



QuickBooks Online Student Guide

# Chapter 5

## Company Activities Part I



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

The screenshot displays the QuickBooks interface for the 'Suppliers' list. The sidebar on the left contains navigation links. The main content area shows a 'Suppliers' header with a 'New supplier' button. Below the header, there are four summary cards: 'Unbilled Last 365 Days' (\$114, 1 PURCHASE ORDER), 'Unpaid Last 365 Days' (\$735, 2 OVERDUE), 'Paid' (\$735, 2 OPEN BILLS), and 'Paid' (\$14,051, 8 PAID LAST 30 DAYS). A table lists suppliers with columns for Supplier/Company, Phone, Email, Currency, Open Balance, and Action. Suppliers listed include Andrew Haberbosch, Bank of AnyCity, Brijesh Jain, Brittney Hughes, and Burc Gunes.

### Other Lists

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

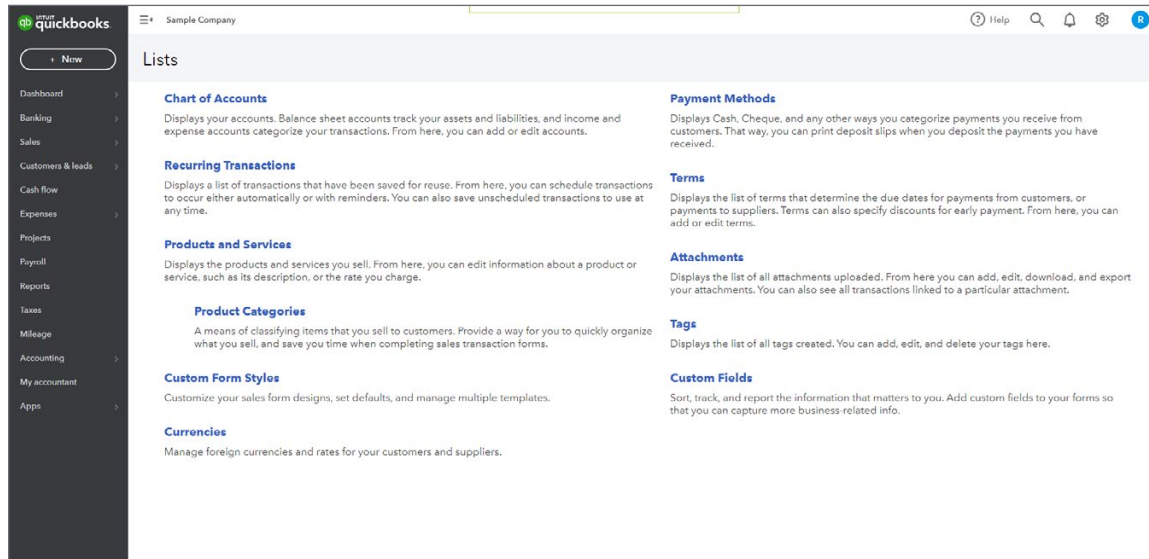
1. To view one of these lists, go to the **Gear** menu and click the list you want.
2. To make a new entry in the list, click the **New** button.

The screenshot shows the QuickBooks Gear menu. It is organized into four columns: 'YOUR COMPANY', 'LISTS', 'TOOLS', and 'PROFILE'. The 'LISTS' column contains 'All lists', 'Products and services' (highlighted with a green box), 'Recurring transactions', 'Attachments', and 'Currencies'. The 'TOOLS' column contains 'Order cheques', 'Import data', 'Import desktop data', 'Export data', 'Reconcile', 'Budgeting', 'Audit log', and 'SmartLook'. The 'PROFILE' column contains 'Feedback' and 'Privacy'.

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

1. Click the **Gear** icon.

- 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.



## 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.

The screenshot shows the 'Chart of Accounts' page for 'Green Tree Landscapes'. At the top, there are tabs for 'Chart of Accounts' and 'Reconcile'. Below the tabs, there's a 'Run Report' button and a 'New' button with a dropdown arrow. A 'Batch actions' dropdown menu is open, showing 'Filter by name'. The main table lists various accounts with columns for NAME, TYPE, DETAIL TYPE, TAX RATE, QUICKBOOKS BALANCE, BANK BALANCE, and ACTION. Each row has a checkbox on the left and an 'Account history' or 'Run report' link on the right.

NAME	TYPE	DETAIL TYPE	TAX RATE	QUICKBOOKS BALANCE	BANK BALANCE	ACTION
<input type="checkbox"/> Inventory Asset	Current assets	Inventory		0.00		<a href="#">Account history</a> ▼
<input type="checkbox"/> Prepaid expenses	Current assets	Prepaid Expenses		0.00		<a href="#">Account history</a> ▼
<input type="checkbox"/> Uncategorized Asset	Current assets	Other current assets		0.00		<a href="#">Account history</a> ▼
<input type="checkbox"/> Undeposited Funds	Current assets	Undeposited Funds		0.00		<a href="#">Account history</a> ▼
<input type="checkbox"/> GST/HST Payable	Other Current Liabilities	GST/HST Payable		0.00		<a href="#">Account history</a> ▼
<input type="checkbox"/> GST/HST Suspense	Other Current Liabilities	GST/HST Suspense		0.00		<a href="#">Account history</a> ▼
<input type="checkbox"/> Retained Earnings	Equity	Retained Earnings				<a href="#">Run report</a> ▼
<input type="checkbox"/> Billable Expense Income	Income	Sales of Product Income				<a href="#">Run report</a> ▼
<input type="checkbox"/> Billable Expense Income	Income	Sales of Product Income				<a href="#">Run report</a> ▼
<input type="checkbox"/> Billable Expense Income	Income	Sales of Product Income				<a href="#">Run report</a> ▼

**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.

The screenshot shows the 'Recurring Transactions' page for 'Sample Company'. At the top, there are tabs for 'Reminder List' and 'New'. Below the tabs, there's a 'Filter by Name' input field and a 'Filter' dropdown menu set to 'All'. The main table lists recurring transactions with columns for TEMPLATE NAME, TYPE, TXN TYPE, INTERVAL, PREVIOUS DATE, NEXT DATE, CUSTOMER/SUP, AMOUNT, and ACTION. Each row has an 'Edit' link on the right. At the bottom right, there are 'Previous', '1-5', and 'Next' navigation links.

TEMPLATE NAME ▼	TYPE	TXN TYPE	INTERVAL	PREVIOUS DATE	NEXT DATE	CUSTOMER/SUP	AMOUNT	ACTION
Whitehead and Sons - monthly co...	Scheduled	Invoice	Every Month		01/03/2021	Whitehead a...	1,356.00	<a href="#">Edit</a> ▼
Monthly rent	Scheduled	Cheque Exp...	Every Month		24/02/2021	Mark Howard	1,412.50	<a href="#">Edit</a> ▼
Monthly Depreciation	Scheduled	Journal	Every Month	09/01/2021	09/02/2021		0.00	<a href="#">Edit</a> ▼
Loan payment	Scheduled	Cheque Exp...	Every Month		24/02/2021	Bank of Any...	471.78	<a href="#">Edit</a> ▼
Cass Hayden - Insurance	Scheduled	Cheque Exp...	Every 3 Mon...		22/04/2021	Cass Hayden	847.50	<a href="#">Edit</a> ▼

Previous 1-5 Next

**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

NAME	SKU	TYPE	SALES DESCRIPTION	SALES PRICE	COST	QTY ON HAND	REORDER POINT	ACTION
Employee events								
Employee Celebration		Service	Employee cel...	500				Edit ▾
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

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 ▾

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	<a href="#">Edit currency exchange</a> ▼
EUR - Euro	1.559065	28/08/2020 at 08:00 AM Central Daylight Time	<a href="#">Edit currency exchange</a> ▼
HKD - Hong Kong Dollar	0.168926	28/08/2020 at 08:00 AM Central Daylight Time	<a href="#">Edit currency exchange</a> ▼

**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		<a href="#">Run report</a> ▼
Cheque		<a href="#">Run report</a> ▼
Credit Card	✓	<a href="#">Run report</a> ▼
Direct Debit		<a href="#">Run report</a> ▼

**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

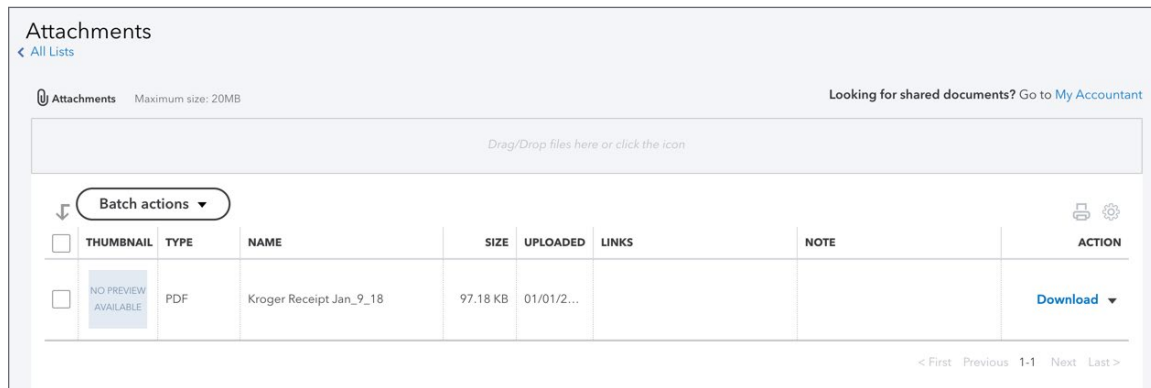
Filter by name

Previous 1-4 Next

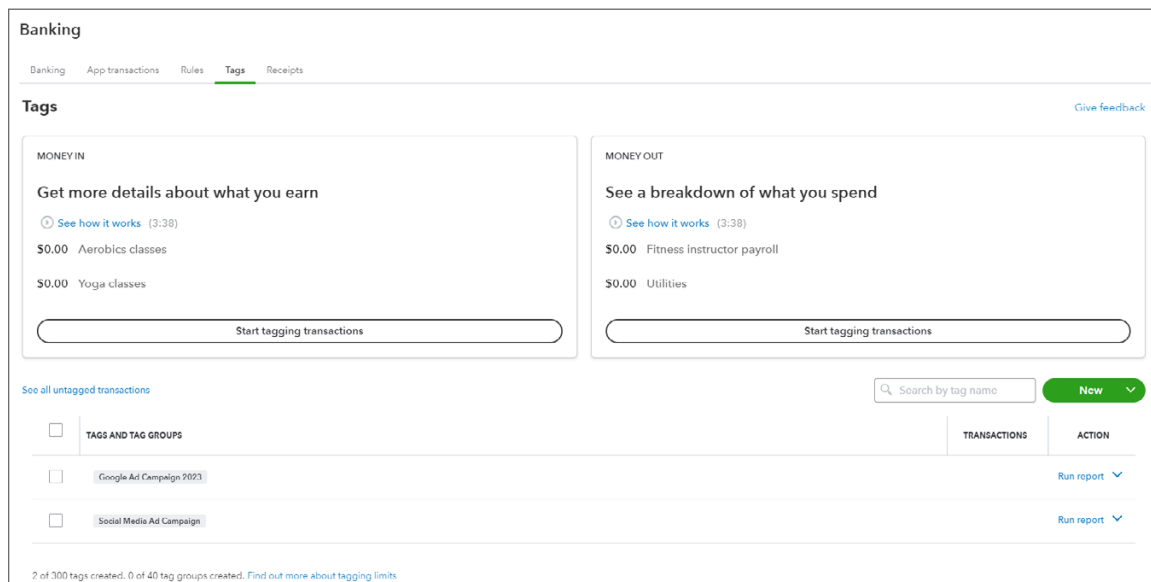
NAME ▲	ACTION
Due on receipt	<a href="#">Run report</a> ▼
Net 15	<a href="#">Run report</a> ▼
Net 30	<a href="#">Run report</a> ▼
Net 60	<a href="#">Run report</a> ▼

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.



**Tags**—Tags are customizable labels that let you track transactions however you’d like. You can tag invoices, expenses, and bills. Group tags together and run reports to see how specific areas of your business are doing. They don’t impact your books. Instead, they’re a way for you to track the info that matters most to you.



**Custom Fields**—Custom fields let you track the information that matters most to you and your customers. You can add custom fields on invoices, sales receipts and other sales forms as well as purchase orders. You can add any information that's important to you. For example you may want to track the name of the sales rep on an invoice. You will use a custom field to track this information.

**Add custom field** [X]

Name  
Sales Rep

Select form type

- ☒ All Sales forms
- ☐ Sales Receipt
- ☐ Estimate
- ☐ Invoice
- ☐ Credit Memo
- ☐ Refund Receipt
- ☐ Purchase Order

Print on form [Toggle Off]

Print on form [Toggle Off]

Save

## 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** menu 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	<a href="#">Account history</a> ▼
<input type="checkbox"/>	Accounts Receivable	Accounts receiva...	Accounts Receiva...	CAD		18,712.79		<a href="#">Account history</a> ▼
<input type="checkbox"/>	Accounts Receivable	Accounts receiva...	Accounts Receiva...	USD		0.00		<a href="#">Account history</a> ▼
<input type="checkbox"/>	Inventory Asset	Current assets	Inventory	CAD		7,781.91		<a href="#">Account history</a> ▼
<input type="checkbox"/>	Prepaid expenses	Current assets	Prepaid Expenses	CAD		0.00		<a href="#">Account history</a> ▼
<input type="checkbox"/>	Uncategorised Asset	Current assets	Other current assets	CAD		0.00		<a href="#">Account history</a> ▼
<input type="checkbox"/>	Uncategorized Asset	Current assets	Other current assets	CAD		0.00		<a href="#">Account history</a> ▼
<input type="checkbox"/>	Undeposited Funds	Current assets	Undeposited Funds	CAD		0.00		<a href="#">Account history</a> ▼
<input type="checkbox"/>	Accumulated Depreci	Property, plant an...	Accumulated De...	CAD		-366.63		<a href="#">Account history</a> ▼

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

[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	<a href="#">Account history</a> ▼
<input type="checkbox"/>	Accounts Receivable	Accounts receiva...	Accounts Receiva...	CAD		18,712.79		<a href="#">Account history</a> ▼
<input type="checkbox"/>	Accounts Receivable	Accounts receiva...	Accounts Receiva...	USD		0.00		<a href="#">Account history</a> ▼
<input type="checkbox"/>	Inventory Asset	Current assets	Inventory	CAD		7,781.91		<a href="#">Account history</a> ▼
<input type="checkbox"/>	Prepaid expenses	Current assets	Prepaid Expenses	CAD		0.00		<a href="#">Account history</a> ▼
<input type="checkbox"/>	Uncategorised Asset	Current assets	Other current assets	CAD		0.00		<a href="#">Account history</a> ▼
<input type="checkbox"/>	Uncategorized Asset	Current assets	Other current assets	CAD		0.00		<a href="#">Account history</a> ▼
<input type="checkbox"/>	Undeposited Funds	Current assets	Undeposited Funds	CAD		0.00		<a href="#">Account history</a> ▼
<input type="checkbox"/>	Accumulated Depreci	Property, plant an...	Accumulated De...	CAD		-366.63		<a href="#">Account history</a> ▼



**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.

<input type="checkbox"/>	NAME	TYPE	DETAIL TYPE	TAX RATE	QUICKBOOKS BALANCE	BANK BALANCE	ACTION
<input type="checkbox"/>	Chequing	Bank	Chequing		20,661.64	40,071.20	<a href="#">Account history</a>
<input type="checkbox"/>	Accounts Receivable	Accounts receivable (...)	Accounts Receivable (...)		8,458.04		<a href="#">Account history</a>
<input type="checkbox"/>	Accounts Receivable (A/R)	Accounts receivable (...)	Accounts Receivable (...)		0.00		<a href="#">Account history</a>
<input type="checkbox"/>	Inventory Asset	Current assets	Inventory		7,781.91		<a href="#">Account history</a>
<input type="checkbox"/>	Prepaid expenses	Current assets	Prepaid Expenses		0.00		<a href="#">Account history</a>
<input type="checkbox"/>	Uncategorised Asset	Current assets	Other current assets		0.00		<a href="#">Account history</a>
<input type="checkbox"/>	Uncategorized Asset	Current assets	Other current assets		0.00		<a href="#">Account history</a>
<input type="checkbox"/>	Undeposited Funds	Current assets	Undeposited Funds		0.00		<a href="#">Account history</a>
<input type="checkbox"/>	Accumulated Depreciation	Property, plant and eq...	Accumulated Depreci...		-366.63		<a href="#">Account history</a>
<input type="checkbox"/>	Furniture and Equipment	Property, plant and eq...	Furniture and Fixtures		2,750.00		<a href="#">Account history</a>

Accounting							
Chart of accounts		Reconcile					
<input type="checkbox"/>	NAME	TYPE ^	DETAIL TYPE	TAX RATE	QUICKBOOKS BALANCE	BANK BALANCE	ACTION
<input type="checkbox"/>	Commission Income	Income	Other Primary Income				<a href="#">Run report</a> ▼
<input type="checkbox"/>	Discounts given	Income	Discounts/Refunds Giv...				<a href="#">Run report</a> ▼
<input type="checkbox"/>	Fees Billed	Income	Other Primary Income				<a href="#">Run report</a> ▼
<input type="checkbox"/>	Markup	Income	Service/Fee Income				<a href="#">Run report</a> ▼
<input type="checkbox"/>	Refunds-Allowances	Income	Discounts/Refunds Giv...				<a href="#">Run report</a> ▼
<input type="checkbox"/>	Sales	Income	Other Primary Income				<a href="#">Run report</a> ▼
<input type="checkbox"/>	Sales Discounts	Income	Discounts/Refunds Giv...				<a href="#">Run report</a> ▼
<input type="checkbox"/>	Sales of Product Income	Income	Sales of Product Income				<a href="#">Run report</a> ▼
<input type="checkbox"/>	Services	Income	Service/Fee Income				<a href="#">Run report</a> ▼
<input type="checkbox"/>	Unapplied Cash Payment I	Income	Unapplied Cash Paym...				<a href="#">Run report</a> ▼
<input type="checkbox"/>	Uncategorised Income	Income	Other Primary Income				<a href="#">Run report</a> ▼
<input type="checkbox"/>	Uncategorized Income	Income	Service/Fee Income				<a href="#">Run report</a> ▼
<input type="checkbox"/>	Commissions Paid	Cost of Goods Sold	Cost of Goods Sold				<a href="#">Run report</a> ▼

## ▶ 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

Chequing

Use **Chequing** accounts to track all your chequing activity, including debit card transactions.

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

\*Name

Credit Union Chequing

Description

Currency

CAD Canadian Dollar

☐ Is sub-account
 

Enter parent account

Default Tax Code

Enter Text

Balance

as of

15/12/2020

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.

<b>Default Tax Code</b>	
<input type="text" value="Enter Text"/>	▼
<b>Balance</b>	<b>as of</b>
<input type="text"/>	<input type="text" value="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.

### Account

**Account Type**  
Property, plant and equipment

**\*Detail Type**  
Machinery and equipment

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.

**\*Name**  
Machinery and equipment

**Description**

**Currency**  
CAD Canadian Dollar

☐ Is sub-account  
Enter parent account

**Default Tax Code**  
Enter Text

☒ **Track depreciation of this asset**  
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  
as of

**Depreciation** as of  
as of

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

Payee: John Deere Bank Account: Chequing Balance \$10,183.16

AMOUNT: **\$3,390.00**

Mailing address: John Deere Payment date: 01/01/2020

Cheque no. To print Print later

Amounts are: Exclusive of Tax

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

Add lines Clear all lines

Item details

Memo

Subtotal 3,000.00

Cancel Clear Print or Preview Make recurring More 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

John Deere

Bank Account

Chequing

Balance \$10,183.16

AMOUNT

**\$13,900.00**

Mailing address

John Deere

Payment date

01/01/2020

Cheque no.

To print

☒ Print later

Amounts are

Exclusive of Tax

▼ 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				
2	Equipment Loan		-20,000.00	Exempt	<input type="checkbox"/>		Enter Text	Enter Text
3								

Add lines

Clear all lines

► Item details

Cancel

Clear

Print or Preview

Make recurring

More

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**.

Account

Account Type

Expenses

\*Detail Type

Advertising/Promotional

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.

\*Name

Advertising/Promotional

Description

☐ Is sub-account

Enter parent account

Default Tax Code

Enter Text

Cancel

Save and Close



**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**

Account Type: Expenses

\*Name: Marketing

\*Detail Type: Advertising/Promotional

Description:

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** menu.
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



**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			<input type="button" value="Run report"/>
<input type="checkbox"/>	Insurance	Expenses	CAD			<input type="button" value="Edit"/>
<input type="checkbox"/>	Insurance Expense	Expenses	CAD			<input type="button" value="Make inactive"/>
						<input type="button" value="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** menu > **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?

No

Yes



**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. Click **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**.
6. 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

**Name and contact**

First name: Alex

Last name: Blakey

Company name: Adwin Ko

Customer display name \*: Alex Blakey

Email:

Phone number:

☐ Is a sub-customer

Name to print on cheques: Alex Blakey

[Show more](#)

**Addresses**

**Save**

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



**NOTE** Follow the same process when merging suppliers.

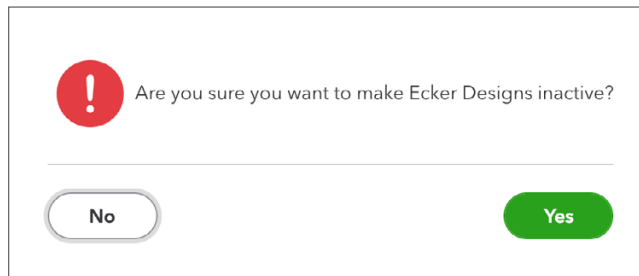
### Deleting List Entries

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**.



 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**.

OverviewAll SalesInvoicesCustomersProducts and Services

Batch actionsFind a customer, project or company

<input type="checkbox"/>	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

Rows150

Make active

OverviewAll SalesInvoicesCustomersProducts and Services

Alex Blakey (deleted)  
Blakey GroupUnit 345, Lowestoft NR34 4ED  
Add notes

Make Active

Transaction ListCustomer Details