QuickBooks Online Student Guide

Chapter 1

New Company Setup

Table of Contents

Lesson Objectives

In this chapter you'll learn how to create a new company. You'll learn how to get started by importing list information, customizing the settings for your company and other important tasks such as setting up sales tax, and adding new users. Setting up is easy to do and QuickBooks guides you through the process.

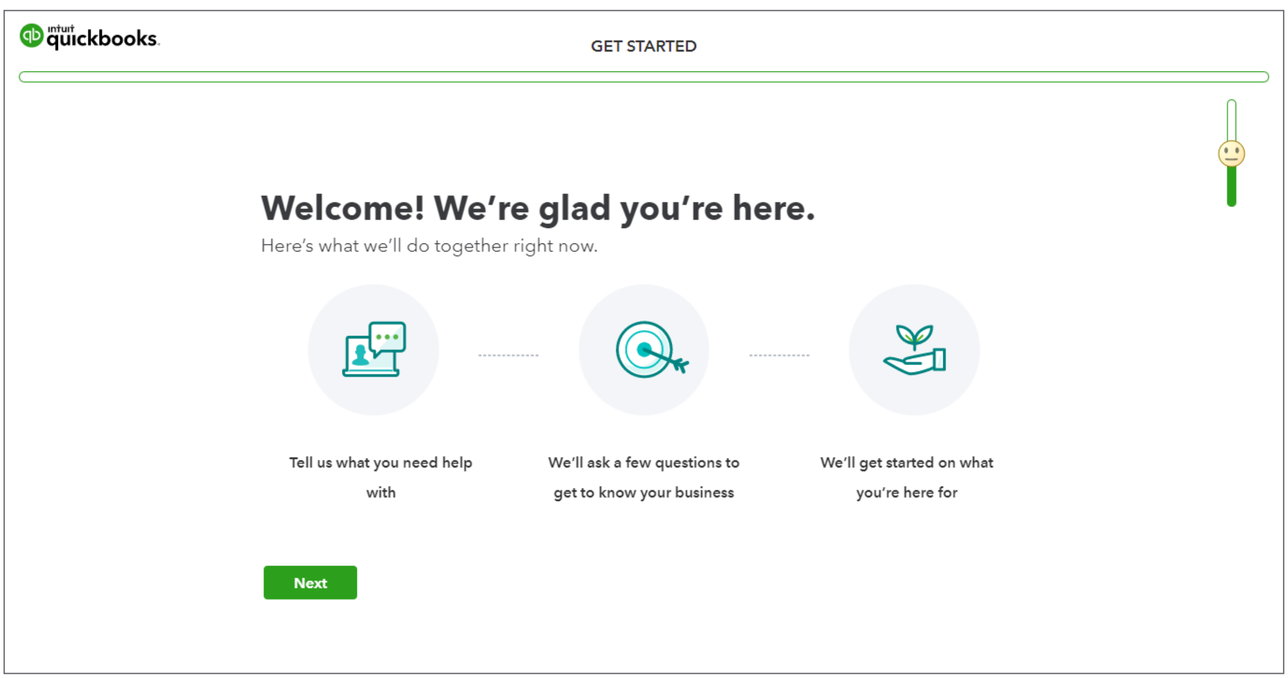
- Create a new QuickBooks Online company
- Customize company settings
- Import list information
- Enable sales tax
- Set up users in your company

Setting Up Your Company

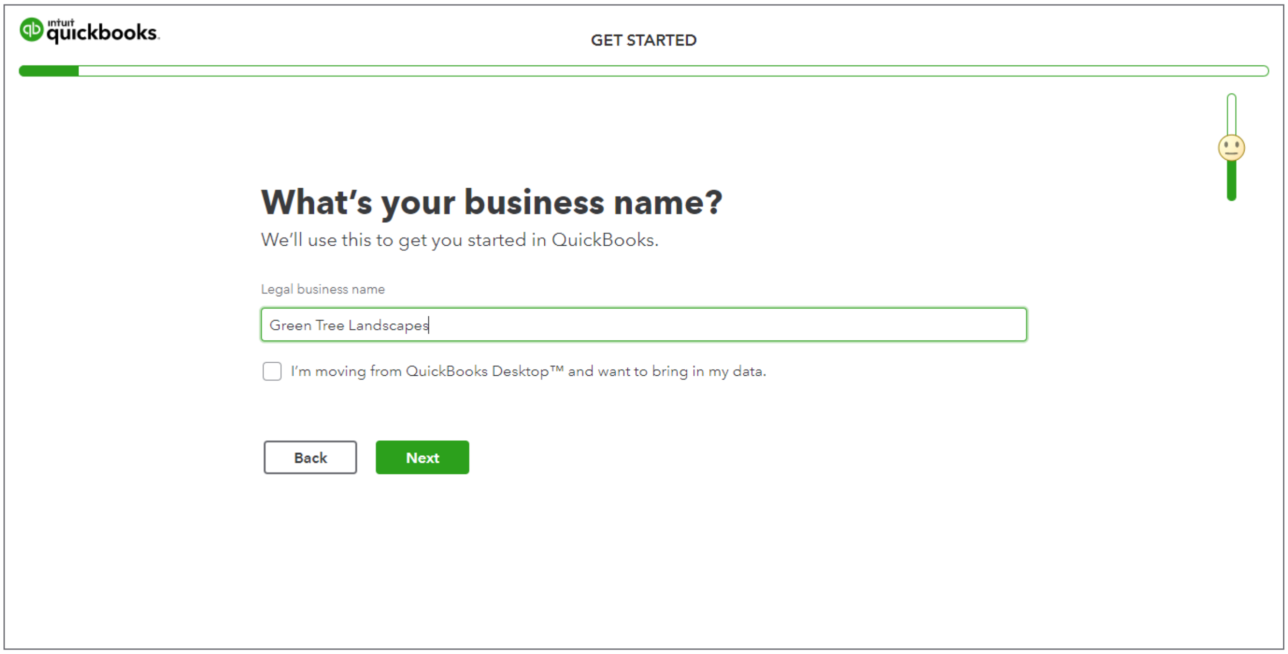
After signing up for a QuickBooks Online account, you'll need to complete the setup of your QuickBooks Online company.

Steps for Creating a New QBO Company

1. Using your web browser, navigate to **qbo.intuit.com**.
2. Enter your **Email or user ID** and **Password**.
3. Click **Sign In**.

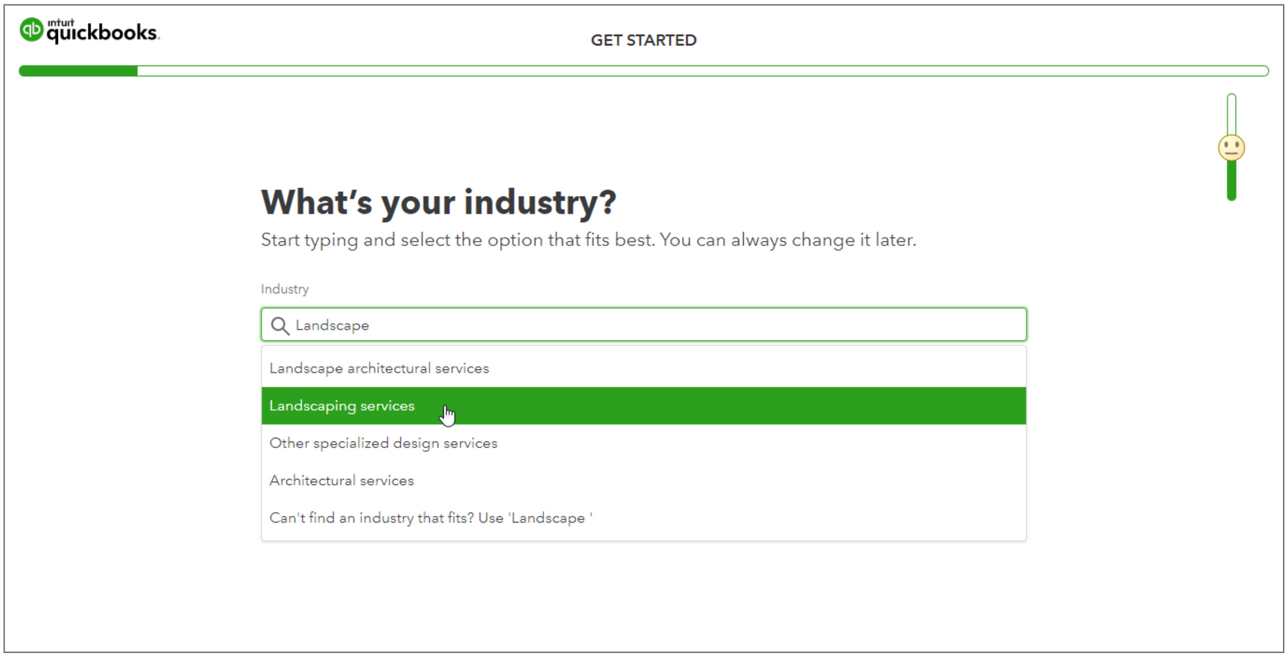


4. Click **Next**.



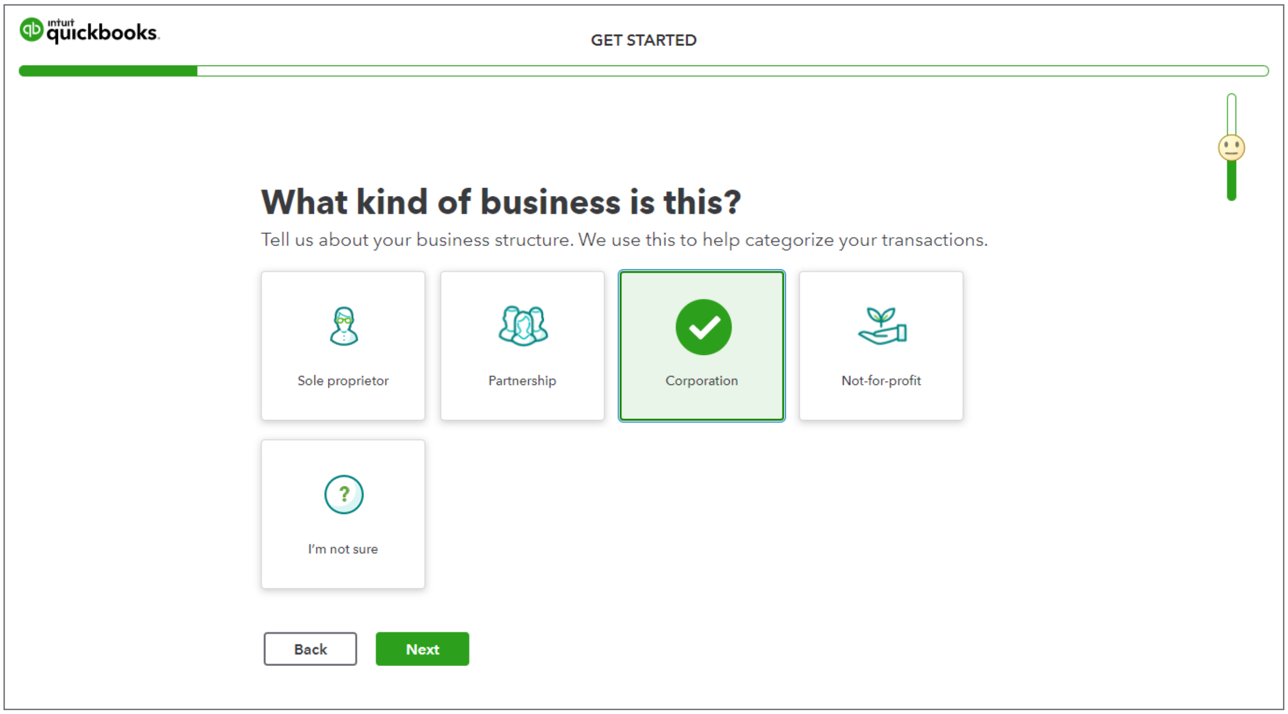
5. Enter your company name in the Legal Business Name field.

6. Click **Next**.

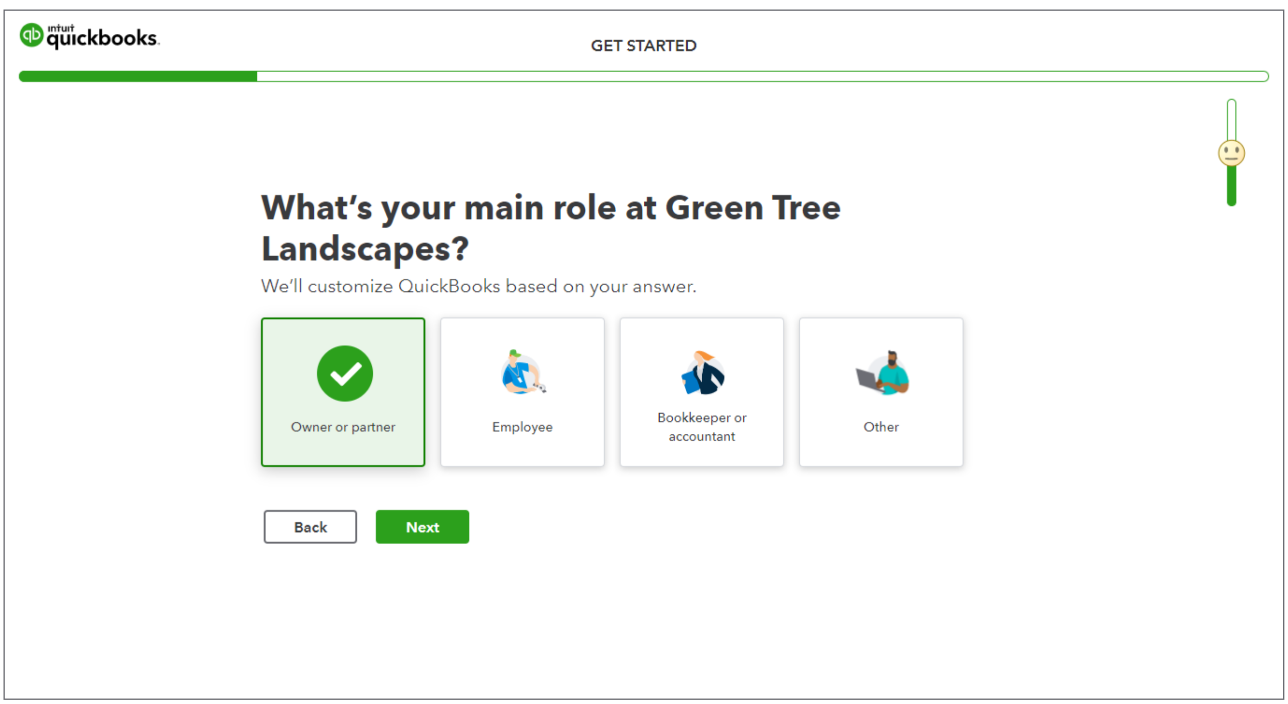


7. Choose your industry. Start typing and QuickBooks will help you find your industry.

8. Click **Next**.

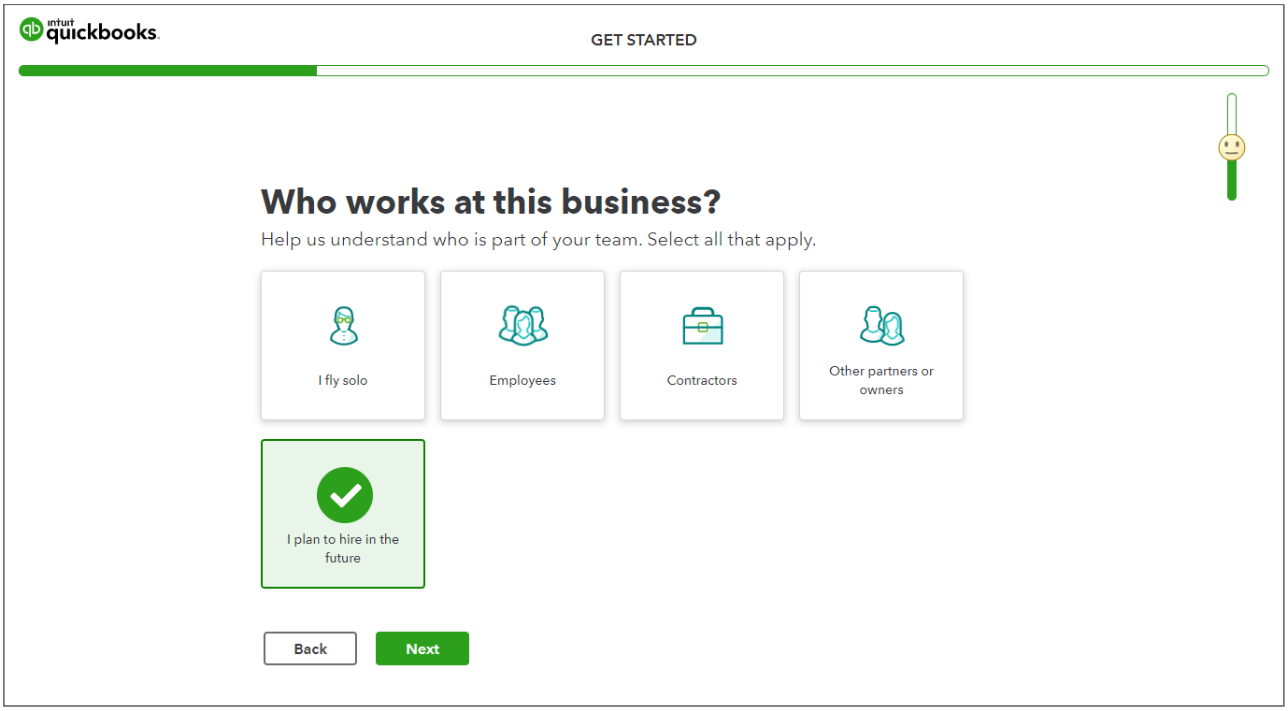


9. Choose what kind of business this is.
10. Click **Next**.

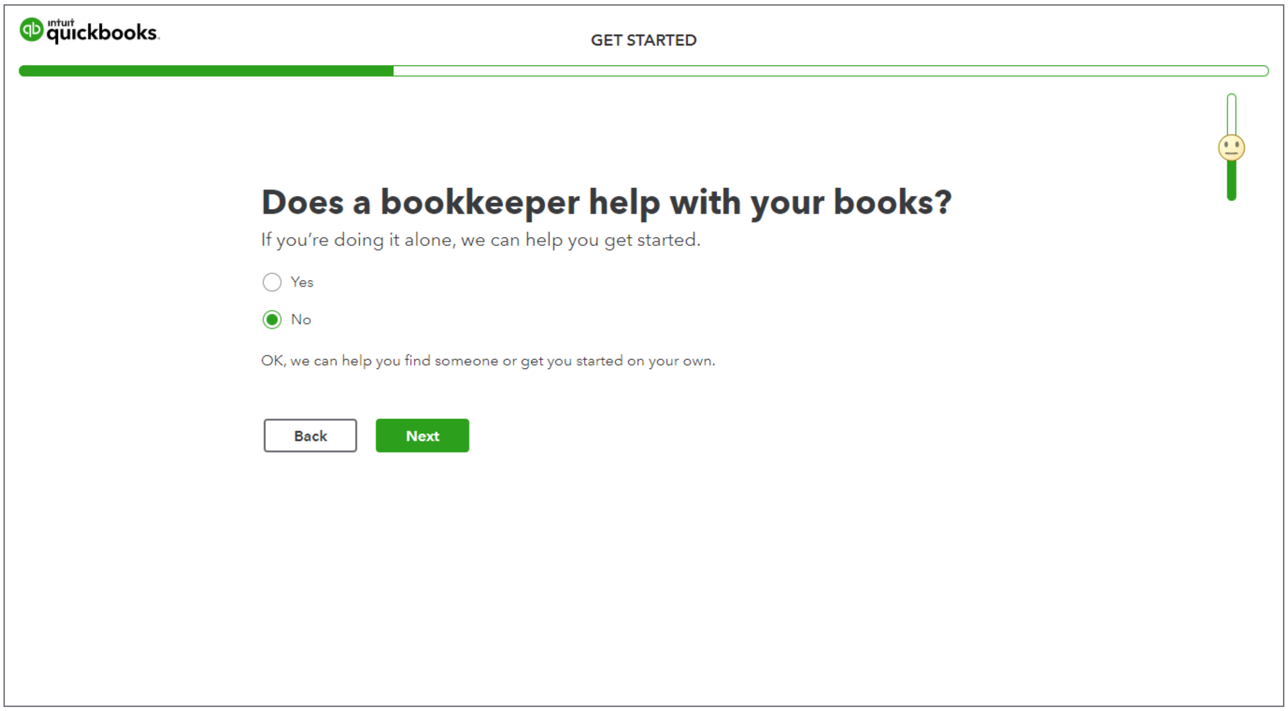


11. Choose your role at the company.

12. Click **Next**.

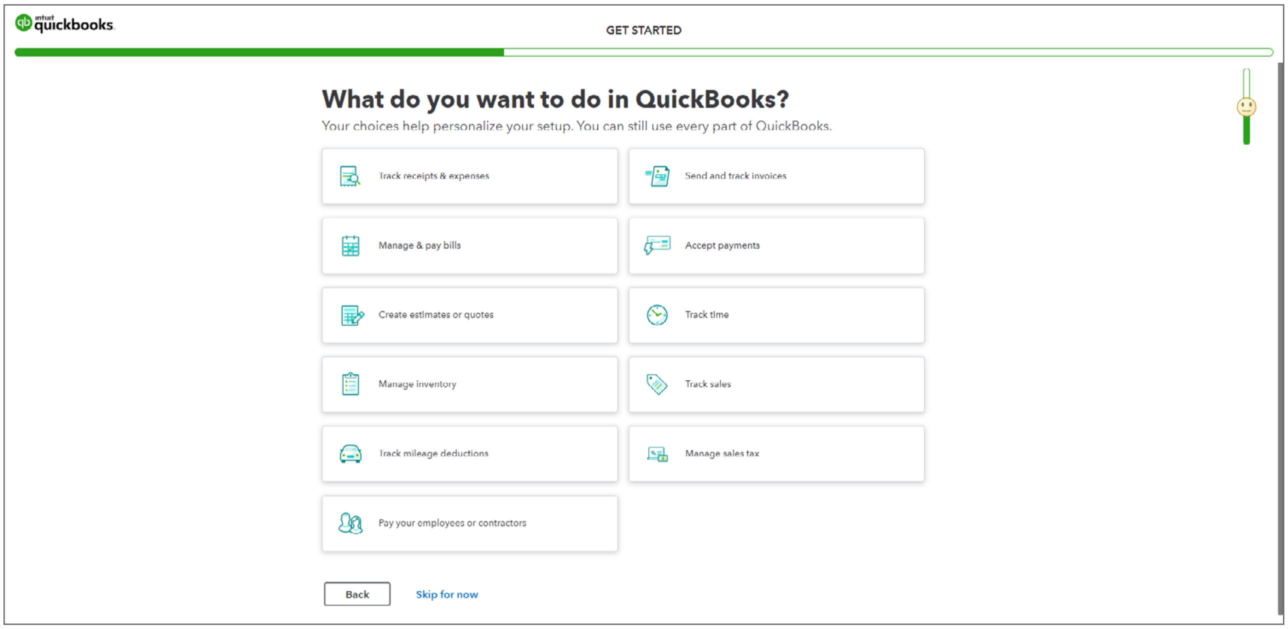


13. Choose who works at your business.
14. Click **Next**.



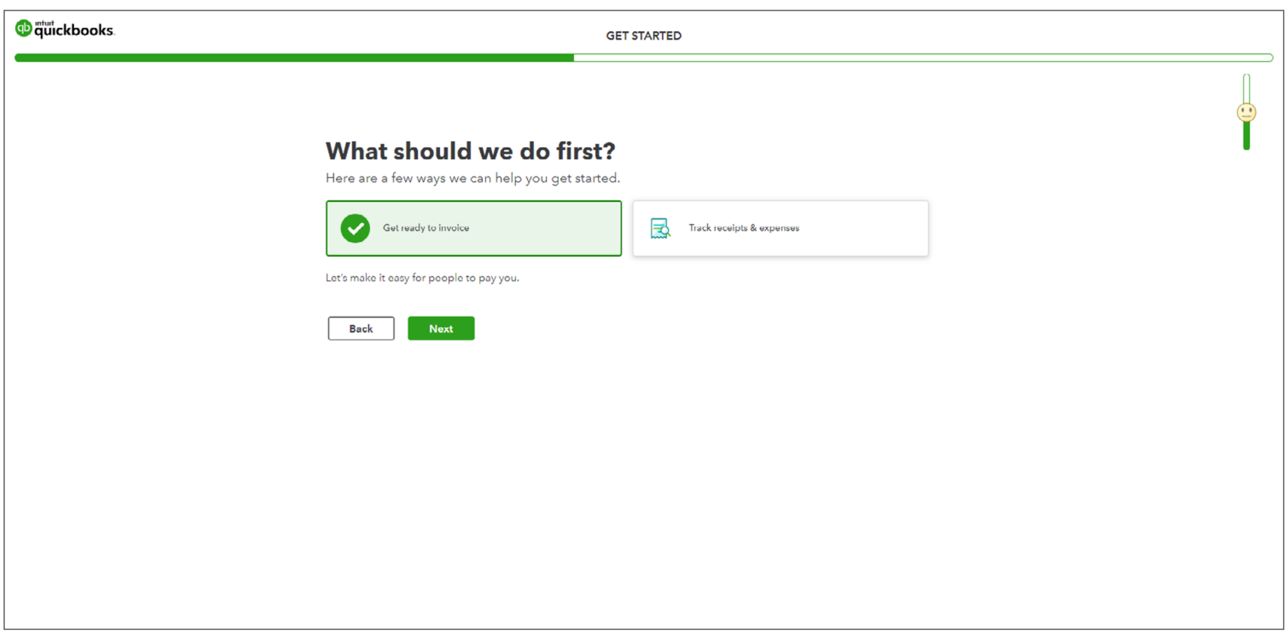
15. Select an answer to the question. Does a bookkeeper help with your books?

16. Click **Next**.



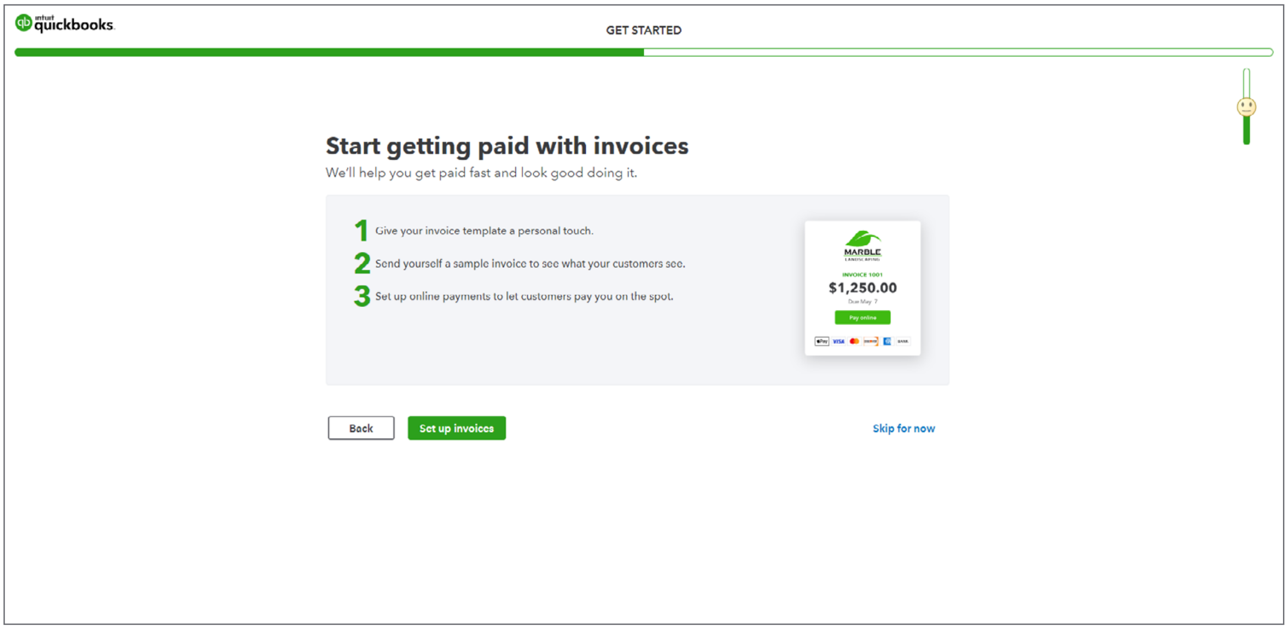
17. QuickBooks asks, **What do you want to do in QuickBooks?**

18. Click **Skip for now**. You'll discover how to use these features throughout this course.

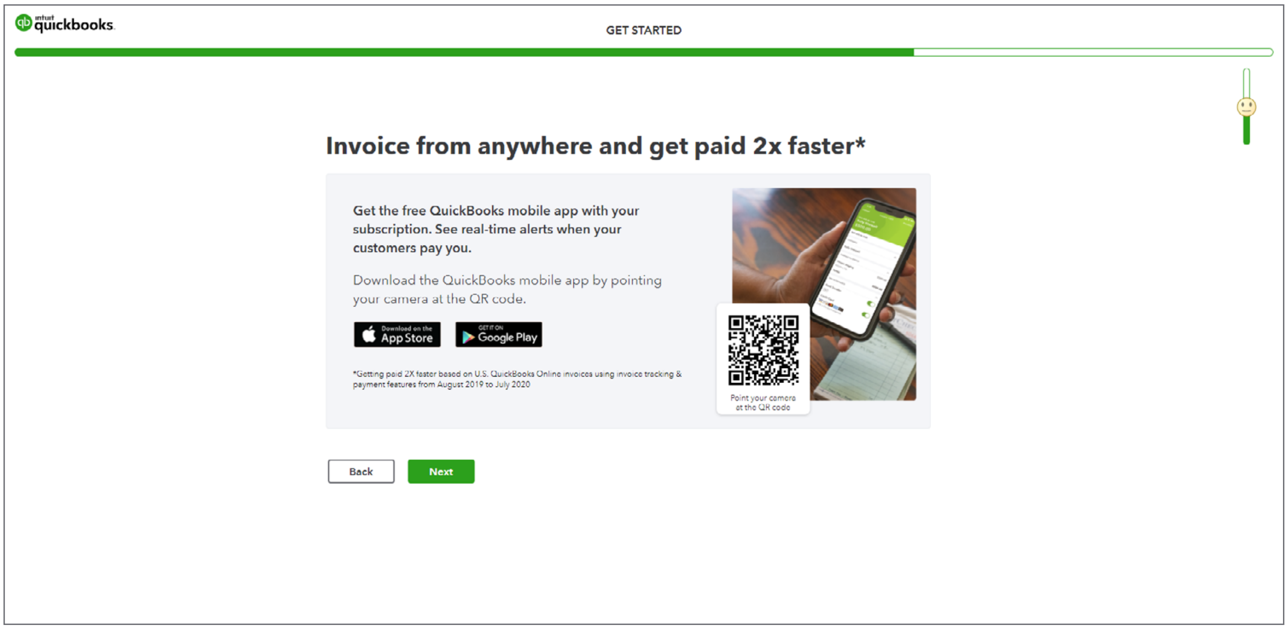


19. QuickBooks asks: **What should we do first?** Choose a transaction to get started with. You can choose invoices or receipts and expenses. In this example, you'll click **Get ready to invoice**.

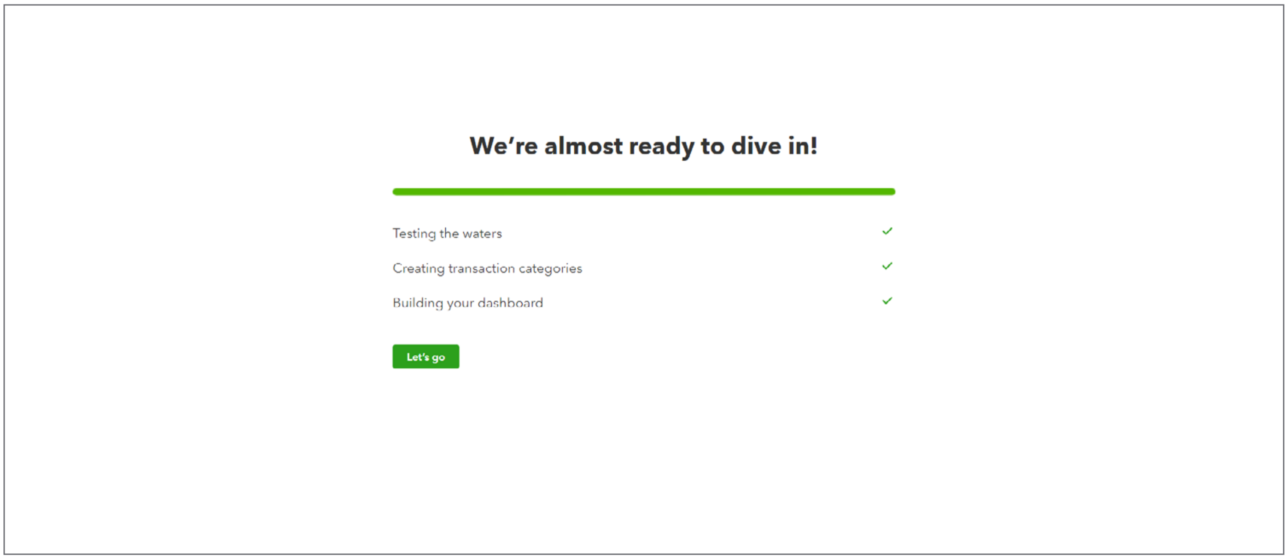
20. Click **Next**.



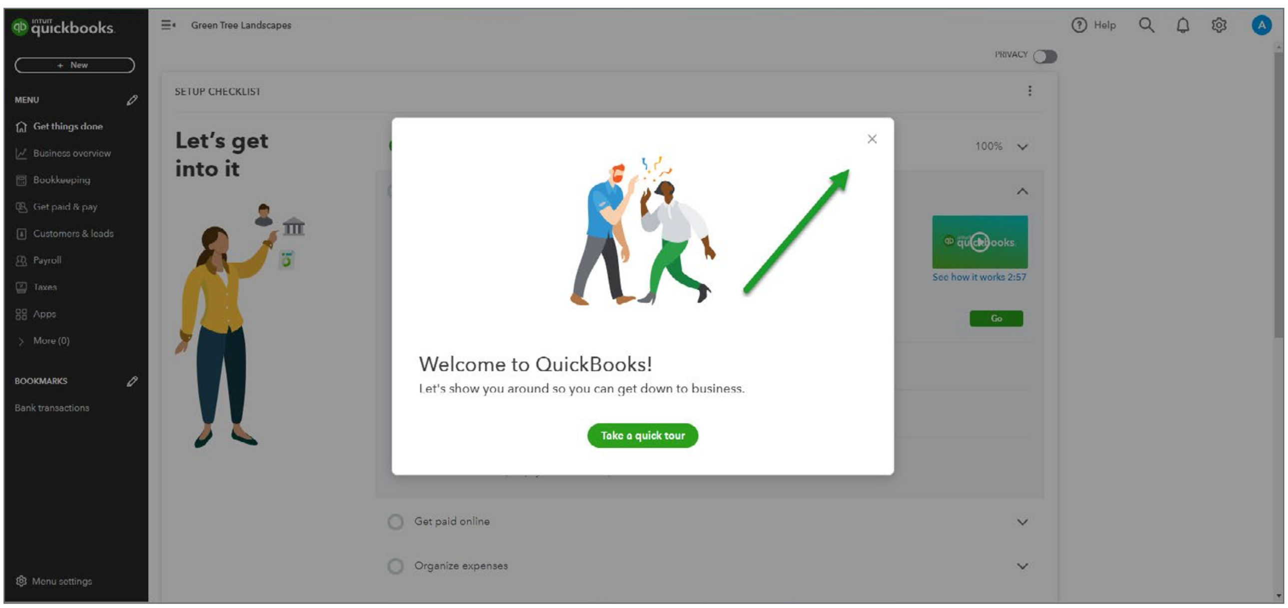
21. Click **Skip for now** and you'll return to this at a later time.



22. QuickBooks encourages you to download the QuickBooks Mobile App. We won't cover this topic in this course. Click **Next**.



23. Click **Let's go**.



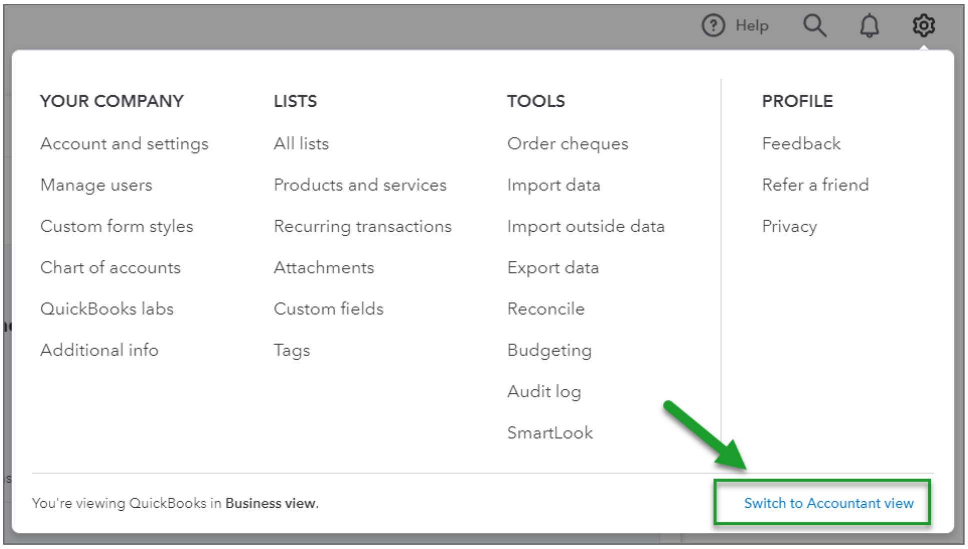
24. QuickBooks Open the Get Things Done page. Click the **X** to close the welcome window.

NOTE The checkbox labeled **I've been using QuickBooks Desktop and want to bring in my data** refers to converting data from the QuickBooks Desktop version to QuickBooks Online. This is not relevant for this class.

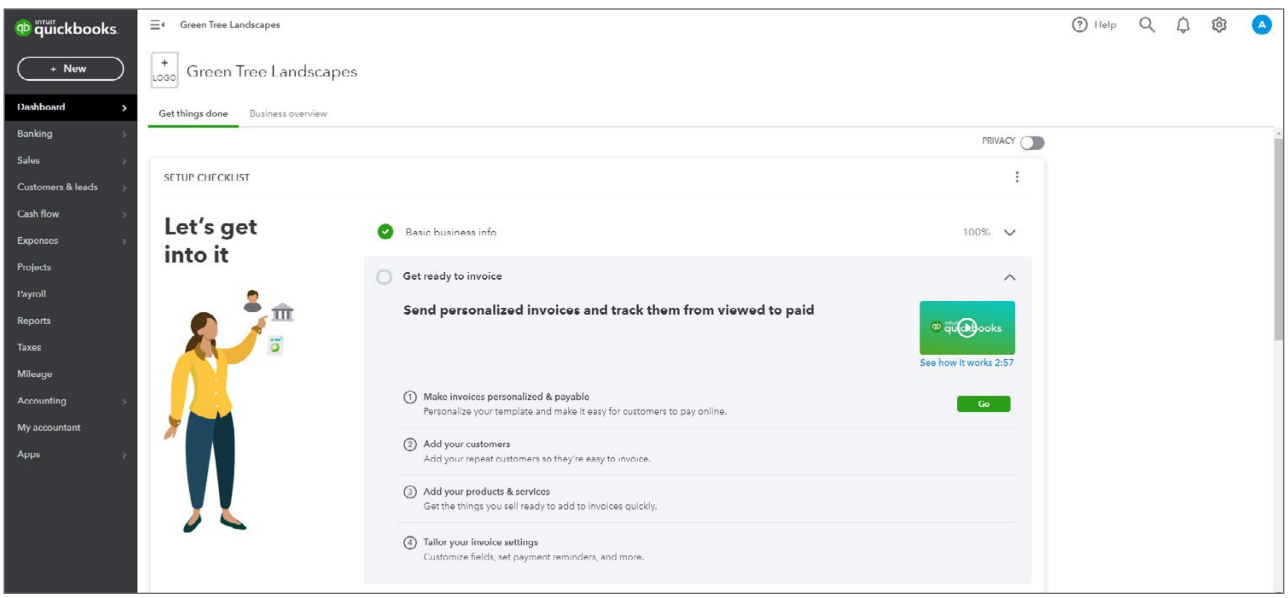
To learn how to setup a company watch this video: https://youtu.be/T5uazZwPeaY

QuickBooks has two different views; the **Accountant view** and **Business view**. For the purposes of this course, you're going to use the **Accountant view**. To change to this view:

1. Click the **Gear** menu.



2. Click **Switch to Accountant view**. QuickBooks now displays the **Accountant view**.



Basic Setup Company Steps

After completing the initial setup of your QuickBooks company, there are several important tasks to complete the setup. It's a good idea to enable and customize features and settings that apply to your company. The following settings are important to ensure that you're QuickBooks data file is secure.

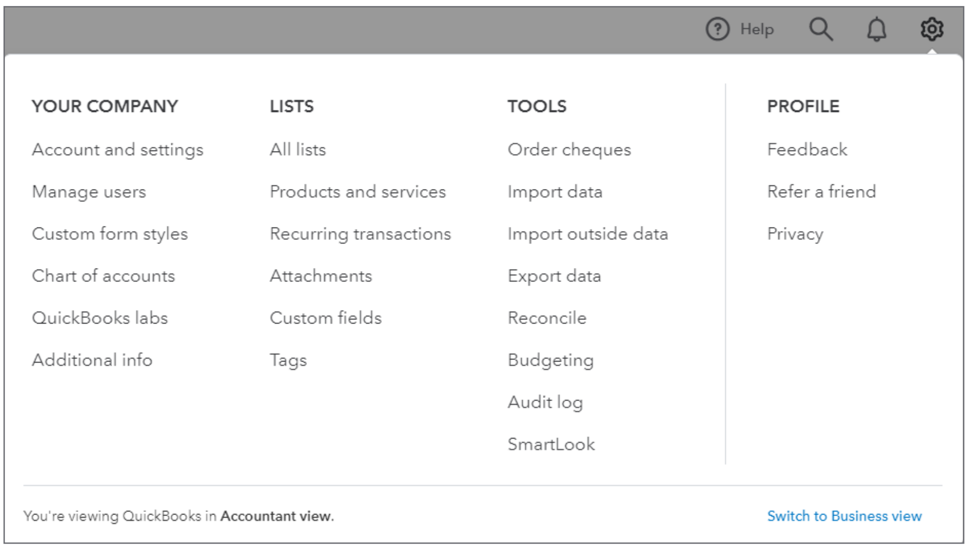
Company Settings

Company settings let you configure QuickBooks to work the way you want.

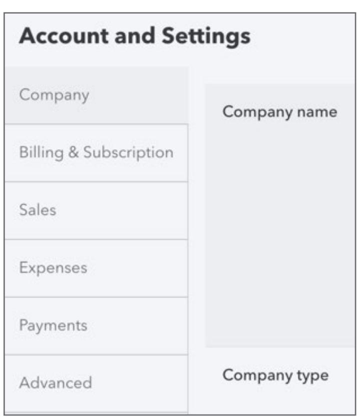
NOTE It's recommended to edit the settings as you work in different areas of QuickBooks.

To access the Accounts & Settings:

1. Click the **Gear** menu.
2. Click **Account & Settings**.



Use the categories on the left to navigate the various settings. There are several settings that should be updated or enabled immediately after you setup your company.

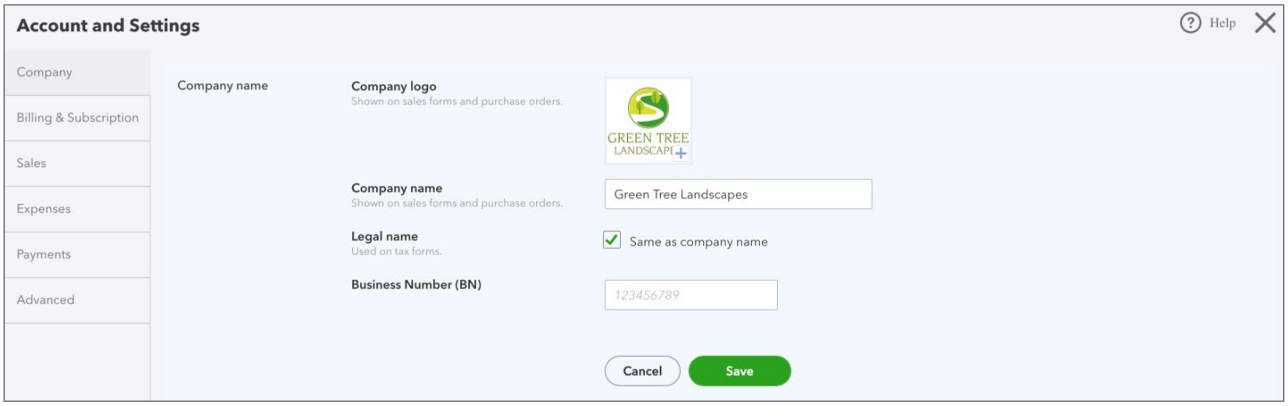


1. Click **Company** to update information like the **Company Name**, **Company type**, **Contact info**, and **Address**.

Company Name: The business name you enter will be displayed on your Dashboard. QBO uses your business name extensively in correspondence with your customers, including it in the subject line of emailed invoices, on statements, at the top of reports, and much more.

Your business name is also the default filing name of your business for payroll taxes forms if you use payroll through QuickBooks.

2. Click the **Company Name** section to expand and edit the information.



3. Click the **+** to add a logo. You can add multiple logos if needed.
4. Edit the **Company name** if necessary. Click **Legal Name** to add a legal name if different than the Company Name.
5. Enter the **Business Number (BN)** in the correct field.
6. Click **Save**. This saves the changes to the **Company name** section of the settings. Now you can proceed to edit other settings under the **Company** category.

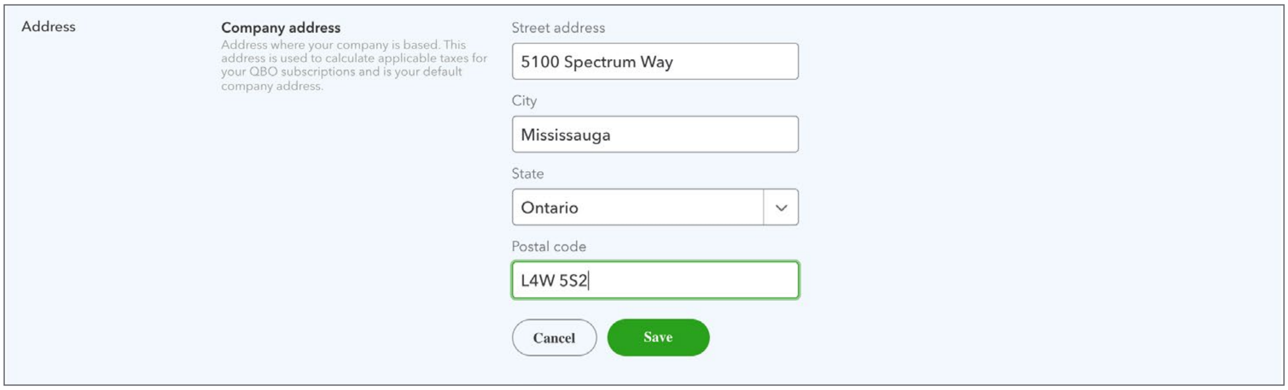
NOTE Remember, the logo should be:

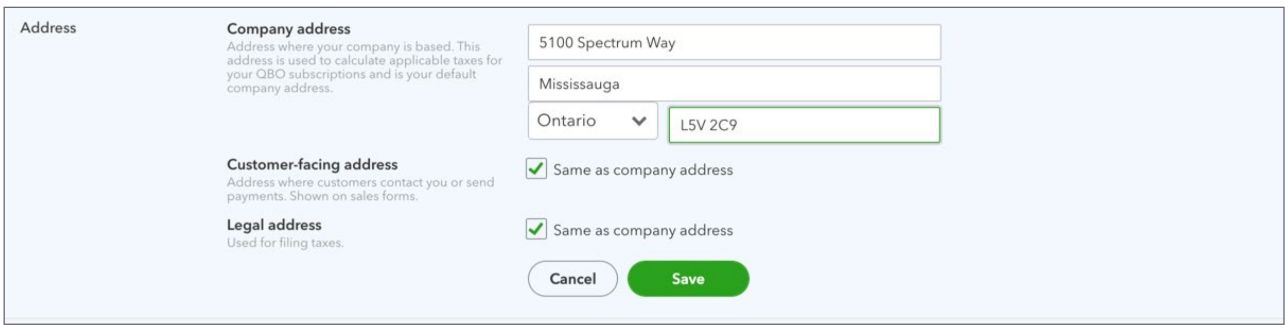
- a .gif, .bmp, .png, .jpg, .jpe, or .jpeg file
- smaller than 10 MB
- 24-bits or less in bit depth (or colour depth)
- square-shaped, since rectangles don't work
- using the standard RGB colour space

Contact Info & Address

1. Click **Contact Info** to update the **Company email**, **Customer-facing email**, **Company phone** and **Website**.
2. Click **Save**.

3. Click **Address** to edit the **Company Address**, **Customer-facing address** and **Legal Address**.





NOTE

Add Customer-facing email: This is an address where customers contact you or send payments. Shown on sales forms. If left blank, **Company address** is used.

Add Legal Address: Address used for filing taxes. If left blank, **Company address** is used.

Add customer email: Email where customers can contact you. If left blank, Company email is used.

Advanced Settings

Click the **Advanced Settings** link to update additional settings in your company. The important settings in the advanced section are the following:

Accounting

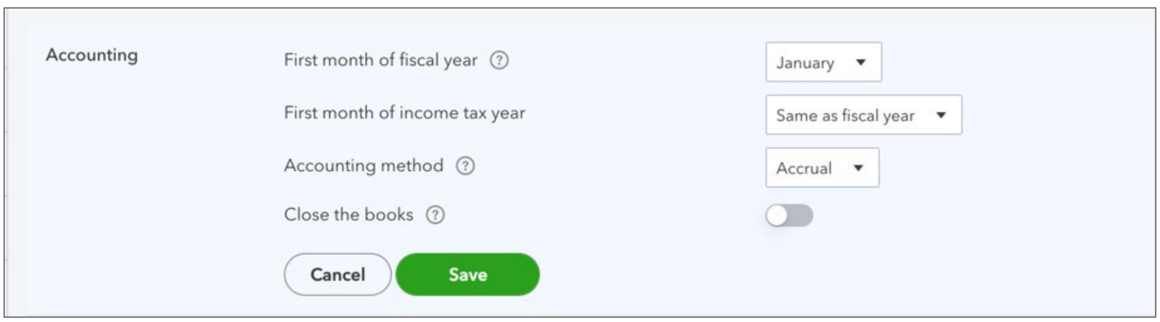
The accounting settings let you determine the following:

- **First month of fiscal year:** For reporting, you can specify any month as the start of your fiscal year (also called your financial reporting year or accounting year).

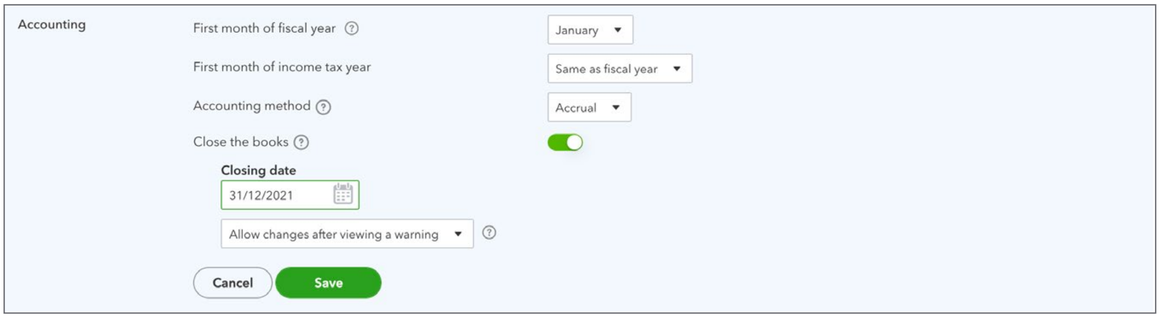
- **First month of the income tax year:** Talk to your accounting professional about this option. Not relevant for this class.
- **Accounting Method:** This defaults to accrual, but if required it can be edited.
- **Close the books:** The Closing Date marks when your company's books have been closed. You'll set a closing date password to protect your records against changes that would alter balances for closed accounting periods. These changes include editing or deleting transactions entered on or before the closing date, and entering new transactions dated on or before the closing date.
- **Default tax rate selection:** This lets you choose Exclusive of Tax, which means that amounts on transactions would be entered before the tax is applied. You can choose Inclusive of Tax which means that amounts on transactions would be entered including tax. Alternatively, you can choose Out of Scope of Tax if tax is not used.

To update the Accounting settings:

1. Click the **Accounting** section to edit the settings.
2. Choose the **First month of the fiscal year**.



3. Select the **Close the books** option.
4. Enter the Closing date. QuickBooks lets you choose to allow changes with just a warning or a warning and a password. Choose the option that works for your company.
5. Enter the **Password** if required.
6. Click **Save**.



7. Click **Done** to update the Company Settings.

> **NOTE** It's recommended that you choose the option that includes both a warning and password. If you decide to set a password, QuickBooks requires the password for changes that would alter balances for the accounting period you have closed. This includes adding, editing, or deleting transactions dated on or before the closing date. You can change the password at any time.

To learn how to update the company settings watch this video: https://youtu.be/l5sTgWPJbqA

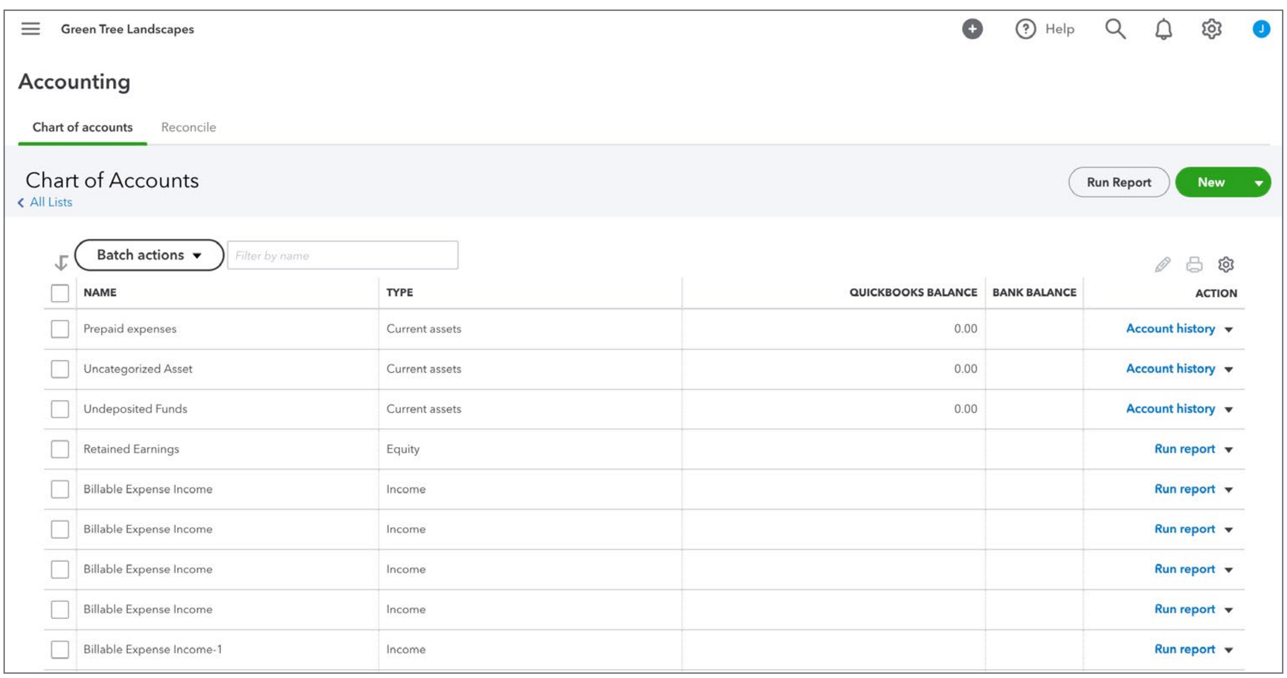
How QuickBooks Is Built?

QuickBooks is based on lists and transaction forms. Together they make up most of the information in QuickBooks. See below for more details.

Lists in QuickBooks

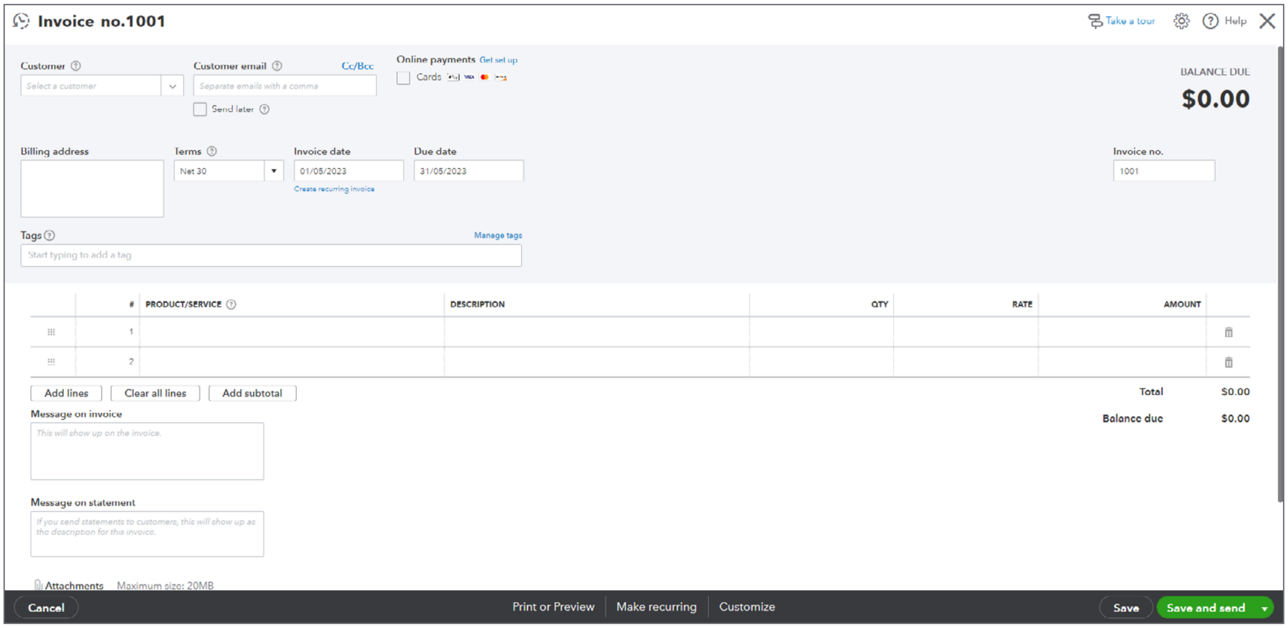
Lists are the framework of QuickBooks. Use lists to fill out most QuickBooks forms. For example, to pay a bill, choose a name from your supplier list on the Enter Bills form. QuickBooks enters the list information on the form for you. This saves you time and prevents typing errors. You can also change 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, Products and Services list, and Class list—require careful planning.



QuickBooks Transaction Forms

You record most of your daily business transactions on a QuickBooks transaction form. You will use QuickBooks lists to complete transaction forms. Behind the scenes, QuickBooks records the accounting entries (debits and credits). The invoice is an example of a transaction form.

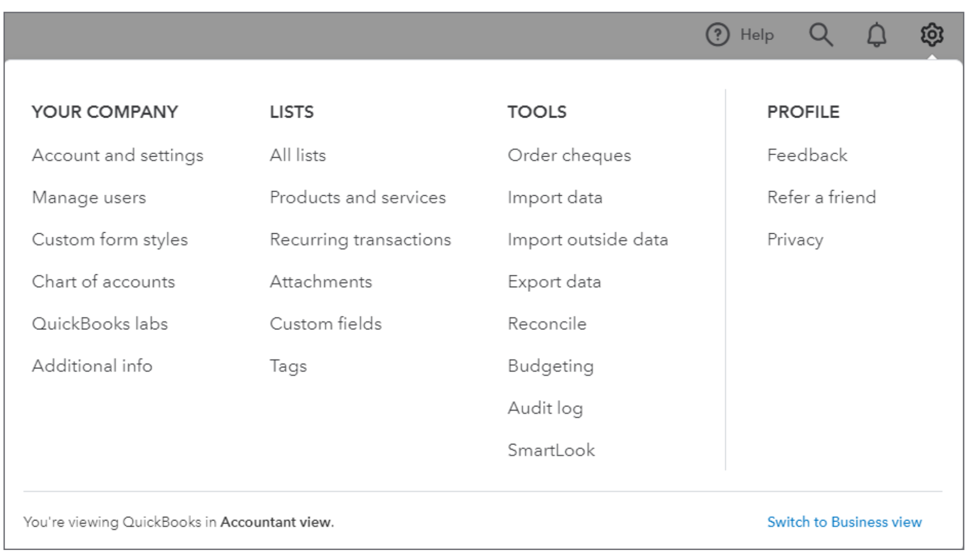


Importing Lists

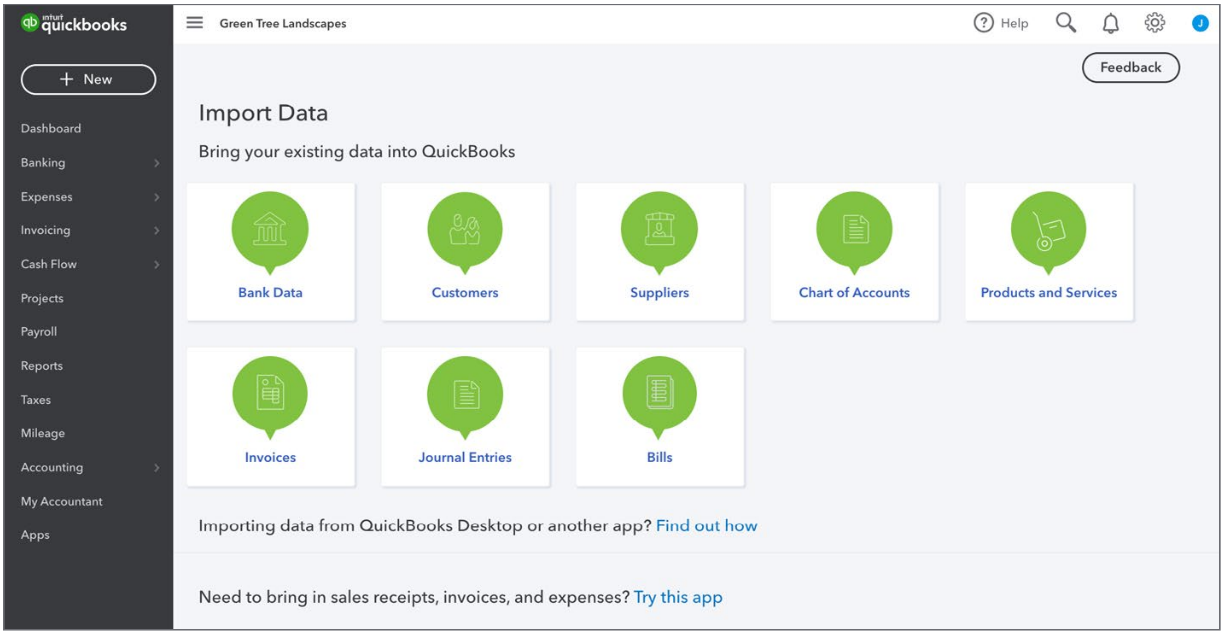
If you keep important list information in Microsoft Excel you can import it directly into QuickBooks. You can import customers, suppliers, accounts, and products and services. This will help you add information to QuickBooks faster than if you created each list entry from scratch.

To import customers:

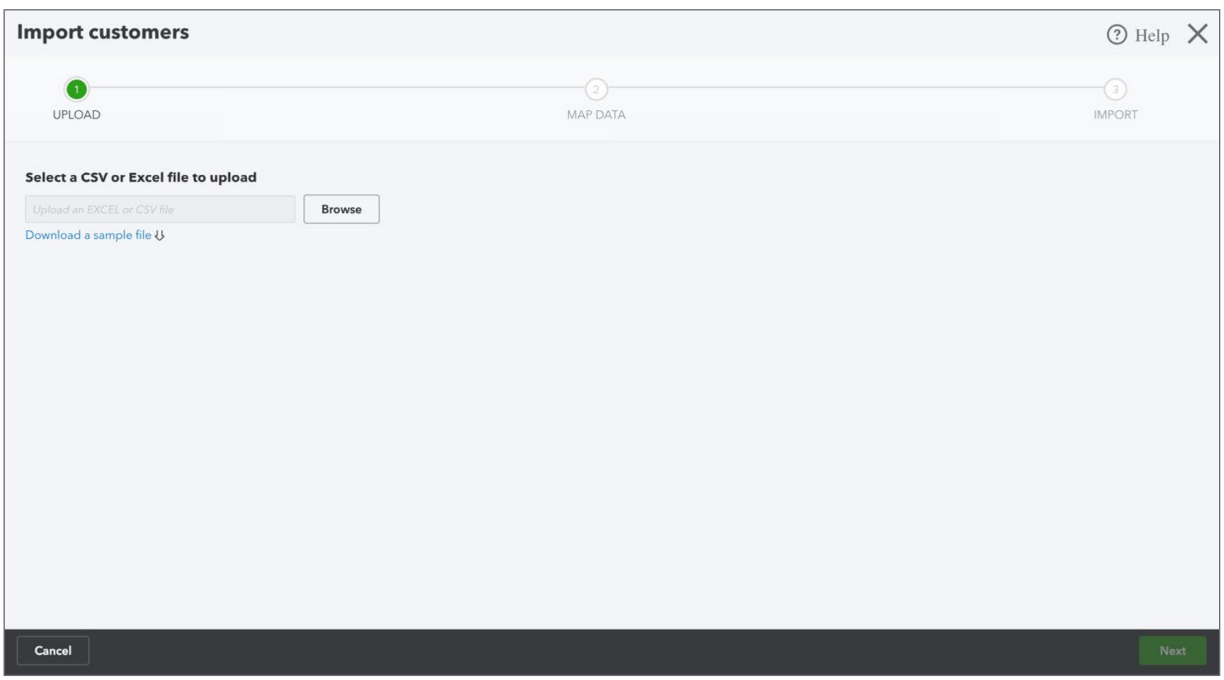
1. Click the **Gear** menu, then click **Import Data**.



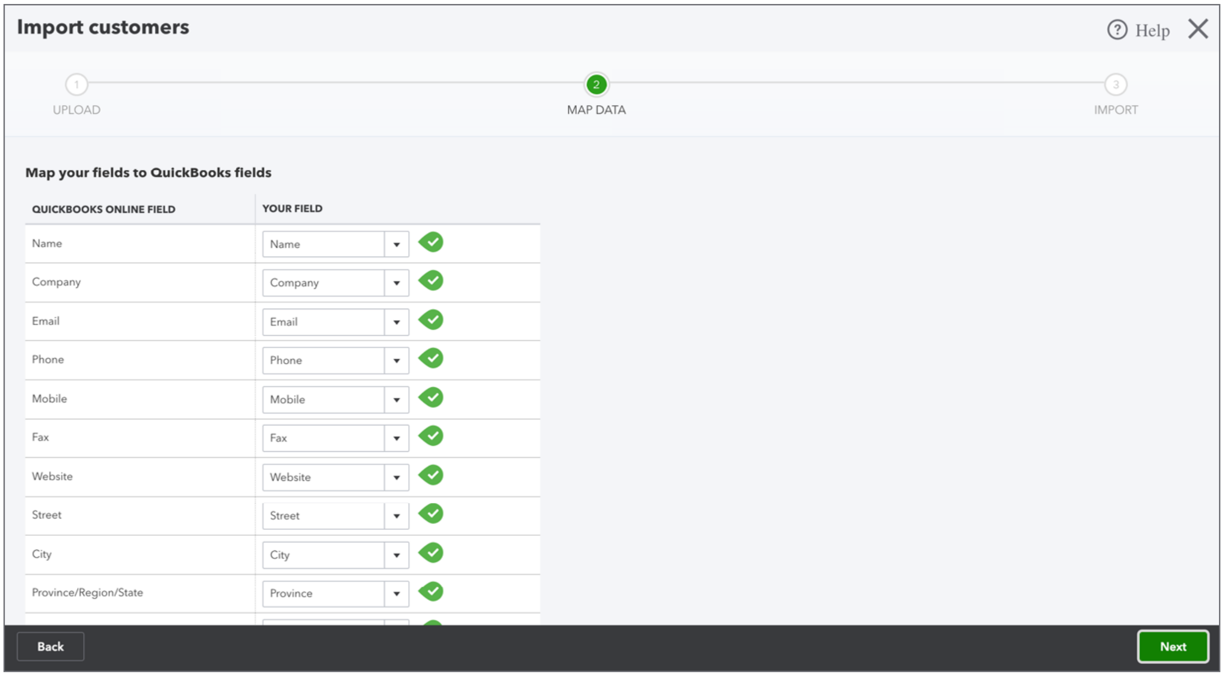
2. Click **Customers**.



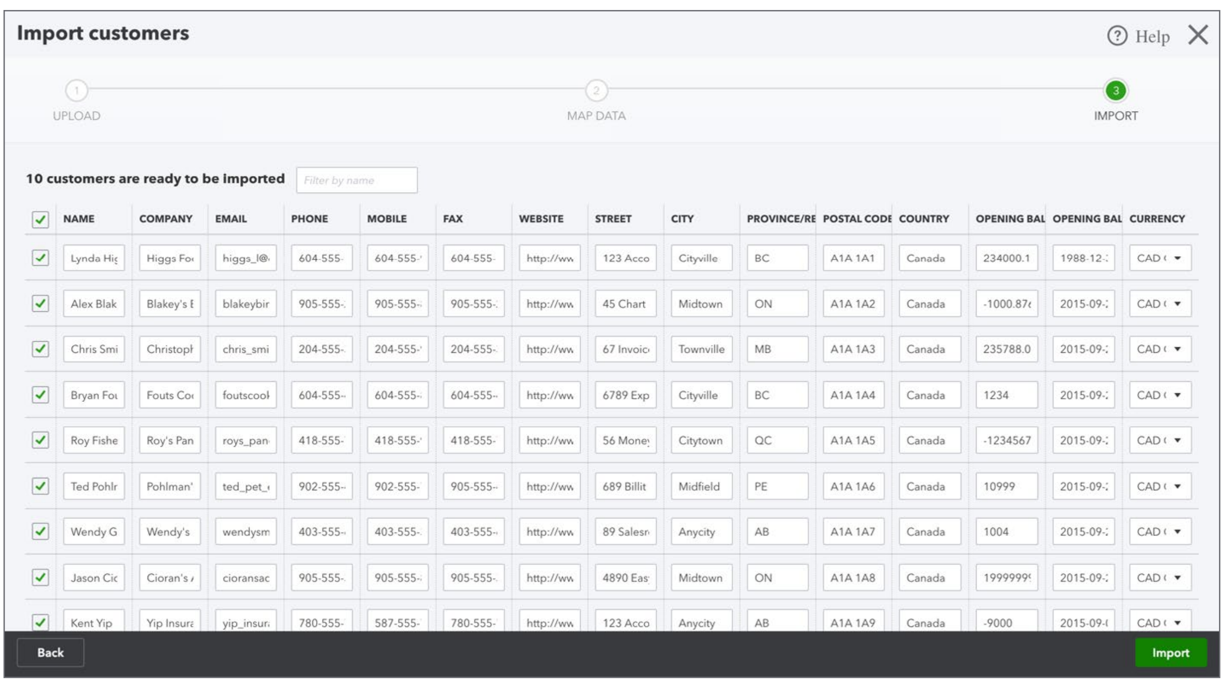
3. Click **Browse** and then navigate to the Excel or CSV file that contains your customer data. Click **Open**, and **Next** at the bottom right.



4. On the **Map Data** window you see two columns. The first Column is the **QuickBooks Online field**. This is the field name contained in QuickBooks. The second column is **Your field**. In other words the column's name in your MS Excel sheet. QuickBooks automatically matches the fields it recognizes. If the fields are not matching as needed, choose the correct fields manually by clicking the drop down selection under **Your Field**. Click **Next**.



5. In the final window, you can confirm the data that QuickBooks is importing and make any final changes. If QuickBooks encountered any errors, you will see them displayed in red. After reviewing the information, click **Import**.



NOTE You can import other lists using the same process as above. See information below.

Steps for Importing Products and Services

1. Click the **Gear** menu, and then click **Import Data**.
2. Click **Products and Services**.
3. Click **Browse** and then navigate to the Excel or CSV file that contains your products and services data. Click **Open**, and **Next** at the bottom right.
4. On the **Map Data** window you see two columns. The first Column is the **QuickBooks Online field**. This is the field name contained in QuickBooks. The second column is **Your field**. In other words the column's name in your MS Excel sheet. QuickBooks automatically matches the fields it recognizes. If the fields are not matching as needed, choose the correct fields manually by clicking the drop down selection under **Your Field**. Click **Next**.
5. Confirm the data that QuickBooks is importing and make any final changes. If QuickBooks encountered any errors, you will see them displayed in red. After reviewing the information, click **Import**.

To learn how to import list information watch this video: https://youtu.be/RBPLeVIGex0

NOTE **Opening Balances:** Chart of Accounts can be imported through the same means as customers, suppliers and products & services, and by doing so the balances of various accounts can also be imported. This is helpful because if you have a chequing account, loans or assets, it is important for you to integrate the balances of those accounts into QuickBooks before entering any transactions that relate to that account. For instance, before you enter cheques that you've written, you first want to enter the amount of money that is currently in that chequing account.

Importing your Chart of Accounts is the easiest method for integrating those opening balances, but other methods can be employed:

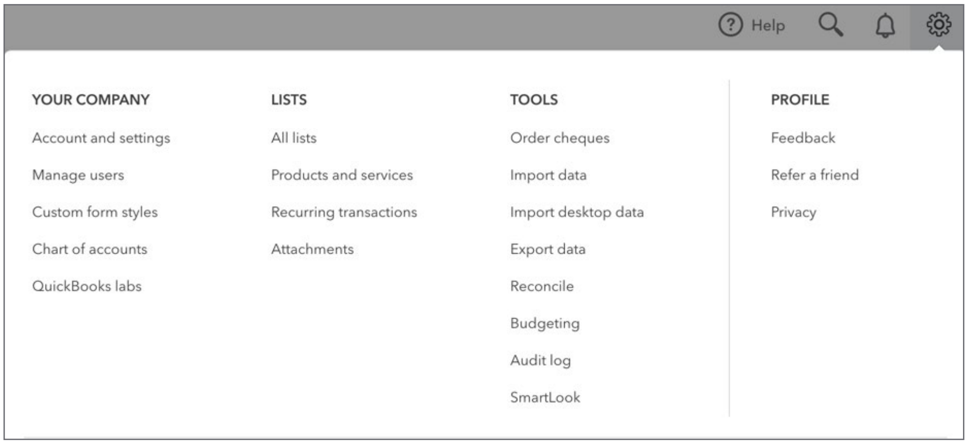
- Manual Entry: When you create a new account on the Chart of Accounts, if the account is a Balance Sheet account (asset, liability or equity) you have an option for entering an opening balance and an as of date for that balance.
- Historical Transactions: You can enter historical transactions that make up account balances through the same methods as entering any other kind of transaction. As long as you enter the appropriate date QuickBooks will update your financial information for that time period, and the appropriate accounts will also be affected.
- Journal Entries: If you are well-versed in debits and credits and how they are used to generate account balances in a double-entry accounting system you can build a journal entry that summarizes all of your business' financial information on a single journal entry. Doing so will incorporate your accounts' balances. This is an advanced method, however, and should not be attempted unless you have extensive knowledge of accounting and bookkeeping or your accountant has built an appropriate journal entry for you.

Setup Users

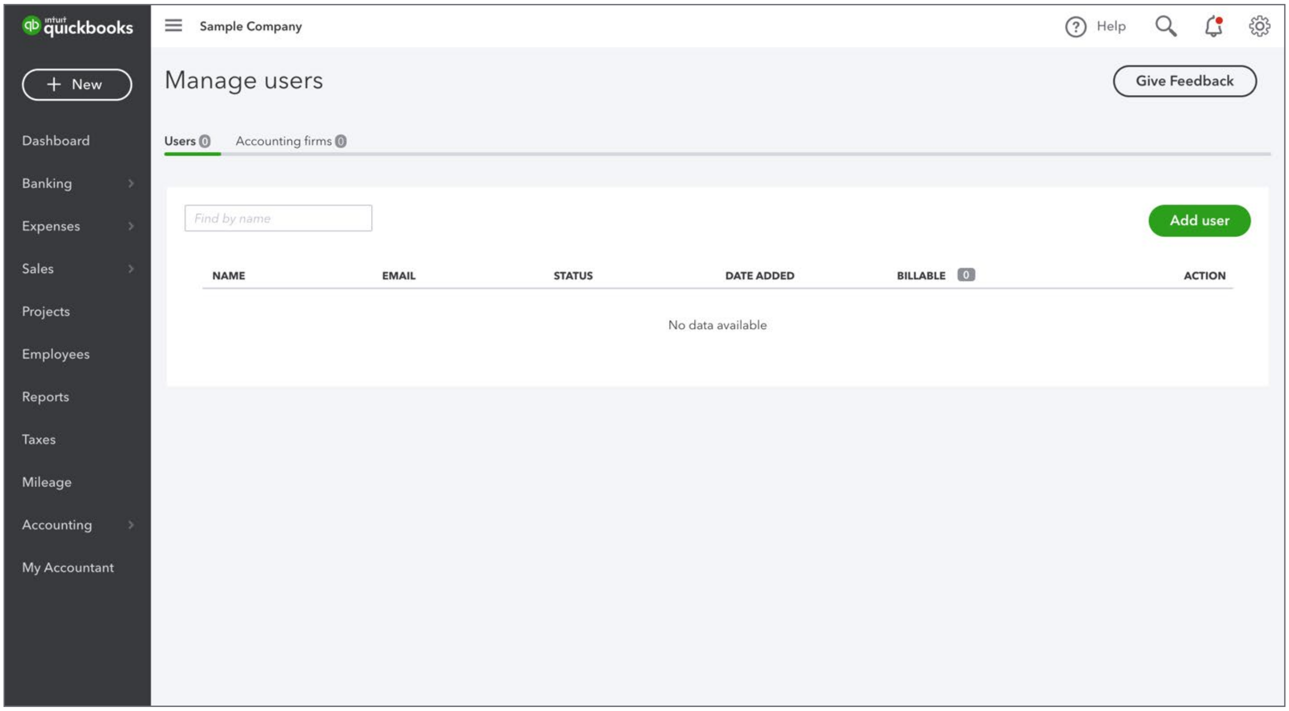
QuickBooks Online can be customized to let multiple people sign-in and work in QuickBooks simultaneously. You can grant different permissions to different users based on the access needed within QuickBooks.

Regular Users for Your Company

To set up a new user, click the **Gear** menu and then click **Manage Users**.



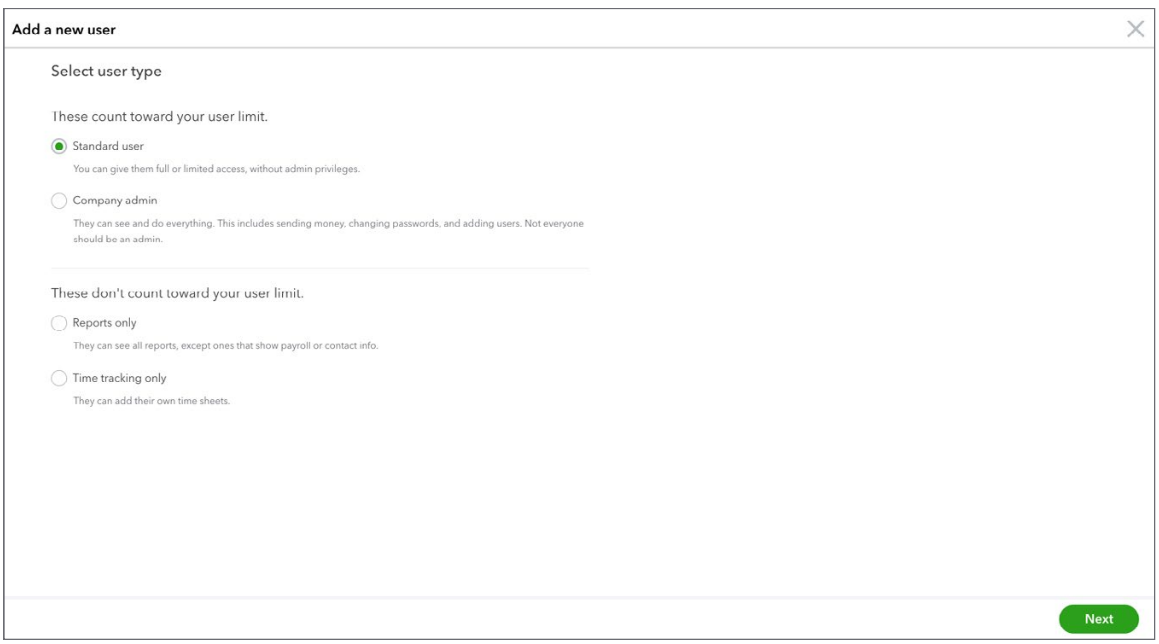
1. In the Manage Users window, click **Add user** to create a new user. The first option you must select for a user is their level of access:



- **Admin**: Admin users can enter any type of transaction and run any kind of report. Admins also have access to company billing information and can create other users.
- **Regular or Custom**: These users can be customized so that they can only perform tasks and view reports in relation to sales, expenses or both. During the setup process you can also set a regular or custom user to be able to enter their own time into QuickBooks so that their hours can be recorded for the work they perform. You can also customize their access to company account and billing information.
- **Reports Only**: Reports Only users are only able to view and customize reports. They cannot enter any transactions and cannot access company account information.
- **Time Tracking**: A time tracking user can log into QuickBooks Online and enter their own time. They are limited to only timesheets.

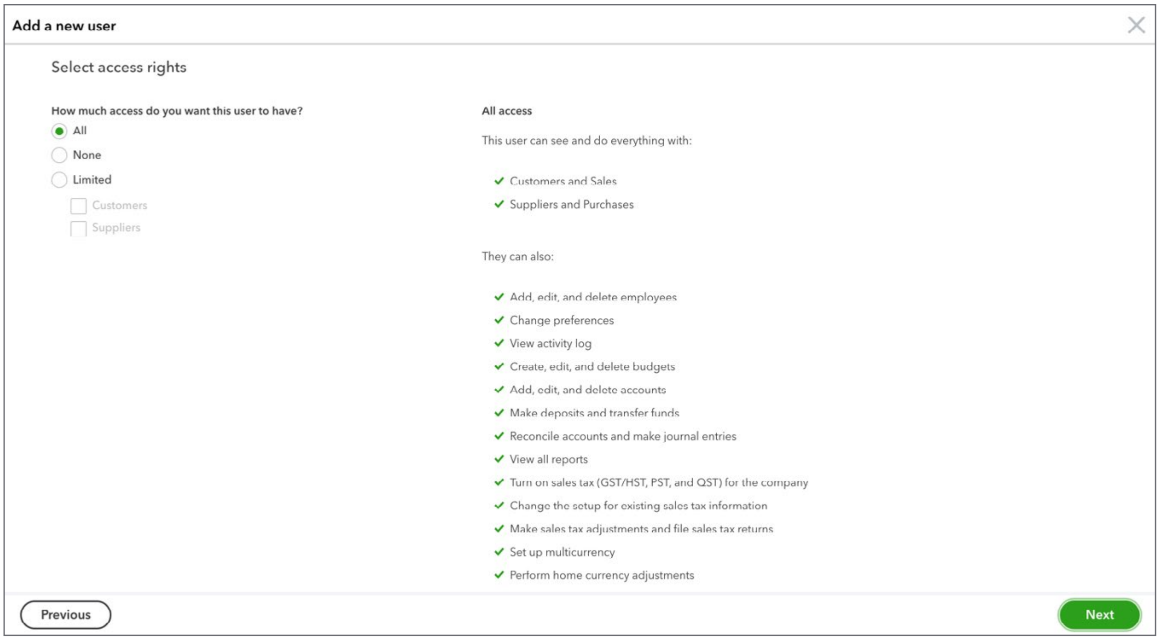
Once you've chosen the type of user you want to create and their access level do the following:

2. Select the user type.
3. Click **Next**.



4. Select the user's access rights. If you choose **Limited**, select **Customers and Sales** or **Suppliers & Purchases**.
5. Click **Next**.

NOTE You can give **All** access to the new user. This means they can access and do any transaction or task in QuickBooks. Selecting **None** will eliminate their rights in QuickBooks. Selecting **Limited** lets you assign rights to the user for **Customers and Sales** and/or **Suppliers & Purchases**.



6. Select the User settings including the following:
   - **Do you want this user to add, edit, and remove users?** This means that the user can add new users.
   - **Do you want this user to edit company info?** This means that the user can access and edit company address and other contact information.
   - **Do you want this user to manage subscriptions?** This means that the user can update or edit your QB subscription.
7. Click **Next**.

8. Enter the user's contact information including **First Name**, **Last Name**, and **Email**.

To learn how to setup users watch this video: https://youtu.be/1PaCaC4F2RY

9. Click **Save**. QuickBooks invites the new user to the QuickBooks file.

NOTE The number of users your company can have is determined by your subscription level. Easy Start accounts can only have one user. Online Essentials accounts can have up to three users. Plus accounts can have up to five users. Reports Only and Time Tracking users, however, do not count towards this limit so a company can have as many as they like.

Accountant Users

On the same window you use to set up new users is an option to create accountant type users. A company can have up to two free accountant users, and these users have unlimited access to all areas of QuickBooks. In addition to transactions and reports, accountant users have access to special tools and features in the QuickBooks Online Accountant version.

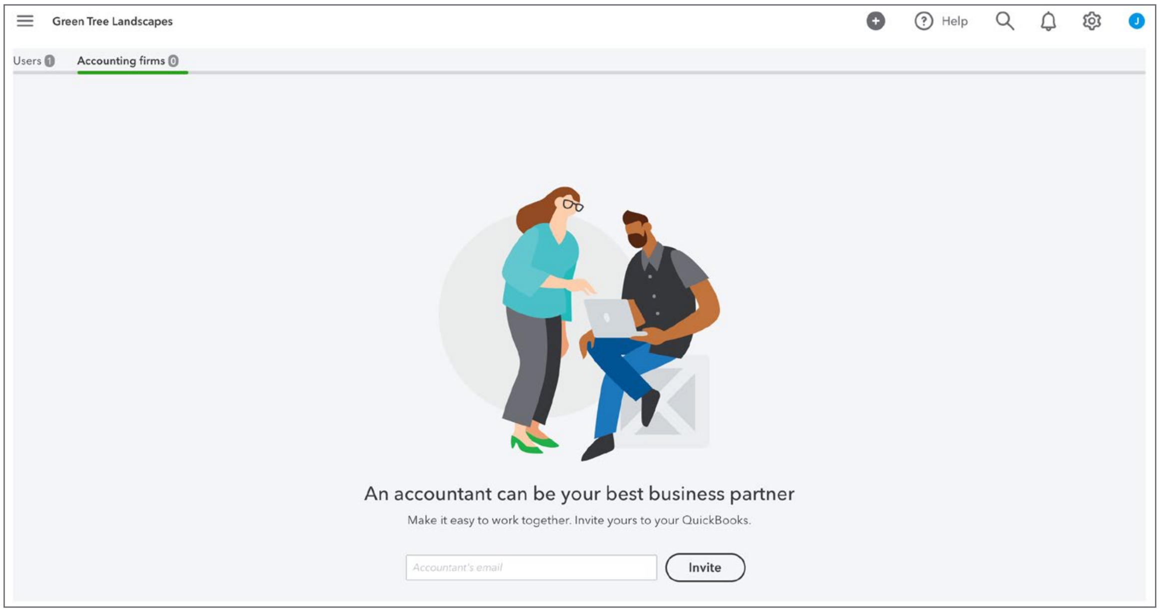
To invite an accountant:

NOTE Invite your instructor to be your accountant. This gives your instructor access to your company file.

1. Click **My Accountant** on the left navigation bar.

2. Enter the **Accountant's email address**.

3. Click **Invite**.



To learn how to connect to your instructor watch this video: https://youtu.be/YdzGt2-_l7s

Sales Tax

If you collect sales tax in your business, QuickBooks helps you automate your tax tracking. This helps you keep accurate records of the tax that you collect and pay.

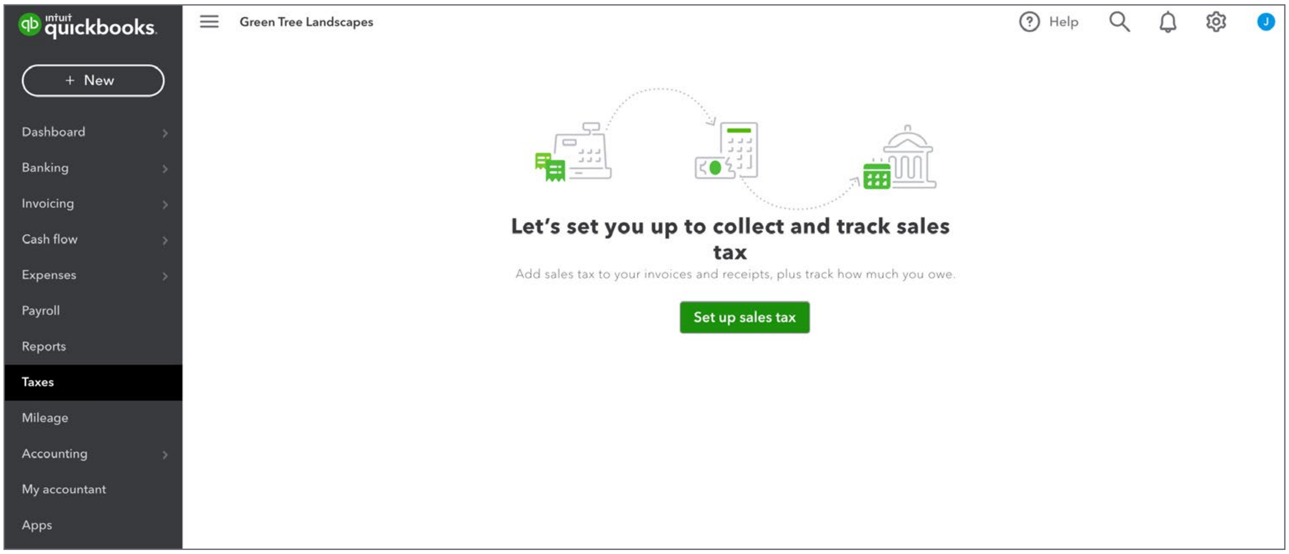
When you set up sales tax, you should have your business tax information available from the Canada Revenue Agency or your Minister of Finance.

NOTE You must register for GST/HST when your total worldwide taxable supplies of goods and services is more than $30,000 in a calendar quarter, or in four continuous calendar quarters. At less than this amount, registration is optional.

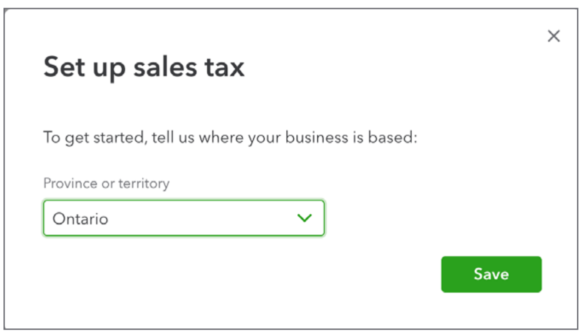
To setup sales tax:

1. Click **Taxes** from the navigation bar.

2. Click **Set up Sales tax**.

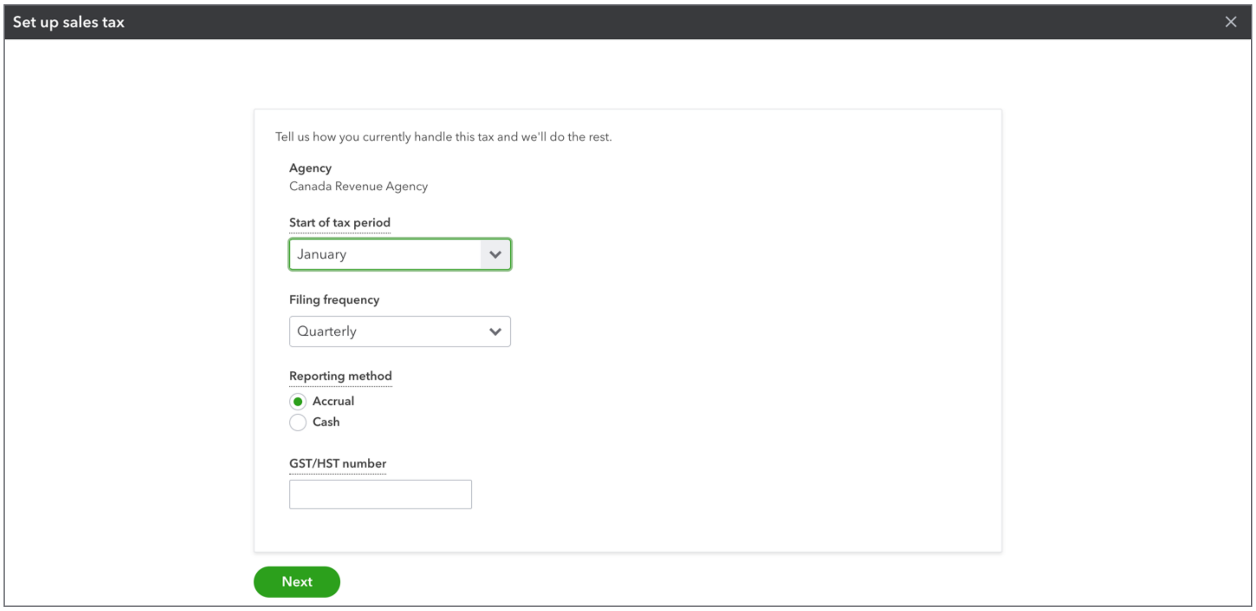


3. Choose your Province or Territory and then click **Save**.



4. Choose the month in the **Start of the current tax period** field. This tells QuickBooks what tax period you're in. This information will be provided to you by the Canada Revenue Agency, when you register your company for sales tax.
5. Choose your **Filing Frequency**. You can choose Monthly, Quarterly, Half-Yearly, or Yearly. This information will also be provided to you by the Canada Revenue Agency.
6. Select your **Reporting Method**.

7. Enter the company **GST/HST Number**.

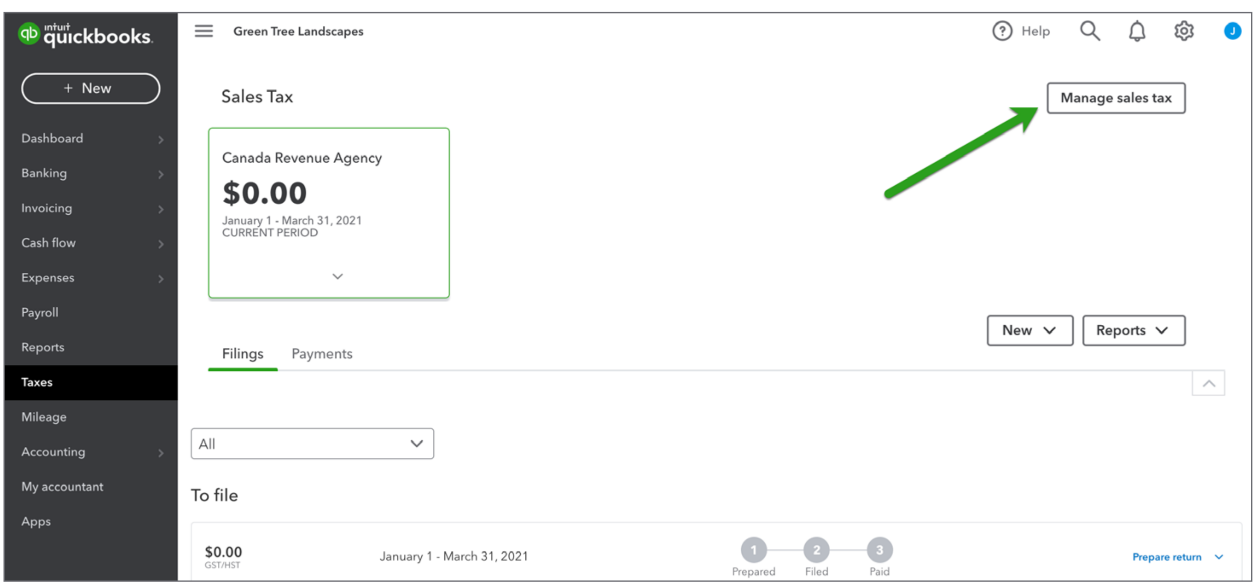


8. Click **Next**.
9. Click **OK** to complete the basic setup.

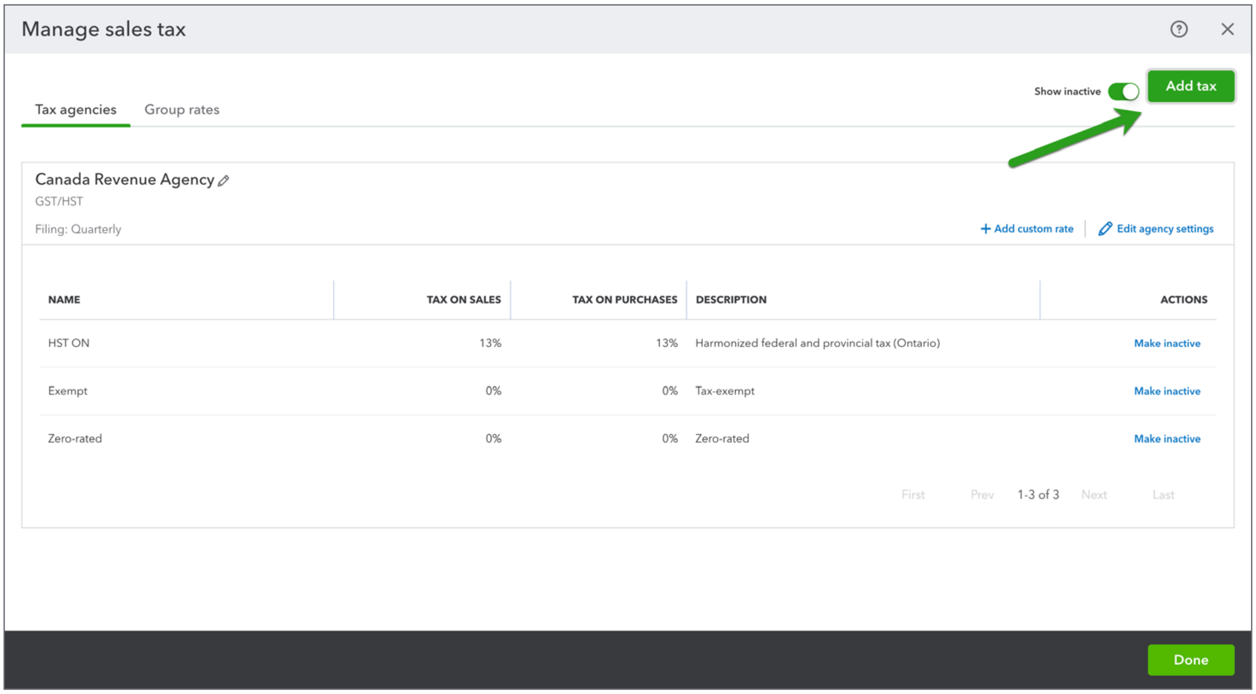
You're now ready to start tracking sales taxes on sales and expense transactions.

NOTE If you're located in a province with GST, PST or QST, you'll be required to add provincial information in addition to the federal tax setup. See sample below.

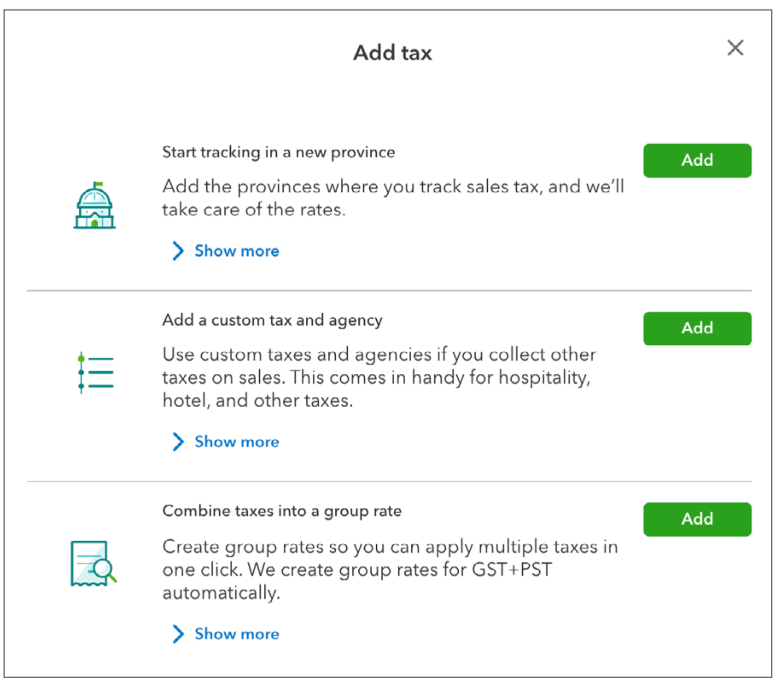
1. Click **Taxes** from the Navigation Bar.
2. Click **Manage Sales Tax**.



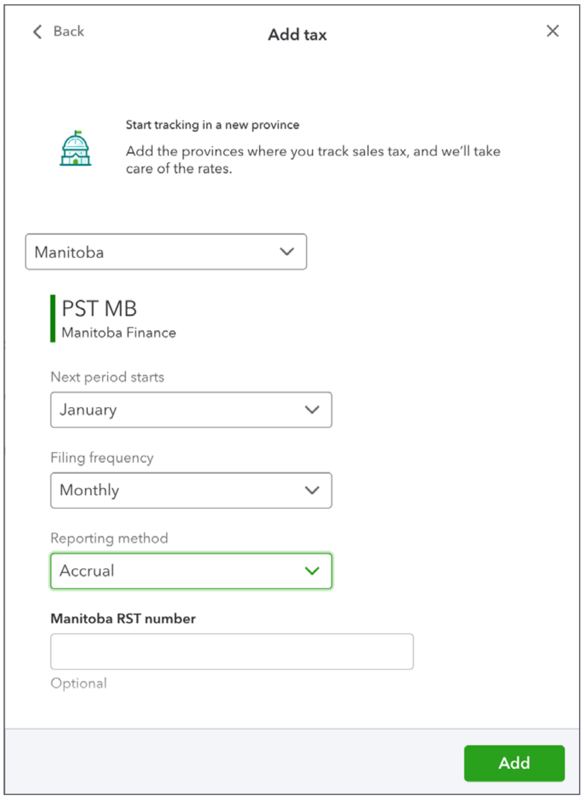
3. Click **Add Tax**.



4. Click **Starting Tracking in a new province**.



5. Choose the province and enter the required information.



To learn how to setup sales tax watch this video: https://youtu.be/YSHX05i9bUE