapter you'll track your employees time, enter it into a payroll run and generate paychecks. QuickBooks Online figures out the taxes and other liabilities for you and helps you print, write or direct deposit paychecks for your employees. QuickBooks also creates your tax forms digitally and sends them to the government along with your payments. You are responsible for manually paying any non-tax liabilities.

Pay Employees

1. Click **Workers** on the navigation bar.
2. Click **Run payroll**.
3. Enter hours for each hourly employee.
4. Click **Preview payroll**.
5. Review the payroll amounts for each employee.
6. Click **Submit payroll**.
7. Enter remaining information and click **Finish Payroll**.

Run Payroll
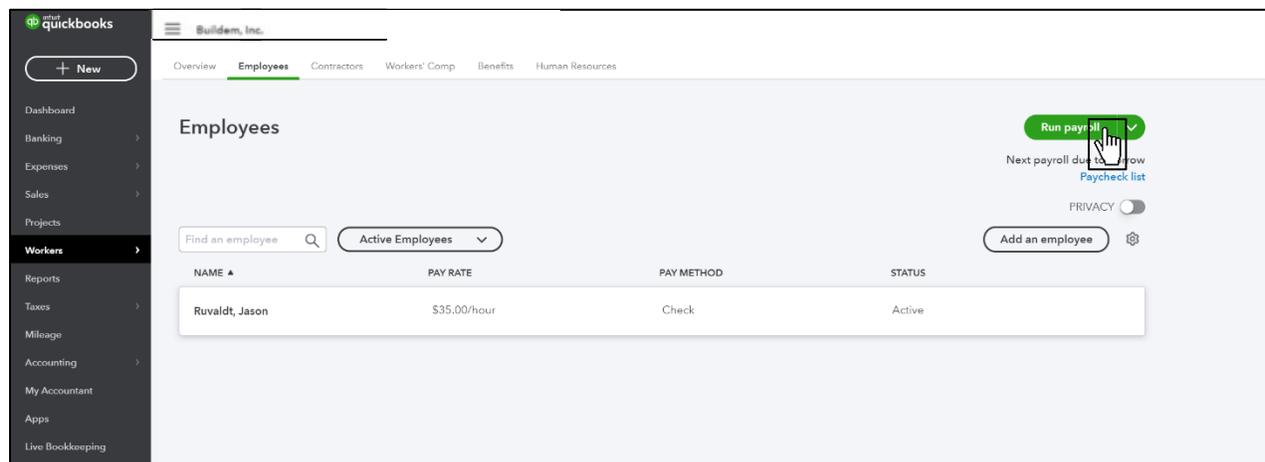
Enter Employee Pay Details

Submit Payroll

Finish Payroll

Employee Paystub

PAY	Hours	Rate	Current	YTD	DEDUCTIONS	Current	YTD
Regular Pay	40.00	35.00	1,400.00	1,400.00	Good Health Insurance	50.00	50.00
Overtime Pay	8.00	52.50	420.00	420.00	Ticket	50.00	50.00

TAXES	Current	YTD
Federal Income Tax	266.98	266.98
Social Security	112.84	112.84
Medicare	26.39	26.39

SUMMARY	Current	YTD
Total Pay	$1,820.00	$1,820.00
Taxes	$406.21	$406.21
Deductions	$100.00	$100.00
Net Pay	$1,313.79	

View Taxes and Payments

Intuit takes money out of your real bank account and sends it to the government for you. As well, all your payroll tax forms are automatically filled out and set on time.

1. Click **Taxes** on the navigation bar.
2. Click **Payroll Tax**.
3. Here you can see when the next tax payment will be made, how much will be paid and a list of your past payments.

Payroll Tax Center

View Your Tax Liability Report

1. Click **Reports** on the Navigation Bar.
2. Click **Payroll Tax Liability** under Payroll to run the report.
3. Select the desired Date Range.
4. Click **Run Report.**

Pay Non-Tax Liabilities

Before you pay your payroll deductions and contributions, review the Payroll Deductions/Contributions report. This will show you the breakdown of employee deductions and company contributions for each payroll item.

Chart of Accounts-Payroll Liabilities

QuickBooks Online displays accounts for both tax and non-tax liabilities. QuickBooks sets these accounts up based on the deductions and contributions created in the setup process. Balances for these accounts are increased anytime the company contributes toward the benefit or anytime money is withheld from an employees' paycheck during the payroll process. To make the payment to the provider, you're going to use either an expense, a check or a bill.

Run Payroll Deductions/Contributions Report

1. Click **Reports** on the navigation bar.
2. Click **Payroll Deductions/Contributions** under Payroll to run the report.
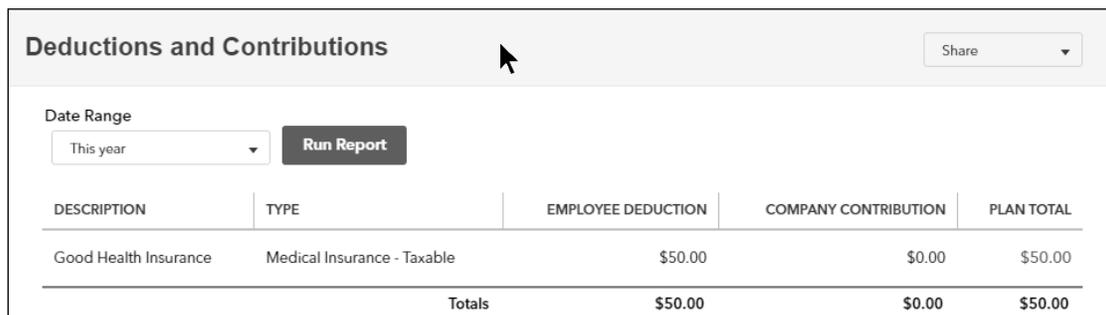
Pay Deductions and Contributions

1. Click the **New (+)** button and select **Check**.
2. Click the **Choose a payee** drop-down list and select the payee.
3. Click the **Account** drop-down list and select the liability account for the deduction.
4. Enter the amount of the payment.
5. Click the **Save** and new drop-down arrow and make the appropriate selection.

#	CATEGORY	DESCRIPTION	AMOUNT	
1	Payroll Liabilities:Good Health Insurance	Employee-paid portion	50.00	
2	Insurance Expense	Company-paid portion	50.00	
3				

Check #1

Payee: Choose a payee

Bank Account: Checking — Balance $-755.37

AMOUNT **$100.00**

Mailing address

Payment date: 04/15/2020

Check no.: 1

Print later

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

Manage tags

Add lines   Clear all lines
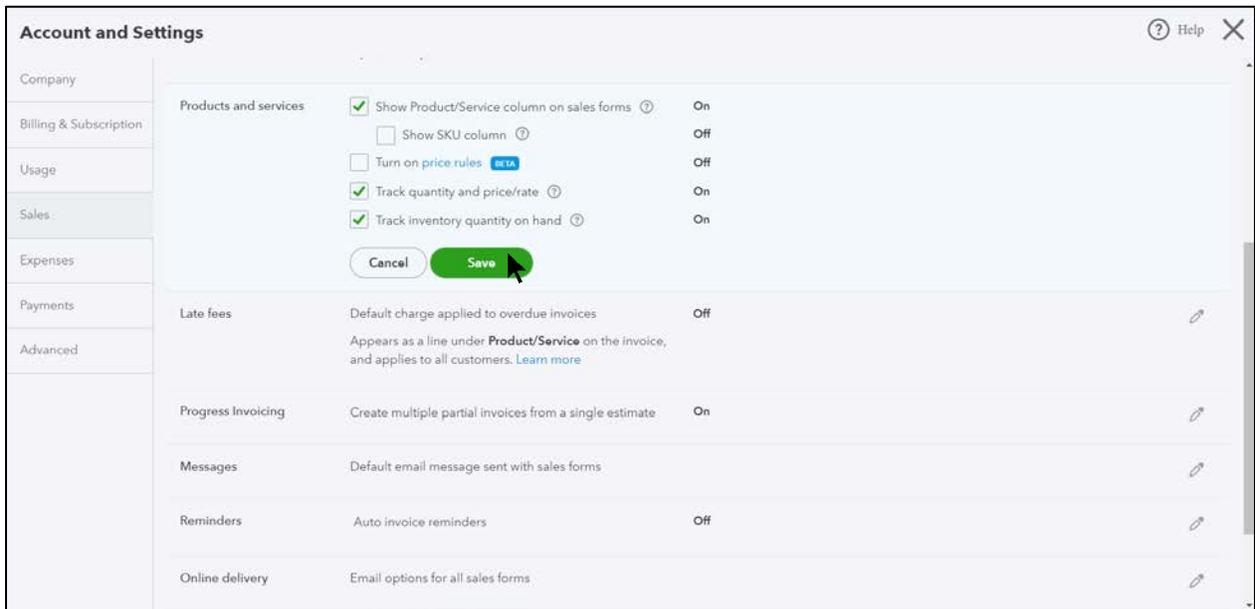
Memo

Total $100.00

Chapter 21

Inventory

Track Inventory

If you want to track the quantity on hand for a specific product in QuickBooks, you should set it up as an inventory item. For example, a building supply company buys doors and doorknobs, and sells them. Those products would be tracked as inventory.

Inventory tracking is not for tracking products that you manufacture. For example, a bakery that buys flour and sugar, and produces cakes and cookies would not track inventory for those products.

Enable Inventory

1. Click the **Gear** menu and select Account and Settings.
2. Click **Sales** on the list to the left.
3. Click in the **Products and services** section.
4. Click the box next to **Track inventory quantity on hand**.
5. Click **Save**.

Add Inventory Item

1. Click the **Gear** menu and select **Products and Services**.
2. Click the **New** button.
3. Select **Inventory Item** as the Type.
4. Enter the appropriate information for the inventory item.
5. Click Save and close.

Purchase Orders

Use Purchase Orders to order inventory from your vendors. Purchase Orders are non-posting entries. This means they don't affect any accounts when they are entered. When you receive items from the purchase order, your accounts and quantities on hand will be updated.

Create Purchase Order

1. Click the **New (+)** button and select **Purchase Order**.
2. Click the Choose a vendor drop-down arrow and select the vendor.
3. Enter the appropriate information in the **Item details** area of the Purchase Order.
4. Click the **Save and send** drop-down arrow and make the appropriate selection.

Review Open Purchase Order List

1. Click **Reports** on the navigation bar.
2. Select **Open Purchase Order List** under **Expenses and Vendors**.

Receive Items

When it's time to receive the inventory into QuickBooks, you can use a Bill, Check, or Expense form. Use the form that works best for your business.

1. Click the **New (+)** menu and select the appropriate form.
2. Click the **Choose a vendor** drop-down arrow and select the vendor.
3. Click the **Add** button to the right for the products received.
4. Change any information necessary on the form.
5. Click the **Save and new** drop-down arrow and make the appropriate selection.

Inventory Reports

Inventory Valuation Summary

1. Click **Reports** on the navigation bar.
2. Select **Inventory Valuation Summary** under **Sales and Customers**.
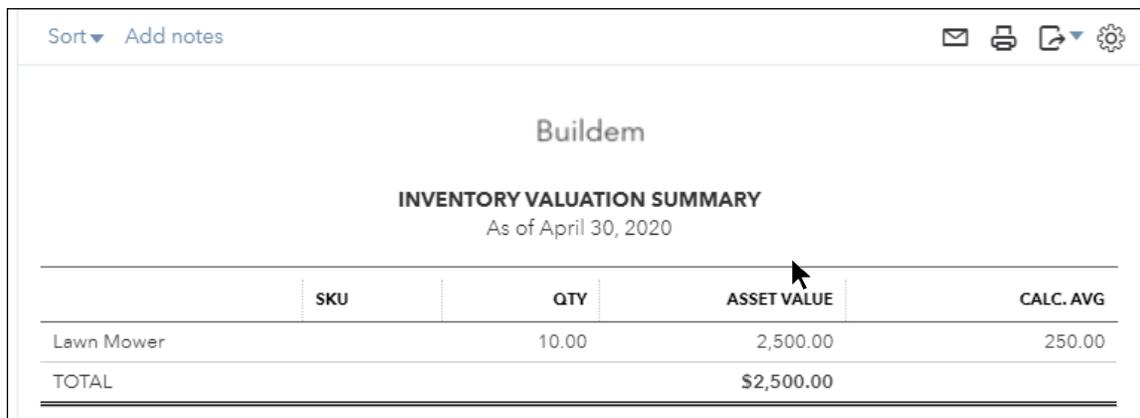
Sort ▼ Add notes			✉ 🖨 ⤴▼ ⚙
		Buildem	
		INVENTORY VALUATION SUMMARY	
		As of April 30, 2020	
	SKU	**QTY**	**ASSET VALUE**	**CALC. AVG**
Lawn Mower		10.00	2,500.00	250.00
TOTAL			$2,500.00	

Inventory Valuation Detail

1. Click **Reports** on the navigation bar.
2. Select **Inventory Valuation Detail** under **Sales and Customers**.

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				INVENTORY VALUATION DETAIL				
				April 2020				
DATE	**TRANSACTION TYPE**	**NUM**	**NAME**	**QTY**	**RATE**	**FIFO COST**	**QTY ON HAND**	**ASSET VALUE**
▼ Lawn Mower								
04/30/2020	Inventory Starting Value	START		0.00	250.00	0.00	0.00	0.00
04/30/2020	Bill		Ellis Equipment Rental	10.00	250.00	2,500.00	10.00	2,500.00
04/30/2020	Inventory Qty Adjust	2		-1.00	250.00	-250.00	9.00	2,250.00
Total for Lawn Mower				**9.00**		**$2,250.00**	**9.00**	**$2,250.00**

Adjust Inventory

For a business with inventory, the quantity on-hand is critical information. When you receive inventory, you add to the on-hand quantity. Selling to a customer reduces the quantity. If the actual quantity you have on hand differs from the quantity in QuickBooks, you need to adjust the inventory.

1. Click Sales from the **Navigation Menu**
2. Select **Products and Services**.
3. Select the item to adjust and click the **Edit** button.
4. Select **Quantity** on the Quantity on Hand.

5. Enter the **New Qty**.
6. Click **Save and close.**

Notes

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