



QuickBooks Online Student Guide

Chapter 5

Company Activities Part I



Table of Contents

Lesson Objectives	3
Lists in QuickBooks	3
Definition of Other Lists in QuickBooks	6
Chart of Accounts	9
Account Types in QuickBooks Online	11
Adding Bank Accounts	12
Working with Lists	19

In this chapter, you'll about how QuickBooks is built using lists and transactions. You'll learn more about the importance of lists and how to manage them to keep your business information organized.

Lesson Objectives

In this chapter, you'll learn how to:

- Manage your customer and supplier lists
- Work with your Chart of Accounts
- Add fixed asset accounts and purchase fixed assets
- Edit, merge and work with list entries

Lists in QuickBooks

Lists are the framework of QuickBooks. You'll use lists to complete most QuickBooks forms including invoices, expenses, bills, purchase orders and more. For example, to pay a bill, choose a name from your Supplier list on the Enter Bills form. QuickBooks enters the list information on the form for you. This saves you time and prevents typing errors. You can also change the information directly on the form if necessary.

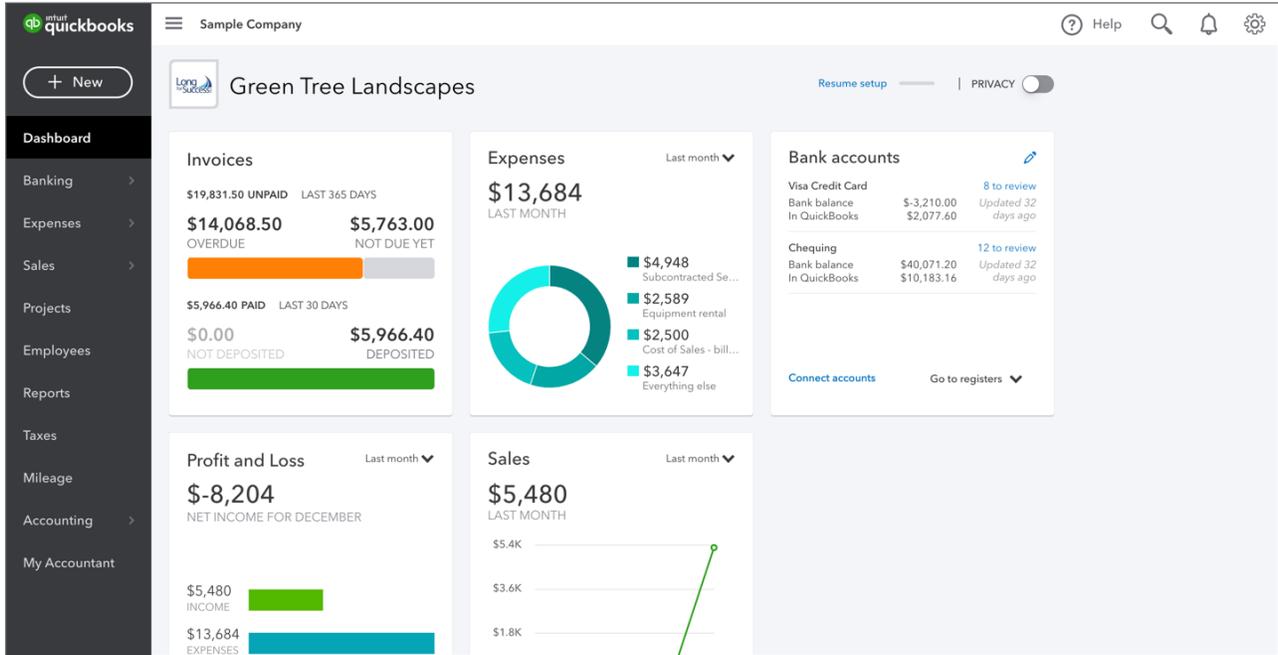
Although most lists are easy to set up in QuickBooks, some lists—such as the Chart of Accounts list, Products and Services list, and Class list—require careful planning.

The way you set up and edit lists depends on the list type:

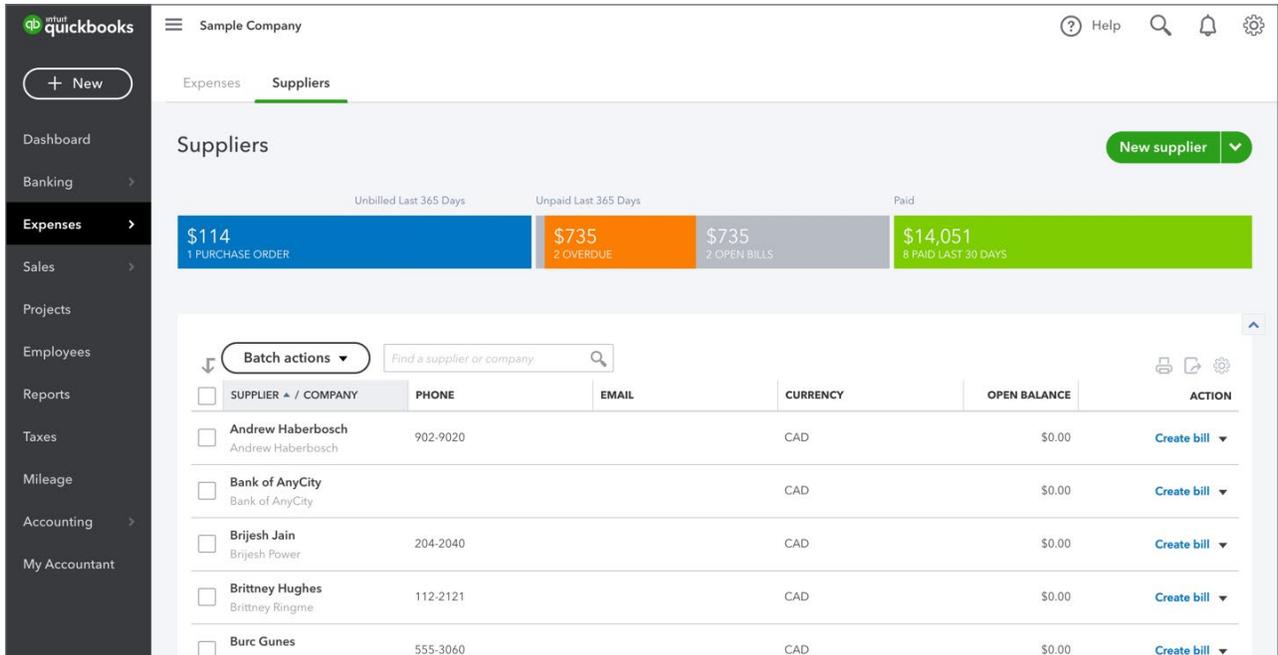
QuickBooks Centres:

Your Customers, Suppliers, and Employee lists are available in the Sales, Expenses, and Employee centres, respectively. They're included in the left-hand navigation bar.

To view one of these lists, click the appropriate Centre link on the navigation bar.



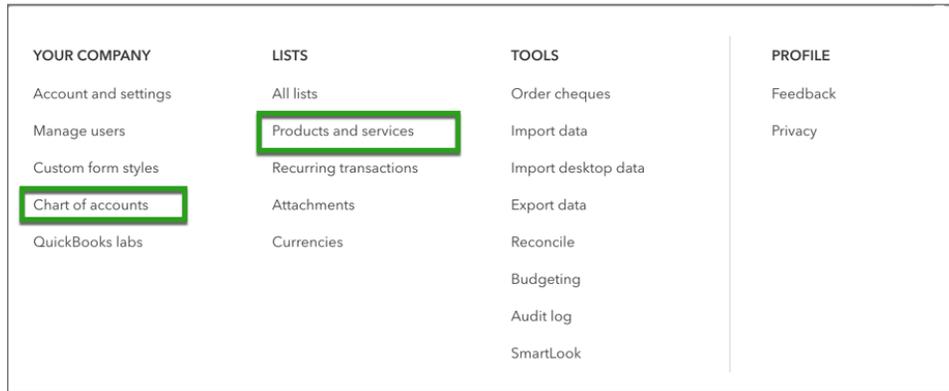
To enter information in a list, click **New Customer**, **New Supplier**, or **New Employee** at the top of the centre.



Other Lists

Other lists, such as **Chart of accounts** and **Products and services** are found in the **Gear** menu.

1. To view one of these lists, go to the **Gear** Icon and click the list you want.
2. To make a new entry in the list, click the **New** button.



To view all of the lists in QuickBooks other than Customers, Suppliers, and Employees:

1. Click the **Gear** icon.
2. Click **All Lists** and QuickBooks displays a list of other lists that can be used in your day-to-day work in QuickBooks. Over the next few chapters you'll learn how to use most of these lists in QuickBooks.

Lists

<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Custom Form Styles Customize your sales form designs, set defaults, and manage multiple templates.</p> <p>Currencies Manage foreign currencies and rates for your customers and suppliers.</p>	<p>Payment Methods Displays Cash, Cheque, 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.</p> <p>Terms Displays the list of terms that determine the due dates for payments from customers, or payments to suppliers. Terms can also specify discounts for early payment. From here, you can add or edit terms.</p> <p>Classes Displays the classes you can use to categorize your accounting transactions.</p> <p>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.</p>
--	--

▶ Definition of Other Lists in QuickBooks

Chart of Accounts—A list of your accounts in QuickBooks Online. The Chart of Accounts will be used on every transaction recorded in QuickBooks. It provides the foundation on which QuickBooks is built. It is the most important list in your company file.

Balance sheet accounts track your assets, liabilities, and equity. Your balance sheet will report on the financial position of your company at any point in time.

Profit and Loss accounts track the income and expenses in your business. The Profit and Loss report will report on the financial performance of your company in any period of time.

You'll use the **Chart of Accounts** to categorize every transaction in QuickBooks.

NAME	TYPE	DETAIL TYPE	CURRENCY	TAX RATE	QUICKBOOKS BALANC	BANK BALANCE	ACTION
Chequing	Bank	Chequing	CAD		10,183.16	40,071.20	Account history
Accounts Receivable	Accounts receivabl...	Accounts Receivab...	CAD		18,402.04		Account history
Accounts Receivable (/	Accounts receivabl...	Accounts Receivab...	USD		0.00		Account history
Inventory Asset	Current assets	Inventory	CAD		7,781.91		Account history
Prepaid expenses	Current assets	Prepaid Expenses	CAD		0.00		Account history
Uncategorised Asset	Current assets	Other current assets	CAD		0.00		Account history
Uncategorized Asset	Current assets	Other current assets	CAD		0.00		Account history
Undeposited Funds	Current assets	Undeposited Funds	CAD		0.00		Account history

Recurring Transactions—A list of scheduled, unscheduled, or reminders of transactions that will be or need to be entered in QuickBooks. From here, you can schedule transactions to occur automatically or with reminders. You will learn about this transaction in chapter 8.

TEMPLATE NAME	TYPE	TXN TYPE	INTERVAL	PREVIOUS DATE	NEXT DATE	CUSTOMER/SUPP	AMOUNT	ACTION
Whitehead and Sons - monthly co...	Scheduled	Invoice	Every Month		26/01/2020	Whitehead a...	1,356.00	Edit
Monthly rent	Scheduled	Cheque Exp...	Every Month		21/01/2020	Mark Howard	1,412.50	Edit
Monthly Depreciation	Scheduled	Journal	Every Month	06/12/2019	06/01/2020		0.00	Edit
Loan payment	Scheduled	Cheque Exp...	Every Month		21/01/2020	Bank of AnyCity	471.78	Edit
Cass Hayden - Insurance	Scheduled	Cheque Exp...	Every 3 Months		18/03/2020	Cass Hayden	847.50	Edit

Products and Services—A list of the products and services you sell. They can include a combination of services, inventory parts, non-inventory parts and bundles.

Products and Services

More ▼ New ▼

0 LOW STOCK | 1 OUT OF STOCK

Find products and services ▼

<input type="checkbox"/>	NAME ▲	SKU	TYPE	SALES DESCRIPTION	SALES PRICE	COST	QTY ON HAND	REORDER POINT	ACTION
<input type="checkbox"/>	Employee Celebration		Service	Employee cel...	500				Edit ▼
<input type="checkbox"/>	Employee Training		Service	Employee trai...	1,500				Edit ▼

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. Product categories make it easy to locate items on your products and services list.

Product Categories

New category

Products and Services

NAME	ACTION
Employee events	Edit ▼
General services	Edit ▼
Badges	Edit ▼
Holiday party	Edit ▼
Promotional items	Edit ▼
Retreat	Edit ▼

Custom Form Styles—A list of the customized sales forms available in QuickBooks. These includes Invoices, Estimates and Sales Receipts.

Custom form styles

New style ▼

All lists

NAME	FORM TYPE	LAST EDITED	ACTION
My INVOICE Template - 1-1 (43955)	Invoice	01/01/2020	Edit ▼

Currencies—If your business is buying or selling goods and services outside of Canada you may choose to enable the multicurrency feature in QuickBooks. After it's enabled QuickBooks create and stores a list of currencies on the Currency List.

< All lists Add currency

Currencies

Home currency: CAD - Canadian Dollar

CURRENCY	CAD	LAST UPDATED	ACTION
USD - United States Dollar	1.30926	28/08/2020 at 08:00 AM Central Daylight Time	Edit currency exchange ▼
EUR - Euro	1.559065	28/08/2020 at 08:00 AM Central Daylight Time	Edit currency exchange ▼
HKD - Hong Kong Dollar	0.168926	28/08/2020 at 08:00 AM Central Daylight Time	Edit currency exchange ▼

Payment Methods—You can create new Payment Methods to reflect how your customers pay for your goods and services. Payment Methods are also used on expense transactions.

Payment Methods Run Report New

< All Lists

Filter by name

Previous 1-4 Next

NAME ▲	CREDIT CARD	ACTION
Cash		Run report ▼
Cheque		Run report ▼
Credit Card	✓	Run report ▼
Direct Debit		Run report ▼

Terms—You can add Terms to your customer invoices. Terms can determine due dates for payments from customers, or payment to suppliers.

Terms Run Report New

< All Lists

Filter by name

Previous 1-4 Next

NAME ▲	ACTION
Due on receipt	Run report ▼
Net 15	Run report ▼
Net 30	Run report ▼
Net 60	Run report ▼

Previous 1-4 Next

Attachments—A list of all attachments you’ve uploaded to transactions or lists in QuickBooks Online. From here you can add, edit, download, and export the attachments. You can also view all the transactions linked to the attachments.

Attachments [All Lists](#)

Attachments Maximum size: 20MB Looking for shared documents? Go to [My Accountant](#)

Drag/Drop files here or click the icon

Batch actions ▾

<input type="checkbox"/>	THUMBNAI	TYPE	NAME	SIZE	UPLOADED	LINKS	NOTE	ACTION
<input type="checkbox"/>	NO PREVIEW AVAILABLE	PDF	Kroger Receipt Jan_9_18	97.18 KB	01/01/2...			Download ▾

< First Previous 1-1 Next Last >

▶ Chart of Accounts

The chart of accounts is a complete list of a company’s accounts and their balances. When you set up your company file, QuickBooks automatically created a chart of accounts. QuickBooks uses the chart of accounts to track how much money your company has, how much money it owes, how much money is coming in, and how much is going out.

Because QuickBooks handles most of the accounting behind the scenes, you may not have to use the chart of accounts very often. Even so, it’s helpful to understand how the chart of accounts works.

To open the **Chart of Accounts**, click the **Gear** icon and then click **Chart of Accounts**.

Chart of Accounts Reconcile

Chart of Accounts Run Report New ▾

[All Lists](#)

Batch actions ▾

<input type="checkbox"/>	NAME	TYPE	DETAIL TYPE	CURRENCY	TAX RATE	QUICKBOOKS BALAN	BANK BALANCE	ACTION
<input type="checkbox"/>	Chequing	Bank	Chequing	CAD		21,095.57	40,071.20	Account history ▾
<input type="checkbox"/>	Accounts Receivable	Accounts receiva...	Accounts Receiva...	CAD		18,712.79		Account history ▾
<input type="checkbox"/>	Accounts Receivable	Accounts receiva...	Accounts Receiva...	USD		0.00		Account history ▾
<input type="checkbox"/>	Inventory Asset	Current assets	Inventory	CAD		7,781.91		Account history ▾
<input type="checkbox"/>	Prepaid expenses	Current assets	Prepaid Expenses	CAD		0.00		Account history ▾
<input type="checkbox"/>	Uncategorised Asset	Current assets	Other current assets	CAD		0.00		Account history ▾
<input type="checkbox"/>	Uncategorized Asset	Current assets	Other current assets	CAD		0.00		Account history ▾
<input type="checkbox"/>	Undeposited Funds	Current assets	Undeposited Funds	CAD		0.00		Account history ▾
<input type="checkbox"/>	Accumulated Depreci	Property, plant an...	Accumulated De...	CAD		-366.63		Account history ▾

The **Chart of Accounts** displays several columns of information. The first column is the account **Name**. The next column is the account **Type**. The remaining columns can be customized to include just the information you want to display.

Chart of Accounts Reconcile

Chart of Accounts Run Report New

Batch actions

<input type="checkbox"/>	NAME	TYPE	DETAIL TYPE	CURRENCY	TAX RATE	QUICKBOOKS BALAN	BANK BALANCE	ACTION
<input type="checkbox"/>	Chequing	Bank	Chequing	CAD		21,095.57	40,071.20	Account history
<input type="checkbox"/>	Accounts Receivable	Accounts receiva...	Accounts Receiva...	CAD		18,712.79		Account history
<input type="checkbox"/>	Accounts Receivable	Accounts receiva...	Accounts Receiva...	USD		0.00		Account history
<input type="checkbox"/>	Inventory Asset	Current assets	Inventory	CAD		7,781.91		Account history
<input type="checkbox"/>	Prepaid expenses	Current assets	Prepaid Expenses	CAD		0.00		Account history
<input type="checkbox"/>	Uncategorised Asset	Current assets	Other current assets	CAD		0.00		Account history
<input type="checkbox"/>	Uncategorized Asset	Current assets	Other current assets	CAD		0.00		Account history
<input type="checkbox"/>	Undeposited Funds	Current assets	Undeposited Funds	CAD		0.00		Account history
<input type="checkbox"/>	Accumulated Depreci	Property, plant an...	Accumulated De...	CAD		-366.63		Account history



NOTE You can customize the display of the Chart of Accounts by clicking the Gear icon on the Chart of Accounts. Select the columns to display or deselect the columns to remove them from the Chart of Accounts.

- Columns
- Type
 - Detail Type
 - Currency
 - Tax Rate
 - QuickBooks Balance
 - Bank Balance

Other

- Include inactive

Rows

150

The **Chart of Accounts** displays the **Balance Sheet** accounts first followed by the **Profit and Loss** accounts.

Chart of Accounts Reconcile

Chart of Accounts Run Report New

Batch actions

<input type="checkbox"/>	NAME	TYPE ▲	DETAIL TYPE	CURRENCY	TAX RATE	QUICKBOOKS BALANC	BANK BALANCE	ACTION
<input type="checkbox"/>	Chequing	Bank	Chequing	CAD		10,183.16	40,071.20	Account history ▼
<input type="checkbox"/>	Accounts Receivable	Accounts receivabl...	Accounts Receivab...	CAD		18,402.04		Account history ▼
<input type="checkbox"/>	Accounts Receivable (/	Accounts receivabl...	Accounts Receivab...	USD		0.00		Account history ▼
<input type="checkbox"/>	Inventory Asset	Current assets	Inventory	CAD		7,781.91		Account history ▼
<input type="checkbox"/>	Prepaid expenses	Current assets	Prepaid Expenses	CAD		0.00		Account history ▼
<input type="checkbox"/>	Uncategorised Asset	Current assets	Other current assets	CAD		0.00		Account history ▼
<input type="checkbox"/>	Uncategorized Asset	Current assets	Other current assets	CAD		0.00		Account history ▼
<input type="checkbox"/>	Undeposited Funds	Current assets	Undeposited Funds	CAD		0.00		Account history ▼
<input type="checkbox"/>	Accumulated Deprecie	Property, plant and...	Accumulated Depr...	CAD		-366.63		Account history ▼

<input type="checkbox"/>	NAME	TYPE ▲	CURRENCY	QUICKBOOKS BALANCE	BANK BALANCE	ACTION
<input type="checkbox"/>	Services	Income	CAD			Run report ▼
<input type="checkbox"/>	Unapplied Cash Payment Income	Income	CAD			Run report ▼
<input type="checkbox"/>	Uncategorised Income	Income	CAD			Run report ▼
<input type="checkbox"/>	Uncategorized Income	Income	CAD			Run report ▼
<input type="checkbox"/>	Commissions Paid	Cost of Goods Sold	CAD			Run report ▼
<input type="checkbox"/>	Cost of Goods Sold	Cost of Goods Sold	CAD			Run report ▼
<input type="checkbox"/>	Cost of sales	Cost of Goods Sold	CAD			Run report ▼
<input type="checkbox"/>	Cost of Sales - billable expenses	Cost of Goods Sold	CAD			Run report ▼
<input type="checkbox"/>	Entertainment Booking Fees paid c	Cost of Goods Sold	CAD			Run report ▼
<input type="checkbox"/>	Inventory Shrinkage	Cost of Goods Sold	CAD			Run report ▼
<input type="checkbox"/>	Merchant Account Fees	Cost of Goods Sold	CAD			Run report ▼

▶ Account Types in QuickBooks Online

There are several account types in QuickBooks that fall into one of the 5 accounting categories. QuickBooks breaks them down into more detail.

Balance Sheet Accounts

Bank—Add one bank account for every account your company has at a bank or other financial institution.

Accounts Receivable—Transactions related to customers including sales invoices, payments, and credits on customer accounts.

Current Asset—Assets that are likely to be converted to cash or used up within one year. This includes accounts like petty cash, notes receivable, prepaid expenses, etc.

Fixed Asset—Depreciable assets your company owns that aren't going to be converted to cash in the short term. These includes equipment, vehicles, furniture, etc.

Other Asset—Any asset that is not a current or fixed asset.

Accounts Payable—Transactions related to money you owe, including bills, bill payments, and any credit you have with suppliers.

Credit Card—Tracks credit card purchase, bills and payments.

Current Liability—Liabilities scheduled to be paid within one year, such as sales tax, payroll taxes, etc.

Non-Current Liability—Liabilities such as loans or mortgages scheduled to be paid over periods longer than one year.

Owner's Equity—This account tracks the owner's investments and withdrawals in the business.

Profit and Loss Accounts

Income—Tracks money coming into the business. Sales or revenue accounts.

Other Income—Money received for something other than normal business operations such as interest income.

Expense—tracks money going out of the business for expenses and purchases.

Other Expense—Money spent on expenses other than normal business operations such as corporate taxes.

Cost of Goods Sold—The cost of goods and materials held in inventory and then sold. This account can also be used to track cost of sales of non-inventory costs.

Adding Bank Accounts

To create a new balance sheet account in QuickBooks, from the chart of Accounts:

1. Click **New**.
2. Choose the **Type**. i.e. Bank (balance sheet type of account).
3. **Choose a Detail Type**. The detail type is a required field.
4. Enter the account **Name** and add a **Description** (optional).

5. Click **Save and Close**.

Account ✕

Account Type
Bank ▼

***Detail Type**
Cash on hand ▼

Use a **Cash on hand** account to track cash your company keeps for occasional expenses, also called petty cash.

To track cash from sales that have not been deposited yet, use a pre-created account called **Undeposited funds**, instead.

***Name**
Cash on hand

Description

Currency
CAD Canadian Dollar ▼

Is sub-account
 ▼

Default Tax Code
 ▼

Balance as of
 01/01/2020

Cancel
Save and Close ▼



NOTE When setting up balance sheet accounts the **Default Tax Code** and **Balance** fields are optional. The opening balance field is only used if you're setting up your Chart of Accounts from scratch and entering an existing balance sheet.

Default Tax Code

▼

Balance as of

03/27/2017



NOTE When you create an account in QuickBooks Online, you will choose a broad account type (expense, income, liability, etc.) and then select a **Detail account type**. The detail type assigns the account into a subcategory in order to have it appear in the correct place according to GAAP (Generally Accepted Accounting Principles).

Detail types are predefined and cannot be changed by the user. If you cannot find the exact type you are looking for, you will need to select the detail type that is the nearest match.



To learn how to add a new account watch this video: <https://youtu.be/e6FWzLvrByg>

Creating Fixed Asset Accounts

When your company purchases a new fixed asset, you will record the purchase using a Fixed Asset account. QuickBooks helps you setup the Fixed Assets including accounts to track the cost of the asset and the depreciation of the asset. To create a Fixed Asset Account:

1. Click **New**.
2. Choose the **Property, Plant, and Equipment Type**.
3. Choose the **Detail Type**.
4. Enter the **Name** of the Asset.
5. Select the **Track depreciation of this asset** option.

The screenshot shows the 'Account' setup form in QuickBooks. The form is titled 'Account' and has a close button (X) in the top right corner. It contains the following fields and options:

- Account Type:** A dropdown menu with 'Property, plant and equipment' selected.
- *Detail Type:** A dropdown menu with 'Machinery and equipment' selected.
- *Name:** A text input field containing 'Machinery and equipment'.
- Description:** An empty text input field.
- Currency:** A dropdown menu with 'CAD Canadian Dollar' selected.
- Is sub-account:** An unchecked checkbox.
- Enter parent account:** A dropdown menu with 'Enter parent account' selected.
- Default Tax Code:** A dropdown menu with 'Enter Text' selected.
- Track depreciation of this asset:** A checked checkbox. Below it, a note states: 'QuickBooks Online Plus creates two subaccounts for this asset: an account to track the cost, and an account to track the depreciation.'
- Original cost as of:** Two empty text input fields.
- Depreciation as of:** Two empty text input fields.

There is a grey callout box on the left side of the form with the following text: 'Use **Machinery and equipment** to track computer hardware, as well as any other non-furniture fixtures or devices owned and used for your business. This includes equipment that you ride, like tractors and lawn mowers. Cars and trucks, however, should be tracked with **Vehicle accounts**, instead.'

6. Click **Save and Close** to setup the accounts.



NOTE QuickBooks Online Plus creates two subaccounts for this asset: an account to track the cost of the asset and an account to track the depreciation of the asset. It is recommended that you record the purchase of the asset using a transaction form (see topic below) It is **not** recommended that you enter the **Original Cost** or **Depreciation** in the fields in the Account setup.

Add a Loan Account

Another common type of account in QuickBooks is a loan account. If you make monthly instalment payments on a long-term loan, you can keep track of the balance of your loan in QuickBooks and have your monthly payments deducted from your loan principal.

When you owe money to a bank or another lending institution, the amount of the loan is a liability for your company. You can track a loan in QuickBooks by setting up a liability account for it.

To create a loan account provided by the equipment supplier account:

1. On the **Chart of Accounts**, click **New**.
2. Choose **Long-Term Liabilities** under **Category Type**.
3. Choose **Bank Loans** under **Detail Type**.
4. Enter the Name of the Loan account.
5. Click **Save and Close**.



NOTE Now you're prepared to make the purchase of the fixed asset using a loan from the equipment supplier.

Account
✕

Account Type

Long-term Liabilities ▼

***Detail Type**

Bank loans ▼

Use **Bank loans** to track the amount due on bank loans.

***Name**

Bank loans

Description

Currency

CAD Canadian Dollar ▼

Is sub-account

Enter parent account ▼

Default Tax Code

Enter Text ▼

Unpaid balance as of

01/01/2020

Purchase a Fixed Asset

Now that you've setup the necessary fixed asset accounts for the equipment you've purchased, you can make the purchase transaction. You can make the purchase transaction using a bill, cheque or expense transaction. Each transaction will be entered in the same way. In this purchase transaction, you will learn how to record the purchase of the fixed asset using a bank loan. Entering the purchase transaction using this method will add a balance to the fixed asset account, the bank loan account and will record any sales tax incurred on the purchase of the fixed asset.

1. Click the **+New** menu and then click **Cheque**.
2. Enter the name of **Supplier** and **Date** of the purchase.
3. In the **Account** Details section enter the **Original Cost** account of the asset you're purchasing.

4. Enter the cost of the purchase in the **Amount** field.
5. Add the **Tax** rate.

Cheque no. To print
Help

Payee: Bank Account: Balance \$10,183.16

Mailing address: Payment date:

AMOUNT

\$3,390.00

Cheque no.

Print later

Amounts are

▼ Category details

#	CATEGORY	DESCRIPTION	AMOUNT (CAD)	SALES TAX	BILLABLE	MARKUP %	CUSTOMER	CLASS
+	1 Machinery and equiprr	John Deere tractor	3,000.00	HST ON	<input checked="" type="checkbox"/>		<input type="text" value="Enter Text"/>	<input type="text" value="Enter Text"/>
⋮	2							

▶ Item details

Memo Subtotal 3,000.00

Print or Preview
Save and close

6. To record the loan amount, enter the **Loan** account on the second line of the transaction.
7. Enter the amount as a Negative amount to reduce the amount to be paid. QuickBooks records the loan amount. Make this line **Tax exempt**.
8. Click **Save**. The remaining amount will be the amount of the cheque to the supplier.

Cheque no. To print
Help

Payee: Bank Account: Balance \$10,183.16

Mailing address: Payment date:

AMOUNT

\$13,900.00

Cheque no.

Print later

Amounts are

▼ Category details

#	CATEGORY	DESCRIPTION	AMOUNT (CAD)	SALES TAX	BILLABLE	MARKUP %	CUSTOMER	CLASS
⋮	1 Machinery and equipment: Ori	John Deere tractor	30,000.00	HST ON			<input type="text" value="Enter Text"/>	<input type="text" value="Enter Text"/>
+	2 Equipment Loan		-20,000.00	Exempt	<input type="checkbox"/>		<input type="text" value="Enter Text"/>	<input type="text" value="Enter Text"/>
⋮	3							

▶ Item details

Print or Preview
Save and close

Add Expense Accounts

You'll record expenses and purchases using expense accounts. Expense accounts track and categorize what your company is spending. (You can think of expenses as money that leaves the company.) To add an expense account:

1. On the **Chart of Accounts**, click **New**.
2. Choose **Expenses** as the **Category Type**.
3. Enter the **Name**.
4. Add a **Default Tax Code**.
5. Click **Save & Close**.

The screenshot shows the 'Account' form in QuickBooks. The form is titled 'Account' and has a close button (X) in the top right corner. It contains the following fields and options:

- Account Type:** A dropdown menu with 'Expenses' selected.
- *Name:** A text input field containing 'Advertising/Promotional'.
- *Detail Type:** A dropdown menu with 'Advertising/Promotional' selected. A list of detail types is shown below it, including 'Advertising/Promotional', 'Auto', 'Bad debts', 'Bank charges', 'Charitable Contributions', 'Cost of Labour', 'Distribution costs', 'Dues and Subscriptions', 'Entertainment', 'Equipment rental', and 'Insurance'.
- Description:** An empty text input field.
- Is sub-account:** A checkbox that is unchecked.
- Enter parent account:** A dropdown menu with a downward arrow.
- Use for billable expenses:** A checkbox that is unchecked.
- Income Account:** A dropdown menu with 'Enter income account' selected.
- Default Tax Code:** A dropdown menu with 'Enter Text' selected.

At the bottom of the form, there are two buttons: 'Cancel' on the left and 'Save and Close' on the right.



NOTE The **Default Tax Code** tells QuickBooks that every time this account is used in a transaction, QuickBooks will add the specified **Default Tax Code**. It's recommended that you add a Default Tax Code to every expense account to automate the tracking of sales tax.

Creating Subaccounts

To make a large account more manageable or to group related expenses together for your reports, it's useful to set up subaccounts. Another way to think of this is that you are breaking down expenses into greater details for reporting purposes.

In QuickBooks, the more general category of expenses is called a "parent account." The more detailed categories that are grouped under the parent account are called subaccounts.

Subaccounts let you track several related types of income or expenses independently yet keep them all under the “umbrella” of a single parent account.

For example, if your business has substantial advertising expenses, you might decide to divide your Advertising expense account into several subaccounts, such as Direct Mailings, SEO, Facebook Ads, and Google AdWords. Your chart of accounts displays these accounts in the following manner:

Advertising

- Direct Mailings
- Facebook Ads
- SEO
- Google AdWords

Your reports will now show subtotals for the various ways that you advertise, as well as the total for all your advertising.

In your chart of accounts, each subaccount appears indented immediately below its parent account. If the subaccount is a balance sheet account, QuickBooks includes its balance in the balance of the parent account. When you open the register of the parent account, the register shows all the transactions in the subaccounts.

To create a subaccount:

1. On the **Chart of Accounts**, click **New**.
2. Choose **Expenses** as the **Category Type**.
3. Enter the **Name**.
4. Select the **Is sub-account** checkbox and then choose the parent account.
5. Add a **Default Tax Code**.
6. Click **Save & Close**.

Account [X]

Account Type
Expenses

***Name**
Marketing

***Detail Type**
Advertising/Promotional

Description
[Empty]

Use **Advertising/promotional** to track money spent promoting your company.

You may want different accounts of this type to track different promotional efforts (Yellow Pages, newspaper, radio, flyers, events, and so on).

If the promotion effort is a meal, use **Promotional meals** instead.

Is sub-account
Advertising

Use for billable expenses

Income Account
Enter income account

Default Tax Code
Enter Text

To learn how to create a subaccount watch this video: <https://youtu.be/xQD5Rg9KBsM>



NOTE To create a subaccount in QuickBooks. The subaccount must be of the same Category Type and Detail Type as the parent account.

▶ Working with Lists

Maintaining your lists in QuickBooks is important to ensure accuracy when recording transactions. There are several functions you can perform on QuickBooks Lists.

Account Numbers

Account numbers are not enabled by default. However, you can enable account numbers in the Company Settings.

1. Click the **Gear** icon.
2. Click **Account and Settings**.
3. Click **Advanced** and then click **Chart of accounts**.
4. Select **Enable account numbers**.
5. Click **Save**.

Chart of accounts

Enable account numbers ?

Show account numbers ?

Discount account ?

Markup income account ?

Billable expense income account ?

On

Discounts given ▼

Markup ▼

Billable Expense Income

Cancel Save



NOTE QuickBooks Online does not automatically assign account numbers. You're required to assign the account numbers to each account.

Edit Names (Sales, Expenses, Employees)

You can edit names like customers, suppliers and employees when you click the appropriate link from the left-hand navigation; i.e., click **Sales** to edit the Customer list.

1. Display the list that contains the entry you want to edit.
2. Click the **Name** or list entry.

3. Click **Edit**.
4. Edit the information shown for the entry as needed.

Editing the Chart of Accounts

<input type="checkbox"/>	Equipment rental	Expenses	CAD				Run report ▾
<input type="checkbox"/>	Insurance	Expenses	CAD				Edit Make inactive Run report ▾
<input type="checkbox"/>	Insurance Expense	Expenses	CAD				Run report ▾

 To learn how to edit an account watch this video: <https://youtu.be/bo6o9oXgVLA>



NOTE The account list cannot include duplicate names.

Merge Accounts

It's helpful to merge accounts if you use two similar accounts and want to see those accounts represented by a single line in your reports.



NOTE Merging accounts is irreversible.

To merge accounts:

1. Click the **Gear icon > Chart of Accounts**.

Make sure that the accounts you want to merge are at the same sub-level and have the same detail type. If they're not, edit one of the accounts to put it at the same level and give it the same detail type as the other.

2. Select the account whose name you *don't* want to use, and click its drop-down arrow under the Action column.
3. Click **Edit**.

4. Change the account name so that it is the same as the account with which you're merging.
5. Click **Save**.
6. Click **Yes** to confirm that you want to merge the two accounts.

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



NOTE Any transactions in the account being merged will be moved to the remaining account at the time the merge is processed.



To learn how to merge accounts watch this video: <https://youtu.be/KbG5HcA4yxo>

Merge Customer Names

Merging customers is helpful if you've been using two duplicate customers and want to see those customers represented by a single customer.

The process of merging deletes one customer and reassigns all its data to another customer.



NOTE The merging process is not reversible. Merging is permanent and cannot be undone at a later point.

1. Choose **Sales** on the left navigation panel.
2. Click **Customers**.
3. Make sure that the customers you want to merge are at the same sublevel. If they're not, edit one of the customers to the same level.
4. Select the customer whose name you'd like to remove.
5. Click **Edit**.

- Change the customer's **Title**, **First name**, **Middle name**, **Last name** and **Suffix** to be the same as the customer you're merging it with. Ensure that the **Display Name** is also the same as the customer being merged with. Click **Save**.

Customer information ✕

Title	First name	Middle name	Last name	Suffix	Email
<input type="text"/>	<input type="text" value="Benjamin"/>	<input type="text"/>	<input type="text" value="Yeung"/>	<input type="text"/>	<input type="text" value="Separate multiple emails with commas"/>
Company			Phone		
<input type="text" value="Yeung's Architects"/>			<input type="text" value="809 809-7777"/>		
* Display name as			Mobile		
<input type="text" value="Benjamin Yeung"/>			<input type="text"/>		
Print on cheque as <input checked="" type="checkbox"/> Use display name			Other		
<input type="text" value="Benjamin Yeung"/>			<input type="text"/>		
<input type="text" value="Benjamin Yeung"/>			<input type="checkbox"/> Is sub-customer		
			<input type="text" value="Enter parent custome"/>		
			<input type="text" value="Bill with parent"/>		
Address Notes Tax info Payment and billing Language Attachments					
Billing address <small>map</small>			Shipping address <small>map</small> <input type="checkbox"/> Same as billing address		
<input type="text" value="4895 King Edward Ave."/>			<input type="text" value="Street"/>		
<input type="text" value="Barrie"/>		<input type="text" value="ON"/>	<input type="text" value="City/Town"/>		<input type="text" value="State/Province"/>
<input type="text" value="M2H 4G4"/>		<input type="text" value="Country"/>	<input type="text" value="Postal code"/>		<input type="text" value="Country"/>

Cancel
Make inactive
Privacy
Save

- Click **Yes** to confirm that you want to merge the two customers.



NOTE Follow the same process when merging suppliers.

Deleting List Entries

You can delete entries from lists in QuickBooks including customers, suppliers, product and services and accounts.

Instead of making a customer inactive or archiving them, you simply “delete” the customer name. This is not a permanent deletion. Below are steps to delete and restore a customer.

To delete a customer name:

1. Click **Customers**.
2. Click the **Customer name**.
3. Click **Edit**.
4. Click **Make inactive**.
5. Click **Yes**.

Are you sure you want to make customer Cathy's Consulting Company inactive?

NoYes

 To learn how to make accounts inactive watch this video: <https://youtu.be/ukRTR4gNWPc>



NOTE If a customer has a balance when deleted, QuickBooks Online will automatically add an adjusting entry to make the customer balance \$0.00. If this is unwanted, make sure the customer has a zero balance before deleting them from the customer list. It's recommended not to delete customers with balances.



NOTE You can restore a customer in QuickBooks Online. To restore a customer:

1. Click **Sales**.
2. Click the **Gear** icon on the Chart of Accounts.
3. Select **Include inactive**.
4. Click the **Inactive customer name**.

5. Click **Make Active**.

Overview All Sales Invoices **Customers** Products and Services

Batch actions Find a customer, project or company

CUSTOMER / PROJECT / COMPANY	PHONE	SALES TAX	CURRENCY	OPEN BALANCE
<input type="checkbox"/> Abercrombie International Group Abercrombie International Group			USD	\$0.00
<input type="checkbox"/> Adwin Ko Ko International Ltd	604 999-9998		CAD	\$1,695.00
<input type="checkbox"/> Alex Blakey Blakey Group			USD	\$0.00
<input type="checkbox"/> Andre Prefontaine Andre's Bakeries			HKD	HK\$0.00
<input type="checkbox"/> Anilkumar Pillai International Investment Advisors			CAD	\$4,407.00
<input type="checkbox"/> Benjamin Yeung Yeung's Architects	809 809-7777		CAD	\$8,249.00
<input type="checkbox"/> Cathy's Consulting Company (deleted) Cathy's Consulting Company	555-5555		CAD	\$0.00

Columns
 Address
 Email
 Attachments
 Phone
 Sales Tax
 Currency
 Other
 Include inactive
 Include projects
 Rows
 150

[Make active](#)

Overview All Sales Invoices **Customers** Products and Services

Alex Blakey (deleted)
 Blakey Group | Unit 345, Lowestoft NR34 4ED
[Add notes](#)

[Make Active](#)

Transaction List | Customer Details