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Education

# QuickBooks Online Foundations

Sushi Coma Inc.





# QuickBooks Online Foundations

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presented by

**(Your Name)**  
**(School)**



(Address)



(Website)



(Email)



(Phone)

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## **Important Information about the Structure of this Training**

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

**Please ask questions throughout the presentation.**

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

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



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

**While we identify specific learning objectives at the beginning of each section,**

**3 Overall Objectives include:**

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

**Why we teach Cash Flow with QuickBooks®**

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

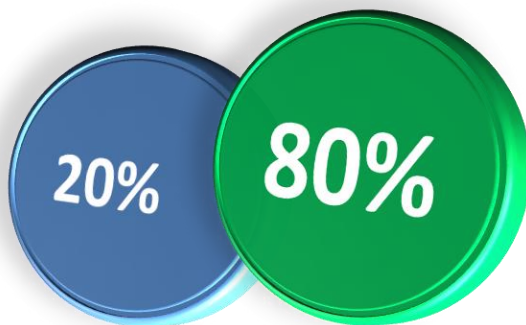
**The foundation of business success is in the daily use of accurate, real-time financial data.**

***What we measure, we manage; what we manage, we improve.***

***It is important to focus on the areas of our business that contribute most to profitability.  
QuickBooks helps us easily identify areas of focus if we know where to look.***

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

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



The most important value good bookkeeping brings to a business is an understanding of where to focus.

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

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

<b><u>Section 1 – Getting Started</u></b>	<b>13</b>
Objectives	14
Features	15
Chrome Browser	15
Multiple Windows	18
QuickBooks Online Mobile App	19
Subscriptions	20
<a href="https://quickbooks.intuit.com/pricing">quickbooks.intuit.com/pricing</a>	20
Student Setup	21
Company Data	25
About Sushi Coma Inc.	25
S-Corporation	26
Importing Data	28
Navigation	31
Practice Test	39
Test Your Knowledge	40
Case Study Activities	41
<b><u>Section 2 – Set Up Your New QuickBooks® Online Company</u></b>	<b>43</b>
Objectives	44
Account and Settings	45
Company	46
Billing & Subscription	47
Usage	47
Sales	48
Expenses	55
Payments	57
Advanced	58
Manage Users	65
Importing Lists	70
Chart of Accounts	73
Add, Edit, Make Inactive, Merge	75
Sub-accounts	81
Practice Test	82
Test Your Knowledge	83
Case Study Activities	84

<a href="#"><u>Section 3 - Classes &amp; Locations</u></a>	<b>102</b>
Objectives	103
Class and Location Overview	104
Class Tracking	105
Class Reports	104
Location Tracking	108
Location Reports	110
Practice Test	111
Test Your Knowledge	112
Case Study Activities	113
<a href="#"><u>Section 4 - Sales Tax</u></a>	<b>114</b>
Objectives	115
Sales Tax Overview	116
Sales Tax Set Up	117
Sales Tax Center	120
Sales Tax Reports	123
Sales Tax Filing	124
Practice Test	125
Test Your Knowledge	126
Case Study Activities	127
<a href="#"><u>Section 5 Products and Services</u></a>	<b>128</b>
Objectives	129
Products and Services Overview	130
Products and Services List	131
Products and Services Types	133
Products and Services Reports	141
Practice Test	142
Test Your Knowledge	143
Case Study Activities	144
<a href="#"><u>Section 6 – Beginning Balances</u></a>	<b>147</b>
Beginning Balances	148
Historical Transactions	149
Case Study Activities	151

<b><u>Section 7 – Accounts Payable (A/P)</u></b>	<b>153</b>
Objectives	154
Accounts Payable Overview	155
Vendor Center	156
Contractors	160
1099s	162
Expenses	168
Checks	169
Bills	170
Pay Bills	171
Vendor Credits	172
Apply Vendor Credits	173
A/P Reports	174
Intro to Inventory	175
Purchase Orders	176
Practice Test	181
Test Your Knowledge	182
Case Study Activities	183
<b><u>Section 8 – Accounts Receivable (A/R)</u></b>	<b>201</b>
Objectives	202
Accounts Receivable Overview	203
Customer Center	204
Sales Receipts	212
Bank Deposits	214
Invoices	215
Receive Payments	217
Credit Memos	220
Apply Credits	221
Refund Receipts	222
Sales and A/R Reports	223
Statements	225
Practice Test	227
Test Your Knowledge	228
Case Study Activities	229

<b><u>Section 9 – Managing Inventory</u></b>	<b>261</b>
Objectives	262
Inventory Tracking	263
Inventory Adjustments	264
Inventory Reports	266
Practice Test	267
Test Your Knowledge	268
Case Study Activities	269
<b><u>Section 10 – Payroll</u></b>	<b>271</b>
Objectives	272
Payroll Overview	273
Payroll Setup	274
Run Payroll	275
Payroll Taxes	276
Payroll Tax Forms	277
Payroll Reports	278
Case Study Activities	279
<b><u>Section 11 – Bank &amp; Credit Card Accounts</u></b>	<b>291</b>
Objective	292
Banking Overview	293
Connect Bank and Credit Card Accounts	294
Banking	296
Transfers	306
Reconcile Bank and Credit Card Accounts	307
Practice Test	310
Test Your Knowledge	311
Case Study Activities	312

<a href="#"><u>Section 12 – Budgeting</u></a>	<b>337</b>
Objectives	338
Budget Overview	339
Creating a Budget	340
Budget Reports	344
Practice Test	345
Test Your Knowledge	346
Case Study Activities	347
 <a href="#"><u>Section 13 – Final Review</u></a>	 <b>348</b>
Objectives	349
Custom Reports	350
Sushi Coma Final Review	366
 <a href="#"><u>Appendices</u></a>	
<a href="#"><u>Appendix A – Lists &amp; More</u></a>	<b>382</b>
<a href="#"><u>Appendix B – Glossary of Terms &amp; Keyboard Shortcuts</u></a>	<b>388</b>
<a href="#"><u>Appendix C - Resources</u></a>	<b>393</b>



Online Foundations Training

# SECTION 1

## GETTING STARTED

Objectives  
Features  
Subscriptions  
Student Setup  
Company Data  
Importing Data  
Navigation  
Practice Test  
Test Your Knowledge  
Case Study Activities



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

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

**Important:** As part of your Intuit Education student subscription, you've been provided a free 1-year trial of QuickBooks Online Plus that includes a 12-month subscription. The purpose of this section is to familiarize yourself with the different available options as if you were a business owner deciding which subscription is right for your business.

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

## Chrome Browser

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

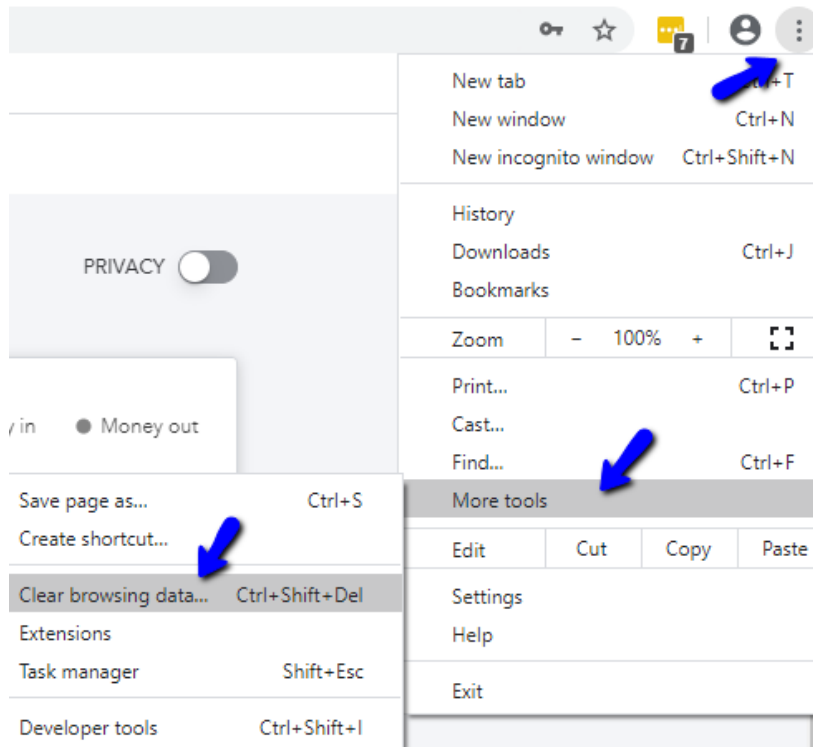
### Cookies and Cache

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

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

Click **More Tools**.

Click **Clear browsing data**.



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

Click **Clear data**.

Clear browsing data

Basic **Advanced**

Time range All time

☐ Browsing history  
1,025 items

☐ Download history  
None

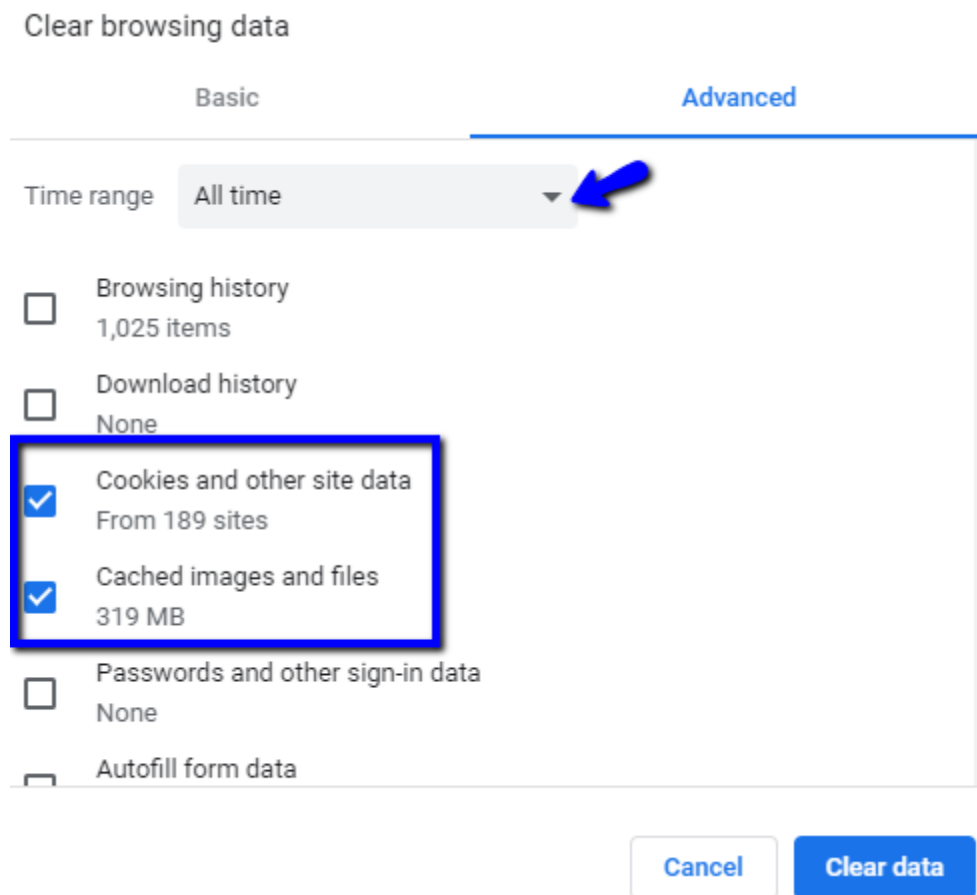
☒ Cookies and other site data  
From 189 sites

☒ Cached images and files  
319 MB

☐ Passwords and other sign-in data  
None

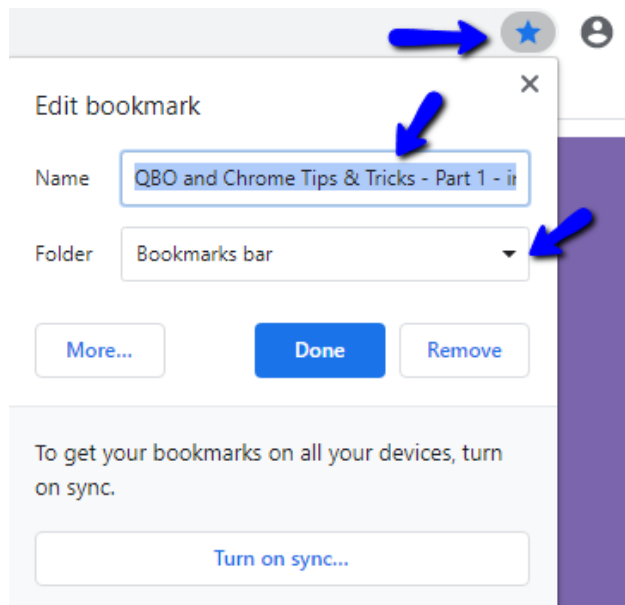
☐ Autofill form data

Cancel Clear data



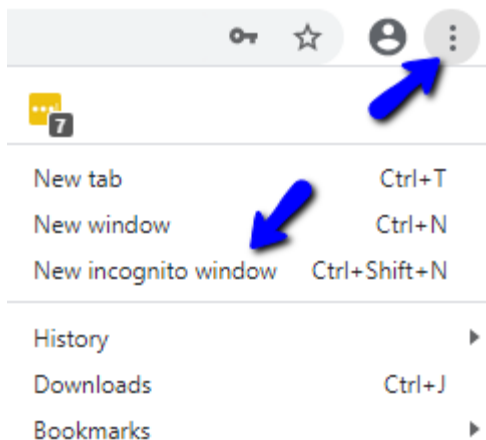
## Bookmarks

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



## Incognito

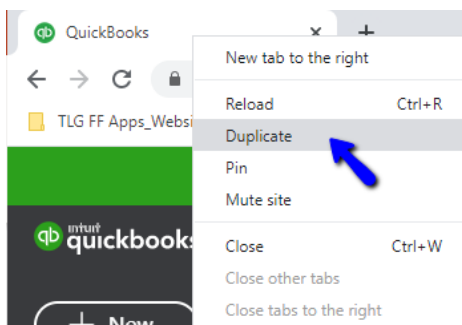
Incognito Mode “referred to as private browsing” is a privacy feature that disables the browsing history of Chrome.



## Multiple Windows

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

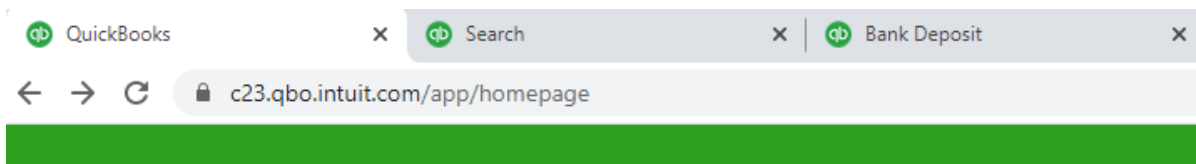
Right click the **QuickBooks Tab -> Duplicate**. You now have multiple windows open for your data file and can perform multiple tasks. This is a great way to enter and review historical transactions during the cleanup process.



**Another way to access multiple windows is as follows:**

After logging into QuickBooks® Online go to the URL/address bar and **copy (Ctrl + C)** the website's address. Then, open a new tab. **Paste (Ctrl + V)** this address into the window.

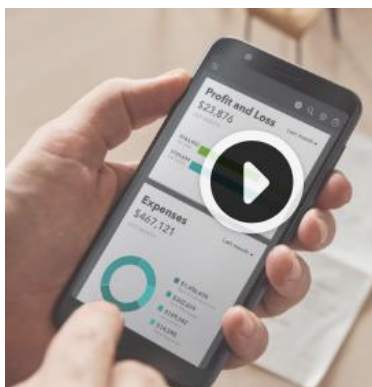
The tabs are as follows: first tab – **Dashboard**, second tab – **Search**, and third tab – **Bank Deposit**.



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

## QuickBooks Online Mobile App

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



### Compare Mobile App Features

<https://quickbooks.intuit.com/learn-support/en-us/mobile-and-apps/compare-mobile-app-features/00/185540>

### How to Use the QuickBooks Mobile App Tutorial

<https://www.youtube.com/watch?v=yAUIq-k4OdA>

### How to Attach Receipts Using Your Mobile Phone

<https://www.youtube.com/watch?v=AuihXbjgmFg>

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

## Choose the Right Subscription

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

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

Small Business				Freelancer
Simple Start	Essentials	Plus <small>MOST POPULAR</small>	Advanced	Self-Employed
<del>\$25</del> <b>\$12<sup>50</sup>/mo</b>	<del>\$40</del> <b>\$20/mo</b>	<del>\$70</del> <b>\$35/mo</b>	<del>\$150</del> <b>\$75/mo</b>	<del>\$15*</del> <b>\$7<sup>50</sup>/mo</b>
<a href="#">Buy now</a>	<a href="#">Buy now</a>	<a href="#">Buy now</a>	<a href="#">Buy now</a>	<a href="#">Buy now</a>

Use the table to determine which subscription is best for your business.

**Note:** The pricing will change periodically.

**Note:** If you wish to try out QuickBooks® Online without using your own data or free subscription to the software, you can access a sample company (Craig's Landscaping) at <http://qbo.intuit.com/redir/testdrive> that allows you to go in and test various features in a pre-populated QuickBooks Online file.

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

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## Your instructor has invited you to create your own QuickBooks company

Dear John,

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

[Accept invitation](#)

### Create your account

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

Email address (will be used as your user ID)

Confirm email

First name

Last name

Phone (Recommended)

Standard call, messaging or data rates may apply.

Password

[Create Account](#)

## Welcome! We're glad you're here.

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



Tell us what you need help with



We'll personalize QuickBooks and make recommendations based on your needs



We'll bring in your transactions and organize your money

[Next](#)



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

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

## What's your business name?

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

Legal business name

☐ I use QuickBooks Desktop and want to bring in my data.

Back

Next

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

## What does your business do?

Start typing and select the option that fits best.

Industry

Leave this field blank

Back Next Skip

What kind of business is this? **Corporation**. Click **Next**.

## What kind of business is this?

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

Sole proprietor

Partnership

Corporation

Non-profit organization


I'm not sure

Back Next Skip


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

## What's your role at JDoe Sushi Coma Inc?


We'll customize QuickBooks based on your answer.




Owner or Partner



Employee



Bookkeeper or Accountant



Other


Back

Next


Who helps run this business? Select **A few partners and owners**. Click Next.

## Who helps run this business?


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




Only the owner




Employees



Contractors



A few partners and owners



We plan to hire in the future

Back

Next

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

## Link your accounts and see everything in one place

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

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

**CASH FLOW**  
6 months ▾

**\$10,000**  
Current cash balance

TODAY

● Money in ● Money out

Back

Link Accounts

Skip for now

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

## What is everything you want to set up?

Your choices help build your setup guide. You can still use every part of QuickBooks.

☒ Organize money in and out

☐ Accept online payments

☒ Invoice customers

☒ Enter and pay bills

☒ Track receipts and bills

☐ Track time

☐ Pay employees or contractors

☒ Manage inventory

☒ Add sales

☐ Protect my business with insurance

Back

Done

Skip

## About Sushi Coma Inc.

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

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

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

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

Good luck and have fun!

**QuickBooks Entity Options:**

**Note:** Here is additional information regarding an S-corporation entity. If you want to know more about the different types of entities available to business owners, please visit [www.irs.gov](http://www.irs.gov).

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

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

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

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

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

<https://www.irs.gov/businesses/small-businesses-self-employed/s-corporations>

## Pros

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

## Cons

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

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

[https://www.irs.gov/site-index-search?search=corporations&field\\_pup\\_historical\\_1=1&field\\_pup\\_historical=1](https://www.irs.gov/site-index-search?search=corporations&field_pup_historical_1=1&field_pup_historical=1)



## Informational Purposes Only. We will not actually import from Desktop for this training.

Because business owners are transitioning from the desktop version to the online version of QuickBooks, It is an important feature to know about. Let's walk-through how-to setup a new company when converting from the Desktop version of QuickBooks.

To import data from Enterprise or QB Desktop:

Click the **Gear** icon.





Under the Tools options, click **"Import Desktop Data."**


You have the option to import **Bank Data, Customers, Vendors, Accounts Categories, Products and Services or Invoices** using a **.csv** or **Excel** file. Click the option and follow the step-by-step instructions.


### Import Data


Bring your existing data into QuickBooks


  
Bank Data

  
Customers

  
Vendors

  
Chart of Accounts

  
Products and Services

  
Invoices

Need to import QuickBooks Desktop data? [Find out how](#)

Need to bring in sales receipts, invoices, and expenses? [Try this app](#)

Choose to import a **QB Desktop, Mac, or Enterprise** data file. Watch the video entitled **“How to migrate your data.”**

## Here's how to securely copy your desktop data online

Watch the short video on the right or follow the steps below to learn how.

! Using QuickBooks Enterprise? Please see [Importing from Enterprise](#) for instructions.

 [Print Instructions](#)

Follow this 3-step process to import from QuickBooks Desktop.

You can download a free trial of QuickBooks® Desktop if necessary.

### Step 1:

Open and update QuickBooks® Desktop -> switch to **Single-User Mode** -> **File** -> **Exit**.

Windows

Mac



1

### Open QuickBooks Desktop

Don't have QuickBooks Desktop?  
[Download a free trial now.](#)

1. Open QuickBooks Desktop
2. Choose **Help > Update QuickBooks**.
3. Click **Update Now**.
4. Click **Get Updates**.
5. If you're not in single-user mode, choose **File > Switch to Single-User Mode**.
6. Choose **File > Exit**.
7. Restart QuickBooks Desktop.
8. If you have payroll, run it now.

If your company file is on a hosted server, save a copy of it (.qbw file) on your computer now.



## Step 2:

Export your company data as shown at right.  
Then, click **“What’s not imported?”** to view  
all transactions that will not migrate.



### Export your company data

1. In QuickBooks Desktop, choose  
Company > Export Company File  
to QuickBooks Online.

2. Follow the onscreen steps.

Most of your data will move over.

[What's not imported?](#) 


## Step 3:

Click **“Read how”** and **“Watch tutorials”**  
to learn more about the import process  
and avoid costly mistakes.




### Sign back in online

1. Review your company settings and verify the data.

[Read how](#) 

2. Learn how to use QuickBooks Online.

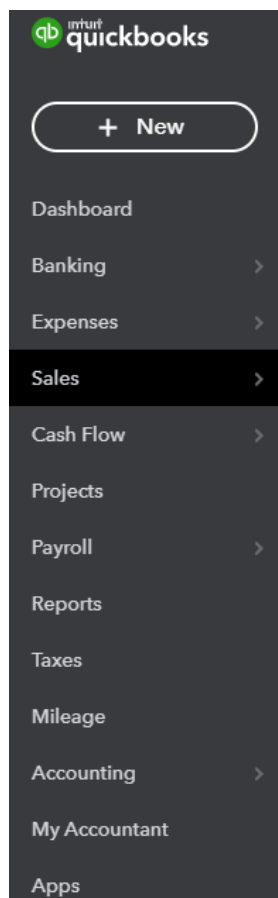
[Watch tutorials](#) 

**Note:** This link will provide additional information:

<https://community.intuit.com/articles/1145236-import-limitations-quickbooks-desktop-to-quickbooks-online/>

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

## Left Navigation Bar



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

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

Post bank and credit card transactions in the Banking Center.

View expense history and vendor information.

Access sales, customers and product from the Sales center.

Manage Employees and Contractors.

View and customize reports.

Review and maintain sales and payroll taxes.

Track your mileage.

Maintain your Chart of Accounts categories.


Reconcile bank and credit card accounts.

Explore additional applications that work with QuickBooks® Online.

## + New

The **+New** icon in the Left Navigation Bar provides access to data input windows. This is where you go to create Invoices, Receive payments, enter Expenses, Checks, Bills and more.

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

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		

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

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



## Search

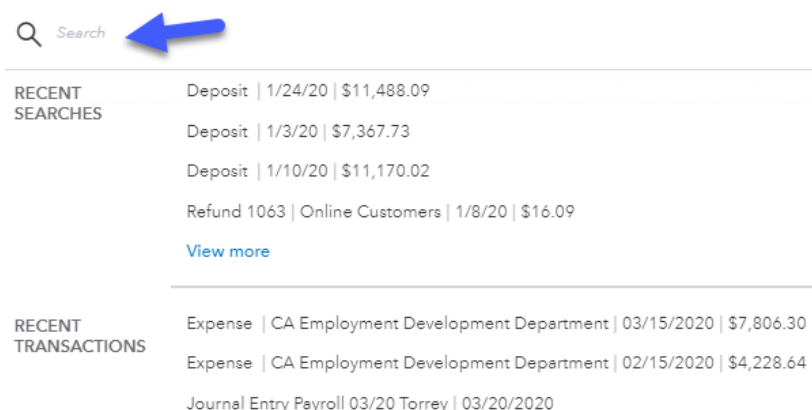
The **Search** (magnifying glass) icon at the top of the **Dashboard** will allow you to easily search recent and historical transactions.

Click the **Search** icon.



Enter a transaction number, date, amount, etc.

for a simple search.



Click **Advanced Search** to filter specific transaction types and more.

Search

All Transactions ▼

Reference no. ▼

Contains ▼

5678

Search

Add Filter

- Amount
- Amount (Line or Total)
- Display Name
- Last Modified Date
- Line Description
- Memo
- Reference no.**

## Gear

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

### YOUR COMPANY

Account and settings

Manage users

Custom form styles

Chart of accounts

QuickBooks labs

### LISTS

All lists


Products and services

Recurring transactions

Attachments

Tags

### TOOLS

Order checks 

Import data

Import desktop data

Export data

Reconcile

Budgeting

Audit log

SmartLook

Case center

### PROFILE

Feedback

Refer a friend

Privacy

Switch company

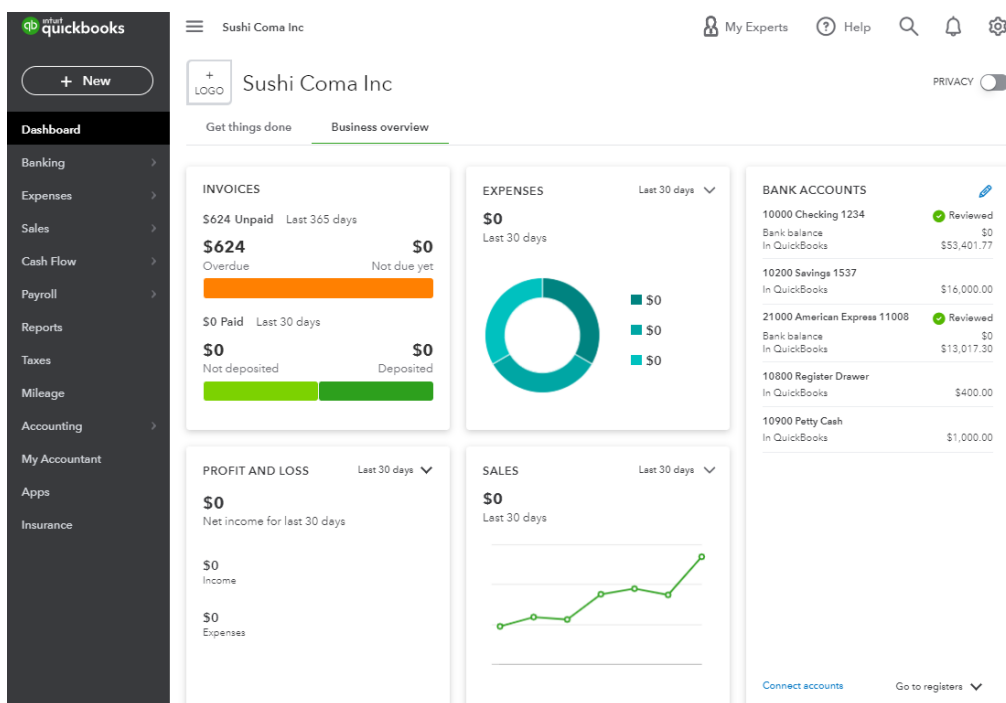
You're viewing QuickBooks in **Accountant view**. [Learn more](#)

[Switch to Business view](#)

## Dashboard (Business Overview)

Welcome to the QuickBooks® Online Dashboard.

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



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

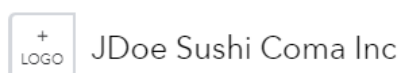
**Tip:** Click anywhere there is a word in bolded color, an icon, a drop-down arrow, etc.

Feel free to explore without worry!


**Let's begin!**

## Logo

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



Access and manage bank accounts from the **Dashboard**. Change the order of how your accounts are displayed in the banking center and dashboard. You can access bank registers by clicking **Go to Registers**. You can connect bank and credit cards accounts in the banking center.



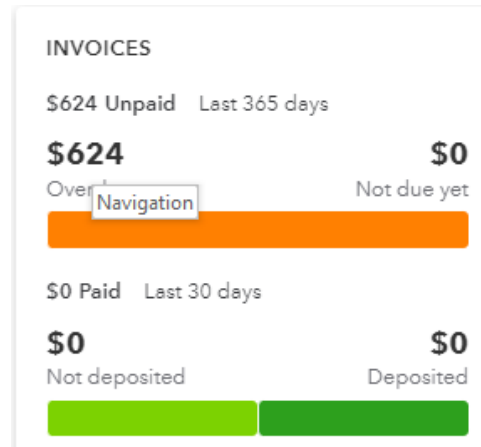
BANK ACCOUNTS	
10000 Checking 1234	✓ Reviewed
Bank balance	\$0
In QuickBooks	\$53,401.77
10200 Savings 1537	
In QuickBooks	\$16,000.00
21000 American Express 11008	✓ Reviewed
Bank balance	\$0
In QuickBooks	\$13,017.30
10800 Register Drawer	
In QuickBooks	\$400.00
10900 Petty Cash	
In QuickBooks	\$1,000.00

**Note:** The order displayed here will be the same in the bank center.

## Income

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

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

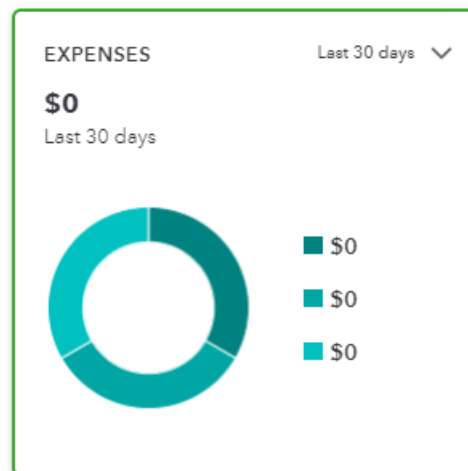


## Expenses

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

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

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

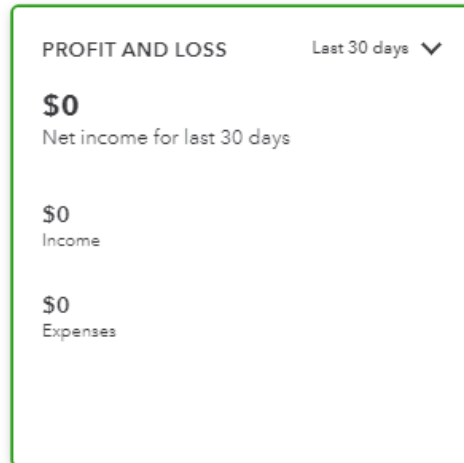




## Profit and Loss

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

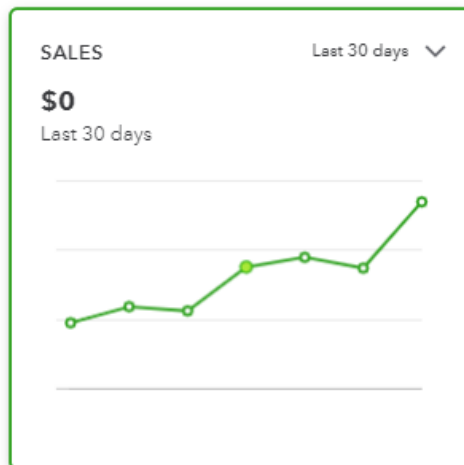
Click the drop-down arrow next to **Last Month** to change the period for which the data is displayed.



## Sales

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

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



- 1. Which QuickBooks® Online subscription is most popular?**
  - a) Self-Employed
  - b) Advanced
  - c) Essentials
  - d) Plus
  
- 2. If you want to import your QuickBooks desktop data to QuickBooks Online, where would you find this option?**
  - a) Left navigation bar
  - b) Gear icon
  - c) + New icon
  - d) None of the above
  
- 3. What is the recommended browser for QuickBooks Online?**
  - a) Chrome
  - b) Firefox
  - c) Internet Explorer
  - d) None of the above
  
- 4. When looking at the dashboard, which of these will you find?**
  - a) Invoices
  - b) Expenses
  - c) Sales
  - d) All the above
  
- 5. To locate a transaction that was previously entered, where do you go?**
  - a) + New icon
  - b) Gear icon
  - c) Search icon
  - d) None of the above

1. List the 5 QuickBooks subscriptions:
  
  
  
  
  
  
  
  
  
  
2. Where do you click when you want to use the search feature?
  
  
  
  
  
  
  
  
  
  
3. Where do you find the import feature?
  
  
  
  
  
  
  
  
  
  
4. To duplicate windows, what do you do next?
  
  
  
  
  
  
  
  
  
  
5. What term is used to describe money in and money out?
  
  
  
  
  
  
  
  
  
  
6. Where can you view an overview of company finances?

## 1. Review Video Link

**Navigate QuickBooks Online: Menus, Transactions, & Set Up.**

<https://quickbooks.intuit.com/learn-support/en-us/configure-products/navigate-quickbooks-online-menus-transactions-set-up/00/344783>

## 2. Explore additional features:

1. Chrome
2. Multiple Window
3. Mobile App

## 3. Your Subscription

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

## 4. Student Setup - Use the following Information:

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

## 5. Dashboard - Click anywhere there is a word in bolded color, an icon, a drop-down arrow, etc.

6. **Left Navigation Bar** - Click on the following centers and explore. Become familiar with moving around the centers:
  - a. Expenses -> Vendors
  - b. Invoicing -> Customers
  - c. Reports
  - d. Taxes
7. **Search** - Become familiar with search filters.
8. **Gear** - Go to Company and Settings in your company data file and change the settings to match the screen shots in this manual.
9. **+ New** - Click the following menu options and become familiar with the different fields per window:
  - a. Invoice
  - b. Receive Payment
  - c. Expense
  - d. Check
  - e. Bill
  - f. Pay bills
  - g. Sales Receipt
  - h. Invoice
  - i. Credit Memo
  - j. Bank Deposit
  - k. Transfer
  - l. Journal Entry



Online Foundations Training

# **SECTION 2: SET UP YOUR NEW QUICKBOOKS® ONLINE COMPANY**

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

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

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

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

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

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

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

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

Use Account and Settings to turn on/off **QuickBooks® Online** features. Change default settings to create a more efficient and productive user experience.

Although it is simple to turn settings on and off, accurate company settings are of critical importance. Seek help from the instructor if you find you are “guessing.”

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



Click **Account and Settings**.

## YOUR COMPANY

Account and settings

Manage users

Company

Billing & Subscription

Usage

Sales

Expenses


Payments

Advanced

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

## Company Name

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

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



Company Type

Select your legal entity type and industry type. Click **Save**.

Company type	Tax form	Small business corporation, two or more owners (Form 1120S)
	Industry	Full-service restaurants

Contact Info

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

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

Address

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

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

Communications with Intuit

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

Communications with Intuit	<a href="#">Marketing Preferences</a>
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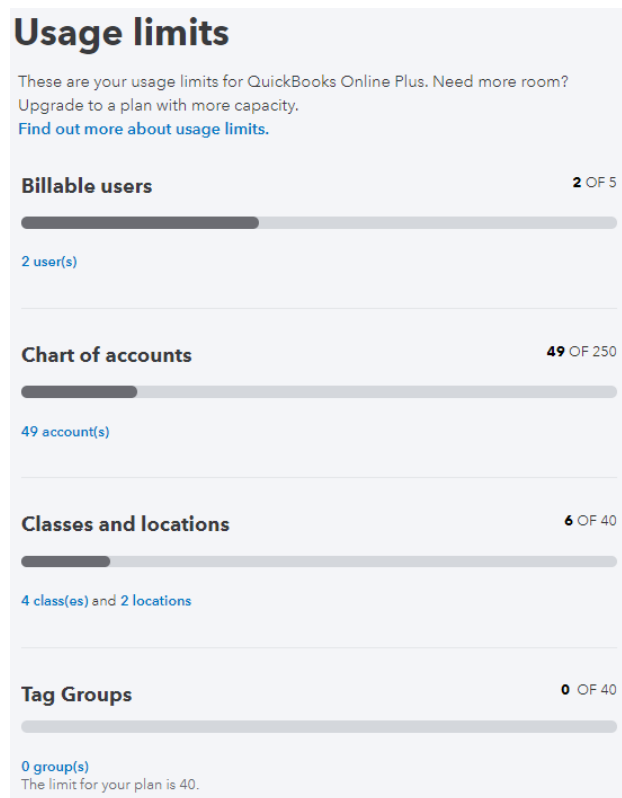
## Billing & Subscription

This section does not require any changes.

## Usage

Click the **Usage** tab in the left menu bar.

The usage limits section tracks the number of users and categories used in the Chart of Accounts. It is important to keep your Chart of Accounts simple and organized. Once you add more than 5 users or exceed 250 categories the subscription will upgrade to advanced and increase the monthly fee. Classes and locations are limited to 40 and Tag Groups (new in 2020) are limited to 40.



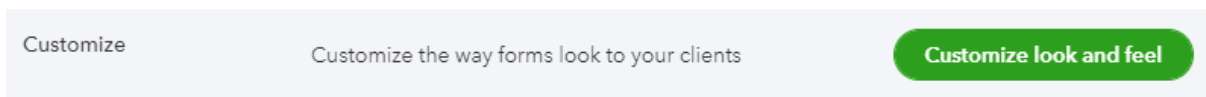
## Sales

Click the **Sales** tab in the left menu bar.

Click the setting you choose to edit or  
click the **pencil** on the right side of the screen.

## Customize

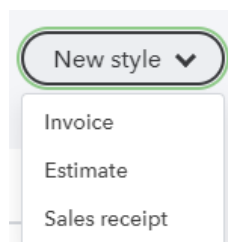
Click **Customize Look and Feel** to customize Invoices, Estimates, and sales receipts.



Click **New Style**.

Select **Style** and choose the type of sales form you would like to customize. Select a template, add a title and logo, choose a color scheme, and preview the form.

Let's choose **Invoice** for this example.



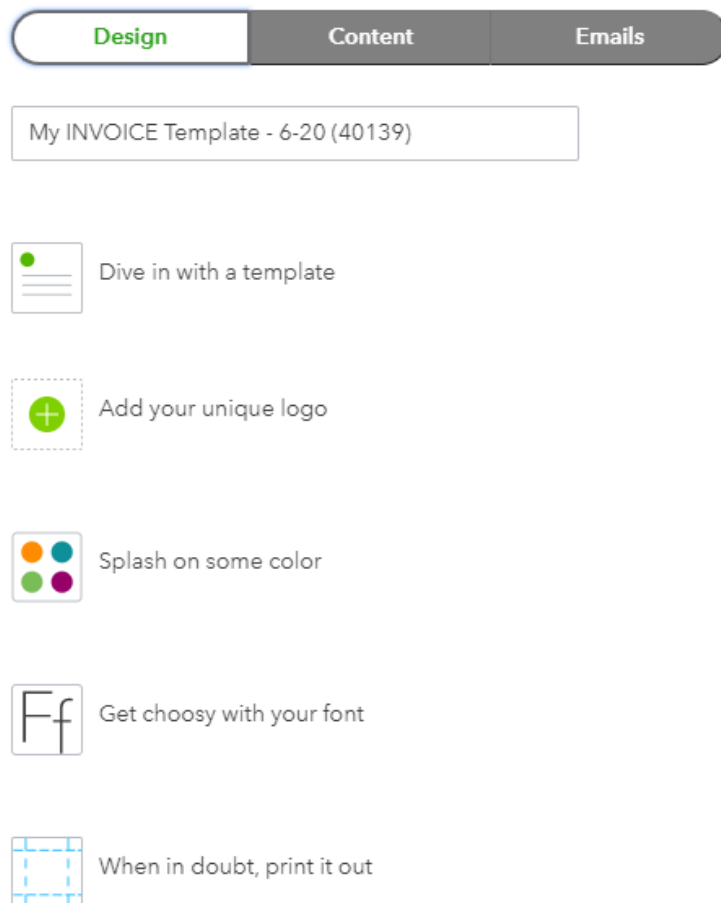
Select the **Design** tab to change your invoice template, add a logo, modify color schemes, change font sizes, or print a sample.

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

Select the **Emails** tab to change the outgoing email subject and default message.

**Note:** Do not overlook the **Reminder Email** feature.

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



## Sales Form Content

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

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

**Preferred Delivery Method** allows you to set a preferred default to print or send sales forms later.

Sales form content	Preferred invoice terms	Net 30
	Preferred delivery method	None
	Shipping	Off
	Custom fields	Off
	Custom transaction numbers	On
	Service date	On
	Discount	On
	Deposit	Off
	Tips (Gratuity)	On

**Shipping** adds a shipping field to sales forms.

**Custom fields** adds extra fields to sales forms; for example, "Sales Reps." Select **Internal** to show the custom field in QuickBooks® Online; select **Public** to print a custom field on sales forms.

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

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

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

**Discount** will add a discount field to invoices.

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

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

Custom fields	Off
Custom transaction numbers	On
Service date	On
Discount	On
Deposit	Off
Tips (Gratuity)	On

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

## Who's receiving these tips?

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

Just me

My team

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

## Products and Services

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

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

**Show SKU column** allows you to track products and services by SKU number.

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

**Track quantity and price/rate** adds a field to show quantities and pricing on sales forms.

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

Products and services	Show Product/Service column on sales forms	On
	Show SKU column	Off
	Turn on <a href="#">price rules</a> <span>BETA</span>	Off
	Track quantity and price/rate	On
	Track inventory quantity on hand	On

## Late Fees

**Late Fees** allow you to automatically apply a flat fee or percentage to outstanding invoices.

Select “Default charge applied to overdue invoices” to turn this feature on. Select Flat fee or Percentage of remaining balance and continue to select the required information. Click Save.

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

Progress Invoicing

Allows you to create multiple partial invoices from a single estimate.

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

Click **Messages** to add a default email message sent with sales forms, invoices, estimates, credit memos, sales receipts, statements, and refund receipts.

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

Messages	Default email message sent with sales forms
----------	---

Your default message sent with sales forms can be changed when creating estimates, invoices and other sales forms.

Reminders

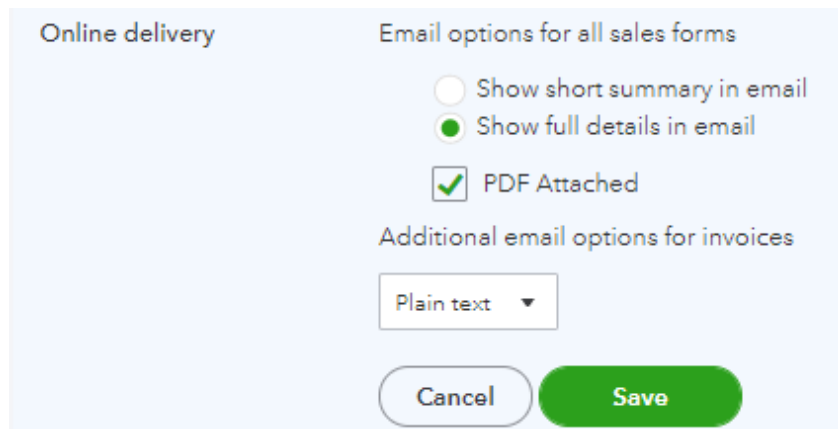
Click **Reminders** to change the default subject and email message.

Reminders	Default email message for invoice reminders	
	Automatic invoice reminders	Off



## Online Delivery

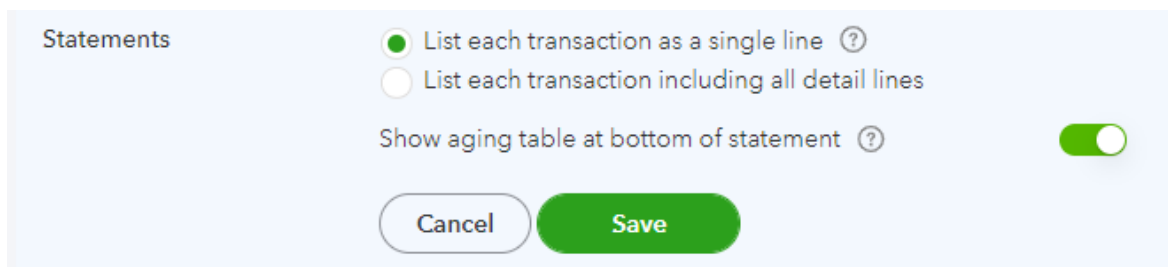
Click **Online delivery** to attach sales forms as a PDF, show summary or detail, and change your email text preference.



The screenshot shows the 'Online delivery' settings panel. It has a title 'Online delivery' and a subtitle 'Email options for all sales forms'. There are two radio buttons: 'Show short summary in email' (unselected) and 'Show full details in email' (selected). There is a checked checkbox for 'PDF Attached'. Below these is a section titled 'Additional email options for invoices' with a dropdown menu currently set to 'Plain text'. At the bottom are 'Cancel' and 'Save' buttons.

## Statements

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



The screenshot shows the 'Statements' settings panel. It has a title 'Statements'. There are two radio buttons: 'List each transaction as a single line' (selected) and 'List each transaction including all detail lines' (unselected). There is a toggle switch for 'Show aging table at bottom of statement' which is turned on. At the bottom are 'Cancel' and 'Save' buttons.

## Expenses

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

## Bills and Expenses

Click **Bills and expenses** to turn on/off settings, add columns on forms, and track expenses.

**Show Items table on expense and purchase forms** adds products column to forms.

**Show Tags field** adds a field that allows you to track transactions using tags and tag groups.

**Track expenses and Items by customer** adds a column to track transactions by customers.

**Make expenses and items billable** adds a column to track expenses billable to the customer and gives you the option to add a default markup rate.

**Default bill payment terms** is used to set default terms for bills, such as net 30.

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

## Purchase Orders

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

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

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

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

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

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

Purchase orders	Use purchase orders	On
Messages	Default email message sent with purchase orders	

## Payments Tab

This setting allows you to connect Intuit Merchant Services to your QuickBooks Online company file. Customers or customers can pay directly from an invoice.

QuickBooks Payments	<p>Get paid more ways, fast!</p> <ul style="list-style-type: none"><li>• Take credit cards or bank transfers</li><li>• Accept payments through QuickBooks, emailed invoices, and mobile</li><li>• QuickBooks automatically updates when you're paid</li></ul>	<a href="#">Learn more</a>
Existing account	<p>If you already have a Payments account with Intuit (you may know it as GoPayment or Merchant Services), connect it to your QuickBooks.</p>	<a href="#">Connect</a>

**Note:** This feature will not be used during this training.

## Advanced

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

## Accounting

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

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

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

## Accounting Method

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

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

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

Accounting

First month of fiscal year ? January ▾

First month of income tax year Same as fiscal year ▾

Accounting method ? Accrual ▾

**Close the books ?** ☒

Closing date 12/31/2019

Allow changes after viewing a warning and entering password ▾ ?

Password \*\*\*\*\*

Confirm Password \*\*\*\*\*

Cancel Save

Company Type

Tax Form

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

Company type	Tax form	Small business corporation, two or more owners (Form 1120S)
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Chart of Accounts

Click **Chart of Accounts** to turn on/off **account numbers** and assign default income accounts. Add **Tip account** category after turning on the tip feature.

Chart of accounts	Enable account numbers	On
	Discount account	40500 Discounts given
	Tips account	22200 Undistributed Tips

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

## Categories

### Classes

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

For example, the owners of Sushi Coma decide they want to track sales for Catering, Online deliveries and Restaurant. By creating a class for category and using the categories in the transactions. They will achieve this goal.

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

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

Categories

Track classes ? ☒

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

Assign classes

One to each row in transaction ▼

Track locations ? ☒

Location label

Location ▼

Cancel Save

### Locations

**Track locations** is used to tag transactions and gather data for a specific location, department, property, etc. For example, Rags to Riches, LLC has multiple stores and would like to review a Profit & Loss for each store.

## Automation

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

**Pre-fill Forms with previously entered content** fills form fields with memorized content from prior vendor, customer, and employee transactions.

**Automatically apply credits** posts outstanding credits to newly created invoices.

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

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

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

## Projects

Turning on **Projects** allows you to organize all job-related activity in one place. It allows you to review all sales, expenses, and timesheets by project.

Projects	Organize all job-related activity in one place	Off
----------	--	-----



## Time Tracking

Click **Time Tracking** to turn on/off and edit settings.

**Add Service field to timesheets** is a field used to enter specific services performed.

**Add Customer field to timesheets** is a field that tracks billable time by customer.

**Show billing rate to users entering time** is used when customers are billed at the same rate you pay employees or subcontractors.

**First day of work week** sets the starting day of a work week on the timecard entry form.

Time tracking	Add Service field to timesheets	Off
	Make Single-Time Activity Billable to Client	Off

## Currency

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

Currency	Home Currency	United States Dollar
	Multicurrency	Off

## Other Preferences

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

**Date format** is a preference with several options.

**Number format** is a personal preference.

**Customer label** reflects the label you want to assign to those who purchase services and item from your business. You have the option to select items such as customer, client, donor, etc. The label you choose will appear on the Navigation Menu Bar and transactions related to customers, such as invoices, sales orders, credit memos, etc.

**Warnings** populate messages when you enter a duplicate check, bill or journal entry.

**Sign me out if inactive for** a period lets you choose between 1 and 3 hours. Click **Save -> Done**.

Other preferences	Date format	MM/dd/yyyy
	Number format	123,456.00
	Customer label	Customers
	Warn if duplicate check number is used	On
	Warn if duplicate bill number is used	On
	Warn if duplicate journal number is used	On
	Sign me out if inactive for	1 hour

## Accurate Numbers

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

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

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

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

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

When inviting users, you can establish the level of access a user has to your company data. Maintaining user access is important to implement checks and balances and view activity by user. This can serve as a training tool to address and avoid common errors.

Click the **Gear** icon.



Click **Manage Users**.

## YOUR COMPANY

Account and settings

Manage users

Custom form styles

Chart of accounts

QuickBooks Labs

Select the **Users** tab to add and customize a user or select the **Accounting Firms** tab to invite your accountant.

**1** You're using 1 of 5 billable users included in your plan. [Find out how to manage your usage](#) or [upgrade to Advanced](#)

Find by name Add user

NAME	EMAIL	USER TYPE	STATUS	DATE ADDED	BILLABLE <b>1</b>	ACTION
Kristine Mehler	sushicomadataset...	Master admin	Active	10/10/2020	Yes	<a href="#">Edit</a> ▼



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

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

**Standard User** allows you to select which areas a user can access.

**Company administrator** provides access to all areas of QuickBooks® Online Plus.

**Reports only** allows users to access most reports; the exceptions are payroll and contact info. They do not count toward your user limit.

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

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

**Add a new user**

Select user type

These count toward your user limit.

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

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

These don't count toward your user limit.

☐ Reports only  
They can see all reports, except ones that show payroll or contact info

☐ Time tracking only  
They can add their own time sheets

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

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

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

### Select access rights

How much access do you want this user to have?

☒ All

☐ None

☐ Limited

☐ Customers

☐ Vendors

#### All access

This user can see and do everything with:

- ✓ Customers and Sales
- ✓ Vendors and Purchases

They can also:

- ✓ Add, edit, and delete employees
- ✓ Change preferences
- ✓ View activity log
- ✓ Create, edit, and delete budgets
- ✓ Add, edit, and delete accounts
- ✓ Make deposits and transfer funds
- ✓ Reconcile accounts and make journal entries
- ✓ View all reports
- ✓ Turn on sales tax for the company
- ✓ Change the setup for existing sales tax information
- ✓ Make sales tax adjustments and file sales tax returns
- ✓ Set up multicurrency
- ✓ Perform home currency adjustments

For those with a **Plus** subscription, you can set the administrative rights for specific users.

Select user settings

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

☐ Yes

☒ No

☐ View only

Do you want this user to edit company info?

☐ Yes

☒ No

Do you want this user to manage subscriptions?

☐ Yes

☒ No

☐ View only

Enter username and email information; an invite will be sent to the user and they can accept the invite and create a password.

What's their contact info?

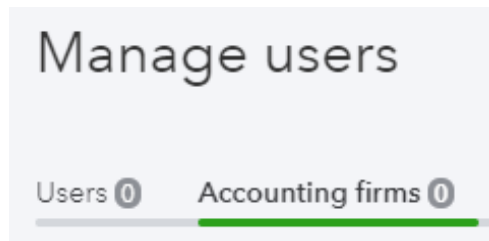
First name

Last name

Email

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

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



## What's your accountant's contact info?

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

We'll invite them to create a QuickBooks account and password for access to your company. This invite expires after 30 days.

First name

Last name

Email

*This will be their user id.*



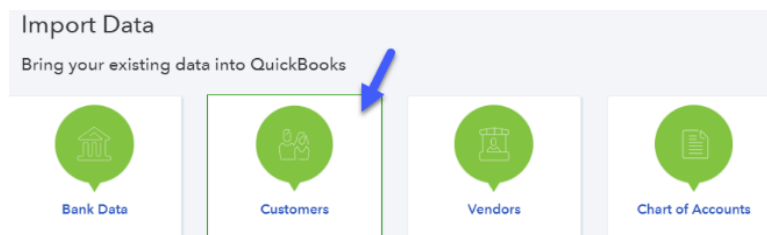
Another important feature is the ability to import lists. It is critical to understand the process as it is used frequently throughout business. You will have the option to import lists during the Case Study activities at the end of this section.

Click the **Gear** icon.    

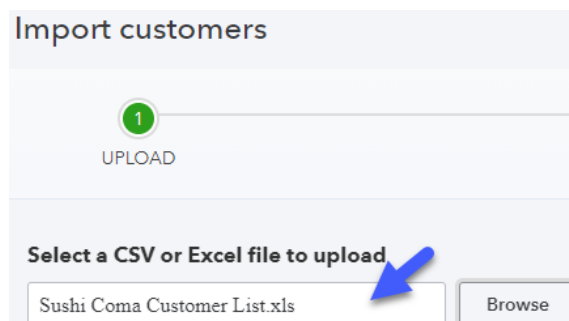
Under the **Tools** options, click **“Import data.”**

You have the option to import **Bank Data, Customers, Vendors, Chart of Accounts Categories, Products and Services or Invoices** using a **.csv** or **Excel** file. Click the option and follow the step-by-step instructions.

To import a customer list, select customers



Click **Browse**, select the excel or ,csv file from your computer hard drive or USB Flash Drive. Click **Next**.



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

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

## Import customers

1
   
 UPLOAD

### Map your fields to QuickBooks fields

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

Continue to verify the remaining fields.

Click **Next**.

Select all customers.

Click **Import**.

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

**Note:** You can repeat these steps for the other list options.

The Chart of Accounts is an organizational tool that provides the business owner with a breakdown of every financial transaction in the company; the information can be broken down into specific accounting periods and subcategories. The Chart of Accounts lists the categories that make up your Balance Sheet and Profit & Loss Statements.

Every transaction entered in QuickBooks® will post to an account in the Chart of Accounts. This is how data is compiled to produce important reports you will use to manage a business. Keep your Chart of Accounts simple. Add new accounts when you need to track specific information. Use reports to customize information within an account.

## Balance Sheet

**Assets** (what your company owns): bank accounts, petty cash, fixed assets (equipment or vehicles), inventory, undeposited funds (payments from customers waiting to be deposited).

**Liabilities** (what your company owes): accounts payable, credit cards, loans, sales & payroll taxes

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

## Profit & Loss

**Income** (what you have earned): sales of products, labor, interest, rental income, etc.

**Expenses** (what you have spent): office expenses, wages, professional fees, rent, utilities.

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



**Note:** Spend time making sure you understand Chart of Accounts and how it ties to every transaction. This information is critical and will help you build a solid financial foundation knowledge base.

## Manage Accounts

Click the **Gear** icon.



Click **Chart of Accounts** or

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

### YOUR COMPANY

Account and settings

Manage users

Custom form styles

Chart of accounts

QuickBooks Labs

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

Click the drop-down list to edit, make inactive, or run reports.

Click the header name to sort by column.

Chart of Accounts

Run Report

New

Filter by name or number

All

NAME	TYPE	DETAIL TYPE	QUICKBOOKS BALANCE	BANK BALANCE	ACTION
10000 Checking 1234	Bank	Checking	237,100.00		<a href="#">View register</a>
10100 Payroll Checking 5678	Bank	Checking	20,000.00		<a href="#">View register</a>
10200 Savings 1537	Bank	Checking	2,000.00		<a href="#">View register</a>

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

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

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

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

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

## Add Accounts

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

Run Report	New ▼
	Import

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

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

## Account

<b>Account Type</b> <div>Other Expense ▼</div>	<b>* Name</b> <div>Ask My Accountant</div>
<b>* Detail Type</b> <div>Other Miscellaneous Expense ▼</div> <div> Amortization  Depreciation  Exchange Gain or Loss  Gas And Fuel  Home Office  Homeowner Rental Insurance  Mortgage Interest Home Office  Other Home Office Expenses  <b>Other Miscellaneous Expense</b> </div>	<b>Number</b> <div>99999</div>
	<b>Description</b> <div>Flagged to review with your accountant.</div>
	<input type="checkbox"/> Is sub-account <div>Enter parent account ▼</div>

## Add Bank Accounts

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

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

Select the appropriate **Detail Type**.

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

Add a number and description. Since this is a bank account, we have the option to enter opening balances.

**Note:** Be consistent with type choices. This is important in case you need to merge accounts in the future.

### Account

Account Type

Bank

\*Detail Type

Checking

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

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

\*Name

Checking

Number

10000

Description

☐ Is sub-account

Enter parent account

When do you want to start tracking your finances from this account in QuickBooks?

[More info on opening balances](#)

Choose one

Choose one

Beginning of this year

Beginning of this month

Today

Other

## Edit Account

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

**In this example:** The Loan Payable is a long-term equipment loan and is categorized as a long-term liability because it will take more than a year to pay off.

27000 Note Payable - SBA	Long Term Liabilities	Notes Payable	150,000.00	<a href="#">View register</a> ▼
27100 Notes Payable - Vehicle 1	Long Term Liabilities	Notes Payable	20,000.00	<a href="#">View register</a> ▼
30000 Retained Earnings	Equity	Retained Earnings		<a href="#">Run report</a> ▼

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

Edit

Make inactive (reduces usage)

Run report

## Account

### Account Type

Long Term Liabilities ▼

### \*Detail Type

Notes Payable ▼

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

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

### \*Name

Note Payable - SBA

### Number

27000

### Description

☐ Is sub-account

Enter parent account ▼

### Balance

150,000.00



## Make Inactive

From the Chart of Accounts List:

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

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

Sales of Product Income	Income	Sales of Product Income
-------------------------	--------	-------------------------

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

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

Run report ▼

Edit  
 Make inactive (won't reduce usage)



Are you sure you want to deactivate this?

No

Yes

Columns  
☒ Number  
☒ Type  
☒ Detail Type  
☒ QuickBooks Balance  
☒ Bank Balance

Other  
☒ Include inactive

Rows  
 150 ▼

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

## Merge Accounts

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

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

It is advisable to discuss the cleanup of your **Chart of Accounts** with your accountant or ProAdvisor before merging accounts.

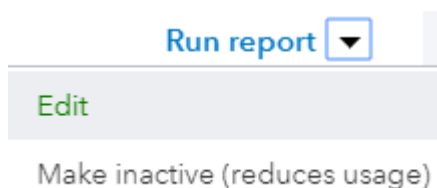
In this example we have two accounts being used to track accounting expenses.

We will merge **Bookkeeper** with **Accounting** from the Chart of Account Settings window.

Click one time to highlight the account then keep, “Accounting.”

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

Accounting	Expenses	Legal & Professional Fees
Bookkeeper	Expenses	Legal & Professional Fees



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

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

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

<p><b>Account Type</b></p> <div>Expenses ▼</div> <p><b>*Detail Type</b></p> <div>Legal &amp; Professional Fees ▼</div> <div> <p>Use Legal &amp; professional fees to track money to pay to professionals to help you run your business.</p> </div>	<p><b>* Name</b></p> <div>Accounting</div> <p><b>Description</b></p> <div></div> <p><input checked="" type="checkbox"/> Is sub-account</p> <div>Legal &amp; Professional Fe ▼</div>
--	---

Select the account “Bookkeeper.”

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

<p><b>Account Type</b></p> <div>Expenses ▼</div> <p><b>*Detail Type</b></p> <div>Legal &amp; Professional Fees ▼</div> <div> <p>Use Legal &amp; professional fees to track money to pay to professionals to help you run your business.</p> </div>	<p><b>* Name</b></p> <div>Bookkeeper</div> <p><b>Description</b></p> <div></div> <p><input checked="" type="checkbox"/> Is sub-account</p> <div>Legal &amp; Professional Fe ▼</div>
--	---

Highlight the Name **Bookkeeper** and Paste (**Ctrl + V**) to replace “Bookkeeper” with “Accounting.”

Click **Save**.

Click **Yes**.

**Please Confirm**



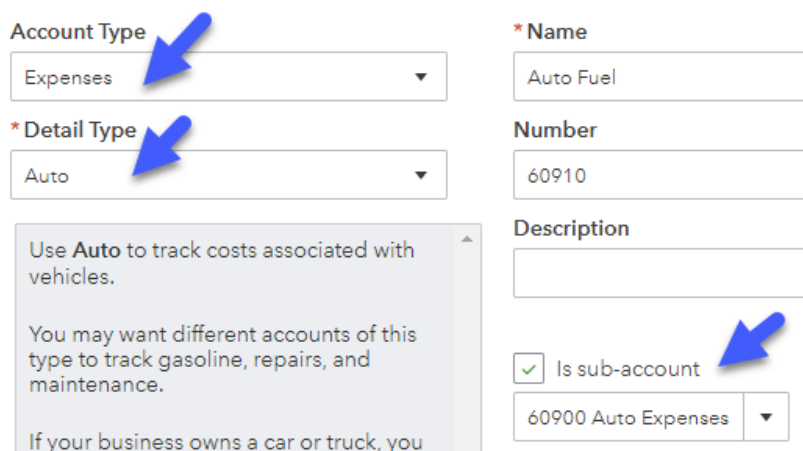
That name is already being used. Would you like to merge the two?

No

Yes

## Sub-accounts

Sub-accounts are a great way to organize your Chart of Accounts when used properly. Here is an example using Travel accounts.



**Account Type**  
Expenses

**\* Detail Type**  
Auto

Use **Auto** to track costs associated with vehicles.  
You may want different accounts of this type to track gasoline, repairs, and maintenance.  
If your business owns a car or truck, you

**\* Name**  
Auto Fuel

**Number**  
60910

**Description**

☒ Is sub-account

60900 Auto Expenses

The Chart of Accounts should look like this when set up properly. Sub-accounts can be expanded or collapsed into one line item on financial reports.

60900 Auto Expenses	Expenses	Auto
60910 Auto Fuel	Expenses	Auto
60920 Insurance	Expenses	Auto
60930 Auto License	Expenses	Auto
60940 Auto Service	Expenses	Auto

**Note:** When using sub-accounts, it is very important to select sub-accounts in all transactions and avoid using the main account when entering transactions.

1. **You have finished your year-end review and taxes have been filed. You want to set a closing date and password. How do you do that?**
  - a) Gear->Account and Settings->Company
  - b) Gear->Account and Settings->Chart of Accounts
  - c) Gear->Account and Settings->Advanced->Accounting
  - d) Gear->Account and Settings->Advanced->Automation
  
2. **You have a new accountant. Where would you go to invite your accountant to your company file?**
  - a) Gear->Manage users->Accounting firms
  - b) Gear->Account and Settings->Chart of Accounts
  - c) Gear->Manage users->Users
  - d) + New->Vendors
  
3. **You would like to customize an invoice, where do you go?**
  - a) Gear->Customize Form Styles
  - b) Dashboard->Forms
  - c) Gear->Account and Settings->Sales
  - d) Both A and C
  
4. **Which of the following statements is *not* true about Products and Services?**
  - a) Service items can be changed to other types.
  - b) You can set up Inventory, Non-inventory, Service, and Bundle types.
  - c) Inventory types can be changed to another type.
  - d) You can set up and manage categories to group Products and Services.
  
5. **You have a duplicate category in your Chart of Accounts, what can you do to combine them?**
  - a) Copy
  - b) Merge
  - c) Edit
  - d) Make inactive

1. After each monthly review, you close the books. What does that mean to close the books?
2. You want to be notified when entering a duplicate transaction. How do you turn this on and off?
3. How many users and how many accountants can you invite to your company file?
4. What reports make up the Chart of Accounts?
5. When entering beginning balances, what is the default Chart of Accounts category?

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

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

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

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

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

## 1. Review Video Links

### a. How to Set Up Company Settings

<https://quickbooks.intuit.com/learn-support/en-us/your-business-information/how-to-set-up-company-settings/00/490568>

### b. Edit Company Settings

<https://quickbooks.intuit.com/learn-support/en-us/update-products/edit-your-company-settings-in-quickbooks-online/00/185960>

## 2. Setup Sushi Coma Inc.

Refer to the accounts and settings screen shots provided in the training.

Information you will need to fill out the Company Tab:

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

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

Sales Tab

- Tips – select my team

Advanced Tab

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

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

## 4. Add an Avatar or Logo. (Optional)



## 5. Review Video Links

### a. How to Add & Manage Users for Your Company

<https://quickbooks.intuit.com/tutorials/lessons/add-users/>

### b. How to Invite your Accountant

<https://quickbooks.intuit.com/learn-support/en-us/manage-users/how-to-give-your-accountant-access-to-your-quickbooks/00/344888>

## 6. Explore Manage Users

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

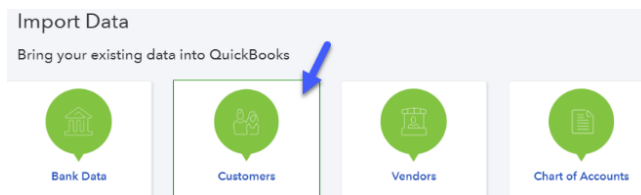
## 7. Review Video Link

### How to Add Customers

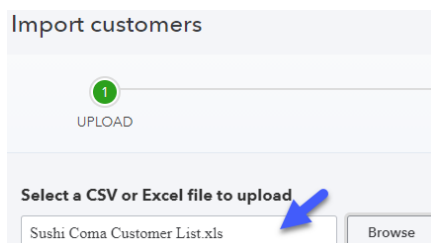
<https://quickbooks.intuit.com/learn-support/en-us/customer-lists/how-to-add-edit-manage-your-customers-list/00/344788>

## 8. You can choose to add customers as you enter invoices or Import the customer List .csv file. If you choose to import the list, click Gear Icon -> Import -> Select Customers (Clients). If you choose the import, complete the following steps.

### a. To import the Customer list, click Gear Icon -> Import -> Select Customers.



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




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

Import customers

1  
UPLOAD

Select a CSV or Excel file to upload

Sushi Coma Customer List.xls  Browse

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

Import customers

1  
UPLOAD


**Map your fields to QuickBooks fields**

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

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

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

- f. Go to the Customer Center and verify your customer list matches this one.

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

### 9. Review Video Link

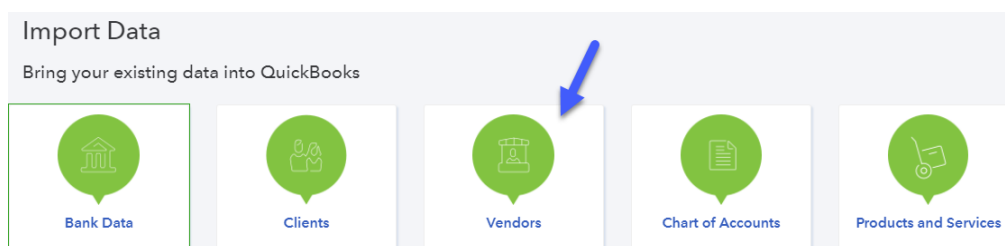
**How to Manage Your Vendor List: Adding, Editing & Removing**

<https://quickbooks.intuit.com/learn-support/en-us/vendor-lists/how-to-manage-your-vendors-list-adding-editing-removing/00/344841>

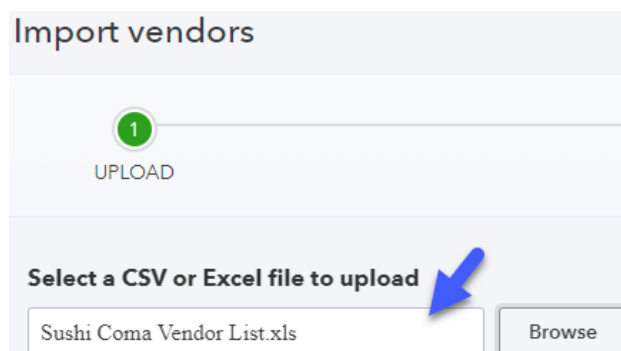
### 10. You can choose to add vendors as you enter bills and expenses or Import the Vendor List .csv file. If you choose the import, complete the following steps.

**Click Gear Icon -> Import -> Select Vendors**

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



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



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

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

## Import vendors

1
   
 UPLOAD

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

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

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

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

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

Daniel and Meredith have narrowed down categories they wish to use to make up their Chart of Accounts. Your challenge is to import, add, edit, merge or inactivate categories to fulfill their request.

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

### 11. Review Video Links

How to manually add Chart of Accounts

<https://quickbooks.intuit.com/learn-support/en-us/set-up-bank-connection/how-to-manually-add-an-account-to-your-chart-of-accounts/00/489610>

### Understanding the Chart of Accounts

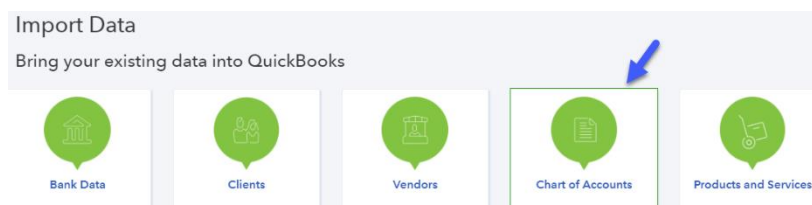
<https://quickbooks.intuit.com/tutorials/lessons/edit-chart-of-accounts/>

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

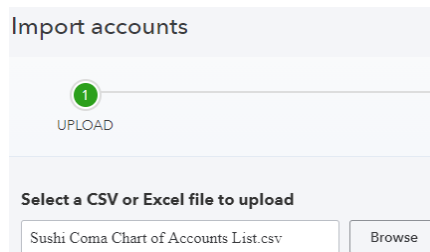
##### Here is what you need to know:

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

#### b. Click Gear -> Import Data -> Chart of Accounts.



- c. **Upload the Sushi Coma Chart of Accounts List.csv file.**  
Make sure the file is available on your local computer or USB Flash Drive.
- d. **Click Browse -> Select the file -> Next.**



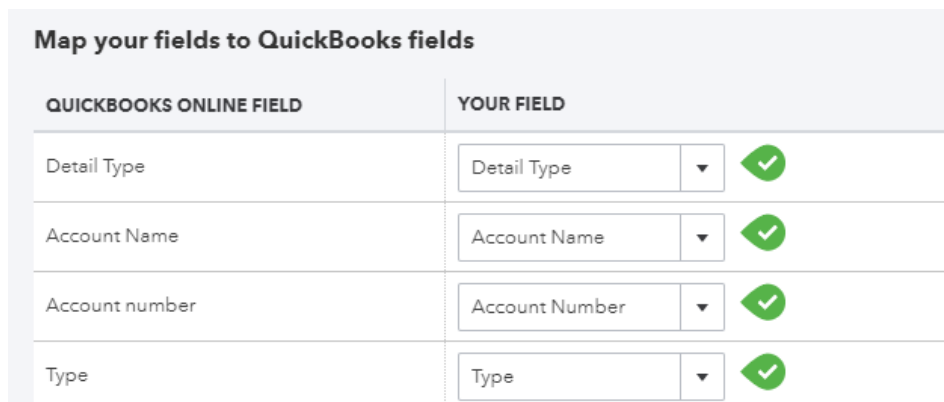
Import accounts





1  
UPLOAD

Select a CSV or Excel file to upload

Sushi Coma Chart of Accounts List.csv

- e. **Next step is to map your fields as shown in the screen shot.**



QUICKBOOKS ONLINE FIELD	YOUR FIELD
Detail Type	<input type="text" value="Detail Type"/> <input type="button" value="v"/> 
Account Name	<input type="text" value="Account Name"/> <input type="button" value="v"/> 
Account number	<input type="text" value="Account Number"/> <input type="button" value="v"/> 
Type	<input type="text" value="Type"/> <input type="button" value="v"/> 

- f. **Select all accounts - > Import.**  
There are approximately 78 accounts. If a red box appears around an account category, simply uncheck the box to the left of that category. The red box tells us the category already exists in your Chart of Accounts or there is an issue with the import process.



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

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

## Chart of Accounts



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

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

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

- Bank Accounts
- Accounts Receivable
- Undeposited Funds
- Inventory

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

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

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

**12. Add or edit the following fixed and other asset accounts, pay attention to the type, detail type and number.**

- Fixed Assets
- Other Assets

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

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

**a. Add or the following Current Liability accounts, pay attention to the type, detail type and number. If the account already exists and is the correct type, simply add the number.**

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

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

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

**b. Add or Edit the following Long-Term Liability and Equity accounts, pay attention to the type, detail type and number. If the account already exists and is the correct type, simply add the number.**

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

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

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

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

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

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

**d. Add or Edit the following expense account categories.**

**Note:** Payroll and Auto Expenses include sub-accounts.

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

e. **Continue to Add or Edit the following expense account categories.**

63200	63200 Interest Paid	Expenses	Interest Paid
64100	64100 Legal & Professional Services	Expenses	Legal & Professional F...
64200	64200 License & Permits	Expenses	Office/General Admin...
64400	64400 Office Expense	Expenses	Office/General Admin...
64500	64500 Rent or Lease	Expenses	Rent or Lease of Buildi...
64600	64600 Repairs & Maintenance	Expenses	Repair & Maintenance
64800	64800 Security	Expenses	Other Business Expen...
65100	65100 Telephone & Communications	Expenses	Utilities
66000	66000 Uniforms	Expenses	Other Miscellaneous ...
68000	68000 Utilities	Expenses	Utilities

	Purchases	Expenses	Supplies & Materials
	Reimbursable Expenses	Expenses	Supplies & Materials
	Unapplied Cash Bill Payment Expense	Expenses	Unapplied Cash Bill P...
	Uncategorized Expense	Expenses	Other Miscellaneous ...
99999	99999 Ask My Accountant	Other Expense	Other Miscellaneous ...
	Reconciliation Discrepancies	Other Expense	Other Miscellaneous ...





Online Foundations Training

## **SECTION 3: CLASSES & LOCATIONS**

- Objectives
- Class and Location Overview
- Class Tracking
- Class Reports
- Location Tracking
- Location Reports
- Practice Test
- Test Your Knowledge
- Case Study Activities

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

- How to setup and maintain classes.
- How to use class tracking.
- How to setup and review class reports.
- How to setup and maintain locations.
- How to use location tracking.
- How to setup and review location reports.

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

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

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

Let's talk about how Classes versus Locations will be used in our example. Sushi Coma has restaurants in two different areas of San Diego, so we will use the Location feature to track sales and expenses for each restaurant. They want more in-depth information so we will use Classes to track information per restaurant such as online sales, in-house restaurant sales, catering sales, administrative costs, etc.

In this exercise, we will create the Locations list and apply them to each transaction. This will provide valuable information to determine which locations has more sales and which is more profitable. The owners might change their strategy to focus on the restaurant with the most potential for growth.

The **Class** feature allows us to create a list of classes and apply the different classes to each transaction. This gives us the opportunity to track income and expense by class. In this training you will create classes to track income and expenses for online sales, restaurant sales, catering sales, etc. as referenced above. This will help the owners to determine which option sells more product. If online sales are more than restaurant sales, the owners might change their marketing strategy.

Both features provide valuable information that helps business owners make educated decisions to grow a healthy business.

**Note:** You can use class and location tracking simultaneously to track information in different ways. The number of Classes and Locations you can create is based on your subscription. This is tracked in the usage tab we learned about in Section 2.

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

Let's verify the feature is turned on.

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

Turn on **Track classes.**

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

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

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

Click **Save -> Done.**

Categories

Track classes ? ☒

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

Assign classes

One to each row in transaction ▼

Track locations ? ☒

Location label

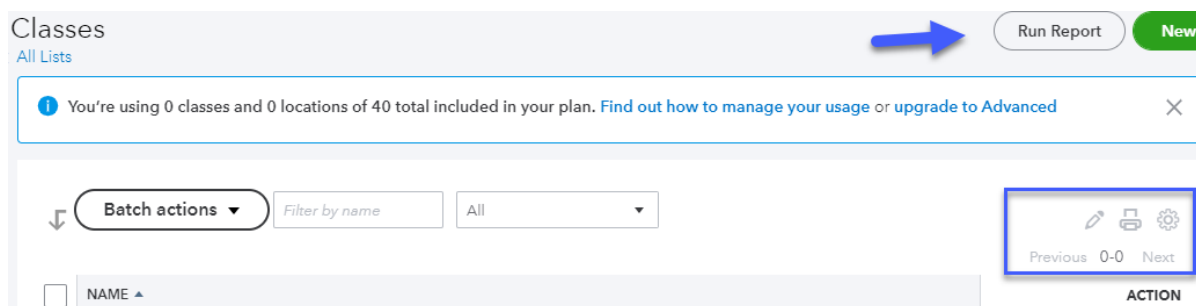
Location ▼

Cancel Save

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

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

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

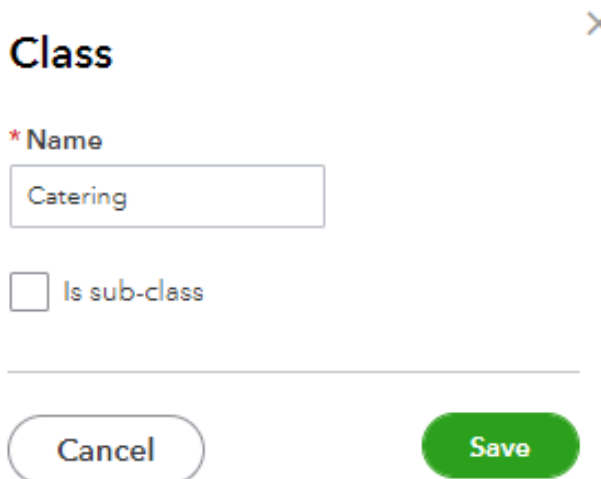


Click **New**.

Add a **Class Name**.

Notice you can also select sub-class. This helps you to organize your classes in groups.

Click **Save**.



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

Explore the **Action** menu to **edit, run report** or make classes **inactive**.

Classes

[All Lists](#)

Run Report

New

Batch actions

Filter by name

All

Previous

1-4

Next

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

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

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

### Profit and Loss by Class

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

### Sales by Class Summary

### Sales by Class Detail

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

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

Turn on **Track Locations**.

Select **Location label**.

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

Categories

Track classes <sup>?</sup> ☒

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

Assign classes

One to each row in transaction ▼

Track locations <sup>?</sup> ☒

Location label

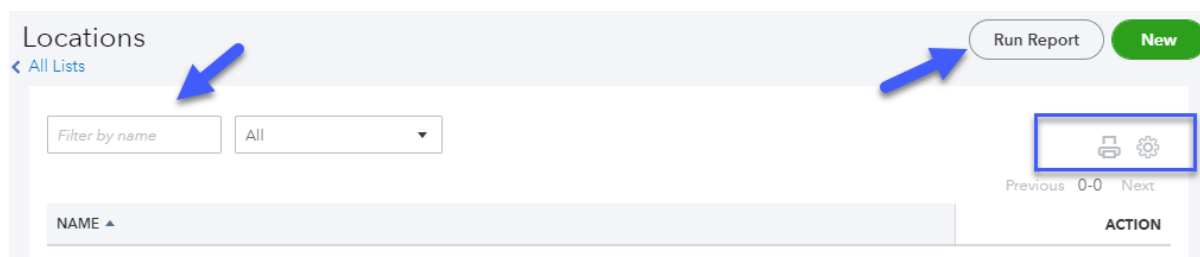
Location ▼

Cancel Save

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

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

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



Locations

< All Lists

Filter by name All

Run Report New

Print Settings

Previous 0-0 Next

NAME ▲	ACTION
--------	--------

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

Notice you have options to use different information on sales forms as you add locations.

Click **Save**.

## Location Information

\* Name

Torrey Santa Fe

☐ Is sub-location

☐ This location has a different title for sales forms.

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

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

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

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

Cancel

Save



Add both **Torrey Santa Fe** and **Salmon Blvd** locations to your Locations list. Use the **Action** menu to **edit**, **run report** or make classes **inactive**.

Locations

Run Report New

All Lists

Filter by name All

Previous 1-2 Next

NAME ▲	ACTION
Salmon Blvd	Run report ▼
Torrey Santa Fe	Run report ▼

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

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

### Profit and Loss by Location

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

### Sales by Location Summary

### Sales by Location Detail

- 1. To turn on Class and Location tracking, where do you go?**
  - a) Gear->Account and Settings->Advanced->Categories
  - b) Gear->All Lists
  - c) Sales->Overview
  - d) + New->Other
  
- 2. To add classes to track income and expenses, where do you go?**
  - a) Gear->Products and services
  - b) + New->Other
  - c) Gear->All Lists->Classes
  - d) Accounting->Chart of Accounts
  
- 3. Which of the following reports allows you to track sales by location?**
  - a) Product and Services sales
  - b) Open Invoices
  - c) Sales by Customer detail
  - d) Sales by Location Summary
  
- 4. Which report would you use to review income and expense by class?**
  - a) Sales by Customer Summary
  - b) Profit & Loss by Class
  - c) Unpaid Bills
  - d) Sales by Product/Service Detail
  
- 5. To add locations to track income and expenses, where do you go?**
  - a) Gear->Products and services
  - b) + New->Other
  - c) Gear->All Lists->Locations
  - d) Accounting->Chart of Accounts

**1. Where would you go to turn on Classes and Locations?**

**1. Where would you go to add or manage your Class list?**

**3. What report would you use to review income and expense by Class?**

**4. What report would you use to review income and expense by Location?**

**5. Where would you go to add or manage your Location list?**

**1. Verify Classes and Locations are turned on in Account and Company Settings.**

**2. Create the following Classes:**

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

**3. Locate and save the following class reports as favorites:**

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

**4. Create the following Locations:**

- a. Torrey Santa Fe
- b. Salmon Blvd

**5. Locate and save the following location reports as favorites:**

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



Online Foundations Training

## **SECTION 4: SALES TAX**

- Objectives
- Sales Tax Overview
- Sales Tax Set Up
- Sales Tax Center
- Sales Tax Reports
- Sales Tax Filing
- Practice Test
- Test Your Knowledge
- Case Study Activities

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

- How to setup sales tax.
- How to manage the sales tax center.
- How to review sales tax reports.
- How to file sales tax returns.

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

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

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

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

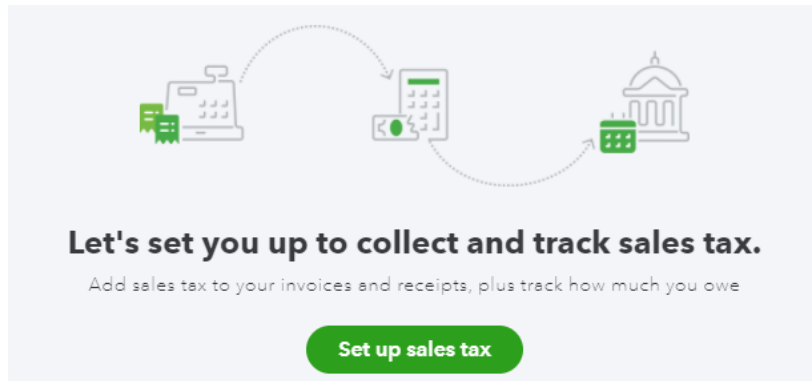
**Sales tax** is calculated on the sale or lease of goods and services in the United States. **Sales tax rates** are state regulated, and percentages vary across the United States.

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

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

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

Click **Taxes** in the **Left Navigation Bar** - > **Set Up Sales Tax**.



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

Click **Next**.

1

Address

2


Agencies

3

Confirmation

Here's the address we have for you

We use your physical business address to calculate your sales tax rate.

Business address 

7535 Torrey Santa Fe Road  
San Diego CA 92129

Use this  
Address

Next




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

**Tell us more about your taxes**

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

**Do you need to collect sales tax outside of California?**

☒ No 

☐ Yes

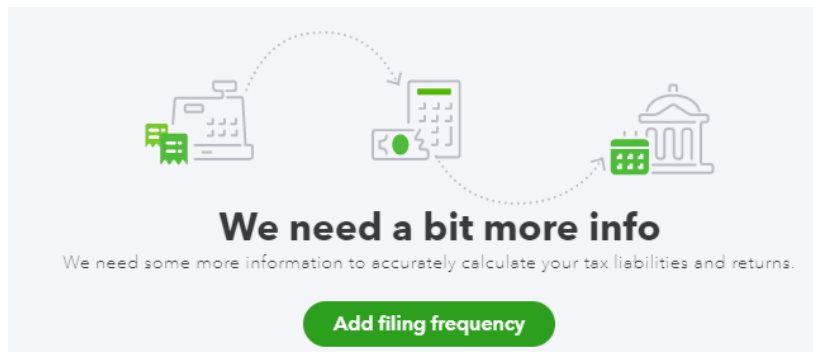
Looks like you need to pay sales tax to just one government office in California. We call this your tax agency.

**Your tax agency**  
California Department of Tax and Fee Administration

**Back** **Next**

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

Click **Add Filing Frequency**.



Select **Filing Frequency Monthly**.

Click **Save**.

## California details



California Department of Tax and Fee  
Administration

### Filing frequency

### Start of tax period

January

### Start date

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

## SHORTCUTS



### **Tell us where you collect tax**

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



### **Update products and services**

Get the most accurate rates by categorizing what you sell.



### **Double-check client addresses**

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



### **Run sales tax reports**

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



### **Look at past returns**

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

From the new **Sales Tax Center**, you can **view tax returns, amounts due** by custom date range and **upcoming taxes**.

**\$0.00**  
SALES TAX DUE ⓘ

From  To

Due

August 2020 California	Due September 20 \$0.00	<input type="button" value="View return"/>
---------------------------	----------------------------	--

Upcoming

September 2020 California	Accruing \$0.00
------------------------------	--------------------

Click **History** to view sales tax returns for previous periods of time.

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

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

[Back to sales tax center](#)

**Edit settings**

**Tax agencies**  ⚙️

AGENCY	FILING FREQUENCY	START OF TAX PERIOD	START DATE	ACTION
California Department of ...	Quarterly	January	01/01/2020	<a href="#">Edit</a> ▼

< First Previous 1-1 of 1 Next Last >

Click **Add agency**, select the **state, city, or county** to match your agency. Next select the **frequency** you are required to file and the **start date**.

Click **Save**.

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

## Add agency

Agency

Filing frequency

Start date

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

## Tax agencies

Add agency



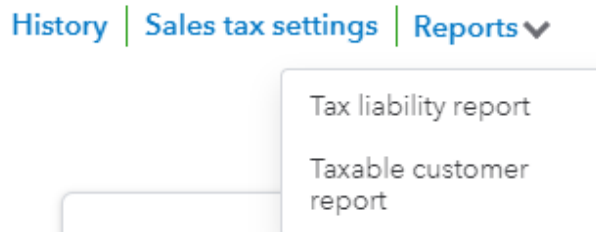
AGENCY	FILING FREQUENCY	START OF TAX PERIOD	START DATE	ACTION
California Department ...	Monthly	January	01/01/2020	Edit ▼

## Custom rates

Add rate

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

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



**Sales Tax Liability** provides the information required to complete tax forms per state. Select the date range you are required to report, tax agency and accounting method.

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

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

or click **Reports from the left navigation bar -> Standard -> scroll to Sales Tax** to view the following reports:

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

From the Sales Tax Center, click **View return**. Click the **+ Add an adjustment link**, if you need to adjust the balance due. **Click Record payment** to create a transaction and post to your bank register.

## Review your sales tax

California Department of Tax and Fee Administration	Craig's Design and La...
Tax Period: August 2020	123 Sierra Way
Due date:	San Pablo, CA 87999
Due September 20	
Tax owed	\$0.00
Gross sales	\$6,696.30
Taxable sales	\$0.00
<a href="#">+ Add an adjustment</a>	
Tax due	\$0.00

Cancel

Record payment

Complete the following instructions. Most state tax agencies have an online system for completing filing requirements and making payments.

## File your sales tax now

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

- 1. To setup the sales tax center, where do you go?**
  - a) Left Navigation Bar->Taxes
  - b) Gear->Account and settings
  - c) Accounting->Chart of Accounts
  - d) None of the above
  
- 2. To edit sales tax rates for a specific county, where do you go?**
  - a) + New->Other
  - b) Left Navigation Bar->Taxes->Sales tax settings
  - c) Left Navigation Bar->Sales
  - d) All the above
  
- 3. To create a new taxable product, where do you go?**
  - a) + New->Sales Receipt
  - b) Gear->All Lists->Products and services
  - c) Gear->Products and services
  - d) Both B & C
  
- 4. Which of the follow reports would you use to review sales tax owed?**
  - a) Sales by Customer Summary
  - b) Balance Sheet
  - c) Sales Tax Liability
  - d) Both B & C
  
- 5. To enter a new invoice with sales tax, where do you go?**
  - a) + New->Sales Receipt
  - b) Gear->All Lists
  - c) + New->Invoice
  - d) Both B & C



- 1. Where do you go to set up and maintain sales tax?**
  
  
  
  
  
  
  
  
  
  
- 2. Which reports are used to review sales tax collected?**
  
  
  
  
  
  
  
  
  
  
- 3. What two options do you have to setup a new taxable product?**
  
  
  
  
  
  
  
  
  
  
- 4. Where do you go to add a new Sales Receipt with taxable products?**
  
  
  
  
  
  
  
  
  
  
- 5. Where do you go to add a new Invoice with taxable products?**

**1. Review Video Link - Ctrl + Left Click**

**a. How to Set up Sales Tax:**

<https://quickbooks.intuit.com/learn-support/en-us/set-up-sales-taxes/how-to-set-up-sales-tax-settings-sales-more/00/344813>

**b. How to Collect & Record Sales Tax:**

<https://quickbooks.intuit.com/learn-support/en-us/sales-taxes/how-to-collect-and-record-sales-tax/00/344868>

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

**3. Explore the Sales Tax Center Shortcuts.**

**4. Locate the following Sales Tax reports:**

- a. Tax liability
- b. Taxable customer reports
- c. Taxable Sales Detail
- d. Taxable Sales Summary

**5. Locate the Chart of Accounts and add the account number to the current liability for sales tax. (Refer to section 2 case study activities if you need help.)**



Online Foundation Training

# **SECTION 5**

## **PRODUCTS AND SERVICES**

Objectives

Product and Services Overview

Product and Services List

Product and Service Types

Product and Sales Reports

Practice Test

Test Your Knowledge

Case Study Activities

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

- How to set up products and services.
- How to manage the products and services list.
- How to determine products and services types.
- How to review products and services reports.

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

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

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

Products and services are required on sales forms to track sales per item. There are several item types that allow us to track sales in different ways:

- **Inventory items** – Products we purchase, store on a shelf, and sell later. (In reference to our Case Study, this would include the beverages we purchase and resell.)
- **Non-inventory items** – Products we buy and sell to customers, we can track how many we have sold with out tracking quantity on hand. (In reference to our Case Study, we take ingredients and make poke bowls and burritos and sell them at the time of need. We cannot store them and sell them later, because they would go bad.)
- **Service items** – A Service item is used to track all services you provide customers such as delivery fees and catering services. This type of item also allows us to see how much we have sold per item.

**Inventory items** are tracked as an Inventory Asset on your Balance Sheet. When we sell an inventory item, the asset is reduced, the sale and the cost of the item is recorded on the Profit and Loss as income and cost of goods sold.

**Non-Inventory items** are not tracked as assets. The sale is recorded as income and the purchase is recorded as cost of goods sold on the Profit & Loss.

## Products and Services

It is time to set up a list of products and services you currently offer customers.

Click the **Gear** icon.



Click **Products and Services**.

### LISTS

All lists

Products and services

Recurring transactions

Attachments

### Products and Services

< All Lists

More ▾ New ▾



<input type="checkbox"/>	NAME ▲	SKU	TYPE	SALES DESCRIPTION	SALES PRICE	COST	TAXABLE	QTY ON HAND	REORDER POINT	ACTION
	Beverage									
<input type="checkbox"/>	Bottle Beer		Inventory	Beer	4	1.85	✓	500	160	<a href="#">Edit</a> ▾
<input type="checkbox"/>	Bottle Soda		Inventory	Soda	2	0.75	✓	550	180	<a href="#">Edit</a> ▾

**Run Reports** or group products/services by **Category**.

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

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

Columns

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

[Show More](#)

Rows

150 ▾

- ☐ Compact
- ☒ Group by category

## Search Products and Services

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

Find products and services

NAME ▲

Beverage

Bottle Beer

Bottle Soda

Bottle Water

Status: Active

Type: All

Category: All

Stock status: All

Reset Apply

## Edit Products and Services

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

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

Edit ▼

Make inactive

Run report


Duplicate

## Add Product or Service


Click **New**.

Select a Type:


**Product/Service information** ×




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



**Non-inventory**  
Products you buy and/or sell but don't need to (or can't) track quantities of, for example, nuts and bolts used in an installation.



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



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

**Note:** Sushi Coma will utilize inventory, non-inventory, service, and bundle items.



## Inventory Item


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

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

**Click the Gear icon -> select Inventory.**

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

**Product/Service information**

 Inventory

---

**Name\***

Bottle Water




**SKU** ⓘ

**Category** ⓘ

Beverage

**Class**

Assign a class

  
 | 

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

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

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

---

Inventory asset account

▼

---

Description

---

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

The last section of an Inventory Item setup is to enter purchase information. Products we sell are often considered taxable and we are required to collect the tax on behalf of the state. It is important to select the taxable option to track this information. The purchase information will auto-populate on purchase orders, bills, checks and expenses. The cost and expense accounts will track and post information to the Profit and Loss. We will discuss sales tax, purchasing and inventory later in this training.

**Sales tax category** ⓘ

Taxable - standard rate ▼

---

**Purchasing information**

Water

**Cost** 0.10

**Expense account** 50200 Beverage Costs ▼

**Preferred Vendor**

Select a preferred vendor ▼



## Non-Inventory Item

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


**Click the Gear icon -> select Non-Inventory.**

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




**Product/Service information** ×


 Non-inventory [Change type](#) 

---

**Name\*** 

**SKU** ⓘ

  
 | 

**Category** ⓘ   
 ▼

**Class**  
 ▼

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

The screenshot shows the 'Description' section of the QuickBooks product/service setup form. It includes a checked box for 'I sell this product/service to my customers.', a text field for 'Spicy Tuna Burrito', a 'Sales price/rate' field with the value '7.50', an 'Income account' dropdown menu showing '40000 Food Sales', a 'Sales tax category' dropdown menu showing 'Taxable - standard rate', and an unchecked box for 'I purchase this product/service from a vendor.' Blue arrows point to each of these fields.

**Description**

☒ I sell this product/service to my customers.

Spicy Tuna Burrito

**Sales price/rate** 7.50

**Income account** 40000 Food Sales

**Sales tax category ?** Taxable - standard rate

**Purchasing information**


☐ I purchase this product/service from a vendor.

## Service Item

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

Notice you can change a service item type after you set up the service. This helps to fix errors when setting the type incorrectly.

**Product/Service information** ✕

 Service [Change type](#)

---

**Name\***

Delivery Fees

**SKU** ⓘ

**Category** ⓘ

Other

**Class**

Assign a class

---

**Description**

☒ I sell this product/service to my customers.

Delivery Fees

**Sales price/rate**

5


**Income account**

40400 Delivery Fees

**Note:** The purchase information does not typically apply to service items. Simply uncheck the box **“I purchase this product/service from a vendor.”**

## Bundle

A bundle is created when we group individual items together. The catering package includes three separate items that are auto-populated on sales forms, such as sales receipts and invoices. Bundles streamline the sales process.

 Bundle

Name\*

Catering Service




SKU ⓘ


Description

Catering Package

Products/services included in the bundle

☒ Display bundle components when printing or sending transactions

PRODUCT/SERVICE	QTY
 <div>Catering Setup</div> <div>Catering Setup</div>	1
 <div>Catering Equipment Rental</div> <div>Catering Equipment Rental</div>	1
 <div>Delivery Fees</div> <div>Delivery Fees</div>	1

 Add lines

Save and close

In most Centers or areas of QuickBooks Online, you will find useful reports to help business owners develop a deeper understanding of their business and how to use the financial data to continually improve company performance. Reports can be very powerful and useful to a business owner when the data is accurate.

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

- Sales by Products/Services Summary
- Sales by Products/and Services Detail

The Summary report list provides a summarized view for all sales of products and services.

The Detail report provides detailed information for sales of products and services.



- 1. What product type would you choose to add a delivery fee?**
  - a) Service
  - b) Bundle
  - c) Inventory
  - d) Non-Inventory
  
- 2. What product type would you choose to add a sushi burrito?**
  - a) Service
  - b) Non-Inventory
  - c) Inventory
  - d) Bundle
  
- 3. What product type would you choose to add a water bottle you buy and sell?**
  - a) Service
  - b) Non-Inventory
  - c) Bundle
  - d) Inventory
  
- 4. Where would you go to setup new products and services?**
  - a) Left Navigation Bar->Sales->Products and Services
  - b) Gear->Products and Services
  - c) Gear->All lists
  - d) All of the above
  
- 5. You want to invoice several items at the same time. What item type would you use?**
  - a) Service
  - b) Non-Inventory
  - c) Bundle
  - d) Inventory

1. What product type would you choose to add a delivery fee?
2. What product type would you choose to add a sushi burrito?
3. What product type would you choose to add a water bottle you buy and sell?
4. Where would you go to setup new products and services?
5. You want to invoice several items at the same time. What item type would you use?

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

## 8. Review Video Link

### How to Set Up Products & Services

<https://quickbooks.intuit.com/learn-support/getting-started-with-quickbooks/adding-products-and-services-customers-and-vendors-to-lists/tap/170836>

#### a. Manually create the following Product Categories List.

Click the Gear icon -> All lists -> Product Categories -> New Category.  
You should have four categories: Beverage, Catering, Food, Other.

Product Categories	
<a href="#">Products and Services</a>	New category
NAME	ACTION
Beverage	<a href="#">Edit</a> ▼
Catering	<a href="#">Edit</a> ▼
Food	<a href="#">Edit</a> ▼
Other	<a href="#">Edit</a> ▼

## b. Manually create your Products and Services List.


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

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

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

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

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




 Bundle


**Name\***

**SKU** ⓘ

**Description**

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

PRODUCT/SERVICE	QTY
 <b>Catering Setup</b> Catering Setup	1
 <b>Catering Equipment Rental</b> Catering Equipment Rental	1
 <b>Delivery Fees</b> Delivery Fees	1

 Add lines

Save and close



Online Foundation Training

# **SECTION 6**

## **BEGINNING BALANCES**

Beginning Balances  
Historical Transactions  
Case Study Activities

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

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

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

## Account

Account Type <div>Bank ▼</div>	* Name <div>Checking</div>
* Detail Type <div>Checking ▼</div>	Number <div>10000</div>
<div>Use <b>Checking</b> accounts to track all your checking activity, including debit card transactions.  Each checking account your company has at a bank or other financial institution should have its own Checking type account in QuickBooks Online Plus.</div>	Description <div></div>
	<input type="checkbox"/> Is sub-account <div>Enter parent account ▼</div>
	When do you want to start tracking your finances from this account in QuickBooks? <a href="#">More info on opening balances</a> <div>Choose one ▼</div> <div>Choose one Beginning of this year Beginning of this month Today Other</div>

**Note: Accounts Receivable** (customer invoices) and **Accounts Payable** (unpaid bills) should be entered individually to match beginning balances.

## Entering Historical Information

When entering historical information use the following process:

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

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

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

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



**Accounts Payable** – Manually enter bills and bill payments in the same order and date they were created or paid. This process creates a historical record of transactions for a vendor.

**Bills** – Click the + New -> Bill and enter any outstanding bills.

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

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

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

**Use the following process to enter Bank Transactions:**

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

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

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

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

Journal Entry #AJE01

Help

Journal date

12/01/2019

Journal no.

AJE01

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

Add lines
Clear all lines

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

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

Journal date

12/01/2019

Journal no.

AJE02

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

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

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

Journal date

12/25/2019

Journal no.

AJE03

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



Online Foundations Training

# SECTION 7

## ACCOUNTS PAYABLE

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

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

- Overview of Accounts Payable.
- How to turn on/off Accounts Payable-related Accounts and Settings.
- How to use the Vendor Center.
- How and when to Create and Pay Bills.
- How to Create Checks and Expenses.
- How to Create Credit Card Expenses.
- How to view and save Accounts Payable-related reports.

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

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

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

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

## **Biz Q&A:**

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

## **Wow Fact:**

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

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

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

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

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

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

Click **New Vendor**



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



Notes

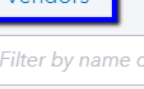
 Attachments    Maximum size: 20MB

Make inactive

[Privacy](#)

Save





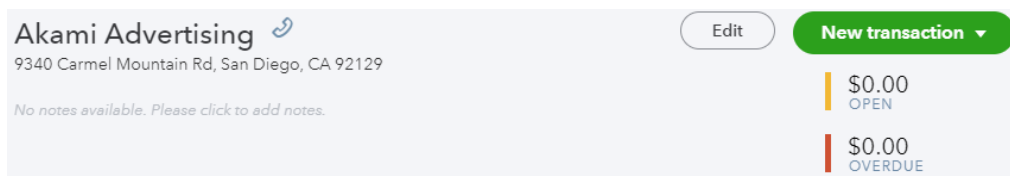
A screenshot of the Vendor list interface. The header bar contains a blue box around the 'Vendors' link and another blue box around the 'Add Vendor' icon (a crossed wrench and screwdriver) and the 'Filter' icon (three horizontal lines). Below the header, there is a search bar with the placeholder text 'Filter by name or details' and a magnifying glass icon. A blue arrow points to the magnifying glass icon. Below the search bar is a 'Sort by name' button with a downward arrow. The list of vendors is shown below, with the first two items highlighted in light blue: '1 UP Web Designs' with a price of '\$0.00' and '1V1 Internet' with a price of '\$0.00'.

Transaction List		Vendor Details					
<div> <div>Batch actions ▾</div> <div>Filter ▾</div> </div>		<div> <div>Print</div> <div>Copy</div> <div>Settings</div> </div>					
		<div> <div>&lt; First</div> <div>Previous</div> <div>1-6 of 6</div> <div>Next</div> <div>Last &gt;</div> </div>					
<input type="checkbox"/>	DATE ▾	TYPE	NAME	CATEGORY	MEMO	TOTAL	ACTION
<input type="checkbox"/>	03/10/2020	Expense	Akemi Adv...	6080C ▾	Akami Adv...	\$1,000.00	<a href="#">View/Edit</a>
<input type="checkbox"/>	03/10/2020	Expense	Akemi Adv...	6080C ▾	Akami Adv...	\$1,000.00	<a href="#">View/Edit</a>

The screenshot shows the 'Batch actions' menu on the left, which is open, displaying two options: 'Print transactions' and 'Categorize selected', both with green checkmarks. To the right is the 'Filter' dialog box, which has a 'Filter' dropdown at the top. Below it, the 'Type' section has a dropdown menu set to 'All transactions', and the 'Date' section has a dropdown menu set to 'All dates'. A green 'Apply' button is at the bottom right of the dialog box.

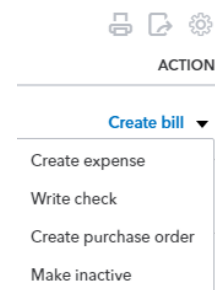
## Edit Vendor

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



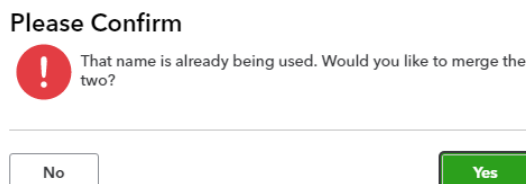
## Make Inactive

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



## Merge Vendors

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



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

**Note:** The merge process cannot be undone.

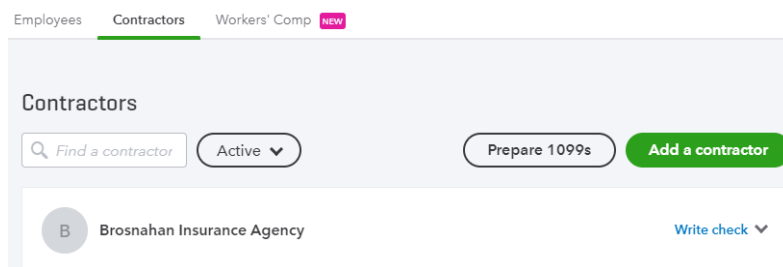
## Add Contractor

It's crunch time and we realize we are missing contractor information to process 1099s.


You can invite contractors via email. The contractor will be prompted to input the required information.


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

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




## Add a contractor

Name \* 

Email \* 

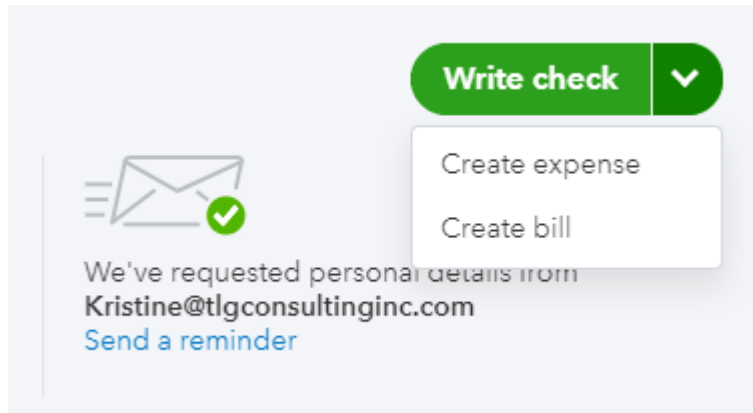
☒ Email this contractor to complete their profile. They'll get their own account to safely share their personal details.

[Preview](#) 

[Add contractor](#)

If you do not receive a response from the recipient, simply **send a reminder**.

When managing the Contractor Center, you can create **bills**, **expenses**, and **write checks**.



You do not need to use the Contractor Center to track 1099 recipients and required information. Instead, add a vendor and fill in the required fields.

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

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

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

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

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

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

**Note:** You can visit [www.irs.gov](https://www.irs.gov) to learn more about the various types of 1099 reporting.

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

## W-9 Form

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

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

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

Click **Next**.

## Review your company info

If anything isn't correct, change it now. We'll save it in your company settings.

<u>Name and address</u>	JDoe Sushi Coma Inc 7535 Torrey Santa Fe Road San Diego, CA 92129
<u>Tax ID</u>	46-1234567
<u>Phone number</u>	+1 6509446000


Next

Contractor or services rendered are always Box 1. There can be multiple categories per box. It all depends on the categories you used in posting transactions related to recipients.


## Categorize payments to contractors (or 1099 vendors)

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

### Most common payment types

☒ Non-employee compensation Box 1 1099-NEC 

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

☒ Rents Box 1 1099-MISC 

64500 Rent or Lease


Continue to map the account categories to the appropriate boxes. **Rents is always Box 1.**

Non-employee compensation and rents are the most common payment types.


### Categorize payments to contractors (or 1099 vendors)

Select the box for the types of payments you made. Then select the expense accounts you use for these payments. [Not sure which categories to choose?](#)

#### Most common payment types

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

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

☒ **Rents** Box 1 1099-MISC 

64500 Rent or Lease

#### Other payment types.

#### Other payment types

- ☐ **Royalties** Box 2 1099-MISC
- ☐ **Other Income** Box 3 1099-MISC
- ☐ **Fishing Boat Proceeds** Box 5 1099-MISC
- ☐ **Medical Payments** Box 6 1099-MISC
- ☐ **Direct Sales** Box 7 1099-MISC
- ☐ **Substitute Payments in lieu of dividends or interest** Box 8 1099-MISC
- ☐ **Crop Insurance Proceeds** Box 9 1099-MISC
- ☐ **Gross Proceeds Paid to an Attorney** Box 10 1099-MISC
- ☐ **Excess Golden Parachute** Box 13 1099-MISC

#### Federal Tax

If you've withheld federal tax for your contractors, select the account(s) used to do so. This option is uncommon. [When should I withhold taxes?](#)

- ☐ **Federal Tax Withheld** Box 4 1099-MISC
- ☐ **Federal Tax Withheld** Box 4 1099-NEC



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

### Review your contractors' info

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

Add from Vendor list

CONTRACTOR NAME	ADDRESS	TAX ID	EMAIL	ACTION
Miso Cleaning Services Vendor or Company name missing	Address missing	99-9999999	Add Email	Edit
Kensetsu Construction, LLC Vendor or Company name missing	9550 Carmel Mountain Rd San Diego CA 92129	99-9999999	theboss@kensetsu.com	Edit
Maki Property Management	7875 Highlands Village Pl San Diego CA 92129	99-9999999	info@maki.com	Edit

< First Previous 1-3 of 3 Next Last >

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

### Check that the payments add up

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

! Some info is missing.

You'll need to enter it before you file your forms.

1099 contractors that meet threshold

Print Information Sheet

#### Contractors with 1099-NEC

CONTRACTOR	TOTAL PAYMENTS	NEC	EXCLUDED	1099 TOTAL
Miso Cleaning Services	\$1,650.00	\$1,650.00		\$1,650.00

< First Previous 1-1 of 1 Next Last >

#### Contractors with 1099-MISC


CONTRACTOR	TOTAL PAYMENTS	RENTS	EXCLUDED	1099 TOTAL
Maki Property Management	\$18,000.00	\$18,000.00		\$18,000.00

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

### E-file

Starts at\*

**\$14<sup>99</sup>**



- We e-file with the IRS.
- We send contractors digital and paper copies of their 1099 forms.
- We pay contractors with direct deposit.


**E-file for me**

**Back**

### Print and mail

Starts at

**\$58<sup>99</sup>**



- You order a 1099 print kit.
- You print and mail 1099 forms to the IRS.
- You print and mail 1096 summary forms to the IRS.
- You print and mail 1099 copies to your contractors.

**Print and mail**

It is important to differentiate between Checks and Expenses. While many checks are written for expenses, but not all checks, they are handled in a different manner than expenses in QBO. This makes a difference when bank transactions attempt to find a match during the sync process in the Banking Center. Expenses are typically debits/ACH and credit card-type transactions.

To enter expenses manually: Click the **+ New icon -> Expense**.

**Enter or verify the following information:**

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

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

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

**Expense** Take a tour Help

Payee:  Payment account:  Balance: \$60,257.46

Payment date:  Payment method:  Ref no.:

Location:  Permit no.:

Tags:  [Manage tags](#)

**Category details**

#	CATEGORY	DESCRIPTION	AMOUNT	CLASS
1	64100 Legal & Professional Services	Kaikaishi Services Salmon	795.00	Administrative
2				

[Add lines](#) [Clear all lines](#)

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

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

**Enter or verify the following information:**

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

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

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

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

#### VENDORS

Expense

Check

Bill

Pay bills

**Check #1001**

Help

Payee

Maki Property Management

Bank Account

10000 Checking 1234

Balance

\$53,401.77

AMOUNT

**\$7,000.00**

Mailing address

Maki Property Management  
7875 Highlands Village Pl  
San Diego, CA 92129

Payment date

12/01/2019

Check no.

1001

☐ Print later

Location

Torrey Santa Fe

Permit no.

Tags

Start typing to add a tag

Manage tags

▼ Category details

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

Add lines

Clear all lines

▶ Item details

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

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

**Enter or verify the following information:**

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

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

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

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

VENDORS

Expense

Check

Bill

Pay bills

**Bill #1234** Help

**PAYMENT STATUS**  
**PAID**  
1 payment made (\$150.00)

**Vendor**  
Tazuna Energy Inc.

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

**Terms**  
Net 30

**Bill date**  
12/15/2019

**Due date**  
01/14/2020

**Bill no.**  
1234

**Location**  
Salmon Blvd

**Permit no.**

**Tags** Manage tags  
Start typing to add a tag

▼ **Category details**

	#	CATEGORY	DESCRIPTION	AMOUNT	CLASS	
⋮	1	68000 Utilities	Turn on utilities	150.00	Administrative	🗑
⋮	2					🗑

**Add lines** **Clear all lines**

► **Item details**

## VENDORS

Expense

Check

Bill

## Pay bills

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

Pay Bills

Payment account

10000 Checking 1234

Balance \$53,401.77

Payment date

03/25/2020

Starting check no.

1023

☐ Print later

TOTAL PAYMENT AMOUNT

\$974.45

Filter >

Last 365 Days

6 open bills, 6 overdue

<input type="checkbox"/>	PAYEE	REF NO.	DUE DATE ▲	OPEN BALANCE	CREDIT APPLIED	PAYMENT	TOTAL AMOUNT
<input checked="" type="checkbox"/>	Saki Fountain inc.	123467	03/25/2020	\$471.50	Not available	<div>471.50</div>	\$471.50
<input checked="" type="checkbox"/>	Saki Fountain inc.	123468	03/25/2020	\$502.95	Not available	<div>502.95</div>	\$502.95
<input type="checkbox"/>	Sushi Foods inc.	76802	03/30/2020	\$1,584.25	Not available	<div></div>	\$0.00
<input type="checkbox"/>	Sushi Foods inc.	76803	03/30/2020	\$6,513.25	Not available	<div></div>	\$0.00
<input type="checkbox"/>	Saki Fountain inc.	123469	04/09/2020	\$530.30	Not available	<div></div>	\$0.00
<input type="checkbox"/>	Saki Fountain inc.	123470	04/09/2020	\$530.30	Not available	<div></div>	\$0.00

2 bills selected

\$974.45

\$0.00

\$974.45

\$974.45

Total payment (USD) 974.45

< First Previous 1-6 of 6 Next Last >

Current account balance \$53,401.77

Total payment - \$974.45

New account balance \$52,427.32

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

On occasion, you will receive a credit from a vendor for returned merchandise or due to an error in billing.

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



## Enter the following information:

Select a vendor, payment date, ref no., account, amount, billable, tax, and customer or job.

Enter the expense in the **Account** field or click the **Item Details** if you are tracking inventory products. Click **Save and Close**.

**Vendor Credit**
Help

Vendor

Sushi Foods inc.

Mailing address

Sushi Foods inc.  
12180 Kirkham Rd  
Poway, CA 92064

Payment date

01/31/2020

Ref no.

Location

Torrey Santa Fe

Permit no.

CREDIT AMOUNT

**\$335.23**

Tags

Start typing to add a tag

Manage tags

▼ Category details

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

Add lines

Clear all lines





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

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

Click **Standard**.

Scroll to **What you owe**.

**Accounts Payable Aging Summary** – provides a summary view of balances we owe vendors or suppliers.

**Accounts Payable Aging Detail** – provides a detailed view of outstanding bills we owe vendors or suppliers.

**Unpaid Bills** –used to verify outstanding bills by vendor and helps bookkeepers to clean up any incorrect transactions.

**Expense by Vendor Summary** – provides a total per vendor for a date range.

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

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

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

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

**Purchase Orders** are used when requesting the purchase of products from a vendor.

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

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

**Purchase Orders** are also good for tracking the delivery of purchased items. When your shipment arrives, scan down your **Purchase Order** and double-check that the correct quantities and items arrived. This process is handy for keeping vendors accountable for delivering the correct products, quantities, and pricing.

Filling out a **Purchase Order** is very similar to filling out a **Bill**. It is important to recognize the difference between the **Category details** and **Item details** sections.

The **category details** section allows us to post transactions using the Chart of Accounts categories. This posts directly to financial statements.

The **Items details** section allows us to track items we purchase. It indirectly posts to the Chart of Accounts through the item itself. This method of tracking items also populates inventory, sales and other important reports.

Like a bill, you will need to enter information in all required fields in the first section of a purchase order: **Vendor, Date, PO number, Locations, and Shipping Address**.

**Purchase Order #1001**

1 linked Bill

Vendor: Saki Fountain inc. (dropdown menu)

Email: [Email (Separate emails with a comma)]

AMOUNT: **\$616.25**

✓ Closed (dropdown menu) Co/Bcc

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

Ship to: Select customer for address (dropdown menu)

Purchase Order date: 12/15/2019

PO no.: 1001

Location: Salmon Blvd (dropdown menu)

Shipping address: Sushi Come Inc.  
7535 Torrey Santa Fe Road  
San Diego, CA 92129 US

Ship via: [ ]

Permit no.: [ ]

Notice the category details and item details options in the second section of a purchase order. Enter the items you are purchasing and tracking.

Enter the following: **Item**, **Qty**, and **Class**.

As you enter the items from the Products and Services list, the description and rate should auto-populate

► Category details

▼ Item details

	#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	CLASS	
⋮	1	Beverage:Bottle Beer	Beer	100	1.85	185.00	Administrative	🗑️
⋮	2	Beverage:Bottle Wine	Wine	100	3.25	325.00	Administrative	🗑️
⋮	3	Beverage:Bottle Water	Water	125	0.10	12.50	Administrative	🗑️
+	4	Beverage:Bottle Soda ▼	Soda	125	0.75	93.75	Administrative ▼	🗑️
⋮	5							🗑️

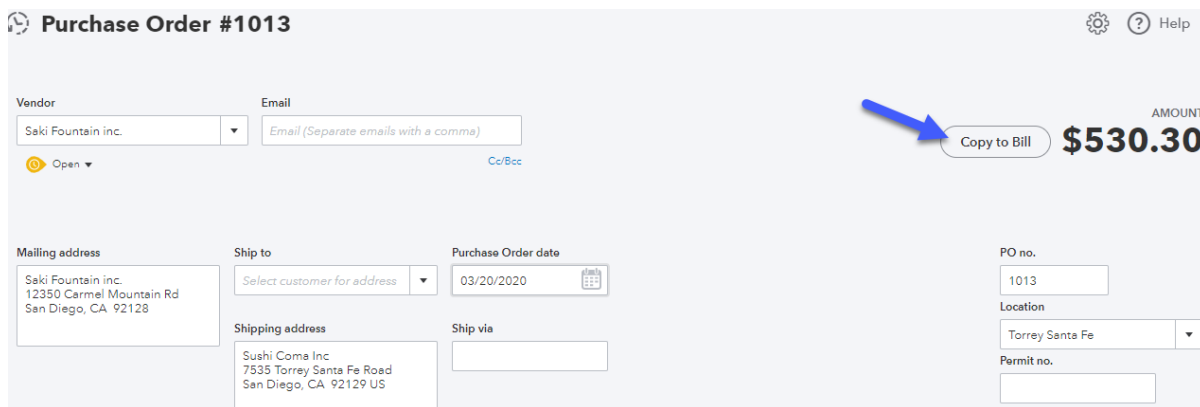
Your message to vendor

Total **\$616.25**

You can use reports to track open Purchase Orders. When the **Inventory** order is delivered, pull up the **Purchase Order** and compare the quantity delivered with the quantity ordered. You can pull up the **Purchase Order** by going to the **Vendor** in the **Vendor Center** and clicking on the **Purchase Order**, from a report or search the reference number.

Once you have finished counting and receiving your new **Inventory**, create a **Bill** from the **Purchase Order**. There are two ways to link a purchase order to a bill.

**Option 1** – Locate the Purchase Order and click **Copy to Bill**.



**Purchase Order #1013**

Vendor: Saki Fountain inc. Email:  Email (Separate emails with a comma)

Open  **AMOUNT \$530.30**

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

Ship to:  Select customer for address Purchase Order date: 03/20/2020

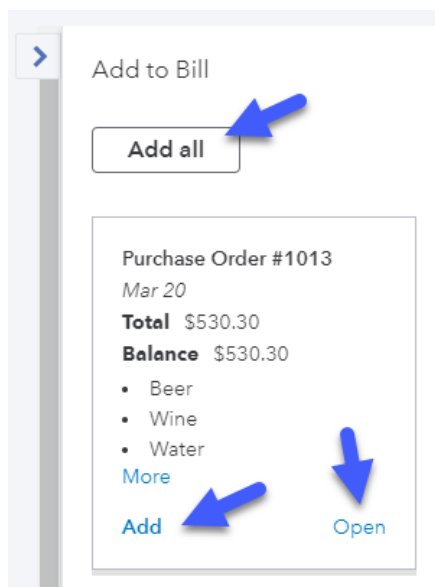
Shipping address: Sushi Coma Inc  
7535 Torrey Santa Fe Road  
San Diego, CA 92129 US

Ship via:

PO no.: 1013 Location: Torrey Santa Fe

Permit no.:

**Option 2** – Click **+ New -> Enter Bill**. As you enter the vendor name, the open purchase orders will appear to the right of the screen. Select **Add all** or **Add** to link the individual purchase order information into the bill.



**Add to Bill**

**Purchase Order #1013**  
Mar 20  
**Total** \$530.30  
**Balance** \$530.30

- Beer
- Wine
- Water

[More](#)

[Add](#) [Open](#)

Once the information from the **Purchase Order** has been linked to the **Bill**, adjust the **Quantity** to reflect the amount delivered. If the full amount is not delivered and **Quantity** is changed, when you go back to the original **Purchase Order**, you will see the amount you did receive. The **Purchase Order** will remain open so you can receive the remaining amount later. When the full amount is received, the **Purchase Order** will be closed.

Purchase Order #1001

Help

Tags

Start typing to add a tag

Manage tags

Category details

Item details

	#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	CLASS	RECEIVED	CLOSED	
	1	Beverage:Bottle Beer	Beer	100	1.85	185.00	Administrative	100	✓	
	2	Beverage:Bottle Wine	Wine	100	3.25	325.00	Administrative	100	✓	
	3	Beverage:Bottle Water	Water	125	0.10	12.50	Administrative	125	✓	
	4	Beverage:Bottle Soda	Soda	125	0.75	93.75	Administrative	125	✓	
	5									

Add lines
Clear all lines

Your message to vendor

Total

\$616.25



- 1. You wrote a manual check for supplies at Office Depot and need to manually post the check. Where do you go?**
  - a) + New icon->Print Check
  - b) + New icon->Expense
  - c) + New icon->Check
  - d) + New icon->Bill
  
- 2. You just opened the mail and received several bills. Where do you go to record the bills?**
  - a) + New icon->Expense
  - b) + New icon->Bills
  - c) Expenses->Vendors->Create Bill
  - d) Both B and C
  
- 3. Where would you go to recategorize all expenses for a vendor?**
  - a) Vendor Center->Click the Vendor->Select Transactions->Batch Actions->Categorize Selected
  - b) Vendor Center->Edit Vendor
  - c) Accounting->Chart of Accounts
  - d) Gear->Account and Settings
  
- 4. It is time to pay bills. Where do you go?**
  - a) + New icon->Expense
  - b) + New icon->Check
  - c) + New icon->Vendor Credit
  - d) + New icon->Pay Bills
  
- 5. You want to view bills to be paid to vendors and check for errors, which report do you choose?**
  - a) Unpaid Bills Report
  - b) A/P Aging Summary
  - c) A/P Aging Detail
  - d) Bill Payment List



- 1. Where do you go to invite an individual who provides a service and requires a 1099 at the end of the year?**
  
  
  
  
  
  
  
  
  
  
- 2. You noticed that two vendors have been entered for the same company. How would you fix this?**
  
  
  
  
  
  
  
  
  
  
- 3. You need to enter a credit card expense. What steps would you take to do this task?**
  
  
  
  
  
  
  
  
  
  
- 4. You have received several bills in the mail. How would enter them in QuickBooks?**
  
  
  
  
  
  
  
  
  
  
- 5. You want to review outstanding bills by vendor, which report do you use?**

## 1. Review Video Links

### a. How to Record Spending Overview

<https://quickbooks.intuit.com/learn-support/en-us/expense-accounts/how-to-record-spending-overview/00/344838>

### b. How to Manage Your Vendor List: Adding, Editing & Removing

<https://quickbooks.intuit.com/learn-support/en-us/vendor-lists/how-to-manage-your-vendors-list-adding-editing-removing/00/344841>

## 2. Good news, you already imported or created your vendor list during the setup process.

## 3. Review Video Link

### How to Setup a Contractor

<https://quickbooks.intuit.com/learn-support/en-us/set-up-contractors/how-to-set-up-a-contractor-in-quickbooks-online/00/344849>

## 4. Enter 1099 tracking information for the following vendors:

Navigate to the Vendor Center and edit the vendor.

Add Business ID -> Select Track payments for 1099.

Vendor	ID	Expense Account
Miso Cleaning Services	99-9999999	64600 Repairs & Maintenance
Akami Advertising	99-9999999	60800 Advertising & Marketing
Kensetsu Construction, LLC	99-9999999	None
Kaikeishi Services	99-9999999	64100 Legal & Professional

Daniel wrote checks to the property manager for the security deposit and rent for both locations. He also setup liability and workers' comp insurance for both locations.

## 5. Enter the following checks written in December of the prior year:

You will need to enter the checks as split transactions.

Payee	Bank Account	Date	Chk No.	Loc.	Category	Amt.	Class
Maki Property Mgmt	10000 Checking 1234	12/01 /prior year	1001	Torrey Santa Fe	16700 Security Deposits	\$3,500	Admin
					64500 Rent or Lease	\$3,500	Admin
Maki Property Mgmt	10000 Checking 1234	12/01 /prior year	1002	Salmon Blvd	16700 Security Deposits	\$2,500	Admin
					64500 Rent or Lease	\$2,500	Admin
Anago WC Ins.	10000 Checking 1234	12/01 /prior year	1003	Torrey Santa Fe	63000 Insurance – Liability	\$300	Admin
					63100 Insurance – Workers' Comp	\$150	Admin
Anago WC Ins.	10000 Checking 1234	12/01 /prior year	1004	Salmon Blvd	63000 Insurance – Liability	\$300	Admin
					63100 Insurance – Workers' Comp	\$150	Admin

Meredith used the American Express company credit card to purchase a security system, restaurant equipment, office equipment and a point of sale (POS) system.

**6. Enter the following American Express credit card expenses: + New -> Expense.**

Payee	Bank Acct.	Date	Location	Category	Amt.	Class
Intuit QBO Subscription	21000 Amex	12/01/ prior year	Torrey Santa Fe	62200 Dues & Subscriptions	\$40.00	Admin
						Admin
Baigai Security Systems	21000 Amex	12/01/ prior year	Salmon Blvd	15100 Furniture & Fixtures	\$1,500	Admin
				64800 Security	\$60.00	Admin
Baigai Security Systems	21000 Amex	12/01/ prior year	Torrey Santa Fe	15100 Furniture & Fixtures	\$1,500	Admin
				64800 Security	\$60.00	Admin
San Diego County	21000 Amex	12/01/ prior year	Salmon Blvd	64200 License & Permits	\$350.00	Admin
San Diego County	21000 Amex	12/01/ prior year	Torrey Santa Fe	64200 License & Permits	\$350.00	Admin

a. Continue to enter the American Express credit card expenses:

Payee	Bank Acct.	Date	Location	Category	Amt.	Class
Shiro Maguro Systems	21000 Amex	12/15/ prior year	Salmon Blvd	15000 Restaurant Equip	\$1,000.00	Admin
Shiro Maguro Systems	21000 Amex	12/15/ prior year	Torrey Santa Fe	15000 Restaurant Equip	\$1,000.00	Admin
Resutoran Equipment	21000 Amex	12/15/ prior year	Torrey Santa Fe	15000 Restaurant Equipment	\$10,000.00	Admin
Resutoran Equipment	21000 Amex	12/15/ prior year	Salmon Blvd	15000 Restaurant Equipment	\$10,000.00	Admin
Fugu Smallwares Inc.	21000 Amex	12/25/ prior year	Torrey Santa Fe	15100 Furniture & Fixtures	\$2,500.00	Admin
Fugu Smallwares Inc.	21000 Amex	12/25/ prior year	Salmon Blvd	15100 Furniture & Fixtures	\$2,500.00	Admin
Kani Office Products	21000 Amex	12/25/ prior year	Torrey Santa Fe	15200 Office Equipment	\$3,000.00	Admin
Kani Office Products	21000 Amex	12/25/ prior year	Salmon Blvd	15200 Office Equipment	\$3,000.00	Admin

Both locations required improvements and Daniel was able to set up terms on the bills. This means they were given a timeframe in which they could pay the bill after services were delivered, allowing them to stretch out payments and keep cash in the bank longer. They recently received bills for telephone and utilities.

## 7. Review Video Link:

### How to Enter & Pay Bills

<https://quickbooks.intuit.com/learn-support/en-us/expense-accounts/how-to-use-bills-track-expenses-record-what-you-owe/00/344833>

## 8. Enter the following bills for December prior year:

Payee	Term	Date	Bill No	Loc.	Category	Amt.	Class
Tazuna Energy	Net 30	12/15 /prior year	1215	Torrey Santa Fe	68000 Utilities	\$150.00	Admin
Tazuna Energy	Net 30	12/15 /prior year	1234	Salmon Blvd	68000 Utilities	\$150.00	Admin
Boton Comm	Net 30	12/15 /prior year	3220	Torrey Santa Fe	65100 Telephone	\$100.00	Admin
Boton Comm	Net 30	12/15 /prior year	3214	Salmon Blvd	65100 Telephone	\$100.00	Admin
Kensetsu	Net 30	12/15 /prior year	3246	Torrey Santa Fe	16000 Leasehold	\$35,000.00	Admin
Kensetsu	Net 30	12/15 /prior year	3244	Salmon Blvd	16000 Leasehold Improvements	\$20,000.00	Admin

## 3. Enter bills for January current year:

Payee	Bank	Date	Ref No.	Loc.	Category	Amt.	Class
Sushi Foods Inc.	Net 15	1/1/current year	76321	Torrey Santa Fe	50000 Food Costs	\$3,225.75	Admin
Sushi Foods Inc.	Net 15	1/1/current year	76322	Salmon Blvd	50000 Food Costs	\$3,115.77	Admin
Kaikeishi Services	Net 30	1/1/current year	98760	Torrey Santa Fe	64100 Legal & Professional	\$1,200.00	Admin
Kaikeishi Services	Net 30	1/1/current year	98761	Salmon Blvd	64100 Legal & Professional	\$1,200.00	Admin
Norimake Uniforms	Net 15	1/1/current year	87465	Torrey Santa Fe	66000 Uniforms	\$500.00	Admin
Norimake Uniforms	Net 15	1/1/current year	87466	Salmon Blvd	66000 Uniforms	\$500.00	Admin
Sushi Foods Inc.	Net 15	1/15/current year	76500	Torrey Santa Fe	50000 Food Costs	\$6,125.25	Admin
Sushi Foods Inc.	Net 15	1/15/current year	76501	Salmon Blvd	50000 Food Costs	\$5,812.11	Admin

**d. Pay the following bills in January current year:**

Payee	Bank Acct	Date	Ref No.	Bill No.	Amt.
Baton Telephone	Checking 1234	1/10/current year	1008	3220 3214	\$200.00
Kensetsu Construction, LLC	Checking 1234	1/10/current year	1009	3244 3246	\$55,000.00
Norimake Uniforms Inc.	Checking 1234	1/10/current year	1010	87465 87466	\$1,000.00
Sushi Foods Inc.	Checking 1234	1/10/current year	1011	76321 76322	\$6,341.52
Tazuna Energy Inc.	Checking 1234	1/10/current year	1012	1215 1234	\$300.00
Kaikeishi Services	Checking 1234	1/25/current year	1013	98760 98761	\$2,400.00
Sushi Foods Inc.	Checking 1234	1/25/current year	1015	76500 76501	\$11,937.36



## 3. Enter bills for February current year:

Payee	Bank	Date	Ref No.	Loc.	Category	Amt.	Class
Sushi Foods Inc.	Net 15	2/1/current year	76600	Torrey Santa Fe	50000 Food Costs	\$6,279.77	Admin
Sushi Foods Inc.	Net 15	2/1/current year	76601	Salmon Blvd	50000 Food Costs	\$6,178.89	Admin
Sushi Foods Inc.	Net 15	2/15/current year	76700	Torrey Santa Fe	50000 Food Costs	\$5,517.68	Admin
Sushi Foods Inc.	Net 15	2/15/current year	76701	Salmon Blvd	50000 Food Costs	\$6,312.49	Admin

## 4. Pay the following bills in February current year:

Payee	Bank Acct	Date	Ref No.	Bill No.	Amt.
Sushi Foods Inc.	Checking 1234	2/10/current year	1019	76600 76601	\$12,458.66
Sushi Foods Inc.	Checking 1234	2/25/current year	1020	76700 76701	\$11,830.17

## 6. Enter bills for March current year:

Payee	Bank	Date	Ref No.	Loc.	Category	Amt.	Class
Sushi Foods Inc.	Net 15	3/1/current year	76800	Salmon Blvd	50000 Food Costs	\$5,729.67	Admin
Sushi Foods Inc.	Net 15	3/1/current year	76801	Torrey Santa Fe	50000 Food Costs	\$6,411.49	Admin
Sushi Foods Inc.	Net 15	3/15/current year	76802	Salmon Blvd	50000 Food Costs	\$6,018.54	Admin
Sushi Foods Inc.	Net 15	3/15/current year	767803	Torrey Santa Fe	50000 Food Costs	\$6,513.25	Admin

## 7. Pay the following bills in March current year:

Payee	Bank Acct	Date	Ref No.	Bill No.	Amt.
Sushi Foods Inc.	Checking 1234	3/10/current year	1024	76800 76801	\$12,141.16

## 8. Review the following Reports:

- Accounts Payable Aging Summary
- Accounts Payable Aging Detail
- Unpaid Bills Reports
- Expense by Vendor Summary

- 8. Create a Sales Tax Payment on March 20<sup>th</sup> current year for the tax period February.**  
It is important to make this payment through the Sales Tax Center.

California Department of Tax and Fee Administration	JDoe Sushi Coma Inc
Tax Period: February 2020	7535 Torrey Santa Fe ... San Diego, CA 92129
Tax owed	\$5,776.57
Gross sales	\$78,099.69
Taxable sales	\$79,676.00
Tax paid	\$5,776.57

Cancel

## 1. Review Video Link - Ctrl + Left Click

Set up and track your inventory

<https://quickbooks.intuit.com/learn-support/en-us/set-up-inventory-lists/set-up-and-track-your-inventory-in-quickbooks-online/00/680240>

## 2. Review Video Link - Ctrl + Left Click

How to create inventory products

<https://quickbooks.intuit.com/learn-support/en-us/set-up-inventory-lists/set-up-and-track-your-inventory-in-quickbooks-online/00/680240>

Meredith realizes she needs to place an inventory order for beverages with Saki Fountain prior to the grand opening in January. She asks you to create purchase orders for each location so they can keep track of their orders.

## 3. Enter the following Purchase Orders 1001 and 1002:

Vendor	Date	PO No	Loc.	Item Details	Qty	Amt	Total	Class
Saki Fountain Inc.	12/15 /Prior year	1001	Salmon Blvd	Bottle Beer	100	1.85	\$185.00	Admin
				Bottle Wine	100	3.25	\$325.00	Admin
				Bottle Water	125	.10	\$12.50	Admin
				Bottle Soda	125	.75	\$93.75	Admin
				Total			\$616.25	
Saki Fountain Inc.	12/15 /prior year	1002	Torrey Santa Fe	Bottle Beer	100	1.85	\$185.00	Admin
				Bottle Wine	100	3.25	\$325.00	Admin
				Bottle Water	125	.10	\$12.50	Admin
				Bottle Soda	125	.75	\$93.75	Admin
				Total			\$616.25	

The beverage order arrived. Confirm the items and quantities received are accurate and that there are no back orders. The bill is included in the delivery and you have verified the amounts owed to the supplier are correct.

## 4. Enter the bills and add the open purchase orders for December prior year:

Payee	Terms	Date	Bill No	Loc.	P.O. #	Amt.
Saki Fountain Inc.	Net 15	12/20/ prior year	123457	Torrey Santa Fe	1001	\$616.25
Saki Fountain Inc.	Net 15	12/20/ prior year	123456	Salmon Blvd	1002	\$616.25

## 5. Enter the following Purchase Orders 1003-1004 for January current year:

Vendor	Date	PO No	Location	Item Details	Qty	Amt	Total	Class
Saki Fountain Inc.	01/05/ current year	1003	Salmon Blvd	Bottle Beer	81	1.85	\$149.85	Admin
				Bottle Wine	70	3.25	\$227.50	Admin
				Bottle Water	69	.10	\$6.90	Admin
				Bottle Soda	100	.75	\$75.00	Admin
				Total			\$459.25	
Saki Fountain Inc.	01/05/ current year	1004	Torrey Santa Fe	Bottle Beer	81	1.85	\$149.85	Admin
				Bottle Wine	70	3.25	\$227.50	Admin
				Bottle Water	69	.10	\$6.90	Admin
				Bottle Soda	100	.75	\$75.00	Admin
				Total			\$459.25	

6. Enter the bills and add the open purchase orders for January current year:

Payee	Terms	Date	Bill No	Loc.	P.O. #	Amt.
Saki Fountain Inc.	Net 15	01/10/ current year	123458	Salmon Blvd	1003	\$459.25
Saki Fountain Inc.	Net 15	01/10/ current year	123459	Torrey Santa Fe	1004	\$459.25

7. Pay the following bill in January current year:

Payee	Bank Acct	Date	Ref No.	Bill No.	Amt.
Saki Fountain Inc.	Checking 1234	1/10/current year	1007	123456 123457	\$1,232.50

## 8. Enter the following purchase orders for January current year:

Vendor	Date	PO No	Location	Item Details	Qty	Amt	Total	Class
Saki Fountain Inc.	01/20/ current year	1005	Salmon Blvd	Bottle Beer	80	1.85	\$148.00	Admin
				Bottle Wine	80	3.25	\$260.00	Admin
				Bottle Water	88	.10	\$8.80	Admin
				Bottle Soda	121	.75	\$90.75	Admin
				Total			\$507.55	
Saki Fountain Inc.	01/20/ current year	1006	Torrey Santa Fe	Bottle Beer	80	1.85	\$148.00	Admin
				Bottle Wine	80	3.25	\$260.00	Admin
				Bottle Water	88	.10	\$8.80	Admin
				Bottle Soda	121	.75	\$90.75	Admin
				Total			\$507.55	

## 9. Enter the bills and add the open purchase orders for January current year:

Payee	Terms	Date	Bill No	Loc.	P.O. #	Amt.
Saki Fountain Inc.	Net 15	01/25/ current year	123460	Salmon Blvd	1005	\$507.55
Saki Fountain Inc.	Net 15	01/25/ current year	123461	Torrey Santa Fe	1006	\$507.55

## 10. Pay the following bill in January current year:

Payee	Bank Acct	Date	Ref No.	Bill No.	Amt.
Saki Fountain Inc.	Checking 1234	1/25/current year	1014	123458 123459	\$918.50

**11. Enter the following purchase orders for February current year:**

Vendor	Date	PO No	Location	Item Details	Qty	Amt	Total	Class
Saki Fountain Inc.	02/05/ current year	1007	Salmon Blvd	Bottle Beer	40	1.85	\$74.00	Admin
				Bottle Wine	31	3.25	\$100.75	Admin
				Bottle Water	34	.10	\$3.40	Admin
				Bottle Soda	63	.75	\$47.23	Admin
				Total			\$225.40	
Saki Fountain Inc.	02/05/ current year	1008	Torrey Santa Fe	Bottle Beer	40	1.85	\$74.00	Admin
				Bottle Wine	31	3.25	\$100.75	Admin
				Bottle Water	34	.10	\$3.40	Admin
				Bottle Soda	63	.75	\$47.25	Admin
				Total			\$225.40	

**12. Enter the bills and add the open purchase orders for February current year:**

Payee	Terms	Date	Bill No	Loc.	P.O. #	Amt.
Saki Fountain Inc.	Net 15	02/10/ current year	123462	Salmon Blvd	1007	\$225.40
Saki Fountain Inc.	Net 15	02/10/ current year	123463	Torrey Santa Fe	1008	\$225.40

**13. Pay the following bill in February current year:**

Payee	Bank Acct	Date	Ref No.	Bill No.	Amt.
Saki Fountain Inc.	Checking 1234	2/10/current year	1018	123460 123461	\$1,015.10



**14. Enter the following purchase orders for February current year:**

Vendor	Date	PO No	Location	Item Details	Qty	Amt	Total	Class
Saki Fountain Inc.	02/20/ current year	1009	Salmon Blvd	Bottle Beer	109	1.85	\$201.65	Admin
				Bottle Wine	104	3.25	\$338.0	Admin
				Bottle Water	109	.10	\$10.90	Admin
				Bottle Soda	139	.75	\$104.25	Admin
				Total			\$654.80	
Saki Fountain Inc.	02/20 current year	1010	Torrey Santa Fe	Bottle Beer	109	1.85	\$201.65	Admin
				Bottle Wine	104	3.25	\$338.0	Admin
				Bottle Water	109	.10	\$10.90	Admin
				Bottle Soda	139	.75	\$104.25	Admin
				Total			\$654.80	

**15. Enter the bills and add the open purchase orders for February current year:**

Payee	Terms	Date	Bill No	Loc.	P.O. #	Amt.
Saki Fountain Inc.	Net 15	02/25/ current year	123464	Salmon Blvd	1009	\$654.80
Saki Fountain Inc.	Net 15	02/25/ current year	123465	Torrey Santa Fe	1010	\$654.80

**16. Pay the following bill in February current year:**

Payee	Bank Acct	Date	Ref No.	Bill No.	Amt.
Saki Fountain Inc.	Checking 1234	2/25/current year	1020	123462 123463	\$450.80

**17. Enter the following purchase orders for March current year:**

Vendor	Date	PO No	Location	Item Details	Qty	Amt	Total	Class
Saki Fountain Inc.	03/05/ current year	1011	Salmon Blvd	Bottle Beer	83	1.85	\$153.55	Admin
				Bottle Wine	53	3.25	\$172.25	Admin
				Bottle Water	75	.10	\$7.50	Admin
				Bottle Soda	150	.75	\$112.50	Admin
				Total			\$445.80	
Saki Fountain Inc.	03/05 current year	1012	Torrey Santa Fe	Bottle Beer	100	1.85	\$185.00	Admin
				Bottle Wine	57	3.25	\$185.25	Admin
				Bottle Water	175	.10	\$17.50	Admin
				Bottle Soda	175	.75	\$131.25	Admin
				Total			\$519.00	

**18. Enter the bills and add the open purchase orders for March current year:**

Payee	Terms	Date	Bill No	Loc.	P.O. #	Amt.
Saki Fountain Inc.	Net 15	03/10/ current year	123467	Salmon Blvd	1011	\$445.80
Saki Fountain Inc.	Net 15	03/10/ current year	123468	Torrey Santa Fe	1010	\$519.00

**19. Pay the following bill in March current year:**

Payee	Bank Acct	Date	Ref No.	Bill No.	Amt.
Saki Fountain Inc.	Checking 1234	3/10/current year	1023	123464 123465	\$1,309.60

**20. Enter the following purchase orders for March current year:**

Vendor	Date	PO No	Location	Item Details	Qty	Amt	Total	Class
Saki Fountain Inc.	03/20/ current year	1014	Salmon Blvd	Bottle Beer	54	1.85	\$99.90	Admin
				Bottle Wine	93	3.25	\$302.25	Admin
				Bottle Water	150	.10	\$15.00	Admin
				Bottle Soda	200	.75	\$150.00	Admin
				Total			\$567.15	
Saki Fountain Inc.	03/20/ current year	1013	Torrey Santa Fe	Bottle Beer	54	1.85	\$99.90	Admin
				Bottle Wine	93	3.25	\$302.25	Admin
				Bottle Water	150	.10	\$15.00	Admin
				Bottle Soda	200	.75	\$150.00	Admin
				Total			\$567.15	

**21. Enter the bills and add the open purchase orders for March current year:**

Payee	Terms	Date	Bill No	Loc.	P.O. #	Amt.
Saki Fountain Inc.	Net 15	03/25/ current year	123470	Salmon Blvd	1014	\$567.15
Saki Fountain Inc.	Net 15	03/25/ current year	123469	Torrey Santa Fe	1013	\$567.15



Online Foundations Training

# **SECTION 8**

## **ACCOUNTS RECEIVABLE**

- Objectives
- Accounts Receivable Overview
- Customer Center
- Sales Receipts
- Bank Deposits
- Invoices
- Receive Payments
- Credit Memos
- Apply Credits
- Refund Receipts
- Sales and A/R Reports
- Statements
- Practice Test
- Test Your Knowledge
- Case Study Activities

## **Upon completion of Section 8 each participant will be familiar with:**

- An overview of Accounts Receivable.
- How to correctly use Customer and Accounts Receivable-related accounts and settings.
- How to use the Customer Center.
- How and when to use a Sales Receipt versus an Invoice.
- How to Receive Payments and Record Deposits.
- How to view and save Sales and Accounts Receivable-related reports.

Now that the Sushi Coma owners understand how to use reports as a management tool, let's dive in deeper and learn the proper way to record daily transactions in the business, starting with Accounts Receivable (an area that significantly impacts cash flow). To do this, we must become familiar with the Customer Center, and how-to setup customers in the system.

Daniel has asked for clarification on when to use an Invoice versus a Sales Receipt and does not understand the difference between the two. We will cover this topic in detail for the team and provide clear instruction on how to record payments received and bank deposits.

Also, what Accounts Receivable reports do you recommend they access and review on a regular basis? What kind of information can these reports provide? How can this information be used to improve company performance?

In the Accounts Receivable section, we discuss the importance of managing open invoices owed to you by your customers. You might be surprised by how costly this process can be if an efficient system is not in place and the affect it can have on cash flow.

## **Biz Q&A:**

- Why do you think it is important to manage your Accounts Receivable?
- Why do you think business owners should have an Accounts Receivable and Collections policy?

## **Wow Fact:**

According to the Harvard Business Review, here is an average of what receivables cost a company:

**30 days – 1.82%**

**60 days – 9.20%**

**90 days – 17.74%**

**120 days – 26.71%**

The **Customer Center** includes options for maintaining customer lists, adding invoices, receiving payments, and viewing transactions related to your customers.

From the left navigation bar click **Invoicing -> Customers** to access the **Customer Center**. Click the **Invoices** tab to view and manage invoices. Click the drop-down arrow to select from a list of options, such as **Send Reminders, Create Statements, Invoices, Sales Receipts, and Estimates**.

Customers

Customer types New customer

Unbilled Last 365 Days Unpaid Last 365 Days Paid

\$0 0 ESTIMATE \$0 0 UNBILLED ACTIVITY \$624 1 OVERDUE \$624 1 OPEN INVOICE \$0 0 PAID LAST 30 DAYS

Stay ahead of taxes all year

Partner with a Live Bookkeeper who will keep your books accurate and up to date year round. [Learn more](#)

Batch actions Search

CUSTOMER / COMPANY	ADDRESS	PHONE	EMAIL	OPEN BALANCE	ACTION
<input type="checkbox"/> Ahi Gyoza	10025 Carmel Mountain Rd San Diego CA 92129	(650) 123-4567	ahi@gmail.com	\$0.00	Create invoice
<input type="checkbox"/> Ginger Edamame	7875 Highlands Village Pl San Diego CA 92129	(650) 456-7890		\$0.00	Create invoice
<input type="checkbox"/> Miso Mimachi	6984 Torrey Santa Fe Rd San Diego CA 92129	(650) 575-8766		\$624.20	Receive payment

Use **Batch Actions** to create statements or email several invoices at one time. The search field is a quick way to find a customer.

Batch actions

- Create statements
- Email
- Make inactive
- Select customer type

Columns

- ☒ Address
- ☒ Email
- ☐ Client Type
- ☐ Attachments
- ☒ Phone
- Other
- ☐ Include inactive

Rows

150

Click the **Gear** icon to edit the way columns are displayed.

**Note:** You can manage **Sales, Products and Services** and more, from the **Sales Center**.

## Add Customer

Click **New Customer** (top right of your screen).

New client



Enter **Customer** and **Display Name** (the way you would like the name displayed in the customer list). Add address and contact information.

### Customer information

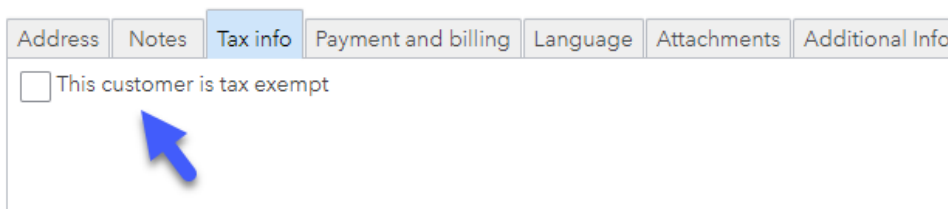
Title	First name	Middle name	Last name	Suffix	Email			
	Ahi		Gyoza		ahi@gmail.com			
Company					Phone	Mobile	Fax	
					(650) 123-4567			
* Display name as					Other	Website		
Ahi Gyoza								
Print on check as <input checked="" type="checkbox"/> Use display name					<input type="checkbox"/> Is sub-customer			
Ahi Gyoza					Enter parent customer			
					Bill with parent			
Address	Notes	Tax info	Payment and billing	Language	Attachments	Additional Info		
Billing address <a href="#">map</a>					Shipping address <a href="#">map</a> <input type="checkbox"/> Same as billing address			
10025 Carmel Mountain Rd					Street			
San Diego					CA		City/Town	State/Province
92129					Country		ZIP code	Country

The **Notes** tab provides an area to track private notes for specific customers.

Address	Notes	Tax info	Payment and billing	Language	Attachments	Additional Info
Notes						
This is a great way to keep private notes for each customer.						



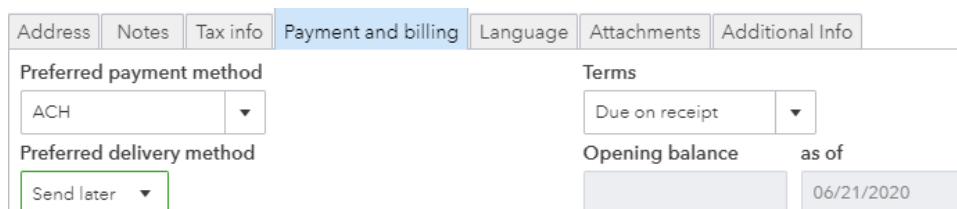
If you are charging sales tax for products or services, the **Tax info** tab is where you indicate a customer is tax-exempt. Customers are assumed to be taxable by default. If they are tax-exempt, enter their Tax ID number here. This is also where we enter the default state tax code. The Sales Tax feature is turned off for this training.



Address Notes **Tax info** Payment and billing Language Attachments Additional Info

☐ This customer is tax exempt

The **Payment & Billing** tab is where you enter the customer's preferred payment method, invoice delivery method, payment terms, and opening balance (if there is one).



Address Notes Tax info **Payment and billing** Language Attachments Additional Info

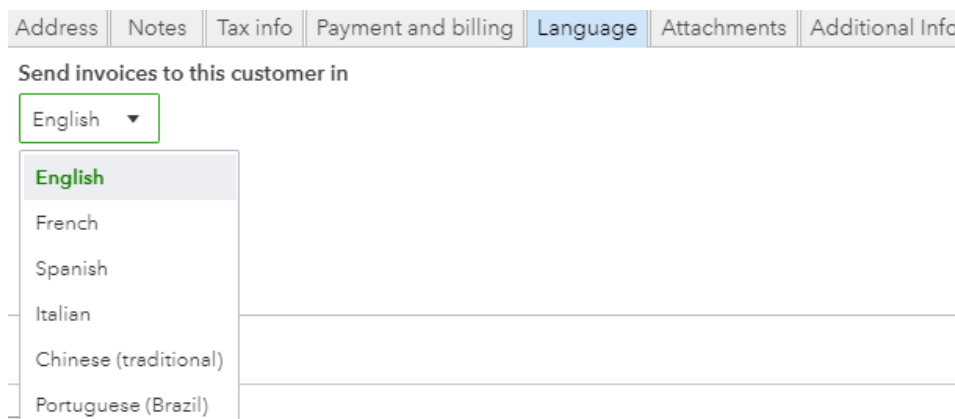
Preferred payment method  
ACH

Preferred delivery method  
Send later

Terms  
Due on receipt

Opening balance as of  
06/21/2020

The **Language** tab has a limited selection of languages you can track by customer.




Address Notes Tax info Payment and billing **Language** Attachments Additional Info

Send invoices to this customer in  
English

English  
French  
Spanish  
Italian  
Chinese (traditional)  
Portuguese (Brazil)

The **Attachments** tab allows you to drag and drop attachments specific to a customer.

Address	Notes	Tax info	Payment and billing	Language	Attachments	Additional Info
---------	-------	----------	---------------------	----------	-------------	-----------------

 **Attachments** Maximum size: 20MB

*Drag/Drop files here or click the icon*

The **Additional info** tab is where you can assign a customer type to track specific information. Create the **Customer types** list first. Click **Customer types** from the Customer Center.

Customer types

New customer ▼

Address	Notes	Tax info	Payment and billing	Language	Attachments	Additional Info
---------	-------	----------	---------------------	----------	-------------	-----------------

**Customer Type**

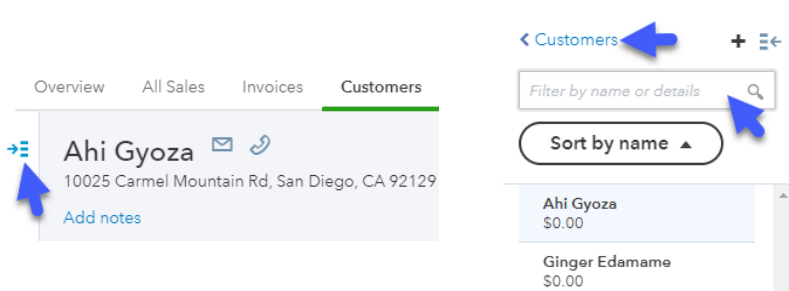
Select customer type ▼

Once you click on a customer from the list you have the option to **Filter by name** or **details**.

**Sort by name** or **open balance**.

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

Click the **symbol** to add a new customer.



Each customer has a **Transaction List** and a **Customer Details** tab where you can view transaction history and customer information. Track **Late Fees** per customer or send transactions and reminders using the **Batch Actions** options. You can print, export to Excel, or use the **Gear** icon to change the way the information is displayed on the screen.

Transaction List   Customer Details   Late Fees									
<div> <div>Batch actions ▾</div> <div>Filter ▾</div> <div> </div> </div>									
< First Previous 1-4 of 4 Next Last >									
<input type="checkbox"/>	DATE ▾	TYPE	NO.	MEMO	DUE DATE	BALANCE	TOTAL	STATUS	ACTION
<input type="checkbox"/>	01/31/2020	Invoice	1058		01/31/2020	\$0.00	\$629.03	Paid	Print ▾
<input type="checkbox"/>	01/31/2020	Payment	Visa		01/31/2020	\$0.00	\$-629.03	Closed	





## Edit Customer

Editing customer information is important to ensure all sales receipts and invoices are sent to the correct location or email address.

From the **Customer Center**, click on the customer name you wish to edit. Click the **Edit** button to open the customer information window to add or make changes. You can make a customer inactive or copy the display name to merge with another customer.

Click **Save** when done.

Overview All Sales Invoices **Customers** Products and Services

→ Ahi Gyoza    



10025 Carmel Mountain Rd, San Diego, CA 92129

[Add notes](#)

\$0.00 OPEN

\$0.00 OVERDUE

### Customer information

Title	First name	Middle name	Last name	Suffix	Email		
	Ahi		Gyoza		ahi@gmail.com		
Company					Phone	Mobile	Fax
					(650) 123-4567		
*Display name as					Other	Website	
Ahi Gyoza ▼							
Print on check as <input checked="" type="checkbox"/> Use display name					<input type="checkbox"/> Is sub-customer		
Ahi Gyoza					Enter parent customer ▼ Bill with parent ▼		
Address	Notes	Tax info	Payment and billing	Language	Attachments	Additional Info	
Billing address 					Shipping address  <input type="checkbox"/> Same as billing address		
10025 Carmel Mountain Rd					Street		
San Diego		CA			City/Town		State/Province
92129		Country			ZIP code		Country

## Make Inactive

Making a customer inactive does not remove them from the system. You will have the option to view inactive customers in the **Customer Center**. Maintaining your customer list is very useful and cuts down on time searching for customers while entering transactions.

From the **Customer Center** click the **Customer** you would like to make inactive.

Click **Edit**. Click the **Make Inactive** button.

### Customer information

Title	First name	Middle name	Last name	Suffix	Email		
	Ahi		Gyoza		ahi@gmail.com		
Company					Phone	Mobile	Fax
					(650) 123-4567		
* Display name as					Other	Website	
Ahi Gyoza							
Print on check as <input checked="" type="checkbox"/> Use display name					<input type="checkbox"/> Is sub-customer		
Ahi Gyoza					Enter parent customer Bill with parent		
<div>Address Notes Tax info Payment and billing Language Attachments Additional Info</div>							
Billing address <a href="#">map</a>				Shipping address <a href="#">map</a> <input type="checkbox"/> Same as billing address			
10025 Carmel Mountain Rd				Street			
San Diego		CA		City/Town		State/Province	
92129		Country		ZIP code		Country	

CancelMake inactive

Privacy

Save

**Note:** A warning message will appear if there is an outstanding balance for a customer you are trying to inactivate. An adjusting transaction will be created if you click **Yes**.



Are you sure you want to make customer Ahi Gyoza inactive?

No

Yes

## Merge Customers

Merging customers is useful when there are duplicate names in the customer list.

From the **Customer Center**, click the **Customer** you intend to keep.

Click **Edit** and **copy (Ctrl + C)** the customer display name; then click **cancel**.

Click on the **Customer** you intend to merge.

Click **Edit** and **paste (Ctrl + V)** to replace the customer display name with the correct name.

Click **Save**.

**Customer information**

Title	First name	Middle name	Last name	Suffix	Email
	Ahi		Gyoza		ahi@gmail.com
Company			Phone (650) 123-4567    Mobile    Fax		
*Display name as Ahi Gyoza			Other    Website		
Print on check as <input checked="" type="checkbox"/> Use display name Ahi Gyoza			<input type="checkbox"/> Is sub-customer Enter parent customer    Bill with parent		
Address    Notes    Tax info    Payment and billing    Language    Attachments    Additional Info					
Billing address <a href="#">map</a> 10025 Carmel Mountain Rd San Diego    CA    92129    Country			Shipping address <a href="#">map</a> <input type="checkbox"/> Same as billing address Street City/Town    State/Province ZIP code    Country		

Privacy

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

### Please Confirm



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



**Note:** The merge process cannot be undone.

A Sales Receipt is used when a customer pays you on the spot for goods or services and you need to record the sale after the fact.

Click the **+ New icon -> Sales Receipt** under the **Customers** menu.

- CUSTOMERS
- Invoice
- Receive payment
- Estimate
- Credit memo
- Sales receipt**

It is important to understand the difference between the sales receipt and invoice process. Processing a **Sales Receipt** requires two steps. **1) Create Sales Receipt using Undeposited Funds for the Deposit to category. 2) Bank Deposit.**

**Sales Receipt #1001**

1 linked Deposit

Customer: Online Customer (dropdown)   
 Deposit amount of \$5,542.32 was deposited on 01/03/2020   
 Email: Email (Separate emails with a comma)   
 Send later   
 Co/Bcc

AMOUNT: **\$5,542.32**

Billing address: Online Customers

Sales Receipt date: 01/03/2020

Sales Receipt no.: 1001

Location: Torrey Santa Fe (dropdown)

Location of sale: 7535 Torrey Santa Fe Road, San Di

+ Shipping information

Tags: Start typing to add a tag   
 Manage tags

Payment method: Choose payment method (dropdown)   
 Reference no.: 1001   
 Deposit to: 12000 Undeposited F (dropdown)

Accept payments in QuickBooks

**Undeposited Funds** is a holding account that allows you to receive sales receipts or payments against invoices. This allows you to group payments from multiple customers into one deposit in order to match the deposit sent to the bank.

This section of a Sales Receipt requires the items we are selling. Here is where your Products and Services or Items list comes into play. This allows us to track sales by item to determine our top selling product or service.

**Sales Receipt #1001** Help

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS	
1	Food:3 Protein Bowl	3 Protein Bowl	63	12	756.00	✓	Online	
2	Food:5 Protein Bowl	5 Protein Bowl	74	15	1,110.00	✓	Online	
3	Food:Caterpillar Burrito	Caterpillar Burrito	32	12	384.00	✓	Online	
4	Food:Crystal Shrimp Burrito	Crystal Shrimp Burrito	49	12	588.00	✓	Online	
5	Food:Godzilla Burrito	Godzilla Burrito	50	7.50	375.00	✓	Online	
6	Food:Spicy Tune Burrito	Spicy Tune Burrito	32	7.50	240.00	✓	Online	
7	Food:Volcano Burrito	Volcano Burrito	17	12	204.00	✓	Online	
8	Beverage:Bottle Soda	Soda	16	2	32.00	✓	Online	
9	Other:Delivery Fees	Delivery Fees	92	10	920.00	✓	Online	
10								

Subtotal \$4,609.00

The last section of a Sales Receipt records sales tax, discounts and tips. You can switch the order of the sales tax and discounts, so the discount is taken prior to the sales tax calculation.

Select tax rate

San Diego (7.25%) See the math

334.15

Discount percent 2

\$-92.18

Tip 691.35

Total \$5,542.32



Creating bank deposits is a very important step that follows the sales receipt or receive payment process and is often overlooked. This can lead to a compounding issue with undeposited funds and can be costly to clean up.

Click the **+ New icon -> Bank Deposit.**

OTHER

Bank deposit

Transfer

Journal entry

It is very important to select the correct bank account for each deposit. Some businesses have multiple accounts. It is important to make sure that the total amount of selected individual payments in undeposited funds matches the total amount deposited at the bank. Checks and cash might be grouped together, whereas credit card payments are deposited based on the batch transferred to the bank. For this example, we deposited online customer sales for both locations.

Bank Deposit

Help

Account

10000 Checking 1234

Balance \$53,401.77

Date

01/03/2020

AMOUNT

\$10,964.39

Tags

Manage tags

Start typing to add a tag

Show payments for this location:

- All Locations -

Select the payments included in this deposit

	RECEIVED FROM	DATE	TYPE	PAYMENT METHOD	MEMO	REF NO.	AMOUNT
<input checked="" type="checkbox"/>	Online Customers	01/03/2020	Sales Receipt	Enter Text			5,542.32
<input checked="" type="checkbox"/>	Online Customers	01/03/2020	Sales Receipt	Enter Text			5,422.07

1-2 of 2

Select all

Clear all

Total

10964.39

Selected Payments Total

10964.39

An invoice is used when a customer agrees to pay you later. Terms are set up to determine how long the customer has before payment is due. If they do not pay within a specified time, the invoice is considered overdue.

An **Invoice** requires three-steps. **1) Create invoice. 2) Receive payment to undeposited funds. 3) Bank Deposit.** Click the **+ New icon -> Invoice.**

## CUSTOMERS

Invoice

Receive payment

Estimate

**Enter the following information:**

Customer name, email, invoice date, terms, invoice date and verify the location information.

**Invoice #1054**

Take a tour | Settings | Help

**PAYMENT STATUS**  
**PAID**  
1 payment made (\$252.04)

**Customer** ⓘ  
Ahi Gyoza

**Customer email** ⓘ  
Separate emails with a comma

☐ Send later ⓘ [Cc/Bcc](#)

**Billing address**  
Ahi Gyoza  
10025 Carmel Mountain Rd  
San Diego, CA 92129

**Terms** ⓘ  
Due on receipt

**Invoice date** ⓘ  
01/15/2020

**Due date**  
01/15/2020

**Invoice no.**  
1054

**Location**  
Torrey Santa Fe

**Location of sale**  
7535 Torrey Santa Fe Road, San Di

[+ Shipping information](#)

Many business owners end up with duplicate transactions and unnecessary cleanup when they do not complete the steps in the proper order, or when they post payments directly to the bank account instead of Undeposited Funds.

The next section of an invoice is all about the products or services you are selling the customer. In this example, we used the catering service bundle to collect the up-front setup, equipment rental and delivery fee.

#	SERVICE DATE	PRODUCT/SERVICE ⓘ	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS	
⋮ 1		Catering Service	Catering Package Your customer will see all items in this bundle	1	235	235.00		Catering	🗑
⋮		Other:Catering Setup	Catering Setup	1	150		✓	Catering	🗑
⋮		Other:Catering Equipment Rent	Catering Equipment Rental	1	75		✓	Catering	🗑
⋮		Other:Delivery Fees	Delivery Fees	1	10		✓	Catering	🗑
⋮ 2									🗑
<div> Add lines Clear all lines Add subtotal </div>								Subtotal	\$235.00

The last section of a sales receipt records sales tax, discounts and tips. You can switch the order of the sales tax and discounts, so the discount is taken prior to the sales tax calculation.

Select tax rate

↕

San Diego (7.25%)

▼

Discount percent ▼

Total

\$252.04

17.04

See the math

\$0.00

Receiving full or partial payments against open invoices is part of the Account's Receivable management process. Having accurate customer balances is key to avoiding messy cleanup and cash flow issues.

**Note:** Always apply the amount received to the appropriate invoice. This will ensure that the invoice is closed out properly. If a partial payment is received, then a balance will remain on your Accounts Receivable Aging report for that customer.

If you use Square or PayPal, merchant fees are deducted for each transaction. Other merchant services will deduct their fees at the end of the month. Not to worry! Merchant fees will be addressed in the Bank Deposit process.

Undeposited Funds is simply an asset account that acts like a clearing account. When payments are posted to Undeposited Funds, they sit in this account until a deposit is made to offset the balance.

When a payment is received, Undeposited Funds is debited, and Accounts Receivable is credited. When a deposit is made, the bank account is debited, and Undeposited Funds is credited. Undeposited Funds should ultimately have a zero balance.

Select **Undeposited Funds** for the **Deposit To** box.

This will allow you to group cash, checks, and credit card payments to match the deposit sent to the bank. It is very important to match deposits in QuickBooks to the deposits posted at your bank. This will help to create a more efficient reconciliation process.

Click the **+ New icon -> Receive Payment.**

## CUSTOMERS

Invoice

Receive payment

Estimate

## Enter the following information:

Customer name, date, method, reference, and deposit account.

Select invoices and verify the total received.

Verify the invoices selected; match the payment stub or backup.

Notice the **Find by invoice no.** and **Filter** feature.

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

**Receive Payment #Visa** ? Help

Customer:

Deposit amount of \$252.04 was deposited on 01/15/2020

Payment date:

Payment method:

Reference no.:

Deposit to:

**AMOUNT RECEIVED**  
**\$252.04**

Amount received:

## Outstanding Transactions

Find Invoice No.  **Filter** > All ⚙️

<input type="checkbox"/>	DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Invoice # 1054 (01/15/2020)	01/15/2020	252.04	252.04	<input type="text" value="252.04"/>

< First Previous 1-1 of 1 Next Last >

Amount to Apply: \$252.04  
Amount to Credit: \$0.00

**Clear Payment**

Creating bank deposits is a very important step that follows the Receive Payment process and is often overlooked. This can lead to a compounding issue with undeposited funds and can be costly to clean up.

Click the **+ New icon -> Bank Deposit**.

OTHER

Bank deposit

Transfer

Journal entry

It is very important to select the correct bank account for each deposit. Some businesses have multiple accounts. It is important to make sure that the total amount of selected individual payments in undeposited funds matches the total amount deposited at the bank. Checks and cash might be grouped together, whereas credit card payments are deposited based on the batch transferred to the bank. In this example, we received a visa payment for catering and deposited it as a single transaction.

Bank Deposit

Account

10000 Checking 1234

Balance \$53,401.77

Date

01/15/2020

AMOUNT

\$252.04

Tags

Start typing to add a tag

Manage tags

Show payments for this location:

- All Locations -

Select the payments included in this deposit

	RECEIVED FROM	DATE ▲	TYPE	PAYMENT METHOD	MEMO	REF NO.	AMOUNT
<input checked="" type="checkbox"/>	Ahi Gyoza	01/15/2020	Payment	Credit Card		Visa	252.04

1-1 of 1

Select all

Clear all

Total

252.04

Selected Payments Total

252.04

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

**Enter the following information:**

Click the **Print or Preview** link if you want to print the credit memo to deliver it manually to the customer or **Save and Send** if you want it emailed to the customer.

**Note:** The credit will now appear in the customer's account balance.

Applying existing credits to open invoices can be accomplished by receiving a zero payment and selecting both the invoice and credit. Another method is clicking **Account and Settings -> Advanced Settings -> Automation -> Automatically Apply Credits**. This method will automatically apply credits to the oldest open invoice.

Click the **+ New icon -> Receive Payment**.

**Enter the following Information:**

Customer and date. Check off both the invoice and credit memo and verify that the total payment received is zero.

**Receive Payment**
Help

Customer  
Amy's Bird Sanctuary

Payment date  
06/20/2020

Payment method  
Choose payment method

Reference no.

Deposit to  
Choose an account

Amount received  
0.00

Amount received  
**\$0.00**

Outstanding Transactions

Find Invoice No. Filter > All

	DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Invoice # 1025 (05/20/2020)	06/19/2020	205.00	100.00	100.00
<input type="checkbox"/>	Invoice # 1021 (06/15/2020)	07/15/2020	459.00	239.00	

< First Previous 1-2 of 2 Next Last >

Credits

Find Credit Memo No. Filter > All

	DESCRIPTION	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Credit Memo # 1026 (06/20/2020)	100.00	100.00	100.00

< First Previous 1-1 of 1 Next Last >

Amount to Apply \$100.00  
Amount to Credit \$0.00  
Clear Payment

**Note:** Verify the customer balance is correct and review an Open Invoice report to confirm there are no errors, outstanding invoices, or credit memos.



There may be a time when you need to refund a customer. Using **Refund Receipt** is the best method.

Click the **+ New icon -> Refund Receipt**.

**Enter the following information:**

Customer, date, payment method, refund from, product/service, etc. Once you choose the bank account you can check the **Print Later** or **Print or Preview** link at the bottom of the screen. Click **Save and Close** or **Save and Send**.

**Refund Receipt #1063**
Help

Customer

Online Customers

Email

Email (Separate emails with a comma)

AMOUNT

**\$16.09**

Billing address

Online Customers

Refund Receipt date

01/08/2020

Refund Receipt no.

1063

Location

Torrey Santa Fe

Location of sale

7535 Torrey Santa Fe Road, San Di

+ Shipping information

Tags

Start typing to add a tag

Payment method

Credit Card

Refund From

10000 Checking 1234

Balance

\$53,401.77

#	SERVICE DATE	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS
1		Food:5 Protein Bowl	5 Protein Bowl	1	15	15.00	✓	Online
2								

Add lines

Clear all lines

Subtotal

**\$15.00**

Message displayed on refund receipt

Message displayed on statement

Select tax rate

San Diego (7.25%)

1.09

See the math

Discount percent

Tip

Total

**\$16.09**

Total Amount Refunded

**\$16.09**

## Accounts Receivable Reports

Let's look at reports related to Accounts Receivable.

Click **Reports** in the **Left Navigation Bar Menu** -> **Standard**.

Scroll to **Who owes you** -> select **Accounts receivable aging detail**.

**Recommended Reports are as follows:**

**Accounts Receivable Aging Summary** informs us of the outstanding total balances for our customers.

**Accounts Receivable Aging Detail** provides us with a more in-depth view of the outstanding balances for our customers and whether they are current or past due.

Remember, the number of days it takes to collect a payment has a direct effect on cash flow. The older the invoices become, the more costly the collection process becomes.

The **Open Invoice** report provides open invoice detail for each customer. This is a great tool to help clean up your Accounts Receivable.

Next, we will locate and save a few sales reports as favorites. The Sales by Customer Summary report helps us identify our top customers.

## Sales Reports

Let's look at reports related to sales.

Click **Reports** in the **Left Navigation Bar** -> **Standard**.

Scroll to **Sales and Customers Section** -> **Sales by Customer Summary**.

**Sales by Customer Summary:** Identifies the top 20% of our customers that bring in 80% of our revenue.

**Sales by Product/Service Summary** provides a historical glimpse of the best-selling products and services for a specific date range. This report includes Quantity, Amount, % of Sales and Avg. Price, Cost of Goods Sold (COGS), and Gross Margin.

Click **Reports** in the **Left Navigation Bar** -> **Standard**.

Scroll to **Sales and Customers** -> select **Sales by Product/Service Summary**.

**Note:** Customize these reports by changing the sort option to **“Total in descending order.”**

Statements are typically sent to customers with outstanding invoices. This process should be part of your Accounts Receivable and Collections policy. There are two ways to populate statements. The first option is as follows:

Click the **+ New icon**.

OTHER

Bank deposit

Transfer

Journal entry

Click **Statement** from the “Other” list.

Statement

This is a basic statement that will populate for all customers.

A **Balance Forward Statement** shows all activity between your start and end dates, plus the balance from the prior period.

An **Open Item Statement** shows only items for the last 365 days that have not yet been paid.

A **Transaction Statement** shows each transaction and the total amount billed and received for the period, instead of a running balance. This option is especially useful for the year-end contribution statements that nonprofits send out.

Use the **Statement Management** section to select customers, edit the delivery method, and preview statements before they are sent.

In the following screens:

Select **Statement Type** and **Statement Date**.

Select **Customer Balance Status**.

Set **Start** and **End Dates**.

Next, select the **Recipients** you would like to send statements to. You can change email addresses on the fly.

Create Statements

Statement Type  
Balance Forward

Statement Date  
03/31/2020

Customer Balance Status  
All

Start Date  
12/01/2019

End Date  
03/31/2020

▼ Recipients List

Missing email address (3)    Statements available (4)

✓	RECIPIENTS	EMAIL ADDRESS	BALANCE
✓	Ginger Edamame		\$0.00
✓	Miso Mamechi		\$624.20
✓	Unagi Siracha		\$0.00

The second option for populating statements is more specific to customers with outstanding balances.

Click **Invoicing -> Customers**.

Select the **Customers** you want to receive a statement.

Click **Batch actions -> Create Statements**.

- 1. Which report displays a list of unpaid invoices by customer?**
  - a) Profit & Loss
  - b) Sales by Item Detail
  - c) Sales by Customer Summary
  - d) Open Invoice
  
- 2. You sold product to a customer and received payment at the time of sale. Now you need to record the sales in QuickBooks®. Which form would you use?**
  - a) Bill
  - b) Deposit
  - c) Sales Receipt
  - d) Check
  
- 3. You just opened the mail and need to post three payments for open invoices. Where do you go to record the payments?**
  - a) Gear->Make Deposit
  - b) + New icon->Receive Payments
  - c) + New icon->Sales Receipt
  - d) Search Icon->Create Invoice
  
- 4. You received payments for multiple invoices, and now you need to deposit them. Where do you go next?**
  - a) Left Navigation Bar->Banking
  - b) Sales->Customer->Receive Payment
  - c) + New icon->Receive Payment
  - d) + New icon->Bank Deposit
  
- 5. You need to identify which customers purchase the most. Which report will help you with this?**
  - a) Profit & Loss
  - b) Sales by Item Detail
  - c) Sales by Customer Summary
  - d) Open Invoice

1. Which report allows you to view unpaid invoices by customer?
  
  
  
  
  
  
  
  
  
  
2. You are receiving multiple payments from various customers and want to deposit them as a group. What account do you use when posting the payments?
  
  
  
  
  
  
  
  
  
  
3. What is the difference between a Sales Receipt and an Invoice?
  
  
  
  
  
  
  
  
  
  
4. Which report identifies our top Customers by sales?
  
  
  
  
  
  
  
  
  
  
5. Which report tells us our top selling products or services?

What a journey! You now understand the critical importance of the setup process and are ready to manage Accounts Receivable for Sushi Coma Inc. Daniel and Meredith have decided to track sales weekly. This is a bit tedious for a bookkeeper, however, provides important information for the owners. You will track sales for both locations separately. Leave time to complete Section 8 activities and watch the company come to life. Accounts Receivable and Sales reports will help tell the story. Be prepared to discuss the results. You have already completed the first two activities.

1. **Awesome! You have imported or created your Customer List in the setup process. One less thing to do.**
2. **You have created your Products and Service List. Another completed activity.**
3. **Review Video Link**
  - a. **Invoices vs Sales Receipts: Which to use When**  
<https://quickbooks.intuit.com/learn-support/en-us/customer-topics/how-to-record-your-sales-reports-invoices-more/00/344864>
4. **Enter Sales Receipts and Deposits for January of the current year:**

Example Sales Receipt 1001.

**Sales Receipt #1001**

1 linked Deposit

Customer: Online Customers

Email: Email (Separate emails with a comma)

Deposit amount of \$5,542.32 was deposited on 01/03/2020

Send later

Cc/Bcc

AMOUNT: **\$5,542.32**

Billing address: Online Customers

Sales Receipt date: 01/03/2020

Sales Receipt no.: 1001

Location: Torrey Santa Fe

Location of sale: 7535 Torrey Santa Fe Road, San Di

+ Shipping information

Blue arrows point to: Customer dropdown, Email field, Sales Receipt date field, Sales Receipt no. field, and Location dropdown.





- Caution!** If you do not choose the copy option, you will overwrite the existing sales receipt. Be sure to use Undeposited Funds for the bank account.


Sales Receipt #1001									
	#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS	
⋮	1	Food:3 Protein Bowl	3 Protein Bowl	63	12	756.00	✓	Online	🗑
⋮	2	Food:5 Protein Bowl	5 Protein Bowl	74	15	1,110.00	✓	Online	🗑
⋮	3	Food:Caterpillar Burrito	Caterpillar Burrito	32	12	384.00	✓	Online	🗑
⋮	4	Food:Crystal Shrimp Burrito	Crystal Shrimp Burrito	49	12	588.00	✓	Online	🗑
⋮	5	Food:Godzilla Burrito	Godzilla Burrito	50	7.50	375.00	✓	Online	🗑
⋮	6	Food:Spicy Tuna Burrito	Spicy Tuna Burrito	32	7.50	240.00	✓	Online	🗑
⋮	7	Food:Volcano Burrito	Volcano Burrito	17	12	204.00	✓	Online	🗑
⋮	8	Beverage:Bottle Soda	Soda	16	2	32.00	✓	Online	🗑
⋮	9	Other:Delivery Fees	Delivery Fees	92	10	920.00	✓	Online	🗑
⋮	10								🗑
								Subtotal	\$4,609.00

Select the custom sales tax rate, discount percentage and add the tip amount.

Select tax rate

[See the math](#)



**Total** **\$5,542.32**

- b. Enter Sales Receipts 1002-1004.** Use the information in the following chart along with the Sushi Coma January Sales Receipts Detail.pdf provided by your instructor.

Date	Num	Name	Loc.	Class	Total
01/03/current year	1001	Online Customers	Torrey Santa Fe	Online	\$5,542.32
01/03/current year	1002	Restaurant Customers	Torrey Santa Fe	Restaurant	\$3,671.84
01/03/current year	1003	Online Customers	Salmon Blvd	Online	\$5,422.07
01/03/current year	1004	Restaurant Customers	Salmon Blvd	Restaurant	\$3,695.89

- c. Review Video Link**

**How to Record a Bank Deposit**

<https://quickbooks.intuit.com/learn-support/en-us/bank-deposits/how-to-record-bank-deposits-invoices-sales-receipts/00/344861>

- d. Create a deposit to checking account 1234.** Select the online sales receipts 1001,1003, deposit date 1/3/current year.
- e. Create a deposit to the checking account 1234.** Select the restaurant sales receipts 1002,1004 deposit date 1/3/current year.

- f. Enter Sales Receipts 1005-1008.** Use the information in the following chart along with the Sushi Coma January Sales Receipts Detail.pdf provided by your instructor.

Date	Num	Name	Loc.	Class	Total
01/10/current year	1005	Online Customers	Torrey Santa Fe	Online	\$5,316.25
01/10/current year	1006	Restaurant Customers	Torrey Santa Fe	Restaurant	\$3,693.49
01/10/current year	1007	Online Customers	Salmon Blvd	Online	\$5,853.77
01/10/current year	1008	Restaurant Customers	Salmon Blvd	Restaurant	\$3,974.26

- g. Create a deposit to the checking account.** Select the online sales receipts 1005,1007, deposit date 1/10/current year.
- h. Create a deposit to the checking account.** Select the restaurant sales receipts 1006,1008 deposit date 1/10/current year.

- i. **Enter Sales Receipts 1009-1012.** Use the information in the following chart along with the Sushi Coma January Sales Receipts Detail.pdf provided by your instructor.

Date	Num	Name	Loc.	Class	Total
01/17/current year	1009	Online Customers	Torrey Santa Fe	Online	\$5,865.80
01/17/current year	1010	Restaurant Customers	Torrey Santa Fe	Restaurant	\$3,576.85
01/17/current year	1011	Online Customers	Salmon Blvd	Online	\$5,033.07
01/17/current year	1012	Restaurant Customers	Salmon Blvd	Restaurant	\$4,150.44

- j. **Create a deposit.** Select the online sales receipts 1009,1011, Deposit Date 1/17/current year.
- k. **Create a deposit.** Select the restaurant sales receipts 1010,1012, Deposit Date 1/17/current year.

- l. Enter Sales Receipts 1013-1016.** Use the information in the following chart along with the Sushi Coma January Sales Receipts Detail.pdf provided by your instructor.

Date	Num	Name	Loc.	Class	Total
01/24/current year	1013	Online Customers	Torrey Santa Fe	Online	\$6,567.46
01/24/current year	1014	Restaurant Customers	Torrey Santa Fe	Restaurant	\$3,805.91
01/24/current year	1015	Online Customers	Salmon Blvd	Online	\$4,920.63
01/24/current year	1016	Restaurant Customers	Salmon Blvd	Restaurant	\$4,016.96

- m. Create a deposit to the checking account.** Select the online sales receipts 1013,1015, deposit date 1/24/current year.
- n. Create a deposit to the checking account.** Select the restaurant sales receipts 1014,1016 deposit date 1/24/current year.

- o. Enter Sales Receipts 1017-1020.** Use the information in the following chart along with the Sushi Coma January Sales Receipts Detail.pdf provided by your instructor.

Date	Num	Name	Loc.	Class	Total
01/31/current year	1017	Online Customers	Torrey Santa Fe	Online	\$6,243.38
01/31/current year	1018	Restaurant Customers	Torrey Santa Fe	Restaurant	\$3,718.74
01/31/current year	1019	Online Customers	Salmon Blvd	Online	\$4,582.73
01/31/current year	1020	Restaurant Customers	Salmon Blvd	Restaurant	\$3,560.60

- p. Create a deposit to the checking account.** Select the online sales receipts 1017,1019, deposit date 1/31/current year.
- q. Create another deposit to the checking account.** Select the restaurant sales receipts 1018,1020, deposit date 1/31/current year.

## 5. Review Video Link

### How to Create a Customer Invoice

<https://quickbooks.intuit.com/tutorials/lessons/invoicing/>

#### a. Create Catering Invoice 1054, date 1/15/current year.

Product: Catering Service Bundle.

Location: Torrey Santa Fe location.

Class: Catering

Custom Sales Tax Rate San Diego 7.25%

### INVOICE

#### BILL TO

Ahi Gyoza  
10025 Carmel Mountain Rd  
San Diego, CA 92129

#### INVOICE

1054  
DATE 01/15/2020  
TERMS Due on receipt  
DUE DATE 01/15/2020

ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
Catering Service	Catering Package	1	235.00	235.00
Catering Setup	Catering Setup	1	150.00	
Catering Equipment Rental	Catering Equipment Rental	1	75.00	
Delivery Fees	Delivery Fees	1	10.00	
SUBTOTAL				235.00
TAX				17.04
TOTAL				252.04

#### b. Review Video Link

### How to Record Invoice Payments

<https://quickbooks.intuit.com/tutorials/lessons/receive-customer-payments/>

#### c. Receive a payment for invoice 1054 to undeposited funds, date 1/15/current year.

#### d. Make a deposit 1/15/current year.

**e. Create Catering Invoice 1058, date 1/31/current year.**

Location: Torrey Santa Fe location.

Class: Catering

Custom Sales Tax Rate San Diego 7.25%

## INVOICE

**BILL TO**  
Ahi Gyoza  
10025 Carmel Mountain Rd  
San Diego, CA 92129

**INVOICE** 1058  
**DATE** 01/31/2020  
**TERMS** Due on receipt  
**DUE DATE** 01/31/2020

ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
3 Protein Bowl	3 Protein Bowl	5	12.00	60.00T
5 Protein Bowl	5 Protein Bowl	15	15.00	225.00T
Caterpillar Burrito	Caterpillar Burrito	5	12.00	60.00T
Godzilla Burrito	Godzilla Burrito	7	7.50	52.50T
Spicy Tuna Burrito	Spicy Tuna Burrito	6	7.50	45.00T
Volcano Burrito	Volcano Burrito	6	12.00	72.00T
Crystal Shrimp Burrito	Crystal Shrimp Burrito	6	12.00	72.00T
SUBTOTAL				586.50
TAX				42.53
TOTAL				629.03

**f. Receive a payment for invoice 1058 to undeposited funds, date 1/31/current year.**

**g. Make a deposit 1/31/current year.**



Occasionally there is a reason to refund a customer for an item. You will create two refund receipts for online customers for the month of January.

## 6. Create Refund Receipt 1063, 1/8/current year.

Location: Torrey Santa Fe

Class: Online

Refund from: Checking 1234

Custom Sales Tax Rate San Diego 7.25%

### REFUND RECEIPT

REFUND TO  
Online Customers

REFUND 1063  
REFUND DATE 01/08/2020

PAYMENT METHOD  
Credit Card

	DESCRIPTION	QTY	RATE	AMOUNT
5 Protein Bowl	5 Protein Bowl	1	15.00	15.00T
SUBTOTAL				15.00
TAX				1.09
TOTAL				16.09
BALANCE DUE				

a. **Create Refund Receipt 1064, 1/23/current year.**

Location: Torrey Santa Fe

Class: Online

Refund from: Checking 1234

Custom Sales Tax Rate San Diego 7.25%

## REFUND RECEIPT

REFUND TO  
Online Customers

REFUND 1064  
REFUND DATE 01/23/2020

PAYMENT METHOD  
Credit Card

	DESCRIPTION	QTY	RATE	AMOUNT
3 Protein Bowl	3 Protein Bowl	1	12.00	12.00T
SUBTOTAL				12.00
TAX				0.87
TOTAL				12.87
BALANCE DUE				

- 7. Create a Sales Tax Payment on February 20<sup>th</sup> for the tax period January.**  
It is important to make this payment through the Sales Tax Center.

## ✓ Return paid

It's marked as paid and saved in your His

[Back to sales tax center](#)

California Department of Tax and Fee Administration		JDoe Sushi Coma Inc	
Tax Period: January 2020		7535 Torrey Santa Fe ... San Diego, CA 92129	
Tax owed		\$5,677.51	
Gross sales		\$76,759.69	
Taxable sales		\$78,310.00	
Tax paid		\$5,677.51	

[Cancel](#)

Awesome job! Let's continue managing Accounts Receivable and Sales for February. You will continue to apply your knowledge from work you completed for January.

- 1. Enter Sales Receipts 1021-1024.** Use the information in the following chart along with the Sushi Coma February Sales Receipts Detail.pdf provided by your instructor.

Date	Num	Name	Loc.	Class	Total
02/07/current year	1021	Online Customers	Torrey Santa Fe	Online	\$6,711.76
02/07/current year	1022	Restaurant Customers	Torrey Santa Fe	Restaurant	\$5,099.21
02/07/current year	1023	Online Customers	Salmon Blvd	Online	\$6,485.62
02/07/current year	1024	Restaurant Customers	Salmon Blvd	Restaurant	\$6,272.24

- a. Create a deposit to checking account 1234.** Select the online sales receipts 1021,1023, deposit date 2/7/current year.
- b. Create a deposit to the checking account 1234.** Select the restaurant sales receipts 1022,1024 deposit date 2/7/current year.

- c. Enter Sales Receipts 1025-1028.** Use the information in the following chart along with the Sushi Coma February Sales Receipt Detail report provided by your instructor.

Date	Num	Name	Loc.	Class	Total
02/14/current year	1025	Online Customers	Torrey Santa Fe	Online	\$6,388.88
02/14/current year	1026	Restaurant Customers	Torrey Santa Fe	Restaurant	\$5,126.26
02/14/current year	1027	Online Customers	Salmon Blvd	Online	\$5,087.19
02/14/current year	1028	Restaurant Customers	Salmon Blvd	Restaurant	\$5,898.87

- d. Create a deposit to the checking account.** Select the online sales receipts 1025,1027, deposit date 2/14/current year.
- e. Create a deposit to the checking account.** Select the restaurant sales receipts 1026,1028, deposit date 2/14/current year.

- f. Enter Sales Receipts 1029,1031-1033.** Use the information in the following chart along with the Sushi Coma February Sales Receipt Detail report provided by your instructor.

Date	Num	Name	Loc.	Class	Total
02/21/current year	1029	Online Customers	Torrey Santa Fe	Online	\$6,832.61
02/21/current year	1031	Restaurant Customers	Torrey Santa Fe	Restaurant	\$5,242.31
02/21/current year	1032	Online Customers	Salmon Blvd	Online	\$5,908.49
02/21/current year	1033	Restaurant Customers	Salmon Blvd	Restaurant	\$6,261.42

- g. Create a deposit.** Select the online sales receipts 1029,1032, Deposit Date 2/21/current year.
- h. Create a deposit.** Select the restaurant sales receipts 1031,1033, Deposit Date 2/21/current year.

- i. **Enter Sales Receipts 1034-1037.** Use the information in the following chart along with the Sushi Coma February Sales Receipt Detail report provided by your instructor.

Date	Num	Name	Loc.	Class	Total
02/28/current year	1034	Online Customers	Torrey Santa Fe	Online	\$6,676.89
02/28/current year	1035	Restaurant Customers	Torrey Santa Fe	Restaurant	\$5,006.62
02/28/current year	1036	Online Customers	Salmon Blvd	Online	\$5,669.20
02/28/current year	1037	Restaurant Customers	Salmon Blvd	Restaurant	\$6,144.18

- j. **Create a deposit to the checking account.** Select the online sales receipts 1034,1036, deposit date 2/28/current year.
- k. **Create a deposit to the checking account.** Select the restaurant sales receipts 1035,1037, deposit date 2/24/current year.

## 2. Create Catering Invoice 1055, date 2/15/current year.

Product: Catering Service Bundle.

Location: Torrey Santa Fe.

Class: Catering

Custom Sales Tax Rate San Diego 7.25%

### INVOICE

BILL TO  
Ginger Edamame  
7875 Highlands Village Place  
San Diego, CA 92129

INVOICE 1055  
DATE 02/15/2020  
TERMS Due on receipt  
DUE DATE 02/15/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Catering Service	Catering Package	1	235.00	235.00
	Catering Setup	Catering Setup	1	150.00	
	Catering Equipment Rental	Catering Equipment Rental	1	75.00	
	Delivery Fees	Delivery Fees	1	10.00	
SUBTOTAL					235.00
TAX					17.04
TOTAL					252.04

a. Receive a payment for invoice 1055 to Undeposited Funds, date 2/15/current year.

b. Make a deposit 2/15/current year.



**c. Create Catering Invoice 1059, date 2/28/current year.**

Location: Torrey Santa Fe location.

Class: Catering

Custom Sales Tax Rate San Diego 7.25%

## INVOICE

**BILL TO**  
Ginger Edamame  
7875 Highlands Village Place  
San Diego, CA 92129

**INVOICE** 1059  
**DATE** 02/28/2020  
**TERMS** Net 15  
**DUE DATE** 03/14/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	3 Protein Bowl	3 Protein Bowl	8	12.00	96.00T
	5 Protein Bowl	5 Protein Bowl	10	15.00	150.00T
	Caterpillar Burrito	Caterpillar Burrito	7	12.00	84.00T
	Godzilla Burrito	Godzilla Burrito	9	7.50	67.50T
	Spicy Tuna Burrito	Spicy Tuna Burrito	8	7.50	60.00T
	Volcano Burrito	Volcano Burrito	9	12.00	108.00T
	Crystal Shrimp Burrito	Crystal Shrimp Burrito	7	12.00	84.00T
SUBTOTAL					649.50
TAX					47.09
TOTAL					696.59

**d. Receive a payment for invoice 1059 to Undeposited Funds, date 3/14/current year.**

Notice the payment was not received until March of the current year.

**e. Make a deposit 3/14/current year.**

Notice the deposit was not made until March of the current year.

## 3. Create Refund Receipt 1065, 2/12/current year.

Location: Salmon Blvd

Class: Online

Refund from: Checking 1234

Custom Sales Tax Rate San Diego 7.25%

### REFUND RECEIPT

REFUND TO  
Online Customers

REFUND 1065  
REFUND DATE 02/12/2020

DATE	DESCRIPTION	QTY	RATE	AMOUNT
	Volcano Burrito	1	12.00	12.00T
SUBTOTAL				12.00
TAX				0.87
TOTAL				12.87
BALANCE DUE				

a. **Create Refund Receipt 1066, 2/24/current year.**

Location: Torrey Santa Fe

Class: Online

Refund from: Checking 1234

Custom Sales Tax Rate San Diego 7.25%

## REFUND RECEIPT

REFUND TO  
Online Customers

REFUND 1066  
REFUND DATE 02/24/2020

DATE	DESCRIPTION	QTY	RATE	AMOUNT
	Volcano Burrito	1	12.00	12.00T
SUBTOTAL				12.00
TAX				0.87
TOTAL				12.87

- 8. Create a Sales Tax Payment on March 20<sup>th</sup> current year for the tax period February.**  
It is important to make this payment through the Sales Tax Center.

California Department of Tax and Fee Administration	JDoe Sushi Coma Inc
Tax Period: February 2020	7535 Torrey Santa Fe ... San Diego, CA 92129
Tax owed	\$5,776.57
Gross sales	\$78,099.69
Taxable sales	\$79,676.00
Tax paid	\$5,776.57

Cancel

Awesome job! Let's continue managing Accounts Receivable and Sales for March. Watch for new features during this section of the activities.

- 1. Enter Sales Receipts 1038-1041.** Use the information in the following chart along with the Sushi Coma March Sales Receipts Detail.pdf provided by your instructor.

Date	Num	Name	Loc.	Class	Total
03/06/current year	1038	Online Customers	Torrey Santa Fe	Online	\$6,546.41
03/06/current year	1039	Restaurant Customers	Torrey Santa Fe	Restaurant	\$6,005.29
03/06/current year	1040	Online Customers	Salmon Blvd	Online	\$7,035.83
03/06/current year	1041	Restaurant Customers	Salmon Blvd	Restaurant	\$6,323.36

- a. **Create a deposit to checking account 1234.** Select the online sales receipts 1038,1040, deposit date 3/6/current year.
- b. **Create a deposit to the checking account 1234.** Select the restaurant sales receipts 1039,1041 deposit date 3/6/current year.

- c. Enter Sales Receipts 1042-1045.** Use the information in the following chart along with the Sushi Coma March Sales Receipts Detail.pdf provided by your instructor

Date	Num	Name	Loc.	Class	Total
03/13/current year	1042	Online Customers	Torrey Santa Fe	Online	\$6,638.41
03/13/current year	1043	Restaurant Customers	Torrey Santa Fe	Restaurant	\$6,139.97
03/13/current year	1044	Online Customers	Salmon Blvd	Online	\$6,709.95
03/13/current year	1045	Restaurant Customers	Salmon Blvd	Restaurant	\$6,646.83

- d. Create a deposit to the checking account.** Select the online sales receipts 1042,1044, deposit date 3/13/current year.
- e. Create a deposit to the checking account.** Select the restaurant sales receipts 1043,1045, deposit date 3/13/current year.

- f. Enter Sales Receipts 1046-1049.** Use the information in the following chart along with the Sushi Coma March Sales Receipts Detail.pdf provided by your instructor

Date	Num	Name	Loc.	Class	Total
03/20/current year	1046	Online Customers	Torrey Santa Fe	Online	\$6,466.45
03/20/current year	1047	Restaurant Customers	Torrey Santa Fe	Restaurant	\$6,087.06
03/20/current year	1048	Online Customers	Salmon Blvd	Online	\$6,834.42
03/20/current year	1049	Restaurant Customers	Salmon Blvd	Restaurant	\$6,660.65

- g. Create a deposit.** Select the online sales receipts 1046,1048, Deposit Date 3/20/current year.
- h. Create a deposit.** Select the restaurant sales receipts 1047,1049, Deposit Date 3/20/current year.

- i. **Enter Sales Receipts 1050-1053.** Use the information in the following chart along with the Sushi Coma March Sales Receipts Detail.pdf provided by your instructor.

Date	Num	Name	Loc.	Class	Total
03/27/current year	1050	Online Customers	Torrey Santa Fe	Online	\$6,762.86
03/27/current year	1051	Restaurant Customers	Torrey Santa Fe	Restaurant	\$5,945.16
03/27/current year	1052	Online Customers	Salmon Blvd	Online	\$6,483.88
03/27/current year	1053	Restaurant Customers	Salmon Blvd	Restaurant	\$6,283.06

- j. **Create a deposit to the checking account.** Select the online sales receipts 1050,1052, deposit date 3/27/current year.
- k. **Create a deposit to the checking account.** Select the restaurant sales receipts 1051,1053, deposit date 3/27/current Year.



## 2. Create Catering Invoice 1056, date 3/15/current year.

Product: Catering Service Bundle.

Location: Torrey Santa Fe location.

Class: Catering

Custom Sales Tax Rate San Diego 7.25%

### INVOICE

**BILL TO**  
Miso Mimachi  
6984 Torrey Santa Fe Rd  
San Diego, CA 92129

**INVOICE** 1056  
**DATE** 03/15/2020  
**TERMS** Due on receipt  
**DUE DATE** 03/15/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Catering Service	Catering Package	1	235.00	235.00
	Catering Setup	Catering Setup	1	150.00	
	Catering Equipment Rental	Catering Equipment Rental	1	75.00	
	Delivery Fees	Delivery Fees	1	10.00	
SUBTOTAL					235.00
TAX					17.04
TOTAL					252.04

a. Receive a payment for invoice 1056 to Undeposited Funds, date 3/15/current year.

b. Make a deposit 3/15/current year.

**c. Create Catering Invoice 1060, date 3/31/current year.**

Location: Torrey Santa Fe location.

Class: Catering

Custom Sales Tax Rate San Diego 7.25%

## INVOICE

**BILL TO**  
Miso Mimachi  
6984 Torrey Santa Fe Rd  
San Diego, CA 92129

**INVOICE** 1060  
**DATE** 03/31/2020  
**TERMS** Net 15  
**DUE DATE** 04/15/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	3 Protein Bowl	3 Protein Bowl	6	12.00	72.00T
	5 Protein Bowl	5 Protein Bowl	9	15.00	135.00T
	Caterpillar Burrito	Caterpillar Burrito	5	12.00	60.00T
	Godzilla Burrito	Godzilla Burrito	6	7.50	45.00T
	Spicy Tuna Burrito	Spicy Tuna Burrito	4	7.50	30.00T
	Volcano Burrito	Volcano Burrito	12	12.00	144.00T
	Crystal Shrimp Burrito	Crystal Shrimp Burrito	8	12.00	96.00T
SUBTOTAL					582.00
TAX					42.20
TOTAL					624.20

**c. Create Catering Invoice 1061, date 3/10 /current year.**

Location: Torrey Santa Fe location.

Class: Catering

Custom Sales Tax Rate San Diego 7.25%

## INVOICE

BILL TO  
Unagi Siracha  
9904 Kika Ct  
San Diego, CA 92129

INVOICE 1061  
DATE 03/10/2020  
TERMS Due on receipt  
DUE DATE 03/10/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Catering Service	Catering Package	1	235.00	235.00
	Catering Setup	Catering Setup	1	150.00	
	Catering Equipment Rental	Catering Equipment Rental	1	75.00	
	Delivery Fees	Delivery Fees	1	10.00	
SUBTOTAL					235.00
TAX					17.04
TOTAL					252.04

## 3. Create Refund Receipt 1067, 3/16/current year.

Location: Torrey Santa Fe

Class: Online

Refund from: Checking 1234

Custom Sales Tax Rate San Diego 7.25%

### REFUND RECEIPT

REFUND TO  
Online Customers

REFUND 1067  
REFUND DATE 03/16/2020

DATE	DESCRIPTION	QTY	RATE	AMOUNT
	Spicy Tuna Burrito	1	7.50	7.50T
SUBTOTAL				7.50
TAX				0.55
TOTAL				8.05

**a. Create Refund Receipt 1068, 3/16/current year.**

Location: Salmon Blvd

Class: Online

Refund from: Checking 1234

Custom Sales Tax Rate San Diego 7.25%

## REFUND RECEIPT

REFUND TO  
Online Customers

REFUND 1068  
REFUND DATE 03/16/2020

DATE	DESCRIPTION	QTY	RATE	AMOUNT
	Caterpillar Burrito	1	12.00	12.00T
SUBTOTAL				12.00
TAX				0.87
TOTAL				12.87

## 4. Create a Credit Memo for Invoice 1061.

The client had to cancel her event and no longer needs catering services.

### Credit Memo

CREDIT TO  
Unagi Siracha  
9904 Kika Ct  
San Diego, CA 92129

CREDIT  
DATE 1062  
03/13/2020

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
03/13/2020	Catering Service	Catering Package	1	235.00	235.00
	Catering Setup	Catering Setup	1	150.00	
	Catering Equipment Rental	Catering Equipment Rental	1	75.00	
	Delivery Fees	Delivery Fees	1	10.00	
SUBTOTAL					235.00
TAX					17.04
BALANCE DUE					<b>\$252.04</b>

## 5. Apply credit memo to outstanding invoice 1061.

**Receive Payment #Apply Pmt**
Help

Customer

Unagi Siracha

Payment date

03/13/2020

Payment method

Choose payment method

Reference no.

Apply Pmt

Deposit to

Choose an account

Amount received

0.00

AMOUNT RECEIVED

**\$0.00**

### Outstanding Transactions

Find Invoice No. Filter > All ⚙️

<input type="checkbox"/>	DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Invoice # 1061 (03/10/2020)	03/10/2020	252.04	252.04	252.04

< First Previous 1-1 of 1 Next Last >

### Credits

Find Credit Memo No. Filter > All ⚙️

<input type="checkbox"/>	DESCRIPTION	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Credit Memo # 1062 (03/13/2020)	252.04	252.04	252.04

**Congratulations! You have completed Section 8 Accounts Receivable.**

### 1. Review the following reports.

- Accounts Receivable Aging Summary
- Accounts Receivable Aging Detail
- Open Invoices
- Sales by Customer Summary
- Sales by Product/Service Summary



Online Foundations Training

## **SECTION 9: MANAGING INVENTORY**

- Objectives
- Inventory Overview
- Inventory Tracking
- Inventory Adjustments
- Inventory Reports
- Practice Test
- Test Your Knowledge
- Case Study Activities



**Upon completion of Section 9, each participant will be familiar with:**

- How to track Inventory.
- How to manage Inventory.
- How to locate and review Inventory reports.

Inventory management is critical to both small and large businesses. Effective inventory management helps prevent stockouts, allows us to manage multiple locations, ensures accurate record keeping and more.

Managing inventory levels prevents a common business mistake: tying up too much cash flow in inventory and hurting the business, or not keeping enough inventory on hand to meet customer demands. Inventory management can make or break a business and help prevent fraud.

Some businesses track inventory and items sold using third party applications. Daniel and Meredith have decided to track beverages using QuickBooks Online inventory features. A significant benefit is that the system will track re-order points. A purchase order system will be implemented to track outstanding orders and help monitor vendor pricing. Non-inventory items were created to track food sales and services items were created to track delivery fees, catering services, etc.

Once you click **Save and close**, the bill for the **Inventory** will automatically increase the quantity on hand. The bill will stay open in Accounts Payable until it is scheduled to be paid.

As mentioned previously, an **Invoice** or **Sales Receipt** will also adjust Inventory on hand. As we record sales of inventory items the qty will reduce the amount on hand.

As we set re-order points, the system informs us when we are getting low on an item or when we record more sold than purchased. This will leave a negative balance in inventory.

## Products and Services

[All Lists](#)

More ▾





New ▾



3  
LOW STOCK



2  
OUT OF STOCK

<input type="checkbox"/>	NAME ▾	SKU	TYPE	SALES DESCR	SALES PRICE	COST	TAXABLE	QTY ON HAND	REORDER PO	ACTION
	Beverage									
<input type="checkbox"/>	 Bottle Beer		Inventory	Beer	5	1.85	✓	38	50	Edit ▾
<input type="checkbox"/>	 Bottle Soda		Inventory	Soda	2	0.75	✓	54	75	Edit ▾
<input type="checkbox"/>	 Bottle Water		Inventory	Water	2	0.10	✓	71	75	Edit ▾
<input type="checkbox"/>	 Bottle Wine		Inventory	Wine	8	3.25	✓	67	50	Edit ▾

Verify **Inventory** quantity on-hand at regular intervals. This process will include counting the **Inventory** and comparing it to the quantity that QBO is reporting. (This will take theft into account, etc. that obviously will not show in QBO.)

It is important to develop an inventory policy and process. How often should a physical inventory count take place? This depends on the business and how closely they should manage their inventory.

Click **Reports -> Standard -> Sales and Customers -> Physical Inventory Worksheet**.

## Sushi Coma Inc

### PHYSICAL INVENTORY WORKSHEET

PRODUCT	DESCRIPTION	QTY ON HAND	REORDER POINT	QTY ON PO	PHYSICAL COUNT
Beverage:Bottle Beer	Beer	38.00	50.00	0.00	
Beverage:Bottle Soda	Soda	54.00	75.00	0.00	
Beverage:Bottle Water	Water	71.00	75.00	0.00	
Beverage:Bottle Wine	Wine	67.00	50.00	0.00	

This report shows the **Qty on Hand** and has a spot for you to count the number of items physically on-hand; write in the total counted. When there is a difference between the two columns, make an **Inventory Adjustment**.

Once you have completed a physical count of Inventory, the system provides a feature that allows us to adjust the quantity on hand. This adjustment uses a category referred to as **Shrinkage** and increases or decreases Cost of Goods Sold.

To enter an inventory adjustment, click + **New-> Inventory Qty Adjustment**. An adjustment will be required for each location.

Adjustment date: 03/31/2020

Reference no.: 6

Inventory adjustment account: 50700 Inventory Shrinkage

Location: Torrey Santa Fe

▼ New adjustments

#	PRODUCT	DESCRIPTION	QTY ON HAND	NEW QTY	CHANGE IN QTY	CLASS
1						
2						

Here is an example of a previous adjustment.

▼ Previous adjustments

#	PRODUCT	DESCRIPTION	CHANGE IN QTY	CLASS
1	Beverage:Bottle Beer	Beer	-2	Administrative
2	Beverage:Bottle Soda	Soda	-4	Administrative
3	Beverage:Bottle Water	Water	-5	Administrative
4	Beverage:Bottle Wine	Wine	-1	Administrative

**Note:** It is recommended you research the cause for the discrepancies in Inventory before resorting to adjustments. It is possible a transaction was not entered correctly or there is fraudulent activity taking place.

There are several reports used to manage Inventory.

## **Inventory Reports:**

**Physical Inventory Worksheet** – Lists all inventory items with current quantity on hand and allows space to add actual physical quantity. It is then used to make inventory adjustments.

**Inventory Valuation Summary** – Lists all inventory items with current quantity on hand, asset value and average cost.

**Inventory Valuation Detail** – Lists all inventory items with detail information such as: Vendor, Transaction type, Qty, rate, FIFO cost, Qty on hand, Asset value. This is a great report to use when investigating issues regarding an item.

- 1. Which option would you use to set reminders to re-order items?**
  - a) Re-order Points
  - b) Qty on Hand
  - c) Item Type
  - d) SKU
  
- 2. Which report would you use to complete a physical Inventory count?**
  - a) Product and Service List
  - b) Inventory Valuation Summary
  - c) Physical Inventory Worksheet
  - d) Inventory Valuation Detail
  
- 3. Which report would you use to track the history of an item?**
  - a) Product and Service List
  - b) Inventory Valuation Summary
  - c) Open Purchase Order List
  - d) Inventory Valuation Detail
  
- 4. Where would you go to complete an Inventory adjustment?**
  - a) Gear->Products and Services->Adjust Qty
  - b) Profit & Loss by Class
  - c) + New->Inventory Qty Adjustment
  - d) Both A and C
  
- 5. Which account category is used when adjusting inventory?**
  - a) Cost of Goods
  - b) Inventory Shrinkage
  - c) Inventory Asset
  - d) Sale of a Product

1. Which option would you use to set reminders to re-order items?
2. Which report would you use to complete a physical inventory count?
3. Which report would you use to track the history of an item?
4. Where would you go to complete an Inventory adjustment?
5. Which account category is used when adjusting inventory?

You have purchased and sold Inventory items. Daniel and Meredith request a physical inventory count.

## 22. Review qty on hand for the following inventory items:

- Bottle Beer
- Bottle Soda
- Bottle Water
- Bottle Wine

## 23. Create an Inventory adjustment for the Torrey Santa Fe location.

Adjustment date: 03/31/2020

Inventory adjustment account: 50700 Inventory Shrinkage

Reference no.: 6

Location: Torrey Santa Fe

► New adjustments

▼ Previous adjustments

#	PRODUCT	DESCRIPTION	CHANGE IN QTY	CLASS
1	Beverage:Bottle Beer	Beer	-2	Administrative
2	Beverage:Bottle Soda	Soda	-4	Administrative
3	Beverage:Bottle Water	Water	-5	Administrative
4	Beverage:Bottle Wine	Wine	-1	Administrative

## 24. Create a 3/31 current year Inventory adjustment for the Salmon Blvd location.

Adjustment date: 03/31/2020

Inventory adjustment account: 50700 Inventory Shrinkage

Reference no.: 7

Location: Salmon Blvd

► New adjustments

▼ Previous adjustments

#	PRODUCT	DESCRIPTION	CHANGE IN QTY	CLASS
1	Beverage:Bottle Beer	Beer	-1	Administrative
2	Beverage:Bottle Soda	Soda	-3	Administrative
3	Beverage:Bottle Water	Water	-4	Administrative
4	Beverage:Bottle Wine	Wine	-2	Administrative



**25. Review qty on hand for the following Inventory items:**

- a. Bottle Beer
- b. Bottle Soda
- c. Bottle Water
- d. Bottle Wine

**26. Locate and save the following reports as favorites:**

- a. Open Purchase Order List
- b. Physical Inventory Worksheet
- c. Inventory Valuation Detail



Online Foundations Training

# **SECTION 10**

## **PAYROLL**

Objectives  
Payroll Overview  
Payroll Setup  
Run Payroll  
Payroll Taxes  
Payroll Tax Forms  
Payroll Reports  
Case Study Activities

**Upon completion of Section 10 each participant will be familiar with:**

- Overview of Payroll.
- How to setup Payroll.
- How to run Payroll.
- How to manage Payroll taxes.
- How to process Payroll forms.
- How to create and review Payroll reports.

Sushi Coma has decided to outsource the payroll function to a third-party payroll service, a very common practice in most industries. They are using the Semi-Monthly option verses Weekly option, to reduce the number of payrolls and keep the payroll expense in control, (another important aspect of good cash flow management). Daniel and Meredith have hired 5 employees for each location. This includes a head cook, prep cook, server, server/cashier, and driver.

Payroll is typically one the largest expenses in a business, and it is critical to implement sound payroll management strategies. Payroll has many elements business owners tend to overlook. Let's walk through an overview of the payroll process, then dive in and set up sound business practices around this important function.

Throughout the year, many business owners are required to process payroll, pay taxes and file forms with the Internal Revenue Service and their state agency. How business owners determine the status of an individual (employee vs. contractor) depends on the nature of the services they provide.

There are three tests that can be used to determine status of employment.

**Control Test** – The employer has the right to tell the employee what to do.

**Integration Test** – The work done is an integral part of the business.

**Multiple Test** – The individual must wear the company's uniform and be available for work when needed.

Visit **irs.gov** for more information and requirements for employing individuals.

<https://www.irs.gov/newsroom/understanding-employee-vs-contractor-designation>

Once a business owner hires employees, it is important to create an Employee Handbook, complete the employee/payroll setup process and follow best practice procedures. Many owners struggle with this process as it is one of the highest expenses in a business.

Cash flow is critical in order to avoid late payroll tax payments, unnecessary penalties and interest. Outsourcing this process to QuickBooks full-service payroll is highly recommended. This helps avoid unnecessary costs or fees and keeps the business owner in compliance.

Payroll setup in QuickBooks Online requires turning on the feature and selecting a subscription. We will not turn on Payroll during this training. However, we will discuss the process and required information needed.

**First**, you will need a Federal Identification Number, typically setup when you open a business. (It is also used to open bank accounts.)

**Second**, you will need an EFTPS.gov account and login. This requires you to enter owner and bank info and allows you to process tax payments online.

**Third**, you will need to contact your state agency to address all filing requirements (varies per state).

Next, gather the following information from employees. Visit [www.irs.gov](http://www.irs.gov) for additional information and to download forms.

**I-9 Employment Eligibility Verification** – Verifies the identity and employment authorization of individuals hired for employment in the United States. This requires two specific forms of identification. Business owners must maintain this information for all employees and provide it if requested by the U.S. Citizenship and Immigration Services.

**W-4** - Used by employers to determine how much federal income tax to withhold from an employee's pay. <https://www.irs.gov/pub/irs-pdf/fw4.pdf>

**Publication 15 (Circular E)** – If you have questions about IRS payroll requirements, refer to <https://www.irs.gov/forms-pubs/about-publication-15>. It is a great resource.

**California Employers Guide**

[https://edd.ca.gov/pdf\\_pub\\_ctr/de44.pdf](https://edd.ca.gov/pdf_pub_ctr/de44.pdf)

In order to run payroll, select one of the following pay period options:

**Semi-Monthly** – This option requires 2 pay periods a month, 24 per year. Semi-monthly is typically selected by higher-level professional businesses. For example, a pay period would be from the 1<sup>st</sup> to the 15<sup>th</sup> (paid on the 20<sup>th</sup> ) and 16<sup>th</sup>-30/31<sup>st</sup> (paid on the 5<sup>th</sup>). There are 88 hours in a pay period.

**Bi-Weekly** – This option means payroll is paid every two weeks. 2 months a year employees receive three paychecks for a total of 26 per year. This method is more common with hourly employees and equates to an 80 hour pay period.

**Weekly** – This option means payroll is paid per week, for a total of 52 per year. This method is commonly used amongst contractors, roofers, plumbers etc.

There are 2080 hours in a year for full-time employees, regardless of which option you choose. It is recommended to research the options prior to running your first payroll. Yes! It is possible to change a payroll processing period.

Something to consider - A business has costs associated with processing payroll. It is important to establish an efficient routine or outsource the payroll function.

When each payroll is processed, the individual W-4 information is used to calculate federal taxes for each employee. The employer withholds Federal and State taxes, then calculates the employer's portion and processes payments online.

## **Employee calculations (provided access to pay stubs each payroll)**

Number of hours x pay rate = Gross Payroll

### **Subtract Federal Employee Taxes**

- Federal Income Tax – IRS Table and W-4
- Social Security 6.2%
- Medicare 1.45%

### **Subtract State Employee Taxes (depends on the state)**

- State Income Tax
- State Disability Tax

Equals Net Payroll, the amount paid to the employee.

**The employer then adds the following to calculate the Federal and State Liability (amounts owed by the employer): Due dates are determined by the agencies.**

### **Total Federal Tax Liability (due date determined by the IRS)**

- Federal Income Tax - Employee
- Social Security – Employee
- Social Security – Employer
- Medicare Employee
- Medicare Employer
- Federal Unemployment

### **Total State Tax Liability (due quarterly) State Income Tax**

- State Disability
- State Unemployment
- State Employer Training Tax

## **Quarterly**

941 (Internal Revenue Service)

Reports Gross Wages, Federal Income Tax, Social Security wages and taxes, Medicare wages and taxes, tip wages, employer liabilities and payments paid.

Sushi Coma, Inc. is located in California, thus we have included key forms relevant to California state reporting requirements, but they are available for every state.

DE-88 (California Employment Development Department)

DE 9 (California Employment Development Department)

DE 9C (California Employment Development Department)

Reports wages, state taxes withheld, and state taxes paid.

## **Yearly (in additional to quarterly reports)**

W-2 (Social Security Division) – Reports all employee wage information used to file individual tax returns.

W-3 (Social Security Division) - Reports summary of W2's reported.

940 (Internal Revenue Service) – Reports employer federal unemployment for all employees.



Many business owners use third party time tracking apps to track individual employee time. These apps sync with payroll processing in QBO, making the process quick and efficient.

There are many payroll reports used to manage payroll. Payroll reports commonly used in QuickBooks Online are as follows:

Time tracking reports – Tracks time per employee per time period.

Payroll Summary – Provides summary view of information per employee and pay period.

Payroll Details – Provides details per employee per pay date and totals per pay period.

Tax and Wage Summary – Tracks total wages, taxable wages and tax amount by category.

Best practices: Keep good records of time tracking and payroll reports per pay period.

Business owners often fall behind in making timely payroll tax payments and the penalties add up quickly. One more reason to invest time in understanding cash flow and establishing best practice procedures.

Let's begin the process of recording payroll information in our company file. You suggest Daniel and Meredith switch to QuickBooks Full-Service Payroll so you can integrate payroll processing from within QuickBooks Online and save time. In the mean-time, enter adjusting journal entries for each payroll using the information provided.

## 1. Create an adjusting journal entry for Pay Date 01/06/current year for Pay Period 12/15-12/31/prior year for Torrey Santa Fe.

Date	Num.	Gross	Tips	Net
01/06/current year	Payroll 01/06 Torrey	\$1,040.00	\$0.00	\$777.66

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$325.52	\$233.84	\$297.02	Torrey Santa FE	Administrative

Journal date

Journal no.

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		777.66	To record Direct Deposit Net Pay		Torrey Santa Fe	Administrative
2	60100 Payroll Expenses:Salaries	1,040.00		To record Gross Pay		Torrey Santa Fe	Administrative
3	22010 Payroll Liabilities:Federal		325.52	To record EE & ER Federal Tax Liability		Torrey Santa Fe	Administrative
4	22020 Payroll Liabilities:State Tax		233.84	To record EE & ER State Tax Liability		Torrey Santa Fe	Administrative
5	60200 Payroll Expenses:Payroll Tax	297.02		To record ER Fed and State Tax Expense		Torrey Santa Fe	Administrative

- a. Create an adjusting journal entry for Pay Date 01/06/current year for Pay Period 12/15-12/31/prior year for Salmon Blvd.

Date	Num.	Gross	Tips	Net
01/06/current year	Payroll 01/06 Salmon Blvd	\$1,040.00	\$0.00	\$777.66

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$325.52	\$233.84	\$297.02	Salmon Blvd	Administrative

Journal date

01/06/2020

Journal no.

Payroll 01/06 Salmon

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		777.66	To record Direct Deposit Net Pay		Salmon Blvd	Administrative
2	60100 Payroll Expenses:Salaries	1,040.00		To record Gross Pay		Salmon Blvd	Administrative
3	22010 Payroll Liabilities:Federal		325.52	To record EE & ER Federal Tax Liability		Salmon Blvd	Administrative
4	22020 Payroll Liabilities:State Ta		233.84	To record EE & ER State Tax Liability		Salmon Blvd	Administrative
5	60200 Payroll Expenses:Payroll	297.02		To record ER Fed and State Tax Expense		Salmon Blvd	Administrative

- b. Create an adjusting journal entry for Pay Date 01/20/current year for Pay Period 01/01-01/15/current year for Torrey Santa Fe.**

Date	Num.	Gross	Tips	Net
01/20/current year	Payroll 01/20 Torrey	\$5,456.00	\$3,451.14	\$6,660.31

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,787.93	\$2,002.78	\$2,543.88	Torrey Santa Fe	Administrative

Journal date	Journal no.
01/20/2020	Payroll 01/20 Torrey

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,660.31	To record Direct Deposit Net Pay		Torrey Santa Fe	Administrative
2	60100 Payroll Expenses:Salaries	5,456.00		To record Gross Pay		Torrey Santa Fe	Administrative
3	22010 Payroll Liabilities:Federal		2,787.93	To record EE & ER Federal Tax Liability		Torrey Santa Fe	Administrative
4	22020 Payroll Liabilities:State Tax		2,002.78	To record EE & ER State Tax Liability		Torrey Santa Fe	Administrative
5	60200 Payroll Expenses:Payroll	2,543.88		To record ER Fed and State Tax Expense		Torrey Santa Fe	Administrative
6	22200 Undistributed Tips	3,451.14		To record Tips paid		Torrey Santa Fe	Administrative

- c. Create an adjusting journal entry for Pay Date 01/20/current year for Pay Period 01/01-01/15/current year for Salmon Blvd.

Date	Num.	Gross	Tips	Net
01/20/current year	Payroll 01/20 Torrey	\$5,456.00	\$2,363.33	\$5,846.90

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,447.45	\$1,758.18	\$2,333.20	Salmon Blvd.	Administrative

Journal date	Journal no.
01/20/2020	Payroll 01/20 Salmon

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		5,846.90	To record Direct Deposit Net Pay		Salmon Blvd	Administrative
2	60100 Payroll Expenses:Salaries	5,456.00		To record Gross Pay		Salmon Blvd	Administrative
3	22010 Payroll Liabilities:Federal		2,447.45	To record EE & ER Federal Tax Liability		Salmon Blvd	Administrative
4	22020 Payroll Liabilities:State Tax		1,758.18	To record EE & ER State Tax Liability		Salmon Blvd	Administrative
5	60200 Payroll Expenses:Payroll	2,233.20		To record ER Fed and State Tax Expense		Salmon Blvd	Administrative
6	22200 Undistributed Tips	2,363.33		To record Tips paid		Salmon Blvd	Administrative

1. Create an adjusting journal entry for Pay Date 02/05/current year for Pay Period 01/16-01/31/current year for Torrey Santa Fe.

Date	Num.	Gross	Tips	Net
02/05/current year	Payroll 02/05 Torrey	\$5,456.00	\$3,714.54	\$6,857.27

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,870.38	\$2,062.00	\$2,619.11	Torrey Santa Fe	Administrative

Journal date	Journal no.
02/05/2020	Payroll 02/05 Torrey

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,857.27	To record Direct Deposit Net Pay		Torrey Santa Fe	Administrative
2	60100 Payroll Expenses:Salaries	5,456.00		To record Gross Pay		Torrey Santa Fe	Administrative
3	22010 Payroll Liabilities:Federal		2,870.38	To record EE & ER Federal Tax Liability		Torrey Santa Fe	Administrative
4	22020 Payroll Liabilities:State Tax		2,062.00	To record EE & ER State Tax Liability		Torrey Santa Fe	Administrative
5	60200 Payroll Expenses:Payroll	2,619.11		To record ER Fed and State Tax Expense		Torrey Santa Fe	Administrative
6	22200 Undistributed Tips	3,714.54		To record Tips paid		Torrey Santa Fe	Administrative

- a. Create an adjusting journal entry for Pay Date 02/05/current year for Pay Period 01/16-01/31/current year for Salmon Blvd.

Date	Num.	Gross	Tips	Net
02/05/current year	Payroll 02/05 Salmon Blvd	\$5,456.00	\$3,276.24	\$6,529.53

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,733.19	\$1,963.44	\$2,493.92	Salmon Blvd	Administrative

Journal date

02/05/2020

Journal no.

Payroll 02/05 Salmon

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,529.53	To record Direct Deposit Net Pay		Salmon Blvd	Administrative
2	60100 Payroll Expenses:Salaries	5,456.00		To record Gross Pay		Salmon Blvd	Administrative
3	22010 Payroll Liabilities:Federal		2,733.19	To record EE & ER Federal Tax Liability		Salmon Blvd	Administrative
4	22020 Payroll Liabilities:State Tax		1,963.44	To record EE & ER State Tax Liability		Salmon Blvd	Administrative
5	60200 Payroll Expenses:Payroll	2,493.92		To record ER Fed and State Tax Expense		Salmon Blvd	Administrative
6	22200 Undistributed Tips	3,276.24		To record Tips paid		Salmon Blvd	Administrative

- b. Create an adjusting journal entry for Pay Date 02/20/current year for Pay Period 02/01-02/15/current year for Torrey Santa Fe.**

Date	Num.	Gross	Tips	Net
02/20/current year	Payroll 02/20 Torrey	\$5,456.00	\$2,909.71	\$6,255.46

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,618.47	\$1,881.03	\$2,389.25	Torrey Santa Fe	Administrative

Journal date	Journal no.
02/20/2020	Payroll 02/20 Torrey

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,255.46	To record Direct Deposit Net Pay		Torrey Santa Fe	Administrative
2	60100 Payroll Expenses:Salaries	5,456.00		To record Gross Pay		Torrey Santa Fe	Administrative
3	22010 Payroll Liabilities:Federal		2,618.47	To record EE & ER Federal Tax Liability		Torrey Santa Fe	Administrative
4	22020 Payroll Liabilities:State Tax		1,881.03	To record EE & ER State Tax Liability		Torrey Santa Fe	Administrative
5	60200 Payroll Expenses:Payroll	2,389.25		To record EE Fed and State Tax Expense		Torrey Santa Fe	Administrative
6	22200 Undistributed Tips	2,909.71		To record Tips paid		Torrey Santa Fe	Administrative



- c. Create an adjusting journal entry for Pay Date 02/20/current year for Pay Period 02/01-02/15/current year for Salmon Blvd.

Date	Num.	Gross	Tips	Net
02/20/current year	Payroll 02/20 Salmon	\$5,456.00	\$2,993.34	\$6317.99

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,644.64	\$1,899.83	\$2,413.12	Salmon Blvd.	Administrative

Journal date	Journal no.
02/20/2020	Payroll 02/20 Salmon

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,317.99	To record Direct Deposit Net Pay		Salmon Blvd	Administrative
2	60100 Payroll Expenses:Salaries	5,456.00		To record Gross Pay		Salmon Blvd	Administrative
3	22010 Payroll Liabilities:Federal		2,644.64	To record EE & ER Federal Tax Liability		Salmon Blvd	Administrative
4	22020 Payroll Liabilities:State T		1,899.83	To record EE & ER State Tax Liability		Salmon Blvd	Administrative
5	60200 Payroll Expenses:Payroll	2,413.12		To record ER Fed and State Tax Expense		Salmon Blvd	Administrative
6	22200 Undistributed Tips	2,993.34		To record Tips paid		Salmon Blvd	Administrative

1. Create an adjusting journal entry for Pay Date 03/05/current year for Pay Period 02/16-02/28/current year for Torrey Santa Fe.

Date	Num.	Gross	Tips	Net
03/05/current year	Payroll 03/05 Torrey	\$5,456.00	\$2,963.64	\$6,295.79

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,635.35	\$1,893.16	\$2,404.66	Torrey Santa Fe	Administrative

Journal date	Journal no.
01/20/2020	Payroll 01/20 Torrey

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,660.31	To record Direct Deposit Net Pay		Torrey Santa Fe	Administrative
2	60100 Payroll Expenses:Salaries	5,456.00		To record Gross Pay		Torrey Santa Fe	Administrative
3	22010 Payroll Liabilities:Federal		2,787.93	To record EE & ER Federal Tax Liability		Torrey Santa Fe	Administrative
4	22020 Payroll Liabilities:State Tax		2,002.78	To record EE & ER State Tax Liability		Torrey Santa Fe	Administrative
5	60200 Payroll Expenses:Payroll	2,543.88		To record EE Fed and State Tax Expense		Torrey Santa Fe	Administrative
6	22200 Undistributed Tips	3,451.14		To record Tips paid		Torrey Santa Fe	Administrative

- a. Create an adjusting journal entry for Pay Date 03/05/current year for Pay Period 02/16-02/28/current year for Salmon Blvd.

Date	Num.	Gross	Tips	Net
03/05/current year	Payroll 3/05 Salmon	\$5,456.00	\$2,991.69	\$6,316.76

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,644.13	\$1,899.46	\$2,412.66	Salmon Blvd.	Administrative


Journal date	Journal no.
03/05/2020	Payroll 03/05 Salmon

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,316.76	To record Direct Deposit Net Pay		Salmon Blvd	Administrative
2	60100 Payroll Expenses:Salaries	5,456.00		To record Gross Pay		Salmon Blvd	Administrative
3	22010 Payroll Liabilities:Federal		2,644.13	To record EE & ER Federal Tax Liability		Salmon Blvd	Administrative
4	22020 Payroll Liabilities:State Tax		1,899.46	To record EE & ER State Tax Liability		Salmon Blvd	Administrative
5	60200 Payroll Expenses:Payroll Tax	2,412.66		To record ER Fed and State Tax Expense		Salmon Blvd	Administrative
6	22200 Undistributed Tips	2,991.69		To record Tips paid		Salmon Blvd	Administrative

- b. Create an adjusting journal entry for Pay Date 3/20/current year for Pay Period 03/01-03/15/current year for Torrey Santa Fe.

Date	Num.	Gross	Tips	Net
03/20/current year	Payroll 03/20 Torrey	\$5,456.00	\$3,159.68	\$6,442.37

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,696.71	\$1,937.24	\$2,460.64	Torrey Santa Fe	Administrative

Journal date	Journal no.
03/20/2020 	Payroll 03/20 Torrey

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,442.37	To record Direct Deposit Net Pay		Torrey Santa Fe	Administrative
2	60100 Payroll Expenses:Salaries	5,456.00		To record Gross Pay		Torrey Santa Fe	Administrative
3	22010 Payroll Liabilities:Federal		2,696.71	To record EE & ER Federal Tax Liability		Torrey Santa Fe	Administrative
4	22020 Payroll Liabilities:State Tax		1,937.24	To record EE & ER State Tax Liability		Torrey Santa Fe	Administrative
5	60200 Payroll Expenses:Payroll	2,460.64		To record ER Fed and State Tax Expense		Torrey Santa Fe	Administrative
6	22200 Undistributed Tips	3,159.68		To record Tips paid		Torrey Santa Fe	Administrative

- c. Create an adjusting journal entry for Pay Date 03/20/current year for Pay Period 03/01-03/15/current year for Salmon Blvd.

Date	Num.	Gross	Tips	Net
03/20/current year	Payroll 3/20 Salmon	\$5,456.00	\$3,332.56	\$6,571.65

Federal Tax Liability	State Tax Liability	Payroll Tax Expense	Location	Class
\$2,750.82	\$1,976.11	\$2,510.22	Salmon Blvd.	Administrative

Journal date	Journal no.
03/20/2020	Payroll 03/20 Salmon

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	10000 Checking 1234		6,571.65	To record Direct Deposit Net Pay		Salmon Blvd	Administrative
2	60100 Payroll Expenses:Salaries	5,456.00		To record Gross Pay		Salmon Blvd	Administrative
3	22010 Payroll Liabilities:Federal		2,750.82	To record EE & ER Federal Tax Liability		Salmon Blvd	Administrative
4	22020 Payroll Liabilities:State Tax		1,976.11	To record EE & ER State Tax Liability		Salmon Blvd	Administrative
5	60200 Payroll Expenses:Payroll	2,510.02		To record ER Fed and State Tax Expense		Salmon Blvd	Administrative
6	22200 Undistributed Tips	3,332.56		To record Tips paid		Salmon Blvd	Administrative



Online Foundations Training

# **SECTION 11**

## **BANK & CREDIT CARD ACCOUNTS**

Objectives  
Banking Overview  
Connect Bank and Credit Card Accounts  
Banking  
Transfers  
Reconcile Bank and Credit Card Accounts  
Practice Test  
Test Your Knowledge  
Case Study Activities

**Upon completion of Section 11, each participant will be familiar with:**

- An overview of the Banking Center.
- How to connect bank and credit card accounts.
- How to manage transactions.
- How to transfer funds.
- How to reconcile bank and credit card accounts.
- How to access and view bank reports.

**Important! We will not actually connect bank and credit card accounts. Instead, we will manually import the transactions and post them through the banking center.**

The Sushi Coma, Inc. owners were surprised to learn they can connect bank and credit card accounts directly to their QuickBooks Online software. This means all transactions will automatically import into QBO, saving considerable time each month. They will also be able to view real time bank balances without logging in to their bank app, right in QuickBooks.

Daniel and Meredith would like an overview of how the Banking Center works and would like to learn how to connect the accounts and manage transactions. They need help understanding how to transfer funds. They are also unclear on why they need to reconcile the bank and credit card accounts each month; doesn't the software do that for them?

Let's take a look.

Also, help them understand how to access bank reports. Where do they go to find the information? What kind of information can these reports provide? How can this information be used to improve company performance?

## Banking in QuickBooks Online

The Banking Center in QuickBooks is the central location for managing day-to-day bank transactions downloaded from your bank and credit card accounts. QuickBooks includes a powerful feature referred to as the “Bank Feed”. In other words, you can connect your online bank and credit card accounts directly to your QuickBooks company file.

Connecting your bank and credit card accounts to QuickBooks Online is a great way to track income and spending without having to manually enter every transaction. Only recording your income through sales forms, while leaving out your expenses provides an incomplete perspective of your business’ overall health. However, creating records for *every* transaction can be a huge task.

If you connect your online bank accounts in QuickBooks Online, the program will automatically download the last 90 days of transactions recorded by your bank. The program will match existing entries already in QuickBooks online and add new records for incoming transactions without a matching entry. This feature ensures your accounts are always up-to-date and drastically reduces the amount of daily data-entry.

The efficiencies built into the Banking Center translate into higher profit margins, better and real-time data, and a more profitable business.



Connecting bank and credit card accounts to QuickBooks® Online is a simple process. It is important you understand how to manage the **Bank Center** to avoid posting old and/or duplicate transactions. Although connecting your bank and credit card accounts is a great way to enter historical transactions, it is recommended that new users also become comfortable manually entering transactions. Please seek help from your Instructor or Accountant to avoid costly cleanup. There are two ways to connect bank and credit card accounts to your company file.

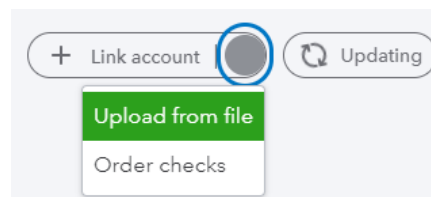
Click **Dashboard** in the **Left Navigation Bar**.

Click **Connect Accounts**.

BANK ACCOUNTS		
10000 Checking 1234	Reviewed	
Bank balance		\$0
In QuickBooks		\$58,257.46
<hr/>		
10200 Savings 1537		
In QuickBooks		\$16,000.00
<hr/>		
21000 American Express 11008	Reviewed	
Bank balance		\$0
In QuickBooks		\$13,017.30
<hr/>		
10800 Register Drawer		
In QuickBooks		\$400.00
<hr/>		
10900 Petty Cash		
In QuickBooks		\$1,000.00
<hr/>		
<a href="#">Connect accounts</a>		<a href="#">Go to registers</a> ▼

Click **Banking (Transactions)** from the **Left Navigation Bar**.

Click **Link account**.



**Note:** We will use the manual Upload Transactions from a File option. (The file will be provided by your instructor for this training).

## Informational purpose only.

Next, Select or enter the bank name in the search field or click the appropriate icon. Follow the steps to connect your accounts. Once the connection is made, the bank will import the last 90 days of transactions. You may need to import historical data through the manual import process. You will be asked to login using your bank credentials.

### Let's get a picture of your profits

Connect your bank or credit card to bring in your transactions.




Here are some of the most popular ones




## Banking Center


Now that your bank and credit card accounts are connected, you can manage transactions for each account. Organize your bank and credit card accounts to avoid posting duplicate transactions. Start with main checking, additional checking, savings, then credit card accounts.

Click **Dashboard** from the **Left Navigation Bar** -> **Bank accounts** pencil -> **Re-arrange the order of accounts** -> **Save**.

**Bank accounts** 

<b>Checking</b>		<b>25 to review</b>
Bank balance	\$-3,621.93	Updated moments ago
In QuickBooks	\$1,201.00	
<b>Savings</b>		<b>1 to review</b>
Bank balance	\$200.00	Updated moments ago
In QuickBooks	\$800.00	
<b>Mastercard</b>		<b>7 to review</b>
Bank balance	\$304.96	Updated moments ago
In QuickBooks	\$157.72	
<b>Visa</b>		
In QuickBooks	\$0	

**Bank accounts** 



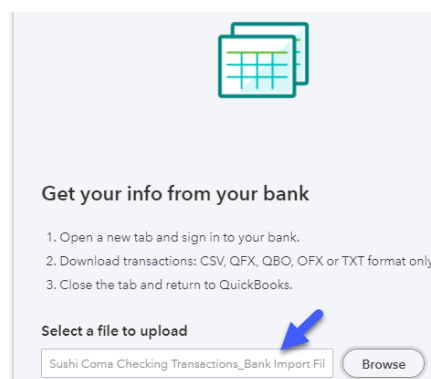
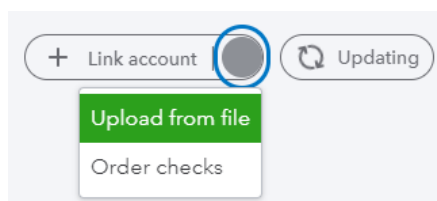
<b>Checking</b>		
Bank balance	\$-3,621.93	
In QuickBooks	\$1,201.00	
<b>Savings</b>		
Bank balance	\$200.00	
In QuickBooks	\$800.00	
<b>Mastercard</b>		
Bank balance	\$304.96	
In QuickBooks	\$157.72	
<b>Visa</b>		
In QuickBooks	\$0	

Let's walk through the manual export and import process for bank and credit card transactions. Once you login to your online bank account outside of QuickBooks online, determine how transactions are exported, the date range available and the type of export available. Some banks won't let you go back more than 18 months (or even 3 months) at a time. There might be several download file types available, depending on which bank you use. The QuickBooks web connect option is preferred. Once you successfully download and save the export file from your bank, the next step is to go to the Banking Center in QuickBooks Online.

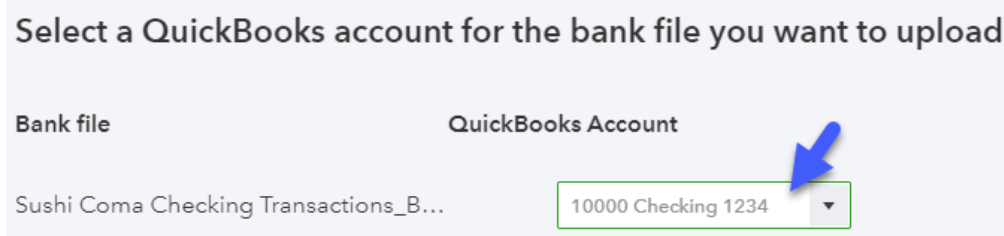
Click **Banking** -> **drop-down arrow to the right of Link Account** -> **Upload from file**.

Click **Browse** and select the bank file you downloaded from your computer.

Click **Next**.



Select the bank account you want the transactions to connect with. Be careful!



### Map fields between QBO and the bank account.

Select the **field options**, change the **Amount** field to **Spent** and select one of the column options. Click **Next**.

For each bank account field, select a QuickBooks field

☒ First row in file is a header row

QuickBooks Online fields	⇒	Your statement fields
Date		Column 1 :Date ▼ MM/dd/yyyy ▼
Description		Column 3 :Description ▼
Amount		Column 6 :Spent ▼

File has amounts in:

☒ 1 column: both positive and negative numbers

☐ 2 column: separate positive and negative numbers

Select all the transactions available to import. Click **Next**.

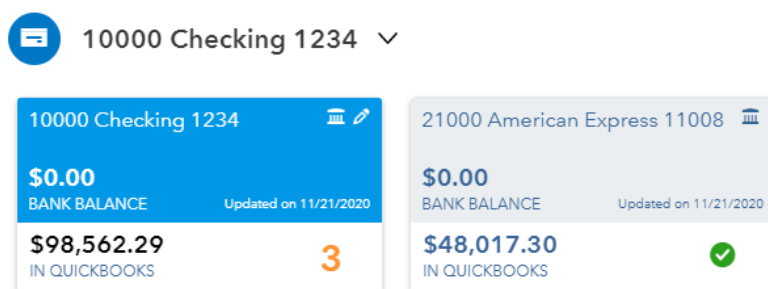
A window will appear to inform you how many transactions are being imported. Make sure all transactions are selected. Sometimes the system will not accept a transaction, simply uncheck those with issues and manually enter them later.

**Do you want to continue?** Click **Yes -> Let's go!**

Select the transactions to import

<input checked="" type="checkbox"/>	DATE	DESCRIPTION	AMOUNT
<input checked="" type="checkbox"/>	01/01/2020	Maki Property Check 1005 Rent Salmon	-2,500.00
<input checked="" type="checkbox"/>	01/01/2020	Maki Property Check 1006 Rent Torrey	-3,500.00
<input checked="" type="checkbox"/>	01/10/2020	Akami Advertising Torrey	-1,000.00
<input checked="" type="checkbox"/>	01/10/2020	Akami Advertising Salmon	-1,000.00

Select the account to start posting transactions. The difference between the bank balance and the QuickBooks balance is the transactions that have not yet posted to QBO but have cleared the bank (or vice versa). It may also be due to accounts not being connected, and transactions are being imported manually.



When the transactions are imported or posted from the bank, they look for existing transactions to find a match. The order in which transactions are posted is important in order to avoid duplicate transactions and costly cleanup. We recommend the following order prior to posting transactions in the Banking Center:

1. Sync or Import Payroll when using a payroll service or QuickBooks payroll.
2. Receive payments against invoices and make deposits.
3. Clear up Undeposited Funds.
4. Apply Checks to Open Bills.
5. When posting transactions start with the main checking account and additional checking, then move on to savings, credit card etc.
6. Open and review each transaction.

You can access the bank register, print, or export to excel.

[Go to bank register](#)



As the bank populates transactions, they reside in the **Review** section of the Banking Center.

It is up to you to accept these transactions. Once accepted they post to the bank register and move to the **Reviewed** section. If a duplicate or old transaction appears for review, simply exclude the transaction. On occasion, you might want to undo an excluded transaction and move it back to review.

**Search** or **filter** transactions to accept or post transactions more efficiently.

For review (3)
Categorized
Excluded

Take a tour
Go to bank register

All dates
All transactions (3)
Search by description or check number

	DATE ▲	DESCRIPTION	PAYEE	CATEGORY OR MAT	CLASS	LOCATION	SPENT	RECEIVED	ACTION
<input type="checkbox"/>	01/10/2020	Awabi Auto Ins. To...		Uncategorized Exper		Torrey Santa Fe	\$304.83		<a href="#">Add</a>
<input type="checkbox"/>	01/25/2020	Savings Transfer T...		Transfer to 10200 Sav		Torrey Santa Fe	\$3,000.00		<a href="#">Transfer</a>
<input type="checkbox"/>	01/25/2020	American Express ...		Uncategorized Exper		Torrey Santa Fe	\$35,000.00		<a href="#">Credit card</a>

You can change the way the information is displayed in the review section of the Banking Center. Click the **Gear** icon.

[Go to bank register](#)



We recommend adding:

**Check No., Editable date field**

**and Show bank details.**

#### Columns

☒ Check No.

☒ Payee

#### Groups

☐ Turn on grouping

#### Transaction details

☐ Editable date field

☒ Copy bank detail to memo

☒ Show suggested rules

☒ Remember category selection

☒ Show bank details

#### Page Size

☒ 50

☐ 75

☐ 100

☐ 150

☐ 300

Use the action options to accept a transaction, check off multiple transactions and accept them all at once. Ensure the vendor name and category are correct. Click the transactions to edit or add required information. Occasionally, a rogue or duplicate transaction will appear; simply exclude the transaction. Accepted transactions will move from review to categorized. You can undo an excluded or categorized transaction to move it back to review.

For review (3)
Categorized
Excluded

[Take a tour](#)
[Go to bank register](#)

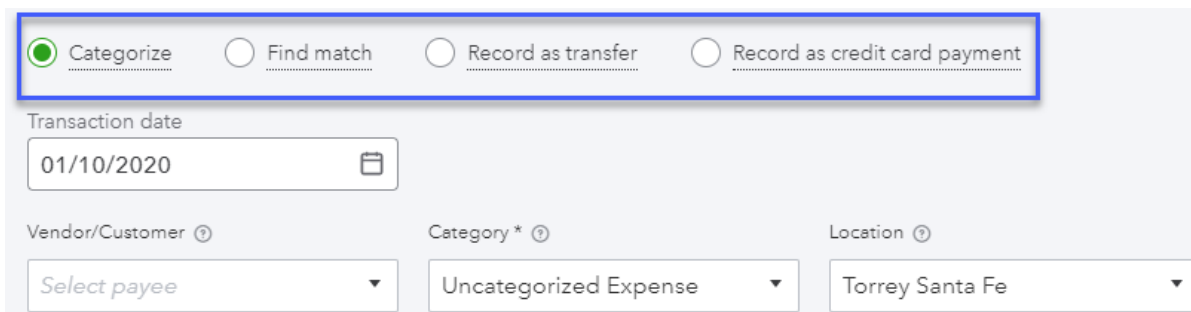
3 items selected
 Accept
Update
Exclude
×

<input checked="" type="checkbox"/>	DATE ▲	DESCRIPTION	PAYEE	CATEGORY OR MA	CLASS	LOCATION	SPENT	RECEIVED	ACTION
<input checked="" type="checkbox"/>	01/10/2020	Awabi Auto Ins. T...		Uncategorized Expe		Torrey Santa Fe	\$304.83		<a href="#">Add</a>
<input checked="" type="checkbox"/>	01/25/2020	Savings Transfer T...		Transfer to 10200 Sa		Torrey Santa Fe	\$3,000.00		<a href="#">Transfer</a>
<input checked="" type="checkbox"/>	01/25/2020	American Expres...		Uncategorized Expe		Torrey Santa Fe	\$35,000.00		<a href="#">Credit card</a>

Click on individual transactions to open the window with all available fields. Notice the different options:

**Categorize** – is the preferred option. It allows you to control where the transactions are going and is more forgiving if you need to make changes later.

**Find match** – looks for a transaction that already exists in the register. The order of operations is very important. When you complete the undeposited funds deposit process, the bank feeds will match up the transactions and all you do is verify and accept them.



The screenshot shows the transaction entry interface. At the top, there are four radio buttons: 'Categorize' (selected), 'Find match', 'Record as transfer', and 'Record as credit card payment'. Below these, the 'Transaction date' is set to '01/10/2020'. The 'Vendor/Customer' field is a dropdown menu with 'Select payee' selected. The 'Category \*' field is a dropdown menu with 'Uncategorized Expense' selected. The 'Location' field is a dropdown menu with 'Torrey Santa Fe' selected.

**Record as transfer** – recognizes transfers between accounts and sometimes picks up expenses or ACH payments as transfers. Transfers do not require a vendor name. Let's say you are transferring funds from the checking to the savings account. You can use Record as Transfer or change it to Categorize, Create a Vendor Named Transfer and select the savings account as the category from the Chart of Accounts. Transfers are not as forgiving if you need to make edits later. Also, it only recognizes balance sheet accounts.

**Record as credit card payment** – is a new 2020 feature that creates a payment from the checking to the credit card account. This feature is not as forgiving as categorize and harder to change later. It only recognizes credit card accounts in the Chart of Accounts.



While the transaction is open, verify the date, vendor, category, and any other fields that require information. When you turn on features such as Locations and Classes, they will appear in each transaction. It is your job to assign a Location or Class as you accept the transactions. This will prevent having to go back and edit transactions, a time-consuming process.

**Memo** – This is an extremely valuable field that provides bank description information that tells a story. Often the vendor name and other important information can help us to complete the transaction.

Notice the options to **Add attachments**, **Create a rule**, **Exclude** or **Split transactions**.

**Split** – Provides the option to split a transaction between account categories and classes. It can be very helpful when you need to split an expense or principal and interest for a loan payment.

The screenshot shows the 'Add Transaction' form in QuickBooks Online. At the top, there are four radio buttons: 'Categorize' (selected), 'Find match', 'Record as transfer', and 'Record as credit card payment'. Below these are four input fields: 'Transaction date' (01/10/2020), 'Vendor/Customer' (Awabi Auto Ins.), 'Category \*' (60920 Auto Expenses:Insur), 'Location' (Torrey Santa Fe), and 'Class' (Administrative). There is a 'Tags' section with a search bar. Below that is a 'Memo' field containing 'Awabi Auto Ins. Torrey Santa Fe'. At the bottom, there are four buttons: 'Add attachment', 'Create a rule', 'Exclude', and 'Split'. A green 'Add' button is on the far right. Blue arrows point to the 'Categorize' radio button, the 'Transaction date' field, the 'Vendor/Customer' dropdown, the 'Category \*' dropdown, the 'Location' dropdown, the 'Class' dropdown, the 'Memo' field, the 'Exclude' button, and the 'Split' button.

## Rules

Rules are a great way to identify where a transaction should be posted. Rules save time during the Review and Accept process because they memorize how specific transactions for specific vendors should be recorded. Keep in mind, QuickBooks will remember prior posted transactions and populate vendor names and categories based on the memorization of the rule. Take time to review each transaction before accepting to avoid costly cleanup errors.

Click the **Rules Tab** -> **New rule**.

Banking Rules Receipts **NEW**

Customize your rule by selecting available options, adding conditions, Transaction type, Payee and Category. Caution! Turn off auto-add until you are confident using the Banking Center and rules.

**Create rule**

Rules only apply to unreviewed transactions.

What do you want to call this rule? \*

Auto Ins

Apply this to transactions that are

Money out in All bank accounts

and include the following: All

Description Contains Awabi Auto Ins

+ Add a condition

Then assign

Transaction type Expense

Category 60920 Auto Expenses:Insur.

Payee Awabi Auto Ins.

Tags Start typing to add a tag

+ Assign more

Automatically confirm transactions this rule applies to

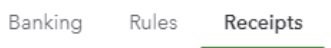
Auto-add ☒

Cancel Save

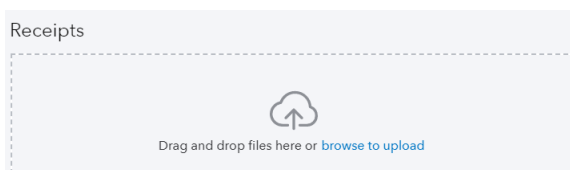
## Receipts

Released in June 2019, **Receipt Capture** in QuickBooks Online allows users to directly upload receipts to the QuickBooks Online Banking Center where QuickBooks will read the receipt and either match it to an existing transaction or allow users to add a new transaction.

Click the **Receipts** tab.

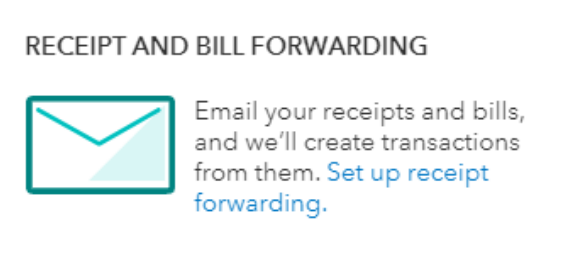


**Drag and drop** receipts directly into QuickBooks Online, or select **Browse** to upload them. Ensure that each image or file contains only a single receipt.



## Receipt and Bill Forwarding

Click **Set up receive forwarding** or **Customize email** button to create an Intuit custom email to forward receipts and bills.



## Mobile App

To scan a receipt, install the "QuickBooks Accounting: Invoicing and Expenses" app on your phone. Then, open the app and tap the menu button. Select the Receipt Camera and snap a photo of your receipt. Once you do, it will automatically appear in the Receipts tab with any other receipts you have added.

### SNAP ON MOBILE



Take a picture of your receipt with the QuickBooks mobile app and review it here.

Click the "For review" tab to manage receipts or bills. Use the **Batch actions** menu to select multiple documents to **Confirm**, **Review** or **Delete** attachments.

For review

Reviewed

Batch actions

Confirm selected

Review selected


Delete selected

TRANSACTION DATE	DESCRIPTION / VENDOR	PAYMENT ACCOUNT	TOTAL AMOUNT / TAX	CATEGORY OR MATCH	ACTION
<div>Add a new receipt to get started</div> <div>We'll pull out the info so you can review it and add it to your books.</div>					

First Prev 0-0 of 0


**Note:** You can send multiple receipts in one email, however if you send too many, the file size may exceed your email provider's limits.

Transfers are used to move money from one bank account to another. You can setup a recurring transfer that auto-populates at the same date or period.

 **Transfer**

1 online banking matches

Transfer Funds From	Balance
<input type="text" value="10000 Checking 1234"/>	\$98,562.29
Transfer Funds To	Balance
<input type="text" value="10200 Savings 1537"/>	\$11,000.00
Transfer Amount	Date
<input type="text" value="5,000.00"/>	<input type="text" value="03/25/2020"/>
Memo	
<input type="text" value="Savings Transfer Torrey Santa Fe"/>	

 **Attachments** Maximum size: 20MB

Drag/Drop files here or click the icon

[Show existing](#)

Note: Transfers require balance sheet account categories and does not require a vendor name.

Reconciling your bank and credit card accounts is an important task to ensure all transactions are accounted for, input errors are corrected, and all outstanding transactions are verified. Completing the bank reconciliation process for all financial accounts is key to accurate data and financial statements.

Click the **Gear** icon -> **Reconcile**.



#### TOOLS

Order checks

Import data

Import desktop data

Export data

Reconcile

Select the **Account** you wish to reconcile from the drop-down list.

Refer to the bank statement to verify the **Beginning balance**, enter the **Ending balance**, and enter the **Ending Date**. Click **Start reconciling**.

## Reconcile an account

Open your statement and let's get started.

Which account do you want to reconcile?

Account

10000 Checking 1234

Add the following information

Beginning balance

0.00

Ending balance \*

87,100.00

Ending date \*

12/31/2019

Start reconciling

Now you are ready to reconcile the account.

Select **Deposits** and check off all deposit and credit transactions that appear on the bank statement. Verify outstanding transactions and make corrections as needed.

Reconcile 10000 Checking 1234  
Statement ending date: December 31, 2019

**\$87,100.00**  
STATEMENT ENDING BALANCE

**\$0.00**  
BEGINNING BALANCE

-

**\$0.00**  
0 PAYMENTS

**\$100,000.00**  
CLEARED BALANCE

**\$100,000.00**  
2 DEPOSITS

**\$-12,900.00**  
DIFFERENCE

Statement ending date Clear filter / View all

Payments **Deposits** All

Show me around

DATE	CLEARED DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (US)	DEPOSIT (US)	
12/01/2019		Journal	AJE01	- Split -		To record beginning bank ...		50,000.00	<input checked="" type="checkbox"/>
12/01/2019		Journal	AJE02	- Split -	Seigo Financial	To record 30 Year Loan		50,000.00	<input checked="" type="checkbox"/>

Select **Payments** and check off all checks and ACH transactions that appear on the bank statement.

Verify outstanding transactions; research and make corrections as needed.

Reconcile 10000 Checking 1234  
Statement ending date: December 31, 2019

**\$87,100.00**  
STATEMENT ENDING BALANCE

**\$0.00**  
BEGINNING BALANCE

-

**\$12,900.00**  
4 PAYMENTS

**\$87,100.00**  
CLEARED BALANCE

**\$100,000.00**  
2 DEPOSITS

**\$0.00**  
DIFFERENCE

Statement ending date Clear filter / View all

Payments **Deposits** All

Show me around

DATE	CLEARED DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (US)	DEPOSIT (US)	
12/01/2019		Check	1001	- Split -	Maki Propert...		7,000.00		<input checked="" type="checkbox"/>
12/01/2019		Check	1002	- Split -	Maki Propert...		5,000.00		<input checked="" type="checkbox"/>
12/01/2019		Check	1003	- Split -	Anago WC Ins.		450.00		<input checked="" type="checkbox"/>
12/01/2019		Check	1004	- Split -	Anago WC Ins.		450.00		<input checked="" type="checkbox"/>

Click **Edit Info** to change the ending balance or statement date.

Verify that the following match the bank statement:

1. **Beginning Balance**
2. **Statement Ending Balance**
3. **Payments total**
4. **Deposits total**

The **Difference** should be \$0.00 when you are done.

Click the drop-down arrow to choose one of the following options:

**Finish now** to complete the bank reconciliation process.

**Finish later** to save your work and resume later.

**Close without Saving** to start over—your work will not be saved.

**Finish now**

Finish now  
Save for later  
Close without saving

Chart of accounts > Bank register > Reconcile

Reconcile 10000 Checking 1234  
Statement ending date: December 31, 2019

\$87,100.00 STATEMENT ENDING BALANCE	-	\$87,100.00 CLEARED BALANCE	
\$0.00 BEGINNING BALANCE	-	\$12,900.00 4 PAYMENTS	+ \$100,000.00 2 DEPOSITS

Edit info
**Finish now**

✓

\$0.00

DIFFERENCE

Now that we have completed a successful **Bank Reconciliation** in QuickBooks®, you can click **Done** or **View Report** (a reconciliation report will open providing summary and detail information).



You reconciled this account

To see a report of this reconciliation, click [View reconciliation report](#).  
Otherwise, you're done!

Done



- 1. You plan on reconciling your checking account, which of the following information is required to begin?**
  - a) Statement Ending Balance
  - b) Total Deposits
  - c) Statement Ending Date
  - d) Both A and C
  
- 2. You have already reconciled for the month and found an old transaction in the Bank Center review section. Which action would you choose to address this?**
  - a) Review
  - b) Exclude
  - c) Go to register
  - d) All the above
  
- 3. How do you manage default information for bank transactions that are downloaded?**
  - a) Banking->Add Account
  - b) Banking->Rules
  - c) Banking->Update
  - d) Banking->Match
  
- 4. Which action would you take to make sure all income and expenses are entered correctly and match the monthly statements for your bank and credit card accounts?**
  - a) Add Account
  - b) Import
  - c) Reconcile
  - d) Update
  
- 5. What report is available after a bank account has been compared to the bank statement?**
  - a) Statement of Cash Flows
  - b) Bank Register
  - c) Balance Sheet
  - d) Reconciliation Summary

1. You plan on reconciling your checking account, what information will you need to get started?
  
  
  
  
  
  
  
  
  
  
2. You have already reconciled for the month and found an old transaction in the Bank Center review section. Which action would you choose to address this?
  
  
  
  
  
  
  
  
  
  
3. How do you manage default information for bank transactions that are imported to the Banking Center?
  
  
  
  
  
  
  
  
  
  
4. Which action would you take to make sure all income and expenses are entered correctly and match the monthly statements for your bank and credit card accounts?
  
  
  
  
  
  
  
  
  
  
3. After you complete a bank reconciliation, which reports are available to review?

## 1. Review Video Links

- a. **How to Categorize transactions from your bank and credit card:**  
<https://quickbooks.intuit.com/learn-support/en-us/bank-transactions/adding-transactions-from-your-bank-credit-card/00/344865>
- b. **How to Reconcile an Account: Statements & Records, & More:**  
<https://quickbooks.intuit.com/learn-support/en-us/banking-topics/reconcile-an-account-in-quickbooks-online/00/186470>
- c. **How to Attach Documents To Transactions: Bills & Expenses:**  
<https://quickbooks.intuit.com/learn-support/en-us/bank-transactions/how-to-attach-documents-to-transactions-bills-expenses/00/344889>

## 2. Reconcile the Checking Account for December. Refer to Section 6 of this training if you need help.

**Click Gear -> Reconcile -> Select the Checking Account 1234**

Beginning Balance should be zero.

Enter Ending Balance \$87,100.00.

Enter Ending Date 12/31/prior year.

**Click Start Reconciling.**

### Reconcile an account

Open your statement and let's get started.

Which account do you want to reconcile?

Account

10000 Checking 1234

Add the following information

Beginning balance	Ending balance *	Ending date *
0.00	87,100.00	12/31/2019

Start reconciling

- Select all transactions.** The difference should be zero.
- Verify the Payee field has a vendor name for all checks and ACH transactions.**

If the difference is zero and there are no unexplained outstanding transactions, click **Finish now**.

Chart of accounts > Bank register > Reconcile

Reconcile 10000 Checking 1234  
Statement ending date: December 31, 2019

**\$87,100.00**  
STATEMENT ENDING BALANCE

**\$0.00**  
BEGINNING BALANCE

**-**

**\$12,900.00**  
4 PAYMENTS

**+**

**\$100,000.00**  
2 DEPOSITS

**\$87,100.00**  
CLEARED BALANCE

✓

\$0.00

DIFFERENCE

▼ × Statement ending date Clear filter / View

Payments

Deposits

All

Print Settings

DATE	CLEARED DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT	DEPOSIT (I)	
12/01/2019		Check	1001	- Split -	Maki Pro...		7,000.00		✓
12/01/2019		Check	1002	- Split -	Maki Pro...		5,000.00		✓
12/01/2019		Check	1003	- Split -	Anago W...		450.00		✓
12/01/2019		Check	1004	- Split -	Anago W...		450.00		✓
12/01/2019		Journal	AJE01	- Split -		To record beginning...	50,00...		✓
12/01/2019		Journal	AJE02	- Split -	Seigo Fin...	To record 30 Year Loan	50,00...		✓

## 3. Reconcile the Savings Account 1537 for December:

Beginning Balance should be zero.

Enter Ending Balance \$1,000.00.

Enter Ending Date 12/31/prior year.

Click **Start Reconciling**.

Select all transactions. Difference should be zero. Click **Finish now**.

Chart of accounts > Bank register > Reconcile

Reconcile 10200 Savings 1537  
Statement ending date: December 31, 2019

**\$1,000.00**  
STATEMENT ENDING BALANCE

**\$0.00**  
BEGINNING BALANCE

-

**\$0.00**  
0 PAYMENTS

**\$1,000.00**  
CLEARED BALANCE

+

**\$1,000.00**  
1 DEPOSIT

**\$0.00**  
DIFFERENCE

× Statement ending date Clear filter / View

Payments Deposits All

Show me around

Print Settings

DATE ▲	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (US)	DEPOSIT (US)	
12/01/2019	Journal	AJE01	- Split -		To record beginning bank ...		1,000.00	✓

## 6. Reconcile the Credit Card Account American Express 11008 for December:

Beginning Balance should be zero.

Enter Ending Balance \$25,860.00.

Enter Ending Date 12/15/prior year.

Select all transactions. Difference should be zero. Click **Finish now**.

Chart of accounts > Credit card register > Reconcile

Reconcile 21000 American Express 11008  
Statement ending date: December 15, 2019

**\$25,860.00**  
STATEMENT ENDING BALANCE

**\$0.00**  
BEGINNING BALANCE

-

**\$25,860.00**  
CLEARED BALANCE

**\$25,860.00**  
9 CHARGES

-

**\$0.00**  
0 PAYMENTS

**\$0.00**  
DIFFERENCE

Edit info
Finish now

Statement ending date: Clear filter / View

Charges
Payments
All

DATE	CLEARED DATE	TYPE	REF. NO.	ACCOUNT	PAYEE	MEMO	CHARGE (L. PAYMENT)	
12/01/2019		Expense		64200 License &...	San Dieg...		350.00	✓
12/01/2019		Expense		64200 License &...	San Dieg...		350.00	✓
12/01/2019		Expense		- Split -	Baigai Se...		1,560.00	✓
12/01/2019		Expense		- Split -	Baigai Se...		1,560.00	✓
12/01/2019		Expense		62200 Dues & S...	Intuit QB...		40.00	✓
12/15/2019		Expense		15000 Resturant...	Resutore...		10,00...	✓
12/15/2019		Expense		15000 Resturant...	Resutore...		10,00...	✓
12/15/2019		Expense		15000 Resturant...	Shiro Ma...		1,000.00	✓
12/15/2019		Expense		15000 Resturant...	Shiro Ma...		1,000.00	✓

If you have any issues with the checking, savings or credit card reconciliations for December, follow the instructions for step 7 and 7a. If you do not have any issues, you can skip these steps. This report displays all transactions, organized by type and sorted by reference number for December only. It will help you identify any missing or incorrect transactions.

**7. Create a Custom Transaction list with splits report for December in your company file.**

Save the report in a custom report group.

**Reports -> Standard -> For my Accountant -> Transaction List with splits**

Date: December 01 – December 31 prior year

Group by: Transaction Type

Sort by: Num

Header: Transaction List with Splits – December

- a. Compare the report to the Sushi Coma December Transaction List with Splits provided by your instructor.**

**8. Close the period.** Now that the books are complete through the end of the year, Daniel and Meredith prepare to file their S-corporation and individual tax returns. Meredith suggests you set a closing date and password to prevent changes to prior transactions.

**Gear-> Company and Settings -> Advanced -> Accounting -> Close the books.**

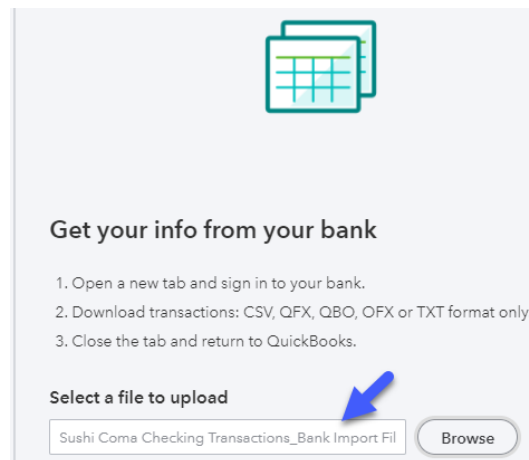
Use date 12/31/prior year. Discuss settings and password with your instructor.

Now it is time to complete the process of posting transactions for the checking account. We will not connect bank accounts for this training; however, we will import checks, debit/ACH and transfer transactions using the manual import feature.

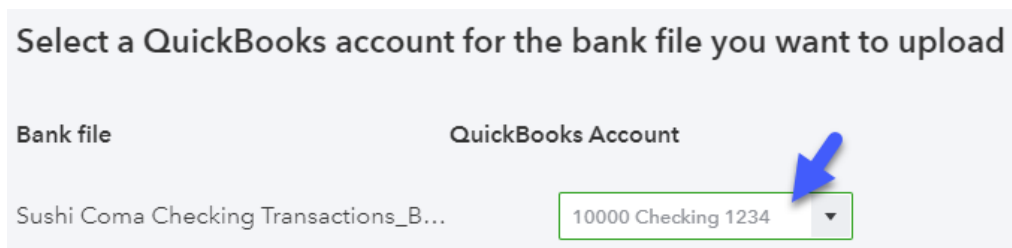
## 1. Import and map bank transactions for January-March for Checking 1234.

Click **Banking** -> **drop-down arrow to the right of Link Account** -> **Upload from file**.

Click **Browse** and select the **Sushi Coma Checking Transactions bank import .csv file from your computer**. Click **Next**.



### a. Select the Checking 1234 Account from the Chart of Accounts. Click Next.





## b. Map fields between QBO and the bank account.

Select the **field options**, change the Amount field to Spent to match the following screen shot. Click **Next**.

For each bank account field, select a QuickBooks field

☒ First row in file is a header row

QuickBooks Online fields	⇒	Your statement fields
Date		Column 1 :Date ▼ MM/dd/yyyy ▼
Description		Column 3 :Description ▼
Amount		Column 6 :Spent ▼

File has amounts in:

☒ 1 column: both positive and negative numbers

☐ 2 column: separate positive and negative numbers

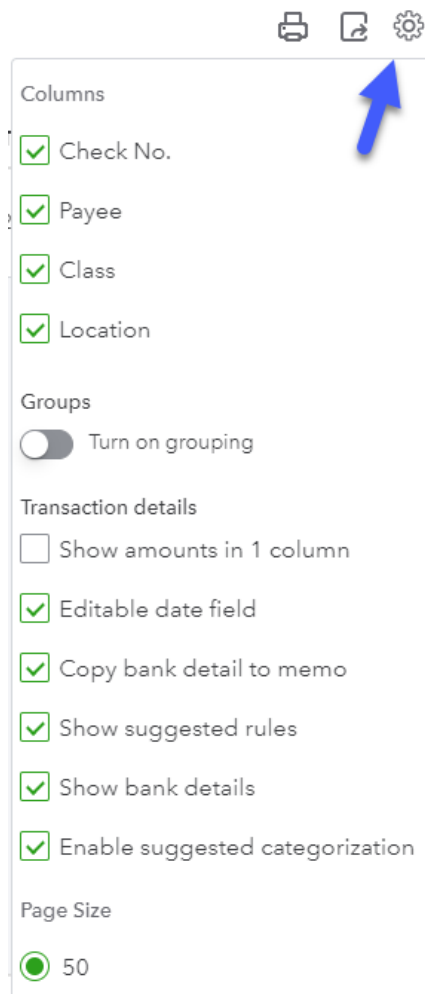
## c. Select all the transactions available to import. Click Next.

A window will appear with a list of transactions to import. Make sure all transactions are selected. **Do you want to continue?** Click **Yes -> Let's go!**

Select the transactions to import

<input checked="" type="checkbox"/>	DATE	DESCRIPTION	AMOUNT
<input checked="" type="checkbox"/>	01/01/2020	Maki Property Check 1005 Rent Salmon	-2,500.00
<input checked="" type="checkbox"/>	01/01/2020	Maki Property Check 1006 Rent Torrey	-3,500.00
<input checked="" type="checkbox"/>	01/10/2020	Akami Advertising Torrey	-1,000.00
<input checked="" type="checkbox"/>	01/10/2020	Akami Advertising Salmon	-1,000.00

- d. Next, click the **Gear** in the Banking Center and select all columns and transactions details in the screen shot.



Click on each transaction and verify or edit the fields. **Be Careful!** This is where errors tend to occur. QuickBooks Online tries to determine the category for you.

## 2. Post transactions for Checking 1234 (January Only)

Use information in the memo to determine Payee, Category, and Location.

Class: Administrative for all transactions.

**Caution!** Messages will appear asking you to create rules. Review the **Section Six Banking** of this training before creating rules. Pay attention to detail to avoid unnecessary clean up.

The screenshot shows the QuickBooks Online transaction entry form. Blue arrows point to the following fields:

- Categorize** (radio button)
- Transaction date** (01/01/2020)
- Check No.** (1005)
- Vendor/Customer** (Maki Property Management)
- Category \*** (64500 Rent or Lease)
- Location** (Salmon Blvd)
- Class** (Administrative)
- Memo** (Maki Property Check 1005 Rent Salmon)
- BANK DETAIL** (Maki Property Check 1005 Rent Salmon)

At the bottom, there are buttons for **Add attachment**, **Create a rule**, **Exclude**, **Split**, and **Add**.

**Note:** Notice the check number in the memo. Add this info to the check no. field.

### 3. Reconcile the Checking Account for January.

Click Gear -> Reconcile -> Select the Checking Account 1234

Beginning Balance should be \$87,100.00.

Enter Ending Balance \$36,919.36.

Enter Ending Date 01/31/current year.

Click **Start Reconciling**.

## Reconcile an account

Open your statement and let's get started.

Which account do you want to reconcile?

Account

10000 Checking 1234

Add the following information

Last statement ending date 12/31/2019

Beginning balance

87,100.00

Ending balance \*

36,919.36

Ending date \*

01/31/2020

Start reconciling

- Select all deposits.
- Verify the Payee field has a vendor name for all checks and ACH transactions.
- Select all the payments - If the difference is zero and there are no unexplained outstanding transactions, Click **Finish now**.

If you have a non-zero balance, compare to Sushi Coma January Checking 1234

Reconciliation report provided by your instructor. Click **Finish now**.

[Chart of accounts](#) > [Bank register](#) > Reconcile

Reconcile 10000 Checking 1234

Statement ending date: January 31, 2020

\$36,919.36		\$36,919.36	
STATEMENT ENDING BALANCE		CLEARED BALANCE	
\$87,100.00	-	\$144,274.17	+
BEGINNING BALANCE		32 PAYMENTS	
		\$94,093.53	
		12 DEPOSITS	

Edit info Finish now ▼

✓ \$0.00  
DIFFERENCE

## 4. Reconcile the Savings Account 1537 for January:

Beginning Balance should be \$1,000.

Enter Ending Balance \$4,000.00.

Enter Ending Date 01/31/prior year.

Click **Start Reconciling**.

Select all transactions. Difference should be zero.

Click **Finish Now**.

Reconcile 10200 Savings 1537  
Statement ending date: January 31, 2020

\$4,000.00 <small>STATEMENT ENDING BALANCE</small>	\$4,000.00 <small>CLEARED BALANCE</small>	
\$1,000.00 <small>BEGINNING BALANCE</small>	- \$0.00 <small>0 PAYMENTS</small>	+ \$3,000.00 <small>1 DEPOSIT</small>

Edit info
Finish now

✓

\$0.00

DIFFERENCE

Statement ending date: January 31, 2020 Clear filter / View all

Payments Deposits All

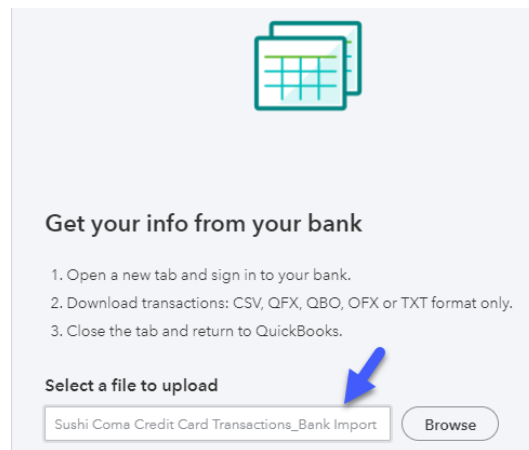
DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (USD)	DEPOSIT (USD)
01/25/2020	Transfer		10000 Checking...		Savings Transfer Torrey Santa Fe		3,000.00

Now it is time to complete the process of posting transactions for the American Express 11008 credit card account. We will not connect credit card accounts for this training; however, we will import transactions using the manual import feature.

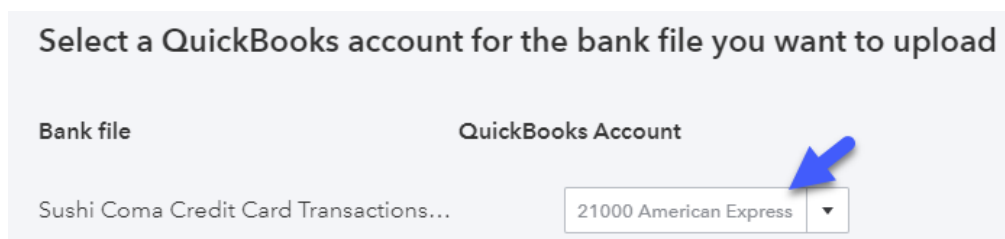
## 5. Import American Express 11008 transactions for January through March.

Click **Banking** -> **drop-down arrow to the right of Link Account** -> **Upload from file**.

Click **Browse** and select the **Sushi Coma Credit Card Transactions Bank Import .csv** file from your computer. Click **Next**.



- a. Select the **American Express 11008** category from the **Chart of Accounts**. Click **Next**.



Map fields between QBO and the bank account.

- b. **Select the field options**, change the Amount field to Spent to match the following screen shot. Click **Next**.

For each bank account field, select a QuickBooks field

☒ First row in file is a header row

QuickBooks Online fields	⇒	Your statement fields
Date		Column 1 :Date ▼ MM/dd/yyyy ▼
Description		Column 3 :Description ▼
Amount		Column 6 :Spent ▼

File has amounts in:

☒ 1 column: both positive and negative numbers

☐ 2 column: separate positive and negative numbers

- c. **Select all the transactions available to import**. Click **Next**.

A window will appear with a list of transactions to import. Make sure all transactions are selected. **Do you want to continue?** Click **Yes -> Let's go!**

Select the transactions to import

<input checked="" type="checkbox"/>	DATE	DESCRIPTION	AMOUNT
<input checked="" type="checkbox"/>	01/01/2020	Tazuna Energy Utilities Torrey	-573.93
<input checked="" type="checkbox"/>	01/01/2020	Tazuna Energy Utilities Salmon	-570.22
<input checked="" type="checkbox"/>	01/03/2020	Geta Fuel Torrey	-68.23
<input checked="" type="checkbox"/>	01/05/2020	CA DMV Auto License Torrey	-560.00
<input checked="" type="checkbox"/>	01/08/2020	Geta Fuel Torrey	-69.77



- d. **Post transactions for American Express 11008 (January Only)**
- e. **Click on each transaction and verify or edit the fields. Be Careful!** This is where errors tend to occur. QuickBooks Online tries to determine the category for you. Use information in the memo to determine Payee, Category, and Location.  
Class: Use **Administrative** for all transactions.

**Caution!** Messages will appear asking you to create rules; simply exit out of the message. We will not create rules during this training. Pay attention to detail to avoid unnecessary clean up.

The screenshot shows the QuickBooks Online transaction entry interface. At the top, there are three radio buttons: "Categorize" (selected), "Find match", and "Record as transfer". Below these are three fields: "Transaction date" (01/01/2020), "Vendor/Customer" (Tazuna Energy Inc.), "Category \*" (68000 Utilities), and "Location" (Torrey Santa Fe). The "Class" field is set to "Administrative". The "Tags" field is empty with a "Manage tags" link. The "Memo" field contains "Tazuna Energy Utilities Torrey" and "BANK DETAIL Tazuna Energy Utilities Torrey". At the bottom, there are buttons for "Add attachment", "Create a rule", "Exclude", "Split", and "Add". Blue arrows point to the "Categorize" radio button, the "Transaction date" field, the "Vendor/Customer" dropdown, the "Category \*" dropdown, the "Location" dropdown, the "Class" dropdown, and the "Memo" field.

## 6. Reconcile the Credit Card Account American Express 11008 for January:

Beginning Balance should be \$25,860.00.

Enter Ending Balance \$41,794.32.

Enter Ending Date 01/15/prior year.

**If you have a non-zero balance, compare to Sushi Coma January Checking 1234**

**Reconciliation report provided by your instructor. Click Finish now.**

Reconcile 21000 American Express 11008  
Statement ending date: January 15, 2020

\$41,794.32 STATEMENT ENDING BALANCE	-	\$41,794.32 CLEARED BALANCE	
\$25,860.00 BEGINNING BALANCE	+	\$15,934.32 20 CHARGES	- \$0.00 0 PAYMENTS

✓ **\$0.00**  
DIFFERENCE

[Edit info](#)
[Finish now](#)

If you have any issues with the checking, savings or credit card reconciliations for January, follow the instructions for step 7 and 7a. If you do not have any issues, you can skip these steps. This report displays all transactions, organized by type and sorted by reference number for January only. It will help you identify any missing or incorrect transactions.

**7. Create a Custom Transaction list with splits report for January in your company file.**

Save the report in a custom report group.

**Reports -> Standard -> For my Accountant -> Transaction List with splits**

Date: January 1 – January 31 current year

Group by: Transaction Type

Sort by: Num

Header: Transaction List with Splits – January

- a. Compare the report to the Sushi Coma January Transaction List with Splits provided by your instructor.**

## 1. Post transactions for Checking 1234 (February Only).

Use information in the memo to determine Payee, Category, and Location.

Class: Use Administrative for all transactions.

## 2. Reconcile the Checking Account for February.

**Click Gear -> Reconcile -> Select the Checking Account 1234**

Beginning Balance should be \$36,919.36.

Enter Ending Balance \$43,070.35.

Enter Ending Date 02/28/current year.

Click **Start Reconciling**.

a. **Select all deposits** Difference should be zero.

b. **Verify the Payee field has a vendor name for all checks and ACH transactions.**

c. **Select all the payments** If the difference is zero and there are no unexplained outstanding transactions, Click **Finish now**.

d. **If you have a non-zero balance, compare to Sushi Coma February Checking 1234 Reconciliation report provided by your instructor. Click Finish now.**

Reconcile 10000 Checking 1234

Statement ending date: February 28, 2020

\$43,070.35		-		\$43,070.35	
STATEMENT ENDING BALANCE				CLEARED BALANCE	
\$36,919.36	-	\$88,912.80	+	\$95,063.79	
BEGINNING BALANCE		30 PAYMENTS		9 DEPOSITS	

Edit info
Finish now

✓ \$0.00  
DIFFERENCE

## 3. Reconcile the Savings Account 1537 for February:

Beginning Balance should be zero.

Enter Ending Balance \$9,000.00.

Enter Ending Date 02/28/prior year.

Click **Start Reconciling**.

Select all transactions

Click **Finish Now**.

Reconcile 10200 Savings 1537  
Statement ending date: January 31, 2020

\$4,000.00 <small>STATEMENT ENDING BALANCE</small>	\$4,000.00 <small>CLEARED BALANCE</small>	
\$1,000.00 <small>BEGINNING BALANCE</small>	- \$0.00 <small>0 PAYMENTS</small>	+ \$3,000.00 <small>1 DEPOSIT</small>

Edit info
Finish now

✓

\$0.00  
DIFFERENCE

▼ × Statement ending date Clear filter / View all
 
Payments
Deposits
All
Show me around

DATE ▲	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (USD)	DEPOSIT (USD)	
01/25/2020	Transfer		10000 Checking...		Savings Transfer Torrey Santa Fe		3,000.00	✓

## 4. Post transactions for American Express 11008 (February Only)

Use information in the memo to determine Payee, Category, and Location.

Class: Use Administrative for all transactions.

## 5. Reconcile the Credit Card Account American Express 11008 for February:

Beginning Balance should be \$41,794.32.

Enter Ending Balance \$11,909.22.

Enter Ending Date 02/15/prior year.

a. Select all payments.

b. Verify the Payee field has a vendor name for charges.

c. Select all the charges - If the difference is zero and there are no unexplained outstanding transactions, Click **Finish now**.

If you have a non-zero balance, compare to Sushi Coma February Amex 11008

Reconciliation report provided by your instructor. Make changes, click **Finish now**.

Reconcile 21000 American Express 11008  
Statement ending date: February 15, 2020

\$11,909.22 STATEMENT ENDING BALANCE		\$11,909.22 CLEARED BALANCE	
\$41,794.32 BEGINNING BALANCE	+	\$5,114.90 20 CHARGES	- \$35,000.00 1 PAYMENT

[Edit info](#)
[Finish now](#)

**\$0.00**  
DIFFERENCE

If you have any issues with the checking, savings or credit card reconciliations for February, follow the instructions for step 6 and 6a. If you do not have any issues, skip these steps. This report displays all transactions, organized by type and sorted by reference number for February only. It will help you identify any missing or incorrect transactions.

**6. Create a Custom Transaction list with splits report for February in your company file.**

Save the report in a custom report group.

**Reports -> Standard -> For my Accountant -> Transaction List with splits**

Date: February 1 – February 28 current year

Group by: Transaction Type

Sort by: Num

Header: Transaction List with Splits – February

- a. Compare the report to the Sushi Coma February Transaction List with Splits provided by your instructor.**

## 1. Post transactions for Checking 1234 (March Only).

Use information in the memo to determine Payee, Category, and Location.

Class: Use Administrative for all transactions.

## 2. Reconcile the Checking Account for March.

**Click Gear -> Reconcile -> Select the Checking Account 1234**

Beginning Balance should be \$43,070.35.

Enter Ending Balance \$60,257.46.

Enter Ending Date 03/31/current year.

Click **Start Reconciling**.

**a. Select all deposits** - Difference should be zero.

**b. Verify the Payee field has a vendor name for all checks and ACH transactions.**

**c. Select all the payments** If the difference is zero and there are no unexplained outstanding transactions, Click **Finish now**.

**If you have a non-zero balance, compare to Sushi Coma March Checking 1234**

**Reconciliation report provided by your instructor.** Make changes, click **Finish now**.

Reconcile 10000 Checking 1234  
Statement ending date: March 31, 2020

\$60,257.46 STATEMENT ENDING BALANCE				\$60,257.46 CLEARED BALANCE	
\$43,070.35 BEGINNING BALANCE	-	\$87,331.11 30 PAYMENTS	+	\$104,518.22 10 DEPOSITS	

Edit info
Finish now

**\$0.00**  
DIFFERENCE



## 3. Reconcile the Savings Account 1537 for March:

Beginning Balance should be \$9,000.00.

Enter Ending Balance \$14,000.00.

Enter Ending Date 03/31/prior year.

Click **Start Reconciling**.

- Select all deposits** Difference should be zero.
- Verify the Payee field has a vendor name for all transactions.**
- Select all the payments** If the difference is zero and there are no unexplained outstanding transactions, Click **Finish now**.

Reconcile 10200 Savings 1537  
Statement ending date: March 31, 2020

\$14,000.00 <small>STATEMENT ENDING BALANCE</small>	\$14,000.00 <small>CLEARED BALANCE</small>	
\$9,000.00 <small>BEGINNING BALANCE</small>	-	\$0.00 <small>0 PAYMENTS</small>
	+	\$5,000.00 <small>1 DEPOSIT</small>

Edit info
Finish now

\$0.00

DIFFERENCE

Statement ending date Clear filter / View all

Payments
Deposits
All

Show me around

DATE ▲	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (USD)	DEPOSIT (USD)
03/25/2020	Transfer		10000 Checking...		Savings Transfer Torrey Santa Fe		5,000.00

## 4. Post transactions for American Express 11008 (March Only).

Use information in the memo to determine Payee, Category, and Location.

Class: Use Administrative for all transactions.

## 5. Reconcile the Credit Card Account American Express 11008 for March:

Beginning Balance should be \$11,909.22.

Enter Ending Balance \$13,179.83.

Enter Ending Date 03/15/current year.

a. Select all payments.

b. Verify the Payee field has a vendor name for charges.

c. Select all the charges - If the difference is zero and there are no unexplained outstanding transactions, Click **Finish now**.

**If you have a non-zero balance, compare to Sushi Coma February Amex 11008**

**Reconciliation report provided by your instructor. Click Finish now.**

Reconcile 21000 American Express 11008  
Statement ending date: March 15, 2020

\$13,179.83 STATEMENT ENDING BALANCE		\$13,179.83 CLEARED BALANCE
\$11,909.22 BEGINNING BALANCE	+	\$4,842.47 19 CHARGES
		- \$3,571.86 2 PAYMENTS

Edit info
Finish now

**\$0.00**  
 DIFFERENCE

If you have any issues with the checking, savings or credit card reconciliations for March, follow the instructions for step 6 and 6a. If you do not have any issues, you can skip these steps. This report displays all transactions, organized by type and sorted by reference number for March only. It will help you identify any missing or incorrect transactions.

**6. Create a Custom Transaction list with splits report for March in your company file.**

Save the report in a custom report group.

**Reports -> Standard -> For my Accountant -> Transaction List with splits**

Date: March 1 – March 31 current year

Group by: Transaction Type

Sort by: Num

Header: Transaction List with Splits – March

- a. Compare the report to the Sushi Coma March Transaction List with Splits provided by your instructor.**



Online Foundations Training

# SECTION 12

# BUDGETING

Objectives  
Budget Overview  
Creating a Budget  
Budget Reports  
Practice Test  
Test Your Knowledge  
Case Study Activities

**Upon completion of Section 12, each participant will be familiar with:**

- An overview of Budgets.
- How to create and maintain a Budget.
- How to access and view Budget reports.

Daniel and Meredith know they should establish a budget but feel overwhelmed as they do not understand the process. Neither of them has set up or worked within a budget and have not yet experienced how powerful this tool can be and how it can help them improve company performance.

Let's first help them gain insight into budgets with an overview, then jump into the details of how to create a budget in QuickBooks Online, and how to maintain the budget. We will conclude with information on how they can access and view budget reports.

Budgets are a very important and an often-overlooked financial process for many small business owners. A budget is a financial plan for a defined period and can help achieve long-term goals as well as improve cash on hand.

A budget is a checks and balance system that helps us track goals such as targets for revenue and expenses. It provides financial data that allows us to compare what we bring in and spend compared to those goals. There are many ways to budget and several types of budgets.

There are many benefits of working within a budget. Here are a few:

- Helps business owners effectively manage cash flow.
- Assists in appropriate allocation of resources to projects.
- Helps business owners monitor company performance.
- Helps business owners establish and meet objectives.
- Improves decision-making.
- Identifies problems before they occur – Cash flow difficulties, the need to raise more money, etc.
- Helps develop future business strategies.
- Increases staff motivation.

Why do you think it is important to establish and maintain a budget? What are the benefits, versus not having a budget in place? What types of information can a budget provide?

Let's create a simple Profit & Loss budget:

Click **Gear icon -> Budgeting -> Add budget.**

Add budget

Create a **name**.

Select the **Fiscal Year** and **Interval**. If you have history from previous years, you can **Pre-fill** the budget with actual data from the previous or current year. If not, create your budget from scratch.

**Subdivide by Customer, Class or Location.**

Add **Subdivided budget** for all or specific locations.

Click **Create Budget**. If you choose actual data, the amounts will populate for each account category used in the company file.

New Budget

Name *	Fiscal Year	Interval	Pre-fill data?	Subdivide by	Add subdivided budget for
2020 Budget	FY2020 (Jan 2020 - Dec 2020) ▼	Monthly ▼	Actual data - 2020 ▼	Location ▼	All ▼
View budget for Salmon Blvd ▼					<input type="checkbox"/> All
					<input checked="" type="checkbox"/> Salmon Blvd
					<input checked="" type="checkbox"/> Torrey Santa Fe

ACCOUNTS	JAN	FEB	MAR	APR	MAY	JUN
----------	-----	-----	-----	-----	-----	-----

## Additional Budget features:

As you enter totals in the cells, you can use the copy across option to auto-populate all twelve months. Click **Gear** icon to change view options, hide blank rows and display options. Once your budget has been saved you can use the **Edit** feature to make changes, copy, delete or run reports.

ACCOUNTS	JAN
▼ INCOME	
40000 Revenue	32,607.00

Edit ▼

- Copy
- Delete
- Run Budgets vs. Actuals report
- Run Budget Overview report

View by

- ☒ Month
- ☐ Quarter
- ☐ Year

Rows

☐ Hide blank rows

Display density

☒ Compact

Columns

- ☐ Format
- ☒ Period
- ☒ Created on
- ☒ Last updated

Rows

☐ Compact



Now we can add or change amounts for income accounts. In this example we populated the data from the current year and are focusing on January– March. We need to change the amounts to reflect projected sales, the dollar amount of sales we anticipate receiving during that timeframe. We also subdivided the budget by location. Now we can change the budget view and amounts per location.

Name \*

2020 Budget

Add subdivided budget for

All

View budget for

Torrey Santa Fe

ACCOUNTS	JAN	FEB	MAR
▼ INCOME			
40000 Food Sales	32,856.00	32,514.00	35,671.50
40100 Liquor Sales	2,022.00	1,973.00	2,107.00
40200 Beverage Sales	902.00	1,016.00	1,078.00
40300 Catering Fees	225.00	225.00	225.00
40400 Delivery Fees	4,720.00	4,300.00	3,800.00
40500 Discounts given	-798.37	-783.11	-841.44
Total Income	39,926.63	39,244.89	42,040.06

Next, add or edit Cost of Goods Sold budget amounts. Click **Save** when you complete this process.

▼ COST OF GOODS SOLD			
50000 Food Costs	9,351.00	12,592.26	12,924.74
50100 Liquor Costs	788.45	773.80	827.15
50200 Beverage Costs	227.10	229.55	243.70
50300 Restaurant Supplies	703.12	832.15	862.96
50700 Inventory Shrinkage	0.00	0.00	10.45
Total Cost of Goods Sold	11,069.67	14,427.76	14,869.00

Finally, add or edit the expense budget amounts. Click **Save** when you complete this process.

▼ EXPENSES			
60800 Advertising & Promotio...	1,000.00	1,000.00	1,000.00
62200 Dues & Subscriptions	147.00	147.00	147.00
63000 Insurance - Liability	0.00	0.00	1,200.00
63100 Insurance - Workers' C...	636.00	636.00	636.00
63200 Interest Paid	301.02	291.91	297.27
64100 Legal & Professional Se...	1,995.00	795.00	795.00
64400 Office Expense	298.22	467.50	398.90
64500 Rent or Lease	3,500.00	3,500.00	3,500.00
64600 Repairs & Maintenance	275.00	275.00	275.00
64800 Security	198.00	198.00	198.00

The **Budget vs Actual** report compares our budgeted amounts to the actual revenue and expenses found on the Profit & Loss. Another great feature in the report is the Over Budget and Under Budget for both amounts and percentages. This tells us if we are over or under our budgeted amounts. You can discuss the results and adjust accordingly. Trimming expenses at the same time you are focused on sales growth is a balanced approach to improving cash on hand and profitability.

The following example provides actual vs budget for two locations and shows us the amount over or under budget and the percentage over or under budget.

**Budget vs. Actuals: 2020 Budget - FY20 P&L Locations Report**

[Back to report list](#)

Report period

Custom ▼ 01/01/2020 to 03/31/2020

Budget: 2020 Budget - FY20 P&L Lc ▼

Show non-zero or active only: Non-zero Rows/Non-zero C ▼

Compare another period: Budget amount over ▼

Accounting method: ☐ Cash ☒ Accrual

[Run report](#)

## JDoe Sushi Coma Inc

### BUDGET VS. ACTUALS: 2020 BUDGET - FY20 P&L LOCATIONS January - March, 2020

	SALMON BLVD				TORREY SANTA FE		
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET	ACTUAL	BUDGET	OVER BUDGET
▼ Income							
40000 Food Sales	99,697.50	99,697.50	0.00	100.00 %	101,041.50	101,041.50	0.00
40100 Liquor Sales	7,216.00	7,216.00	0.00	100.00 %	6,102.00	6,102.00	0.00
40200 Beverage Sales	3,164.00	3,164.00	0.00	100.00 %	2,996.00	2,996.00	0.00
40300 Catering Fees					675.00	675.00	0.00
40400 Delivery Fees	11,200.00	11,200.00	0.00	100.00 %	12,820.00	12,820.00	0.00
40500 Discounts given	-2,426.27	-2,426.27	0.00	100.00 %	-2,422.92	-2,422.92	0.00
<b>Total Income</b>	<b>\$118,851.23</b>	<b>\$118,851.23</b>	<b>\$0.00</b>	<b>100.00 %</b>	<b>\$121,211.58</b>	<b>\$121,211.58</b>	<b>\$0.00</b>

1. **You want to create a budget for your company. Where do you access budgets in QuickBooks Online Plus?**
  - a) Gear->Budgeting
  - b) Banking->Rules
  - c) Accounting->Chart of Accounts
  - d) None of the above
  
2. **Which report compares the amounts we budgeted to the amounts we received and spent?**
  - a) Balance Sheet
  - b) Budget vs Actual
  - c) Profit & Loss
  - d) All the above
  
3. **What types of change does a budget vs actual report show?**
  - a) Dollars
  - b) Percentage
  - c) Cash Flow
  - d) Both A and B
  
4. **You are creating a new budget and need to determine an interval, what are the options?**
  - a) Monthly
  - b) Quarterly
  - c) Yearly
  - d) All the above
  
5. **You are creating a new budget and want to subdivide the budget, what are the options?**
  - a) Customer
  - b) Class
  - c) Location
  - d) All the above

- 1. Why is it important for small business owners to use a budget?**
  
  
  
  
  
  
  
  
  
  
- 2. Which report compares the amounts we budgeted to the amounts we received and spent?**
  
  
  
  
  
  
  
  
  
  
- 3. What story does a budget vs actual report tell us?**
  
  
  
  
  
  
  
  
  
  
- 4. You are creating a new budget and need to determine an interval, what are the options?**
  
  
  
  
  
  
  
  
  
  
- 5. You are creating a new budget and you decide to subdivide the budget, what are the options?**

Daniel and Meredith have asked you to produce an overall budget and a budget per location. They realize the importance of a budget and how it will help them stay in check with sales and spending.

## 1. Review Video Links

**How to run Budget vs Actual Report:**

<https://quickbooks.intuit.com/learn-support/en-us/account-management/how-to-run-budget-vs-actual-report-i-am-using-online-qb-but-when/00/193126>

**Create and Import Budgets into QuickBooks Online:**

<https://quickbooks.intuit.com/learn-support/en-us/budget-topics/create-edit-and-manage-budgets/00/186454>

## 2. Instructor to determine how you will complete Budget Case Study activities.

The budget should be created for January-March current year.

## 3. Locate and review the Budget vs Actual report for January-March current year.

Make sure you have created a budget before completing this activity.



Online Foundations Training

# **SECTION 13**

## **FINAL REVIEW**

Objectives  
Custom Reports  
Sushi Coma Financial Review

**Upon completion of Section 13 each participant will be familiar with:**

- How to save and group Custom Reports.
- How to setup and review a Balance Sheet.
- How to setup and review a Profit & Loss.
- How to review an Audit Log.
- How to create a report and utilize Ask My Accountant.
- Review and Discussion of Sushi Coma Inc. Financial Reports.

In this section, Sushi Coma Inc. will come to life as you gain an understanding of how QuickBooks Online takes raw, meaningless numbers and converts them into highly valuable information. You will begin to see how the numbers tell Sushi Coma's story and how to use those numbers to improve company performance.

You will learn how to navigate a Balance Sheet and Profit & Loss statement, the difference between the two and what it all means. You will also learn how to run an Audit Log, which will help the Sushi Coma owners detect fraudulent activity. The use of Custom Reports means the owners are one click away from accurate real time data 24 hours a day, 7 days a week.

Let's dive into this section and watch the numbers take on meaning!

What reports do you find the most valuable at this point in the training and why?



When we discussed the Chart of Accounts, we learned that categories in the account list make up the Balance Sheet and Profit & Loss statements. We learned the types of transactions that each report displayed and how important these reports are to business owners, the story they tell and how they help with cash management and profitability. Let's review.

## Balance Sheet

**Assets** (what your company owns): bank accounts, petty cash, fixed assets (equipment or vehicles), inventory, undeposited funds (payments from customers waiting to be deposited).

**Liabilities** (what your company owes): accounts payable, credit cards, loans, sales & payroll taxes.

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

## Profit & Loss

**Income** (what you have earned): sales of products, interest, rental income, etc.

**Expenses** (what you have spent): office expenses, wages, professional fees, rent, utilities.

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

Customizing and viewing reports on a regular basis is an important aspect of running a successful company. This ensures the accuracy of your company data and provides information necessary to improve cash flow and profitability. Reports are critical when it comes to providing information you need to make better management decisions.

Manage reports using the **Custom Reports** section which allows you to save Custom Reports in groups. This will streamline the time it takes to review reports daily, weekly, monthly etc.

The **Balance Sheet** and **Profit & Loss** offer a quick view of a business's financial standing. Bankers, Investment Capitalists, etc. evaluate these reports to determine if they will loan money or invest in your business. It's important business owners and accountants understand how to read and interpret balance sheets. Without this snapshot, they may make decisions that have negative repercussions on their companies' financial standing.

## Balance Sheet

Click **Reports** in the **Left Navigation Bar** -> **Standard** -> **Scroll to Business Overview**

-> **Balance Sheet**. When you click the star, the standard report appears in the favorites section at the top of the window.

▼ Business overview		
Audit Log		
Balance Sheet Comparison	☆	⋮
Balance Sheet Detail	☆	⋮
Balance Sheet Summary	☆	⋮
Balance Sheet	★	⋮

There are several ways to filter data for your custom reports. Change the **Report period**, **Display columns**, **Show non-zero or active only**, and **Accounting method**. Also **Compare Report periods**.

Balance Sheet Report

[Back to report list](#)

Report period

Custom 01/01/2020 to 03/31/2020

Customize Save customization

Display columns by Show non-zero or active only Compare another period Accounting method

Total Only Non-zero Rows/Non-zero C Select period Cash Accrual Run report

The **Collapse** option consolidates all sub-account balances within the main account. The **Expand** option displays all sub-account balances. **Sort** by ascending or descending order and **Add notes** or **Edit titles**. Click the appropriate icon to **Email**, **Print** or **Export** a report.

Collapse Sort Add notes Edit titles

Email Print Export Settings

Click **Customize**.

## Customize report

### General

#### Report period

Custom 01/01/2020 to 03/31/2020

#### Accounting method

☐ Cash ☒ Accrual

#### Number format

☐ Divide by 1000  
☐ Without cents  
☒ Except zero amount

#### Negative numbers

(100)  
☐ Show in red

Click **Rows/Columns** to change the way **Columns** are displayed, **Show non-zero rows and columns**, or add **Period Comparisons**.

▼ Rows/Columns

Columns

Show non-zero or active only

Click **Filter** to select specific **Customers, Vendors, or Product/Service** items to be displayed.

▼ Filter

<input type="checkbox"/> Customer	<input type="text" value="All"/>	▼
<input type="checkbox"/> Vendor	<input type="text" value="All"/>	▼
<input type="checkbox"/> Location	<input type="text" value="All"/>	▼
<input type="checkbox"/> Class	<input type="text" value="All"/>	▼
<input type="checkbox"/> Product/Service	<input type="text" value="All"/>	▼

Click **Header/Footer** to change the Report title, remove information displayed, and change the alignment of the report. Click **Run Report**.

▼ Header/Footer

Header

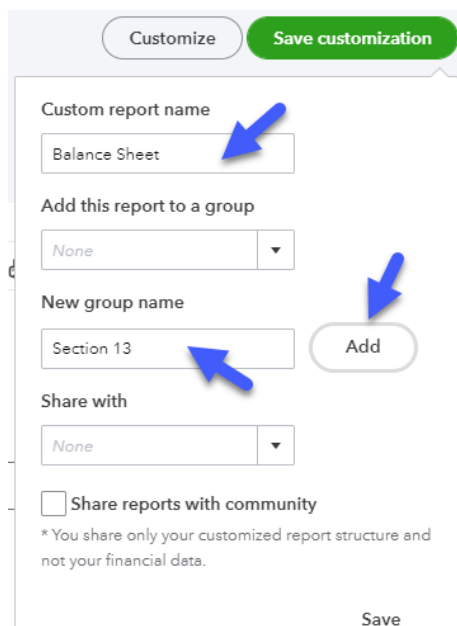
<input checked="" type="checkbox"/> Company name	<input type="text" value="JDoe Sushi Coma Inc"/>
<input checked="" type="checkbox"/> Report title	<input type="text" value="Balance Sheet"/>
<input checked="" type="checkbox"/> Report period	

Footer

<input checked="" type="checkbox"/>	Date prepared
<input checked="" type="checkbox"/>	Time prepared
<input checked="" type="checkbox"/>	Report basis (cash vs. accrual)

Click **Save customization**.

Name your Custom Report or use the default name, add this report to a group, or share it with a coworker. Organizing your reports in groups will save time locating and reviewing your favorite reports. Click **Save**.



The screenshot shows a form for customizing a report. At the top are two buttons: 'Customize' and 'Save customization'. The form fields include:

- Custom report name:** A text box containing 'Balance Sheet'.
- Add this report to a group:** A dropdown menu with 'None' selected.
- New group name:** A text box containing 'Section 13'.
- Share with:** A dropdown menu with 'None' selected.
- Share reports with community:** An unchecked checkbox.

Below the checkbox is a note: '\* You share only your customized report structure and not your financial data.' At the bottom right is a 'Save' button. Blue arrows point to the 'Custom report name' text box, the 'Add this report to a group' dropdown, the 'New group name' text box, and the 'Add' button.

Now simply click on **Reports- > Custom Reports** to quickly access your customized **Balance Sheet**.

> Section 13			Unscheduled	<a href="#">Edit</a> ▼
<a href="#">Balance Sheet</a>	Kristine Mehler	01/01/2020-03/31/2020		<a href="#">Edit</a> ▼

The **Balance Sheet** tells us much more than most business owners realize. When your Balance Sheet is accurate, it becomes a great cash flow management tool and supplies the information we need to calculate Key Performance Indicators (KPI'S) in our business. For example, we can calculate our Current Ratio, a ratio designed to measure the ability to pay short-term obligations, (those due within one year) and compare them to industry standards. The Balance Sheet allows us to run projections on ways to improve our Current Ratio, providing an action plan for improvement. Banks rely heavily on the Balance Sheet to determine if a business can pay back borrowed debt. Pay attention to and learn from the numbers in this report.

Collapse

Sort▼

Add notes

Edit titles

✉

🖨

⬆

⚙

JDoe Sushi Coma Inc

BALANCE SHEET

As of March 31, 2020

	TOTAL
▼ ASSETS	
▼ Current Assets	
▼ Bank Accounts	
10000 Checking 1234	60,257.46
10200 Savings 1537	14,000.00
10800 Register Drawer	400.00
10900 Petty Cash	1,000.00
Total Bank Accounts	\$75,657.46
▼ Accounts Receivable	
11000 Accounts Receivable	624.20
Total Accounts Receivable	\$624.20
▼ Other Current Assets	
12100 Inventory	335.65
Total Other Current Assets	\$335.65
Total Current Assets	\$76,617.31

This sample displays the Assets portion of the Balance Sheet. In order to rely on your financial data, it is important to verify that all Asset account balances are accurate.

Now let's look at the Fixed and Other Asset section of the Balance Sheet. Fixed assets consist of Equipment, Furniture & Fixtures, Vehicles etc. Security Deposits is another type of asset, money we do not have access to until we no longer lease the building. The asset sections of the Balance Sheet are all about what our business owns. If we were to take all the cash in the bank, collect all the money owed to us, and sell our assets, would we have enough to pay all our debts? This is referred to as Liquidity.

▼ Fixed Assets	
15000 Resturant Equipment	22,000.00
15100 Furniture & Fixtures	8,000.00
15200 Office Equipment	6,000.00
15300 Vehicles	20,000.00
16000 Leasehold Improvements	55,000.00
<b>Total Fixed Assets</b>	<b>\$111,000.00</b>
▼ Other Assets	
16700 Security Deposits	6,000.00
<b>Total Other Assets</b>	<b>\$6,000.00</b>
<b>TOTAL ASSETS</b>	<b>\$193,617.31</b>



The next section of a Balance Sheet is all about liabilities and what the business owes.

There are both current and long-term liabilities. Current means you are going to pay them in less than a year and includes bills, credit cards, line of credit etc. Long-Term means you are going to pay them in more than a year and includes equipment, vehicle loans, etc.

▼ LIABILITIES AND EQUITY	
▼ Liabilities	
▼ Current Liabilities	
▼ Accounts Payable	
20000 Accounts Payable	14,630.89
<b>Total Accounts Payable</b>	<b>\$14,630.89</b>
▼ Credit Cards	
21000 American Express 11008	11,424.30
<b>Total Credit Cards</b>	<b>\$11,424.30</b>
▼ Other Current Liabilities	
▼ 22000 Payroll Liabilities	
22010 Federal Taxes Payable	10,727.01
22020 State Taxes Payable	7,705.97
<b>Total 22000 Payroll Liabilities</b>	<b>18,432.98</b>
22100 California Department of Tax and Fee Administr...	6,302.18
22200 Undistributed Tips	5,249.18
<b>Total Other Current Liabilities</b>	<b>\$29,984.34</b>
<b>Total Current Liabilities</b>	<b>\$56,039.53</b>
▼ Long-Term Liabilities	
27000 Note Payable - SBA	49,763.24
27100 Notes Payable - Vehicle 1	19,096.87
<b>Total Long-Term Liabilities</b>	<b>\$68,860.11</b>
<b>Total Liabilities</b>	<b>\$124,899.64</b>



The last section of a Balance Sheet is Equity, or what the business is worth.

When a business owner first sets up an entity, they add personal or investment monies for startup costs, building improvements, legal fees, etc. This is money that owners contribute, and these funds are recorded in the Equity section. Anytime an owner draws money, it is recorded here. The owner draw section of the balance sheet shows money and other assets that the owner takes from the business for personal use.

Once Sushi Coma becomes profitable, as an S-Corp, the owners will need to put themselves on payroll and receive a salary. They had all agreed to forego payroll the first three months as they got the business up and running. (Sole Proprietors take draws vs. payroll to pay themselves and Partnerships take member draws or guaranteed payments.)

Each year the profits or losses roll into the Equity section of the Balance Sheet. We want to make sure that all the account categories on a Balance Sheet are accurate and reliable. The total assets should match liabilities plus equity.

▼ Equity	
30000 Retained Earnings	(8,260.00)
30100 Shareholder 1 Contributions	26,200.00
30300 Shareholder 2 Contributions	26,200.00
Net Income	24,577.67
<b>Total Equity</b>	<b>\$68,717.67</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$193,617.31</b>

## Profit & Loss

The **Profit & Loss** report summarizes Revenue, Costs and Expenses that are incurred over a specified time period. At the end of each year, the Net Profit or Loss rolls into the Equity section of the Balance Sheet. Each new year starts with a zero balance for Income and Expenses.

Click **Reports** in the **Left Navigation Bar** -> **Reports** -> **Standard** -> **Scroll to Business Overview**. Click **Profit and Loss % of Total Income**.

▼ Business overview

Audit Log		
Balance Sheet Comparison	☆	⋮
Balance Sheet Detail	☆	⋮
Balance Sheet Summary	☆	⋮
Balance Sheet	★	⋮
Budget Overview	☆	⋮
Budget vs. Actuals	☆	⋮
Business Snapshot	★	⋮
Profit and Loss as % of total income	★	⋮

Click **Customize**. Change the **Negative numbers** to display with parenthesis and check the box, “Show in red.”

### Customize report

#### ▼ General

##### Report period

Custom ▼ 01/01/2020 to 03/31/2020

##### Accounting method

☐ Cash ☒ Accrual

#### Number format


☐ Divide by 1000  
☐ Without cents  
☒ Except zero amount

#### Negative numbers

(100) ▼  
☒ Show in red

**Note:** It is important to choose the same date range and accounting method used to customize the Balance Sheet.

The **Profit & Loss** provides vital information about the health of a business. It answers such questions as, “Are we hitting sales growth targets? Is our Gross Profit enough to pay all costs? Did we hit our Net Income before Taxes goals? How does our profit margin compare to industry standards?” Never underestimate the power of this report; it tells the story of your business and provides guidance as to which areas need focus. The first section of a Profit & Loss is Income and tells us the percentage of each income category. You can see that Food Sales is where the business is making the most money.

JDoe Sushi Coma Inc 

**PROFIT AND LOSS % OF TOTAL INCOME**  
January - March, 2020

	TOTAL	
	JAN - MAR, 2020	% OF INCOME
▼ Income		
40000 Food Sales	200,739.00	83.62 %
40100 Liquor Sales	13,318.00	5.55 %
40200 Beverage Sales	6,160.00	2.57 %
40300 Catering Fees	675.00	0.28 %
40400 Delivery Fees	24,020.00	10.01 %
40500 Discounts given	(4,849.19)	(2.02 %)
<b>Total Income</b>	<b>\$240,062.81</b>	<b>100.00 %</b>

**Note:** Remember to click **Save Customization** and add this report to your new report group in **Custom Reports**.

The next section of a Profit & Loss is referred to as Direct Costs or Cost of Goods Sold. They are costs directly related to sales. Each line category or line item is a percentage of total sales. Is our total Cost of Goods Sold in line with our industry? Is our gross profit margin better than industry standards? The percentages help us set targets and goals and provides the ability to compare goals to our actual results. The gross profit margin determines if we have enough after Direct Costs or Cost of Goods Sold to pay the rest of the bills and show a profit.

▼ Cost of Goods Sold		
50000 Food Costs	67,240.66	28.01 %
50100 Liquor Costs	5,216.50	2.17 %
50200 Beverage Costs	1,452.00	0.60 %
50300 Restaurant Supplies	4,489.23	1.87 %
50700 Inventory Shrinkage	21.45	0.01 %
<b>Total Cost of Goods Sold</b>	<b>\$78,419.84</b>	<b>32.67 %</b>
<b>GROSS PROFIT</b>	<b>\$161,642.97</b>	<b>67.33 %</b>

The last section of a Profit & Loss displays all other expenses and determines net income or loss. We can drill down to view detailed information about each category. This helps us to verify all transactions are in the correct account category and verifies percentage of income or sales is accurate. Notice the simplicity of this report and the clean Chart of Accounts. The report provides critical information necessary to make sound business decisions. Where could we cut costs and improve net income? Should we focus on sales growth and expense management at the same time?

▼ Expenses		
▼ 60000 Payroll Expenses		
60100 Salaries & Wages	56,640.00	23.59 %
60200 Payroll Tax Expense	25,074.50	10.44 %
<b>Total 60000 Payroll Expenses</b>	<b>81,714.50</b>	<b>34.04 %</b>
60800 Advertising & Promotional	6,000.00	2.50 %
▼ 60900 Auto Expenses		
60910 Auto Fuel	1,114.02	0.46 %
60920 Insurance	914.49	0.38 %
60930 Auto License	560.00	0.23 %
60940 Auto Service	1,351.40	0.56 %
<b>Total 60900 Auto Expenses</b>	<b>3,939.91</b>	<b>1.64 %</b>
62200 Dues & Subscriptions	762.00	0.32 %
63000 Insurance - Liability	2,400.00	1.00 %
63100 Insurance - Workers' Comp	3,816.00	1.59 %
63200 Interest Paid	890.20	0.37 %
64100 Legal & Professional Services	7,170.00	2.99 %
64400 Office Expense	2,212.43	0.92 %
64500 Rent or Lease	18,000.00	7.50 %
64600 Repairs & Maintenance	1,650.00	0.69 %
64800 Security	1,188.00	0.49 %
65100 Telephone & Communications	1,681.21	0.70 %
66000 Uniforms	2,650.00	1.10 %
68000 Utilities	2,991.05	1.25 %
<b>Total Expenses</b>	<b>\$137,065.30</b>	<b>57.10 %</b>
NET OPERATING INCOME	<b>\$24,577.67</b>	<b>10.24 %</b>
NET INCOME	<b>\$24,577.67</b>	<b>10.24 %</b>

Fraud prevention is a growing topic and unfortunately many business owners have experienced fraud firsthand. Implementing fraud prevention policies, processes, and procedures can help detect and prevent fraudulent activity.

## **Biz Q&A:**

- *How do you prevent fraud from occurring in a business?*
- *How do you identify areas where the likelihood of fraud is the greatest?*
- *How do you protect your business assets and cash?*
- *Did you know that businesses with strong internal controls in place have more accurate financial statements?*

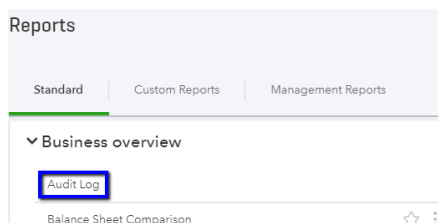
## **Important Fact:**

***According to the Association of Certified Fraud Examiners, the average business will lose approximately 7% of revenues due to employee theft. Small businesses have a 38% greater amount of fraud than larger companies. This is due to the fact many small businesses do not have a fraud prevention strategy in place, while larger companies do.***

## Audit Log

The Audit Log Report is a good way to view activity by user. This is a great training tool used to enforce accurate data entry. The Audit Log is also a way to detect fraudulent activity.

Click **Reports -> All -> Scroll to Business Overview -> Audit Log** or **Gear icon**.



Click the **Filter** button to search historical transactions by **Users, Dates, or Events**.

The screenshot shows the 'Audit Log' filter interface. It includes a 'Filter' button, a 'This month' filter, and a 'Clear filter / View All' link. The 'User' dropdown is set to 'All Users'. The 'Date' dropdown is set to 'This month', with 'From' and 'To' date fields showing '06/01/2020' and '06/30/2020'. The 'Events' section has radio buttons for 'Show all events' (selected) and 'Show only these events'. Under 'Show only these events', there are checkboxes for 'Sign in/sign out', 'Budgets', 'Recurring templates', 'Settings', 'Reconciliations', 'Transactions', 'Lists', 'Time events', 'Statements', 'Sales customizations', and 'Data exchange'. There are also 'Show:' and 'Using:' dropdowns, and 'Reset' and 'Apply' buttons.

Notice the filter criteria is set for a specific user and the historical data indicates when he logged in and out, as well as specific transactions that were edited by Kristine Mehler.

Click the **Gear** icon to select columns to view.

Click **View** to see details for a specific transaction.


The screenshot shows the 'Audit Log' table with columns: DATE CHANGED, USER, EVENT, NAME, DATE, AMOUNT, and HISTORY. There are two rows of data. Blue arrows point to the 'Filter' button, the 'Gear' icon, and the 'View' links in the HISTORY column.

DATE CHANGED	USER	EVENT	NAME	DATE	AMOUNT	HISTORY
Dec 5, 8:27 am Paci...	Kristine Mehler	Added Memorized Report: <a href="#">Section 13:Profit and Loss % of Total Income</a>				<a href="#">View</a>
Dec 5, 7:30 am Paci...	Kristine Mehler	Edited Memorized Report: <a href="#">Section 13:Balance Sheet</a>				<a href="#">View</a>

## Ask My Accountant

This report can be a very helpful tool and is used to post transactions when the user is not sure which category to use. The **Memo** field allows the user to post notes and questions for their Accountant. It can be a great way to train a new bookkeeper or business owner.


Click on **Accounting** in the **Left Navigation Bar** -> **Chart of Accounts** tab. Locate **Ask My Accountant** in other expense type, then click **Run report**.

99999	99999 Ask My Accountant	Other Expense	Other Miscellaneous E...			 <a href="#">Run report</a> ▼
	Reconciliation Discrepanci	Other Expense	Other Miscellaneous E...			<a href="#">Run report</a> ▼

Click **Customize** -> **Header/Footer** to change the **Header** to **Ask My Accountant**.

Change the **Report Period** to **All Dates** then click **Run report**. Remember click **Save Customization** to save your report in **Custom Reports**.

Ask My Accountant Report

[Back to Chart of Accounts](#)  
 Report period  
 All Dates ▼ 

Rows/columns  
 Group by Account ▼

[Customize](#) [Save customization](#)

[Run report](#)

JDoe Sushi Coma Inc 

**ASK MY ACCOUNTANT**  
All Dates

This report does not contain any data.

**Note:** It is important to clear up all transactions on this report before year end and especially before filing a tax return. This is a placeholder for transactions that need more information to post in the correct account or category.



Daniel and Meredith have requested a financial review of several custom reports. You now have the skillset to create and save custom reports. Let's begin with a Balance Sheet, only this time, impress them with a 4-month comparison.

## 1. Create, Customize and Save a Balance Sheet four-month comparison report.

Date: 12/1 prior year – 03/31/current year

Display columns by: Months (you can toggle between months and total only)

Show non-zero or active only: Non-zero Rows & Non-zero columns

Negative numbers: Parenthesis (100)

Header: Balance Sheet by Month

Sushi Coma Inc				
BALANCE SHEET BY MONTH				
As of March 31, 2020				
	DEC 2019	JAN 2020	FEB 2020	MAR 2020
▼ ASSETS				
▼ Current Assets				
▼ Bank Accounts				
10000 Checking 1234	87,100.00	36,919.36	43,070.35	60,257.46
10200 Savings 1537	1,000.00	4,000.00	9,000.00	14,000.00
10800 Register Drawer	400.00	400.00	400.00	400.00
10900 Petty Cash	1,000.00	1,000.00	1,000.00	1,000.00
<b>Total Bank Accounts</b>	<b>\$89,500.00</b>	<b>\$42,319.36</b>	<b>\$53,470.35</b>	<b>\$75,657.46</b>
▼ Accounts Receivable				
11000 Accounts Receivable		0.00	696.59	624.20
<b>Total Accounts Receivable</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$696.59</b>	<b>\$624.20</b>
▼ Other Current Assets				
12100 Inventory	1,232.50	901.30	524.30	335.65
<b>Total Other Current Assets</b>	<b>\$1,232.50</b>	<b>\$901.30</b>	<b>\$524.30</b>	<b>\$335.65</b>

Now let's review and discuss the Fixed Asset section of the four-month Balance Sheet comparison.

## Sushi Coma Inc

### BALANCE SHEET BY MONTH

As of March 31, 2020

	DEC 2019	JAN 2020	FEB 2020	MAR 2020
▼ Fixed Assets				
15000 Resturant Equipment	22,000.00	22,000.00	22,000.00	22,000.00
15100 Furniture & Fixtures	8,000.00	8,000.00	8,000.00	8,000.00
15200 Office Equipment	6,000.00	6,000.00	6,000.00	6,000.00
15300 Vehicles	20,000.00	20,000.00	20,000.00	20,000.00
16000 Leasehold Improvements	55,000.00	55,000.00	55,000.00	55,000.00
<b>Total Fixed Assets</b>	<b>\$111,000.00</b>	<b>\$111,000.00</b>	<b>\$111,000.00</b>	<b>\$111,000.00</b>
▼ Other Assets				
16700 Security Deposits	6,000.00	6,000.00	6,000.00	6,000.00
<b>Total Other Assets</b>	<b>\$6,000.00</b>	<b>\$6,000.00</b>	<b>\$6,000.00</b>	<b>\$6,000.00</b>
<b>TOTAL ASSETS</b>	<b>\$207,732.50</b>	<b>\$160,220.66</b>	<b>\$171,691.24</b>	<b>\$193,617.31</b>

Now let's review and discuss the Liability section of the four-month Balance Sheet comparison.

## Sushi Coma Inc

### BALANCE SHEET BY MONTH

As of March 31, 2020

	DEC 2019	JAN 2020	FEB 2020	MAR 2020
▼ LIABILITIES AND EQUITY				
▼ Liabilities				
▼ Current Liabilities				
▼ Accounts Payable				
20000 Accounts Payable	56,732.50	1,015.10	1,309.60	14,630.89
<b>Total Accounts Payable</b>	<b>\$56,732.50</b>	<b>\$1,015.10</b>	<b>\$1,309.60</b>	<b>\$14,630.89</b>
▼ Credit Cards				
21000 American Express 11008	36,860.00	7,479.90	8,950.80	11,424.30
<b>Total Credit Cards</b>	<b>\$36,860.00</b>	<b>\$7,479.90</b>	<b>\$8,950.80</b>	<b>\$11,424.30</b>
▼ Other Current Liabilities				
▼ 22000 Payroll Liabilities				
22010 Federal Taxes Payable		5,886.42	10,866.68	10,727.01
22020 State Taxes Payable		4,228.64	7,806.30	7,705.97
<b>Total 22000 Payroll Liabilities</b>		<b>10,115.06</b>	<b>18,672.98</b>	<b>18,432.98</b>
22100 California Department of Tax a...		5,677.51	5,776.57	6,302.18
22200 Undistributed Tips		5,812.90	4,777.45	5,249.18
<b>Total Other Current Liabilities</b>	<b>\$0.00</b>	<b>\$21,605.47</b>	<b>\$29,227.00</b>	<b>\$29,984.34</b>
<b>Total Current Liabilities</b>	<b>\$93,592.50</b>	<b>\$30,100.47</b>	<b>\$39,487.40</b>	<b>\$56,039.53</b>
▼ Long-Term Liabilities				
27000 Note Payable - SBA	50,000.00	49,921.31	49,842.39	49,763.24
27100 Notes Payable - Vehicle 1	20,000.00	19,700.01	19,398.97	19,096.87
<b>Total Long-Term Liabilities</b>	<b>\$70,000.00</b>	<b>\$69,621.32</b>	<b>\$69,241.36</b>	<b>\$68,860.11</b>
<b>Total Liabilities</b>	<b>\$163,592.50</b>	<b>\$99,721.79</b>	<b>\$108,728.76</b>	<b>\$124,899.64</b>

Now let's review and discuss the Equity section of the four-month Balance Sheet comparison.

## Sushi Coma Inc

### BALANCE SHEET BY MONTH

As of March 31, 2020

	DEC 2019	JAN 2020	FEB 2020	MAR 2020
▼ Equity				
30000 Retained Earnings		(8,260.00)	(8,260.00)	(8,260.00)
30100 Shareholder 1 Contributions	26,200.00	26,200.00	26,200.00	26,200.00
30300 Shareholder 2 Contributions	26,200.00	26,200.00	26,200.00	26,200.00
Net Income	(8,260.00)	16,358.87	18,822.48	24,577.67
Total Equity	\$44,140.00	\$60,498.87	\$62,962.48	\$68,717.67
TOTAL LIABILITIES AND EQUITY	\$207,732.50	\$160,220.66	\$171,691.24	\$193,617.31

Accrual basis

## **Summary of discussion points for the final four-month Balance Sheet Comparison:**

- This report includes both locations.
- The same bank accounts are used for both locations.
- Cash on Hand (COH), December included shareholder contributions. COH is steady and growing each month. (Improving COH will help the current ratio when comparing to industry standards.)
- Bank Accounts are reconciled, and we can rely on the numbers.
- Accounts Receivable – Invoicing started in February when catering services were offered.
- Inventory – higher in December as they anticipated sales for January. Good Inventory management in following months.
- Security deposits were paid for both locations. No additional assets were purchased in the Jan-March time period.
- Accounts payable was high in December due to leasehold improvements; they were able to stretch the payments to January.
- Credit card was used for several initial purchases in December, and they are maintaining a lower balance over the following months, which will help their credit score.
- Payroll started in January creating federal and tax liabilities for both locations. It is very important to stay on top of federal and state agency tax liabilities. (When a business owner falls behind on tax obligations it can really hurt cash flow and the ability to grow a healthy business.)
- Sales tax is reflected for both locations, paid each month for the prior month.
- Tips are distributed through payroll each pay period. The balance showing here is for sales in March paid in April.

## **Discuss the final Balance Sheet continued:**

- Notes for SBA and the Delivery Van reflect the principal balance still owed on the loans.
- December shows a loss as we recorded expenses and no income.
- The owners have not had to add additional personal funds to the business.
- Net Income is steadily improving.
- Total Equity is a positive number.
- Question: Are they liquid? Do they have more in Current Assets than Current Liabilities?
- Question: Do they have more in Total Assets compared to Total Liabilities?

Let's review and discuss the Profit and Loss three-month comparison report. We will look at Income and Cost of Goods Sold first.

## 1. Create, Customize and Save a Profit & Loss three-month comparison report.

Date: 12/01– 03/31 current year

Display columns by: Months (you can toggle between months and total only)

Show non-zero or active only: Non-zero Rows & Non-zero columns

Negative numbers: Parenthesis (100), select "show in red."

Header: Profit & Loss by Month

(Optional) Compare another period: Select % of Income.

Sushi Coma Inc					
Profit and Loss by Month					
December 2019 - March 2020					
	DEC 2019	JAN 2020	FEB 2020	MAR 2020	TOTAL
▼ Income					
40000 Food Sales		62,634.00	65,694.00	72,411.00	\$200,739.00
40100 Liquor Sales		4,613.00	4,249.00	4,456.00	\$13,318.00
40200 Beverage Sales		1,898.00	2,048.00	2,214.00	\$6,160.00
40300 Catering Fees		225.00	225.00	225.00	\$675.00
40400 Delivery Fees		8,940.00	7,460.00	7,620.00	\$24,020.00
40500 Discounts given		(1,550.31)	(1,576.31)	(1,722.57)	\$ (4,849.19)
<b>Total Income</b>	<b>\$0.00</b>	<b>\$76,759.69</b>	<b>\$78,099.69</b>	<b>\$85,203.43</b>	<b>\$240,062.81</b>
▼ Cost of Goods Sold					
50000 Food Costs		18,278.88	24,288.83	24,672.95	\$67,240.66
50100 Liquor Costs		1,801.35	1,665.80	1,749.35	\$5,216.50
50200 Beverage Costs		463.45	471.60	516.95	\$1,452.00
50300 Restaurant Supplies		1,361.24	1,518.39	1,609.60	\$4,489.23
50700 Inventory Shrinkage	0.00			21.45	\$21.45
<b>Total Cost of Goods Sold</b>	<b>\$0.00</b>	<b>\$21,904.92</b>	<b>\$27,944.62</b>	<b>\$28,570.30</b>	<b>\$78,419.84</b>
<b>GROSS PROFIT</b>	<b>\$0.00</b>	<b>\$54,854.77</b>	<b>\$50,155.07</b>	<b>\$56,633.13</b>	<b>\$161,642.97</b>

Now let's review and discuss the Expense section of the Profit & Loss three-month comparison. What do you see?

## Sushi Coma Inc

### Profit and Loss by Month December 2019 - March 2020

	DEC 2019	JAN 2020	FEB 2020	MAR 2020	TOTAL
▼ Expenses					
▼ 60000 Payroll Expenses					\$0.00
60100 Salaries & Wages		12,992.00	21,824.00	21,824.00	\$56,640.00
60200 Payroll Tax Expense		5,371.12	9,915.40	9,787.98	\$25,074.50
<b>Total 60000 Payroll Expenses</b>		<b>18,363.12</b>	<b>31,739.40</b>	<b>31,611.98</b>	<b>\$81,714.50</b>
60800 Advertising & Promotional		2,000.00	2,000.00	2,000.00	\$6,000.00
▼ 60900 Auto Expenses					\$0.00
60910 Auto Fuel		409.26	285.95	418.81	\$1,114.02
60920 Insurance		304.83	304.83	304.83	\$914.49
60930 Auto License		560.00			\$560.00
60940 Auto Service		294.62		1,056.78	\$1,351.40
<b>Total 60900 Auto Expenses</b>		<b>1,568.71</b>	<b>590.78</b>	<b>1,780.42</b>	<b>\$3,939.91</b>
62200 Dues & Subscriptions	40.00	254.00	254.00	254.00	\$802.00
63000 Insurance - Liability	600.00			2,400.00	\$3,000.00
63100 Insurance - Workers' Comp	300.00	1,272.00	1,272.00	1,272.00	\$4,116.00
63200 Interest Paid		301.02	291.91	297.27	\$890.20
64100 Legal & Professional Services		3,990.00	1,590.00	1,590.00	\$7,170.00
64200 License & Permits	700.00				\$700.00
64400 Office Expense		565.77	889.96	756.70	\$2,212.43
64500 Rent or Lease	6,000.00	6,000.00	6,000.00	6,000.00	\$24,000.00
64600 Repairs & Maintenance		550.00	550.00	550.00	\$1,650.00
64800 Security	120.00	396.00	396.00	396.00	\$1,308.00
65100 Telephone & Communications	200.00	541.13	568.44	571.64	\$1,881.21
66000 Uniforms		1,550.00	550.00	550.00	\$2,650.00
68000 Utilities	300.00	1,144.15	998.97	847.93	\$3,291.05
<b>Total Expenses</b>	<b>\$8,260.00</b>	<b>\$38,495.90</b>	<b>\$47,691.46</b>	<b>\$50,877.94</b>	<b>\$145,325.30</b>
NET OPERATING INCOME	<b>\$ (8,260.00)</b>	<b>\$16,358.87</b>	<b>\$2,463.61</b>	<b>\$5,755.19</b>	<b>\$16,317.67</b>
NET INCOME	<b>\$ (8,260.00)</b>	<b>\$16,358.87</b>	<b>\$2,463.61</b>	<b>\$5,755.19</b>	<b>\$16,317.67</b>



## **Summary of discussion points for the Profit & Loss three-month comparison:**

- Why didn't we include December? No sales and only a few expenses in December.
- Sales begin in January and continue to improve in the following months.
- Food sales are still number one.
- Interesting how much money they make in delivery fees.
- Cost of goods sold increases as sales increase.
- Do they have enough money left to pay the rest of their expenses including payroll?
- Payroll went up quite a bit between January and February and then remains consistent.
- Auto license looks like it is paid once a year.
- Dues and Subscriptions is consistent.
- Liability insurance is paid once a year. Could they spread that over monthly payments to improve cash flow?
- Legal and Professional services were higher in January. They paid for the setup of the entities in December.
- What else do you see?
- Why is net income higher in January?
- Do you think this is a healthy business?
- Do you think they can cut 10% of their expenses? How would they go about it?

Now that we have a sense of sales by month, it would be helpful to know how each location is doing in terms of income and expenses.

Let's review the Profit & Loss by Location.


## 1. Create and Save a custom Profit & Loss by location report.

Date: 01/01 – 03/31 current year

Sushi Coma Inc  
**PROFIT AND LOSS BY LOCATION**  
January - March, 2020

	SALMON BLVD	TORREY SANTA FE	TOTAL
▼ Income			
40000 Food Sales	99,697.50	101,041.50	\$200,739.00
40100 Liquor Sales	7,216.00	6,102.00	\$13,318.00
40200 Beverage Sales	3,164.00	2,996.00	\$6,160.00
40300 Catering Fees		675.00	\$675.00
40400 Delivery Fees	11,200.00	12,820.00	\$24,020.00
40500 Discounts given	(2,426.27)	(2,422.92)	\$ (4,849.19)
<b>Total Income</b>	<b>\$118,851.23</b>	<b>\$121,211.58</b>	<b>\$240,062.81</b>
▼ Cost of Goods Sold			
50000 Food Costs	32,372.66	34,868.00	\$67,240.66
50100 Liquor Costs	2,827.10	2,389.40	\$5,216.50
50200 Beverage Costs	751.65	700.35	\$1,452.00
50300 Restaurant Supplies	2,091.00	2,398.23	\$4,489.23
50700 Inventory Shrinkage	11.00	10.45	\$21.45
<b>Total Cost of Goods Sold</b>	<b>\$38,053.41</b>	<b>\$40,366.43</b>	<b>\$78,419.84</b>
<b>GROSS PROFIT</b>	<b>\$80,797.82</b>	<b>\$80,845.15</b>	<b>\$161,642.97</b>

Let's look at expenses by location. What do you see?

Sushi Coma Inc 			
<b>PROFIT AND LOSS BY LOCATION</b>			
January - March, 2020			
	SALMON BLVD	TORREY SANTA FE	TOTAL
▼ Expenses			
▼ 60000 Payroll Expenses			\$0.00
60100 Salaries & Wages	28,320.00	28,320.00	\$56,640.00
60200 Payroll Tax Expense	12,359.94	12,714.56	\$25,074.50
<b>Total 60000 Payroll Expenses</b>	<b>40,679.94</b>	<b>41,034.56</b>	<b>\$81,714.50</b>
60800 Advertising & Promotio...	3,000.00	3,000.00	\$6,000.00
▼ 60900 Auto Expenses			\$0.00
60910 Auto Fuel		1,114.02	\$1,114.02
60920 Insurance		914.49	\$914.49
60930 Auto License		560.00	\$560.00
60940 Auto Service		1,351.40	\$1,351.40
<b>Total 60900 Auto Expenses</b>		<b>3,939.91</b>	<b>\$3,939.91</b>
62200 Dues & Subscriptions	321.00	441.00	\$762.00
63000 Insurance - Liability	1,200.00	1,200.00	\$2,400.00
63100 Insurance - Workers' Co...	1,908.00	1,908.00	\$3,816.00
63200 Interest Paid		890.20	\$890.20
64100 Legal & Professional Ser...	3,585.00	3,585.00	\$7,170.00
64400 Office Expense	1,047.81	1,164.62	\$2,212.43
64500 Rent or Lease	7,500.00	10,500.00	\$18,000.00
64600 Repairs & Maintenance	825.00	825.00	\$1,650.00
64800 Security	594.00	594.00	\$1,188.00
65100 Telephone & Communi...	823.98	857.23	\$1,681.21
66000 Uniforms	1,325.00	1,325.00	\$2,650.00
68000 Utilities	1,412.83	1,578.22	\$2,991.05
<b>Total Expenses</b>	<b>\$64,222.56</b>	<b>\$72,842.74</b>	<b>\$137,065.30</b>
<b>NET OPERATING INCOME</b>	<b>\$16,575.26</b>	<b>\$8,002.41</b>	<b>\$24,577.67</b>
<b>NET INCOME</b>	<b>\$16,575.26</b>	<b>\$8,002.41</b>	<b>\$24,577.67</b>

Now that we have a sense of sales by month and location, it would be helpful to know if restaurant sales are higher than online sales. We will review Income and Cost of Goods Sold by Class.

Let's review the Profit & Loss by Class. What do you see?

## 1. Create and Save a custom Profit & Loss by class report.

Date: 01/01 – 03/31 current year

Sushi Coma Inc						
PROFIT AND LOSS BY CLASS						
January - March, 2020						
	ADMINISTRATIVE	CATERING	ONLINE	RESTAURANT	NOT SPECIFIED	TOTAL
▼ Income						
40000 Food Sales		1,818.00	106,962.00	91,959.00		\$200,739.00
40100 Liquor Sales				13,318.00		\$13,318.00
40200 Beverage Sales			828.00	5,332.00		\$6,160.00
40300 Catering Fees		675.00				\$675.00
40400 Delivery Fees		30.00	23,990.00			\$24,020.00
40500 Discounts given					-4,849.19	\$ -4,849.19
<b>Total Income</b>	<b>\$0.00</b>	<b>\$2,523.00</b>	<b>\$131,780.00</b>	<b>\$110,609.00</b>	<b>\$ -4,849.19</b>	<b>\$240,062.81</b>
▼ Cost of Goods Sold						
50000 Food Costs	67,240.66					\$67,240.66
50100 Liquor Costs				5,216.50		\$5,216.50
50200 Beverage Costs			310.50	1,141.50		\$1,452.00
50300 Restaurant Supplies	4,489.23					\$4,489.23
50700 Inventory Shrinkage	21.45					\$21.45
<b>Total Cost of Goods Sold</b>	<b>\$71,751.34</b>	<b>\$0.00</b>	<b>\$310.50</b>	<b>\$6,358.00</b>	<b>\$0.00</b>	<b>\$78,419.84</b>
<b>GROSS PROFIT</b>	<b>\$ -71,751.34</b>	<b>\$2,523.00</b>	<b>\$131,469.50</b>	<b>\$104,251.00</b>	<b>\$ -4,849.19</b>	<b>\$161,642.97</b>

Notice the types of expenses listed under the Administrative class.

Sushi Coma Inc						
Profit and Loss by Class						
January - March, 2020						
	ADMINISTRATIVE	CATERING	ONLINE	RESTAURANT	NOT SPECIFIED	TOTAL
▼ Expenses						
▼ 60000 Payroll Expenses						\$0.00
60100 Salaries & Wages	56,640.00					\$56,640.00
60200 Payroll Tax Expense	25,074.50					\$25,074.50
<b>Total 60000 Payroll Expenses</b>	<b>81,714.50</b>					<b>\$81,714.50</b>
60800 Advertising & Promotio...	6,000.00					\$6,000.00
▼ 60900 Auto Expenses						\$0.00
60910 Auto Fuel	1,114.02					\$1,114.02
60920 Insurance	914.49					\$914.49
60930 Auto License	560.00					\$560.00
60940 Auto Service	1,351.40					\$1,351.40
<b>Total 60900 Auto Expenses</b>	<b>3,939.91</b>					<b>\$3,939.91</b>
62200 Dues & Subscriptions	762.00					\$762.00
63000 Insurance - Liability	2,400.00					\$2,400.00
63100 Insurance - Workers' C...	3,816.00					\$3,816.00
63200 Interest Paid	890.20					\$890.20
64100 Legal & Professional Se...	7,170.00					\$7,170.00
64400 Office Expense	2,212.43					\$2,212.43
64500 Rent or Lease	18,000.00					\$18,000.00
64600 Repairs & Maintenance	1,650.00					\$1,650.00
64800 Security	1,188.00					\$1,188.00
65100 Telephone & Communi...	1,681.21					\$1,681.21
66000 Uniforms	2,650.00					\$2,650.00
68000 Utilities	2,991.05					\$2,991.05
<b>Total Expenses</b>	<b>\$137,065.30</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$137,065.30</b>
NET OPERATING INCOME	\$ -208,816.64	\$2,523.00	\$131,469.50	\$104,251.00	\$ -4,849.19	\$24,577.67
NET INCOME	\$ -208,816.64	\$2,523.00	\$131,469.50	\$104,251.00	\$ -4,849.19	\$24,577.67

As we completed the training for each section, we saved several reports in our favorites group. We have provided an additional list of recommended reports from each section to review and discuss:

- **Sales by Class Summary** – Remember to sort by descending order. Date 01/01-03/31 current year. You will see that Online sales wins overall.
- **Sales by Location Summary** – Remember to sort by descending order. Date 01-03/31 current year. You will see that Torrey Santa Fe rocks.
- **Sales Tax Liability** – Shows a \$6,302.18 tax amount for 03/01-03/31 current year. We already paid January and February liabilities. This should match the California Department of Tax amount due on the Balance Sheet as of 03/31 current year.
- **Accounts Receivable Aging Summary** – Shows outstanding balance in 91 and over column (meaning the bill is still not paid at least 91 days out) for Miso Mimachi and matches the Accounts Receivable amount due as of 3/31 current year on the Balance Sheet.
- **Open Invoices** – Shows outstanding invoice 1060 Miso Mimachi, \$624.20 for all dates.
- **Sales by Customer Summary** – Remember to sort by descending order. Date 01/01-03/31 current year. Online customers take the lead.
- **Sales by Product/Service Summary** – Remember to sort in descending order. You will see the top selling items are as follows:
  - 5 Protein Bowl Qty 1068 Amt \$16,020.00.
  - Wine Qty 326 Amt \$2,608.00

- **Accounts Payable Aging Summary** – Shows \$14,630.89 in the 91 and over column.
- **Unpaid Bills** – Shows \$14,630.89. Oops, they are a little behind with Saki Fountain Inc. and Sushi Foods Inc.
- **Expenses by Vendor Summary** – January – March current year shows \$208,795.19. You can sort in descending order to top vendor expenses.
- **Open Purchase Order list** – No open transactions.
- **Physical Inventory Worksheet** – Shows qty on hand and re-order point for the following inventory items:
  - Beer 38 Qty 50 Re-order
  - Soda 54 Qty 75 Re-order
  - Water 71 Qty 75 Re-order
  - Wine 67 Qty 50 Re-order
- **Inventory Valuation Detail** – Shows history of all transactions for each Inventory item, FIFO cost, and asset value. The total asset value \$335.65 should match the Inventory asset value on the Balance Sheet as of 3/31 current year.
- **Bank Reconciliation Summary** – Access this report for each month you have completed the reconciliations for checking, savings and credit card accounts. (Found in the reconciliation feature.)
- **Budget vs Actual** – Results of this report depend on the budget you created.
- **Ask My Accountant** – No unsolved transactions.
- **Audit Log** – Explore and practice with the filter feature.

This concludes the Sushi Coma Inc. training.

A few final thoughts:

A business owner may assume that a correct accounting software set up is just that, when in fact it is the basis upon which a solid financial foundation is built. QuickBooks Online incorporates accounting best practices and is a powerful platform upon which to build a successful business.

Workflow automation is all about streamlining simple, manual, and repetitive tasks and processes which take up valuable time and resources that could be better invested in growth-generating projects. Automated workflows in QuickBooks Online empower growing businesses to reduce the time and money they'd normally spend on processes, such as sending and paying invoices, transactional customer communications, and, perhaps most important, cash flow management.

Most important of all is access to real time data. While many business owners are intimidated by the numbers, the most successful business owners understand the daily use of financial reports will guide them every step of the way and provide deep insights into what action steps are necessary to improve results.

We hope you enjoyed this experience, and it has helped you to understand the value of accurate financial data, automated processes and workflow best practices. There is a significant need for business owners to understand financial reports, learn how to build cash flow and grow a healthy business. We are confident you will be part of that process!





Online Foundations Training

# **APPENDIX A LISTS & MORE**

All Lists  
Recurring Transactions  
Attachments  
Mileage

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

Click the **Gear** icon.  Help   

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

### [Chart of Accounts](#)

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

### [Recurring Transactions](#)

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

### [Products and Services](#)

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

### [Product Categories](#)

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

### [Custom Form Styles](#)

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

### [Payment Methods](#)

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

### [Terms](#)

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

### [Attachments](#)

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

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



Click the **Gear** icon.

Click **Recurring Transactions** under **Lists**.

In the **Recurring Transactions** window, you can filter by **Name**, **Template Type**, or **Transaction Type**.

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

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

Click the drop-down arrow in the **Action** column to select, **duplicate**, **resume** or **delete** a recurring transaction.

Click the **Gear** icon to change the number of **Rows** displayed.

TEMPLATE NAME	TYPE	TXN TYPE	INTERVAL	PREVIOUS DATE	NEXT DATE	CLIENT/VENDOR	AMOUNT	ACTION
Savings	Scheduled	Transfer	Every Month		Paused		1,000.00	Edit

Click **New** and select the **Transaction Type** to create a Recurring Transaction.  
Enter all details.

## Select Transaction Type

Select the type of template to create

Transaction Type

Transfer ▼

Cancel

OK

### Recurring Transfer

Template name Type  
Savings Scheduled ▼ Create  days in advance

Interval Start date End End date  
Monthly ▼ on day ▼ Last ▼ of every 1 month(s) 02/28/2025 By ▼ 12/31/2025

Transfer Funds From Balance  
10000 Checking 1234 ▼ \$66,672.25

Transfer Funds To Balance  
10100 Savings 5678 ▼ \$87,000.00


Transfer Amount  
1,000.00

Memo

Attachments Maximum size: 20MB

Drag/Drop files here or click the icon

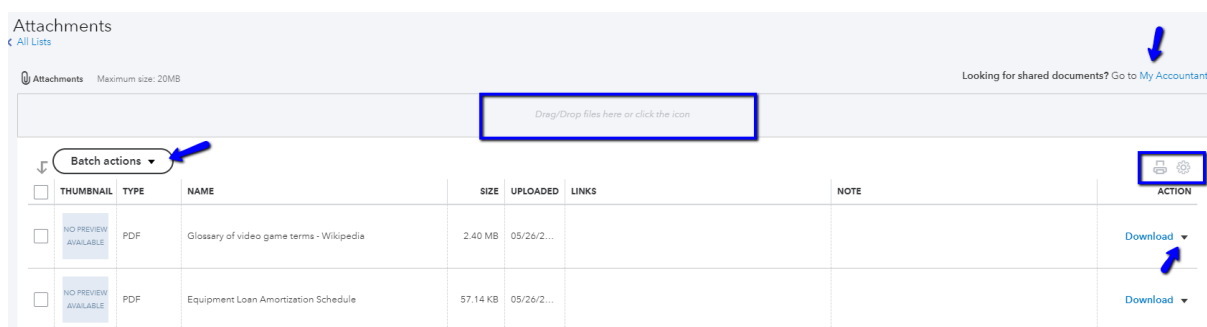
This feature allows you to drag and drop files directly into the **Attachment Center**, where you can manage documents and create transactions.

Click the **Gear** icon.  Help   

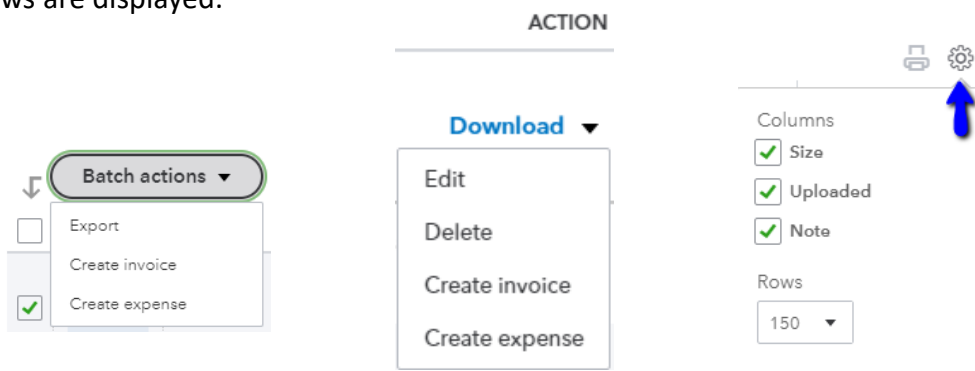
Click **Attachments** under **Lists**.

Select the **Attachment paperclip** or use the drag and drop feature to import files.

Click **Go to My Accountant** to locate shared documents.



Click the drop-down arrow for **Batch actions** to export documents or create a batch of invoices or expenses. Click the drop-down arrow in the **Action** column to edit, delete, or create an invoice or expense for a single file. Click the **Gear** icon to change the way columns and rows are displayed.



Tracking mileage is a necessary task for many business owners. You can manually track your mileage from within the company file or use the mobile app.

## Within the company file:

Click **Mileage** from the **Left Navigation Bar**.

Mileage can be tracked for business or personal, and the history will be kept for years.

Click the **Add Trip** button to manually add a vehicle and record a recent trip.

2020
2019
2018
2017
Custom Date

**0.00 miles**  
Business miles

0.00 miles  
Total miles

0%  
Business usage

\$0  
Potential deduction

[View Vehicles](#)

Add trip ▾

**\$0.575 PER MILE**  
  
Log every trip to score a tidy deduction.  
Zoom zoom!

**New trip**  
Trip date\*  
  
Distance\*  
  
Starting point  
  
Ending point  
  
Mark trip as\*


  
Business


  
Personal

Description\*  
  
Vehicle\*



Online Foundations Training

# **APPENDIX B**

## **GLOSSARY OF TERMS**

## **KEYBOARD SHORTCUTS**

**Accounts Receivable** - Accounts receivable (AR) is the balance of money owed to you for goods received or services delivered but not yet paid by customers.

**Accounts Payable** - Accounts payable are amounts due to vendors or suppliers for goods or services received that you have not yet paid for.

**Assets** - An [asset](#) is anything of value that can be converted into cash.

**Fixed Asset** - A fixed asset is a long-term tangible piece of property or equipment that a firm owns and uses in its operations to generate income. Fixed assets are not expected to be consumed or converted into cash within a year.

**Liabilities** – Your company debt. What you owe.

**Equity** - The net worth of a company. This is the difference between what you owe (liabilities) and what you own (assets).

**Balance Sheet** - A financial statement of assets, liabilities, and capital; the report details the balance of income and expenditure over a specified period of time.

**Profit & Loss** - A financial statement that summarizes the revenues, costs, and expenses incurred during a specified period, usually a fiscal quarter or year.

**Statement of Cash Flow** - A [financial statement](#) that provides aggregate data regarding all cash inflows a company receives from its ongoing operations and external investment sources.

**Cash Flow Projection** - A cash flow projection shows the amount of money expected to come into a business minus money expected to go out over a determined amount of time.

**Cash flow** - Cash flow is the net amount of cash and cash-equivalents being transferred into and out of a business.



**Cost Analysis** – The goal of Cost Analysis is to determine the true cost of the products or services you are offering.

**Expenses** – A resource or service you spend money on in order to generate revenue (wages, computers, etc.).

**Direct Cost** – A cost that can be directly tied to the production of specific goods or services.

**Indirect Cost** – A cost that is not directly related to a cost object (such as a specific project, facility, function or product).

**Overhead** - Ongoing [business expenses](#) not directly attributed to creating a product or service.

**Breakeven** - The level of production at which the costs of production equal the revenues for a product or service.

**Variable Costs** - A variable cost is an expense that changes in proportion with production output.

**Fixed Costs** – A cost that does not change with an increase or decrease in the amount of goods or services produced or sold.

**Inventory** – Products you purchase and currently stock to resell or products in stock you produce from raw goods to sell.

**Revenue, Sales, Income** - **Revenue** is the income a company generates before any expenses are subtracted from the calculation. **Sales** are the proceeds a company generates from selling goods or services to its customers. **Income** is a company's total earnings or profit.

**Cost of Goods Sold** - An account for costs directly related to producing a service or product for sale.

**Chart of Accounts** - An organizational tool that provides a digestible breakdown of all the financial [transactions](#) that a company conducted during a specific [accounting period](#), broken down into subcategories.

**Gross Payroll vs Net Payroll** - **Gross payroll** refers to the total amount of money the company pays out for its employees during a pay period. **Net payroll** refers to the money that employees receive from the company after it deducts the required withholdings.

**Gross Profit Margin** - [Gross profit margin](#) is the proportion of money left over from revenues after accounting for the cost of goods sold (COGS).

**Net Profit Margin** - Net profit margin is the percentage of profit generated from revenue after accounting for all expenses, costs, and [cash flow](#) items.

**Contribution Margin** – Determines how much revenue can be used to contribute to fixed costs and profit.

**Cash vs Accrual Basis** – **Cash basis** accounts for the costs and sales where payments have already changed hands. **Accrual** includes AP, and AR where services and goods have been provided, but have not yet been paid for.

**From the Dashboard use [Ctrl]+[Alt]+[?] to show Keyboard Reference while logged into QuickBooks®**

## Regular Pages

<b>Ctrl + Alt + i</b>	Invoice
<b>Ctrl + Alt + w</b>	Check
<b>Ctrl + Alt + e</b>	Estimate
<b>Ctrl + Alt + x</b>	Expense
<b>Ctrl + Alt + r</b>	Receive payment
<b>Ctrl + Alt + c</b>	Customers
<b>Ctrl + Alt + v</b>	Vendors
<b>Ctrl + Alt + a</b>	Chart of accounts
<b>Ctrl + Alt + l</b>	Lists
<b>Ctrl + Alt + h</b>	Help
<b>Ctrl + Alt + f</b>	Search transactions

## Transaction Pages

<b>Ctrl + Alt + x</b>	Exit transaction view	<b>Ctrl + Alt + c</b>	Cancel
<b>Ctrl + Alt + s</b>	Save and new	<b>Ctrl + Alt + d</b>	Save and close
<b>Ctrl + Alt + m</b>	Save and send (think of it as “send as message”)		
<b>Ctrl + p</b>	Print		



Online Foundations Training

# APPENDIX C RESOURCES

Debits & Credits  
Quick Accounting Review

## Assets

Debits	Credits
Increase	Decrease
Normal Balance	

## Liabilities

Debits	Credits
Decrease	Increase
	Normal Balance

## Equity Owner's Contributions

Debits	Credits
Decrease	Increase
	Normal Balance

## Equity Owner's Distributions

Debits	Credits
Increase	Decrease
Normal Balance	

## Income

Debits	Credits
Decrease	Increase
	Normal Balance

## Expense

Debits	Credits
Increase	Decrease
Normal Balance	

ASSETS (what you own—things of commercial value)	=	Liabilities (what you owe others)	+	Equity (what your business is currently worth; in other words, your assets minus liabilities)
• Bank accounts		• Accounts payable (unpaid bills)		• Assets left over after paying all liabilities
• Petty cash		• Loans		• Owner investment
• Fixed assets (equipment, computers, trucks, etc.)		• Credit cards		• Owner draws
• Inventory		• Taxes (income tax, sales tax, payroll tax owed to the government, etc.)		• Stock
• Cash & checks on hand (not yet deposited in the bank)		• Line of credit balance		• Retained earnings
• Accounts receivable (what others owe you that you have not yet collected)		• Accrued wages (compensation earned but not yet paid to employees)		As you can see, revenue increases equity and expenses decrease equity.

# intuit® Education

