39 QuickBooks Online Tutorials- Learn Quickbooks Fast

Sponsored by:

You can follow along on with your own QuickBooks Online account.

If you don't have one already

Click here to sign up for a free 30-day trial

FitSmallBusiness.com
Get Your Business Into Shape

Table of Contents

Click on the title below and jump straight to that specific course.

How To Set Up QuickBooks Online

1. How to Set Up Company Information
2. How To Customize Invoices, Sales Receipts & Estimates
3. How to Set Up Invoices, Sales Receipts & Estimates
4. How to Set Up Products and Services
5. How to Set Up Messages
6. How to Set Up Statements
7. How to Set Up Expenses
8. How to Set Up Advanced Settings
9. How to Import Banking Transactions
10. How to Import Credit Card Transactions
11. How to Set Up Multiple Users
12. How to Set Up the Chart of Accounts
13. How To Setup the Products and Services List
14. How to Set Up Customers
15. How to Set Up Vendors

Managing Sales and Income

16. How to Create Estimates (Quotes or Bids) in QuickBooks Online
17. How to Create and Send Invoices in QuickBooks Online
18. How to Receive Payments in Quick-Books Online
19. How to Create & Send Sales Receipts in QuickBooks Online

Managing Bills and Expenses

20. How to Write & Print Checks in Quick-Books Online
21. How to Enter Bills in QuickBooks Online
22. How to Pay Bills in QuickBooks Online

Managing Banking Transactions

23. How to Manually Enter Banking Trans-actions in QuickBooks Online
24. How to Manage Downloaded Banking Transactions (Bank Feeds) in QuickBooks Online
25. How to Record Bank Deposits in Quick-Books Online
26. How to Transfer Funds Between Bank Accounts in QuickBooks Online
27. How to Handle Bounced Checks in QuickBooks Online
28. How to Process Bank Reconciliation in QuickBooks

Managing Business Credit Card Transactions

29. How to Create Estimates (Quotes or Bids) in QuickBooks Online
30. How to Create and Send Invoices in QuickBooks Online
31. How to Receive Payments in Quick-Books Online
32. How to Create & Send Sales Receipts in QuickBooks Online

Managing Credit Card Sales

33. How to Manage Credit Card Sales with Intuit Merchant Services
34. How to Manage Credit Card Sales with a 3rd Party Credit Card Processor in Quick-Books Online

Reporting in Quickbooks Online

35. How to Prepare a Profit and Loss Statement in QuickBooks Online
36. How to Prepare a Balance Sheet Report With Example in QuickBooks Online
37. How to Run a Statement of Cash Flows in QuickBooks Online
38. How to Run an Accounts Receivable Aging Report in QuickBooks Online
39. How to Run an Accounts Payable Aging Report in QuickBooks Online

How to Set Up Company Information in QuickBooks Online

By Crystalynn Shelton on August 29, 2016 | Accounting, How To, Quickbooks |

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to set up your company information.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. If you'd rather save your time and hire a local bookkeeper to set this up for you, click here to find a bookkeeper in your area.

Why Is It Important to Set Up Company Information?

It's important to complete company information because what you provide in this section will affect the contact information that appears on the invoices, sales receipts, and estimates that you send to your customers.

If you don't complete Company set up then you are more likely to encounter issues. For example, if you send invoices to customers who you expect to mail you a check but you did not set up your contact information in Company Settings, then your invoice will not include your mailing address and your customers will not know where to mail payments to. This will most likely delay payment and result in a cash flow issue for you.

Gather Your Info: QuickBooks Set Up Checklist

Before we begin setting up QuickBooks, you will need to have some basic company information handy and will need to be able to answer a few questions that will help to customize QuickBooks for your specific business needs.

Here is summary of what you will need:

Company Information	Questions you will need to answer
- Name - Address - Email - Website - Company logo - Tax ID - Company organization (i.e. Sole proprietor, Partnership) - Accounting method (cash or accrual)	- What industry does your business falls into? (select from a list) - What payments terms do you want to assign your to customers? (i.e. Net 30) - Do you need to create estimates for your customers? - What payment terms do you have with suppliers? (i.e. Net 30, 60) - Do you need to create purchase orders? - What is your accounting year? - Do you need to track income and expenses for multiple locations? - Do you need to track income and expenses for multiple departments?

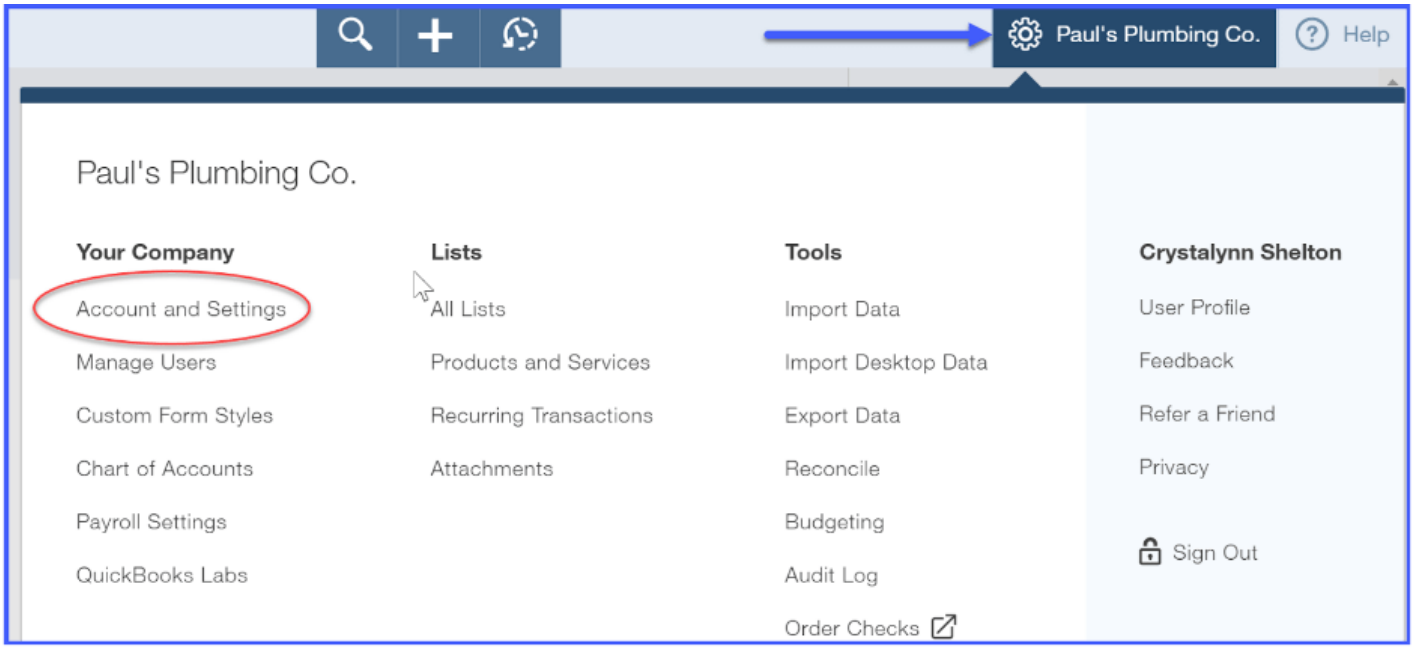
If you don't have everything on this list or if there are some questions that you don't know the answer to, no problem. While it does make the set up process go much faster if you have this info handy, it's not the end of the world if you have to come back and complete some of the info later.

The most important thing to remember is that you need to input this information in its entirety **prior to entering any transactions** into QuickBooks.

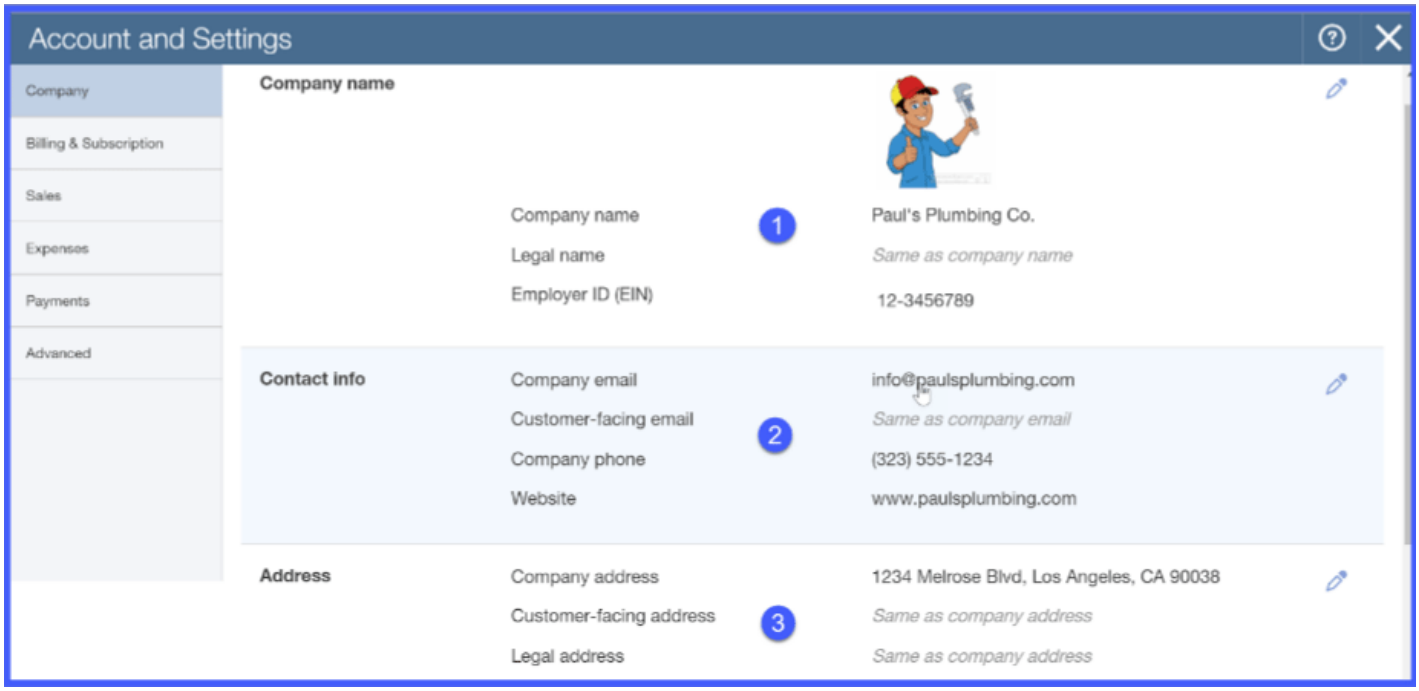
How Do I Set Up Company Info in QuickBooks Online?

Below are the step-by-step instructions on how to set up Company Info. Now's the time to sign into your QuickBooks Online account, or if you don't have one, to sign up for a free trial so you can follow along.

After you sign in, click on the **Gear** icon located to the left of your company name. Select **Account and Settings** right below the **Your Company** menu column on the far left as indicated below:



There are six tabs located in **Account and Settings.** The first tab is the **Company** tab.



To get started, just click the pencil icon in the upper right hand corner to edit this information.

Once you are done editing each of the fields, your screen should resemble the one above for Paul's Plumbing Co. Here are each of the fields you'll have to fill out:

1. Company Name/Legal name:

If your company name and legal name are the same, this section should just take a second. If you have a different company name and legal name, be sure to note the distinction.

Upload your company logo:

Upload the logo that you want to appear on your invoices, sales receipts, estimates, and purchase orders. If you don't have a logo you can have one designed here, or skip the step.

Tax ID or Social Security # – if you have an Employer Identification Number (XX-XXXXXXX), also known as a federal tax ID #, you should enter it in this section. This will be a 9 digit number that is issued by the IRS. However, if you have not applied for a tax ID then the business owner's social security # (XXX-XX-XXXX) is also acceptable.

2. Contact Info:

Company email address:

The email address that is entered here can be used to correspond with anyone, including vendors, customers and contractors. I strongly recommend that you set up a separate customer-facing email address so that when your customers contact you about billing issues or just general questions their emails do not get lost in your inbox. Learn how you can get a free business email address here.

Customer-facing email (complete if this differs from Company email):

The email address that is entered here will appear on anything that you send out to your customers. This is the email address that they will use to contact you. If you need a business phone number click here.

Company phone number:

The phone number that is entered here will will appear on anything that you send out to your customers. This is the phone number that they will use to contact you.

Website:

If you don't have a website you can leave this blank for now and come back and update it when you do have it up and running. Learn how to easily launch a business website here.

3. Address:

Company Address and Customer-Facing Address:

Similar to what we discussed for email address, it is a good idea to have a separate customer-facing physical address. A couple of reasons why you might want to consider this are:

- If you have a home-based business and do not wish to share your home address with customers
  If you have had some issues with mail tampering then you might want bank statements, customer payments and other important documents to be mailed to a P.O. Box which tend to be more secure.

If you have a legal address that is different from your Company address or the Customer-facing address then you can enter it in the legal address field.

What's Next?

That wraps up the lesson on Setting Up Company Info. The next lesson in our QuickBooks Online Training Course will be How to Customize the Look and Feel of Invoices, Sales Receipts, and Estimates. In this lesson, we will walk thru how to customize the style and appearance of your invoices to give them a more professional look than just the standard default sales forms.

To access this course or any of the others in the series, click here.

How To Customize Invoices, Sales Receipts & Estimates in QuickBooks Online

By Crystalynn Shelton on August 29, 2016 | Accounting, How To, Quickbooks |

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to customize the look and feel of your invoices, sales receipts, and estimates.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

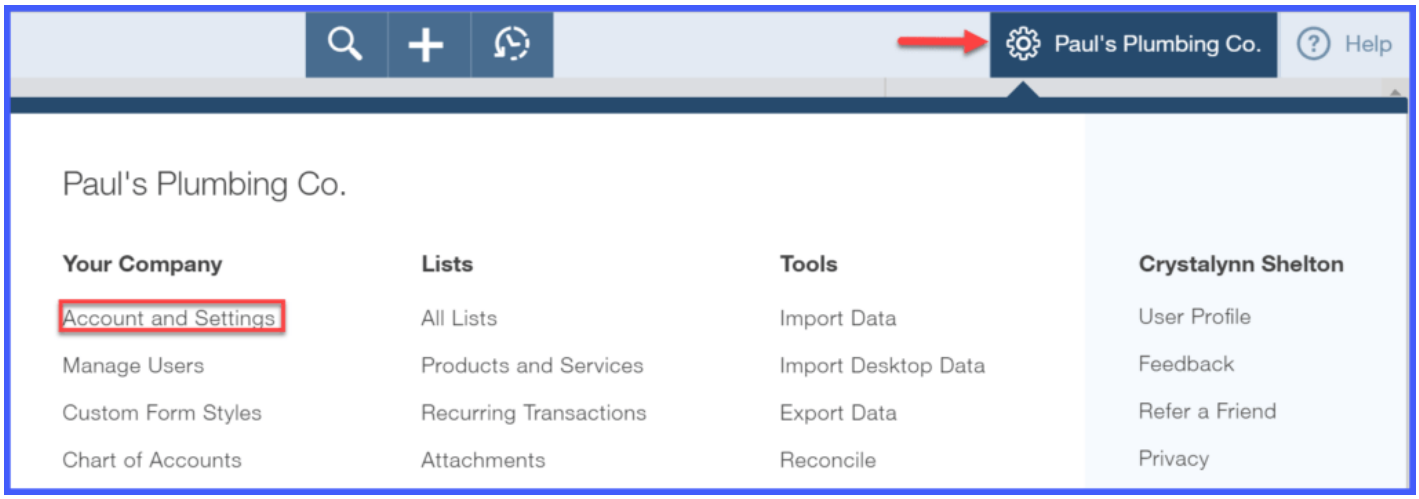
To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Why is it Important to Customize the Look and Feel of Invoices, Sales Receipts, and Estimates?

The default QuickBooks forms are not very professional looking and may not contain enough space for your business/ customer information. It's important to customize sales forms because they are a reflection of your business. Since sales forms are sent to your customers, you want them to be professional looking and include the level of detailed information that your customers expect when providing them with an invoice for a sale or an estimate for work that you plan to do for them in the future

Working With the Sales Tab in QuickBooks

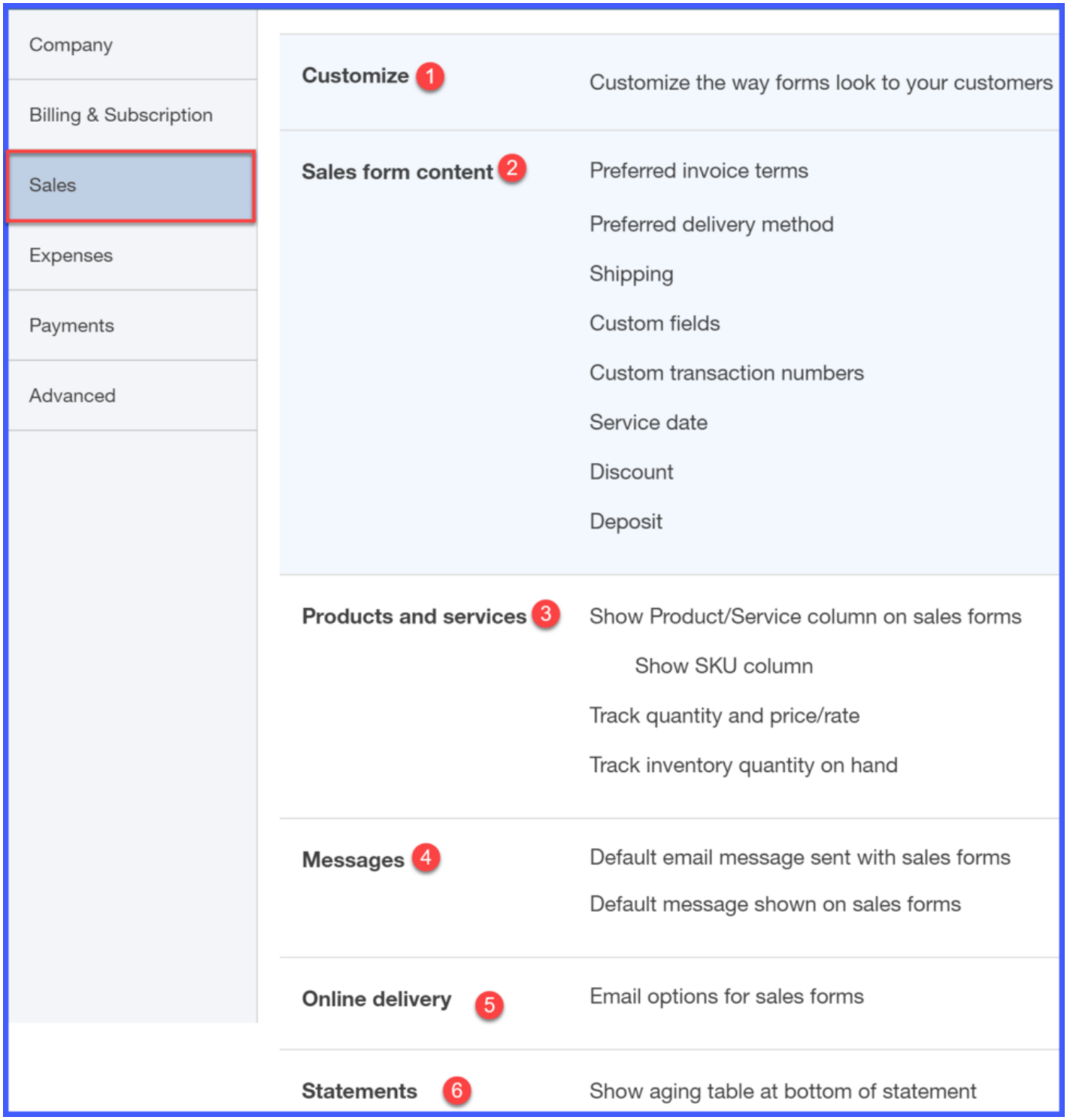
Customizing the look and feel of your invoices is found within the Sales Tab in QuickBooks, which you can access by clicking on the **Gear** icon and selecting **Account and Settings** right below the Company Information, as indicated below.



Within the Sales Tab, there are six key areas to set up:

- Customize look and feel
- Sales form content
- Products and Services
- Messages
- Online delivery
- Statements

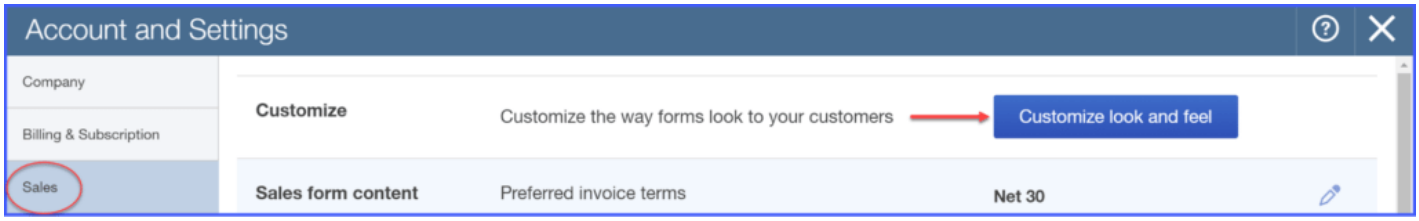
This lesson is about the first step, customizing the look and feel of your sales forms.



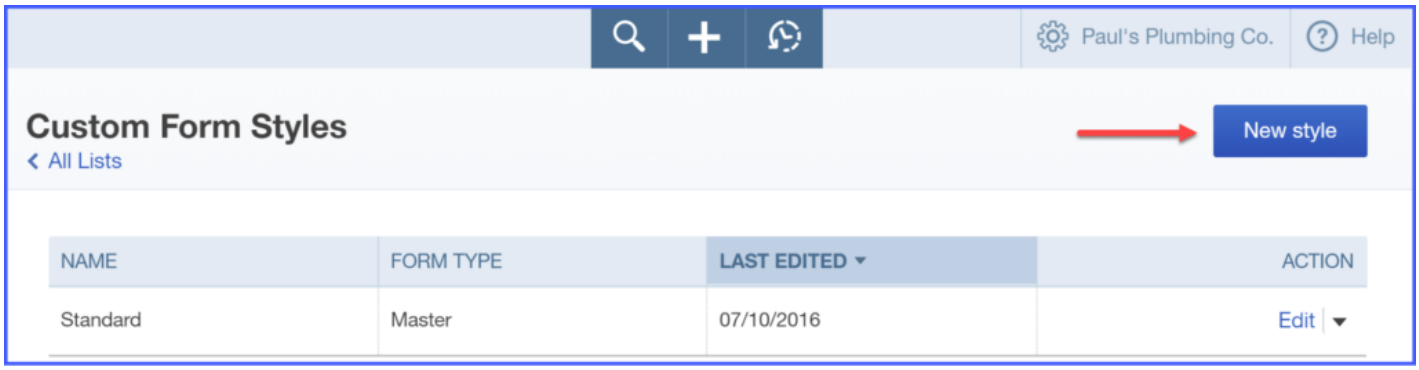
How Do I Customize the Look and Feel of Invoices, Sales Receipts, and Estimates?

Below are the step-by-step instructions on how to customize the look and feel of invoices, sales receipts and estimates:

Make sure that you are on the **Sales** tab. Click the blue **Customize look and feel** button as indicated below:



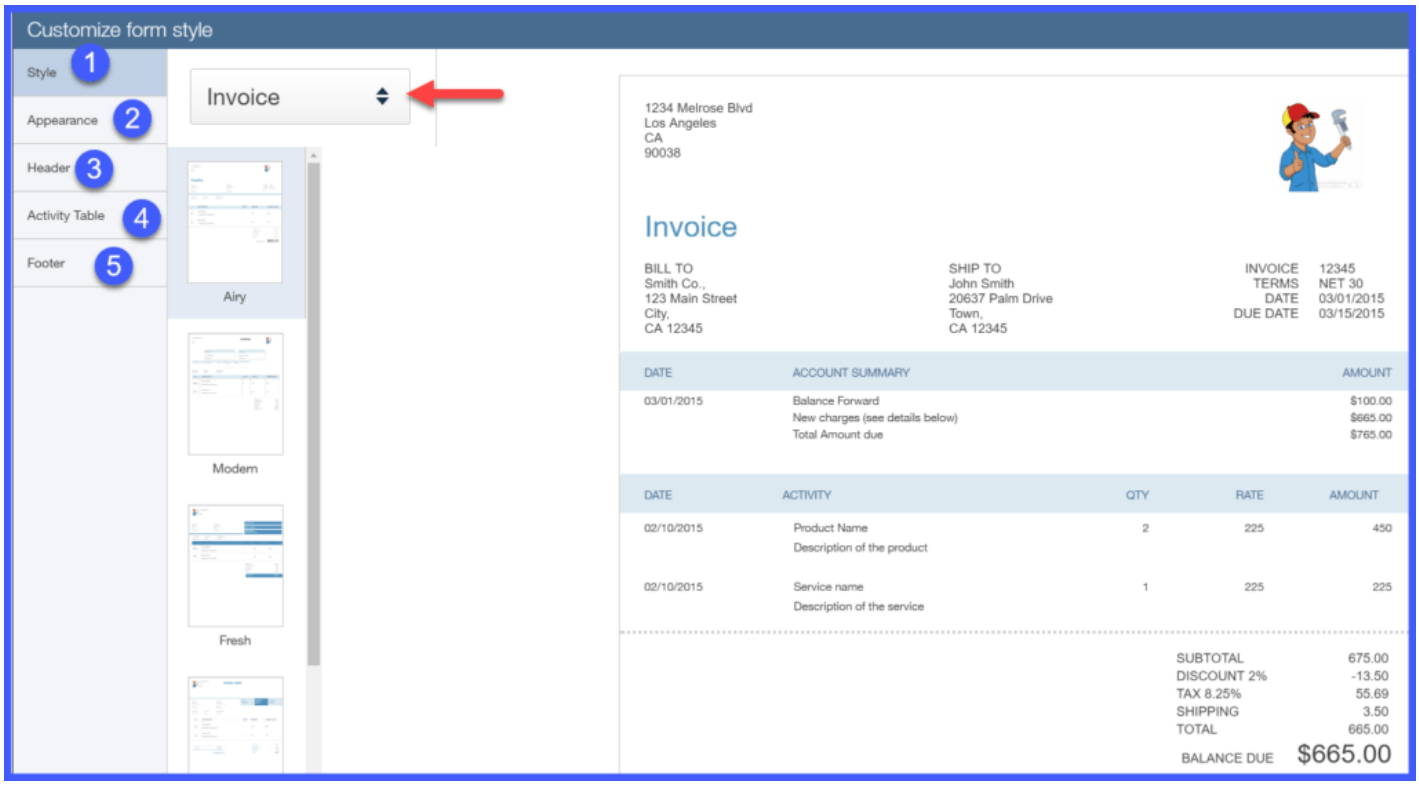
Select the blue **New Style** button as indicated below:



The next screen brings you to the **Customize form style** screen where the "magic" happens:

There are 5 areas that QuickBooks allows you to customize for business sales forms:

1. Style
2. Appearance
3. Header
4. Activity Table
5. Footer



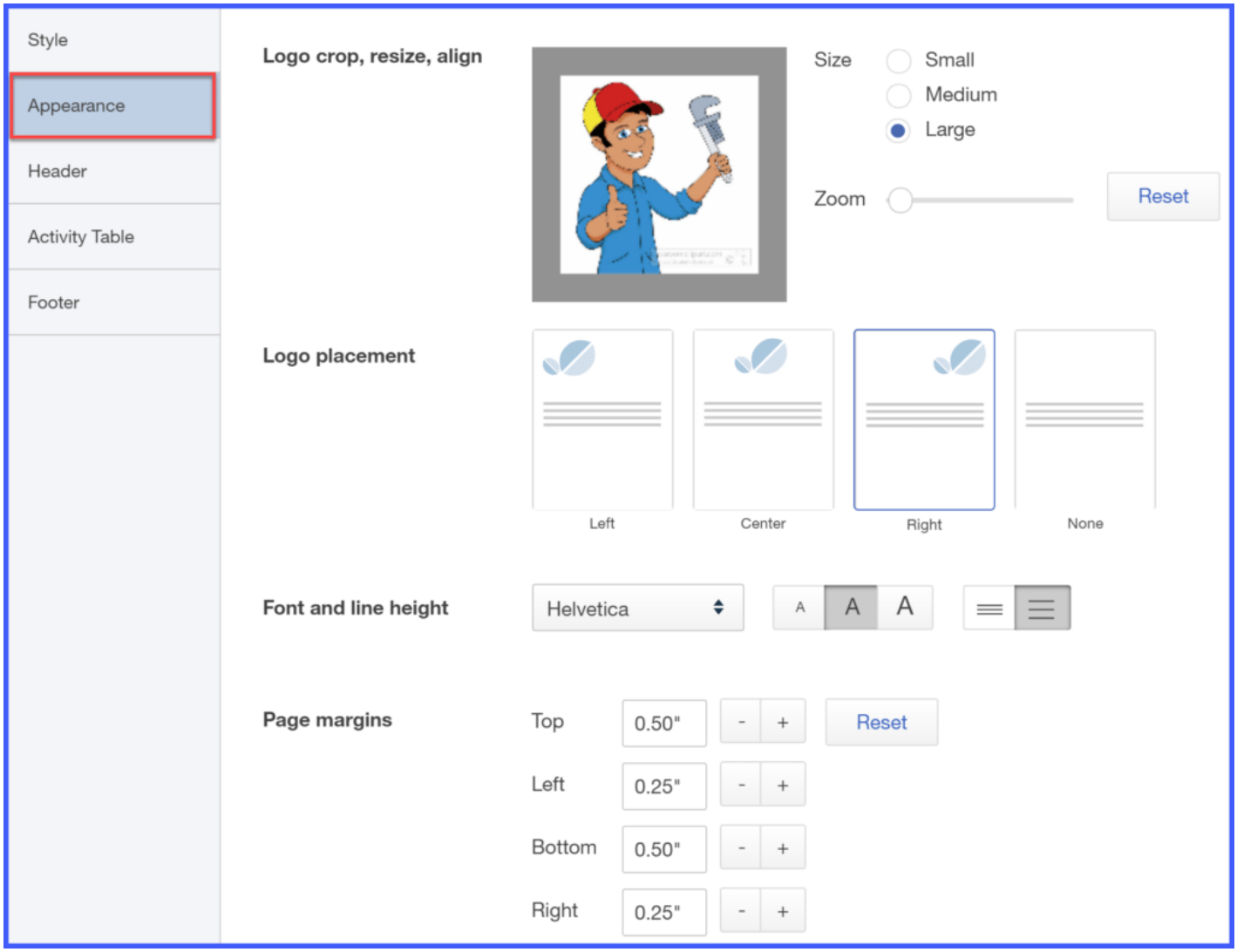
Style

In this section, we have 5 templates to choose from:

1. Airy – this is the default template
2. Modern
3. Fresh
4. Friendly
5. Bold

Each template differs in formatting and the number/type of fields that appear on the invoice.

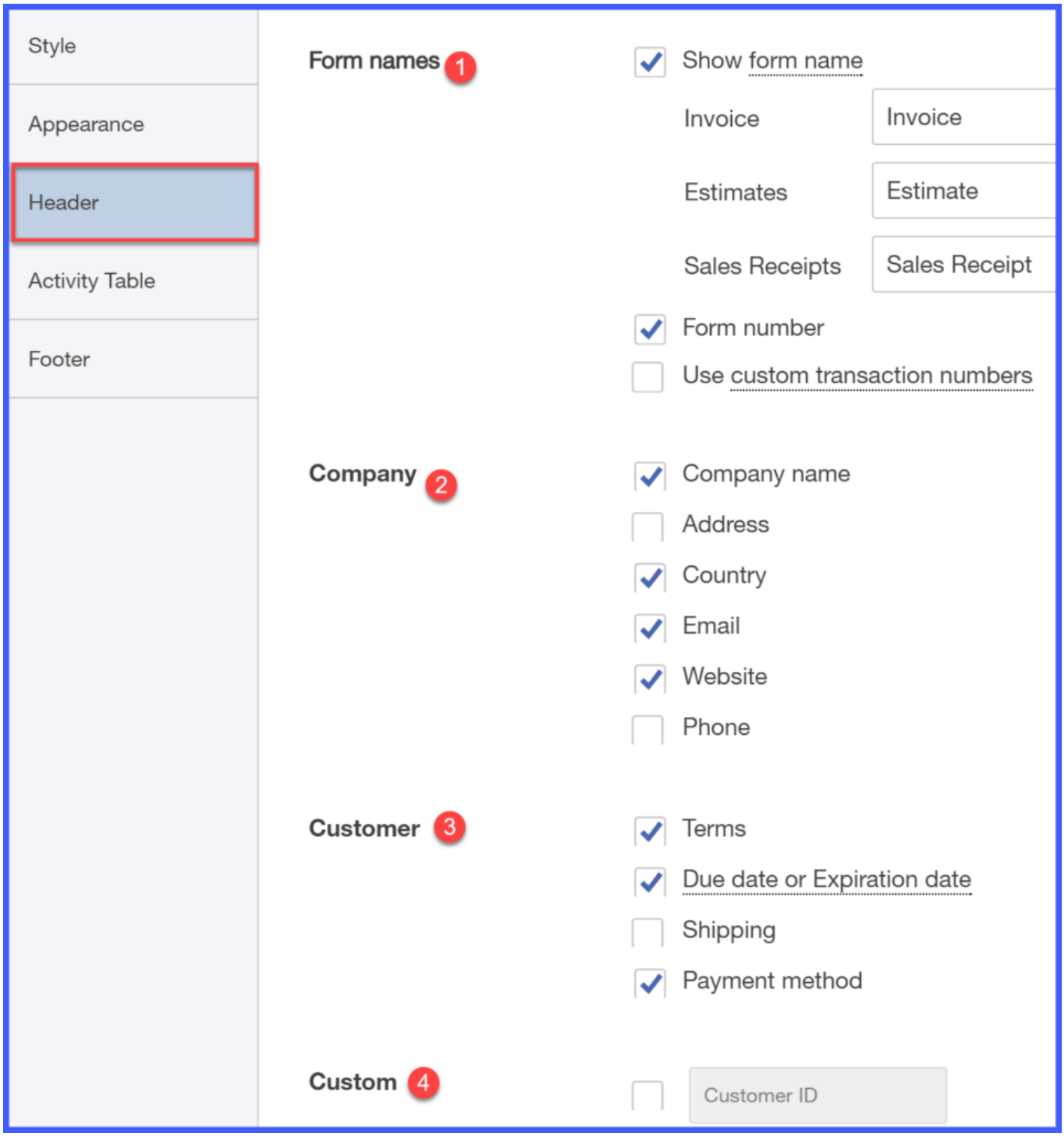
Appearance



In the appearance section, you can change the following info:

1. The look and size of your logo
2. Where your logo appears on the invoice (left, center or right)
3. You can set the font for your invoices
4. You can set the line height on the body of the invoice (this is important if you have long product/service descriptions)
5. Page margins can be set if you are using custom letterhead that is not the standard 8.5 by 11 size paper

Header

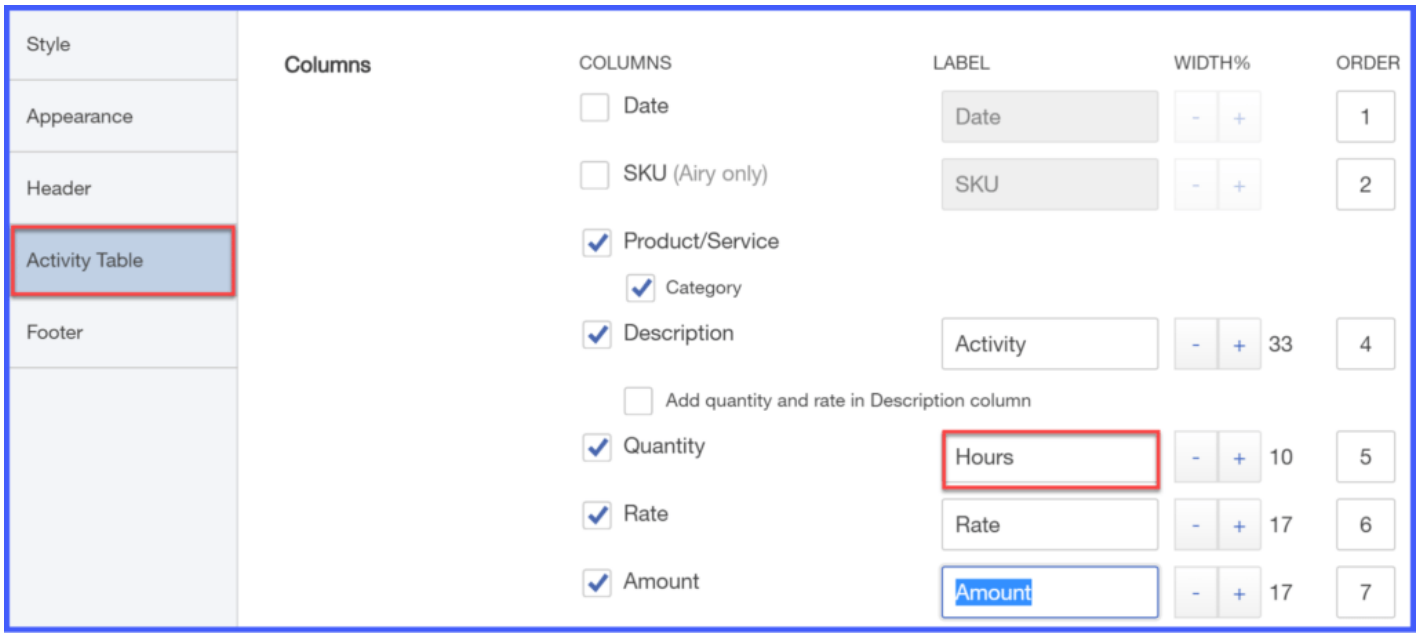


In the **Header** section, you can change the following:

1. The **name of the form** (Invoice, Estimate, Sales Receipt). For example, if you prefer to call an Estimate a Quote you can change the name of the form in QuickBooks to what you prefer.
2. **Company Information** allows you to select what information (email, website, phone number etc) you want to appear on your invoices.

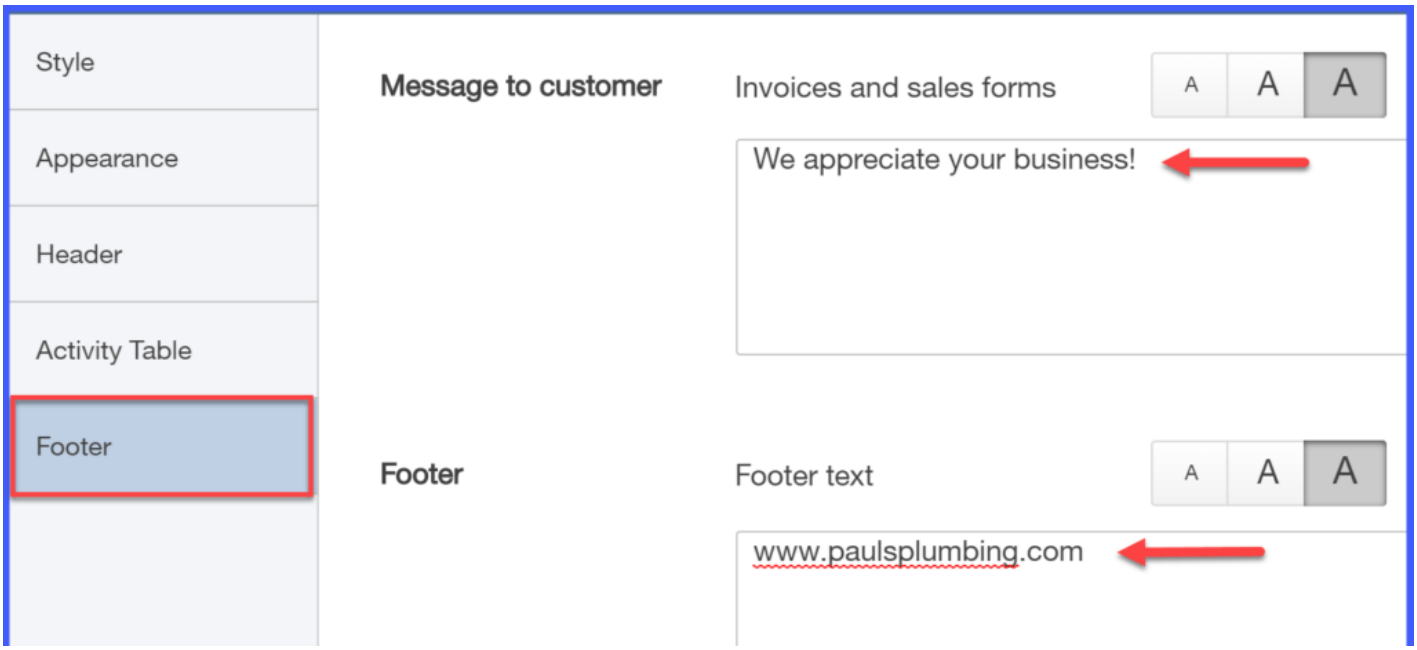
3. **Customer** info allows you to have payment terms and due date show up on all invoices. You don't want your customers to have to guess at when payment is due.
4. The **custom** fields section will only be applicable if you have created custom fields in QuickBooks. In the next lesson, we'll discuss why you might want to create custom fields and how to do this in QuickBooks.

Activity Table



In the **Activity Table** section you can select the columns that appear on your invoices and the order in which they appear. For example, since Paul bills by the hour we changed the Quantity field to **Hours.**

Footer



In the **Footer** section you can include a brief message to your customer's on each invoice like "We appreciate your business!". There is also a place to enter information that you would like to appear at the very bottom of each invoice, like your website.

As you make changes in each of these areas, you can click the **Preview or Print** button located at the bottom right part of the screen to see the changes.

Once you are satisfied with the form, then you can **Save** it.

Wrap Up

That wraps up the section on customizing the look and feel of your invoices, sales receipts, and estimates. The next lesson in our QuickBooks Online Training Course will be **How to Set Up Invoices, Sales Receipts, and Estimates in QuickBooks Online**. In this lesson, we will walk you through how to set payment terms for your customers and how to add discount and deposit information to your invoices.

To access this lesson or any of the others in the series, click here.

How to Set Up Invoices, Sales Receipts & Estimates in QuickBooks Online

By Crystalynn Shelton on August 29, 2016 | Accounting, How To, Quickbooks |

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to set up your sales forms (i.e. your invoices, sales receipts, and estimates).

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

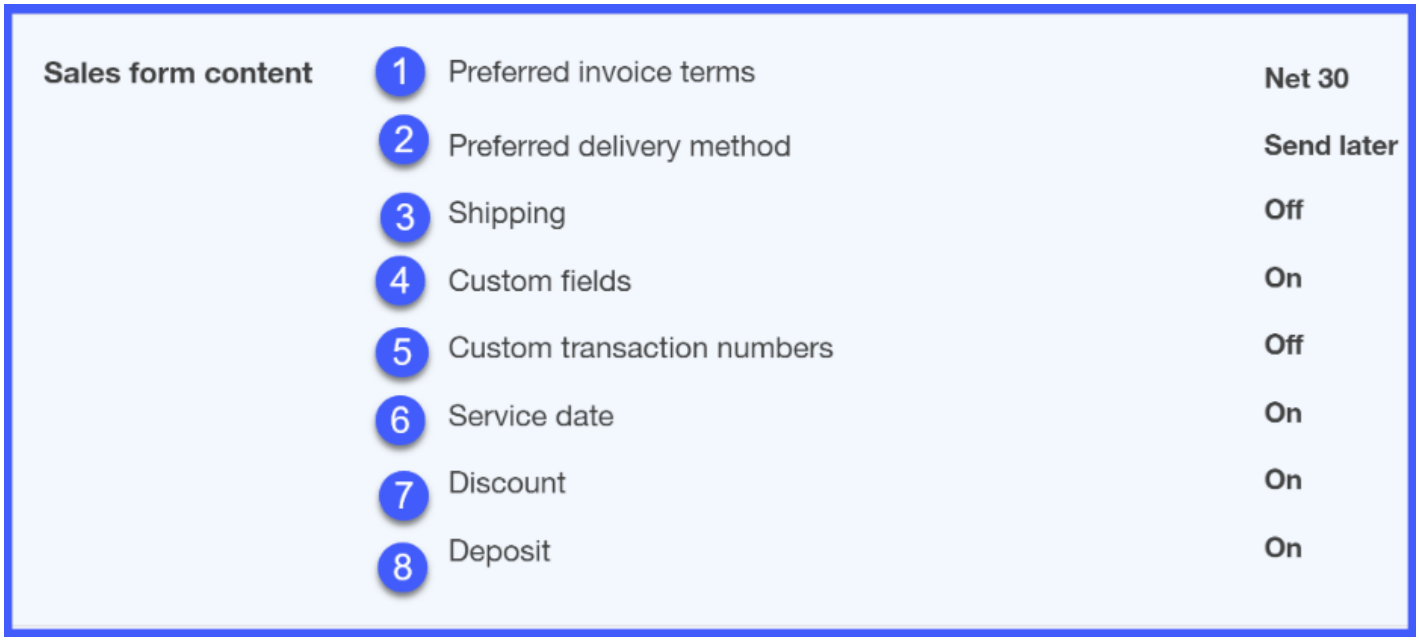
To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Why Is It Important to Set Up Sales Form Content (Invoices, Sales Receipts & Estimates)?

It's important to set up sales form content because the selections that you make here will affect when your customers pay you as well as how to properly account for any discounts that you provide to customers and deposits received from customers. This is one of those areas that can cause negative cash flow if it is not set up properly.

How to Set Up Sales Form Content

Sales form content determines what information appears on invoices, estimates, and sales receipts.



As you can see, there are a total of eight fields that we can edit here. To edit a field, just click on the pencil icon in the upper right portion of the screen.

Below you will find a brief description of each feature along with how we would set this up for our fictitious company, **Paul's Plumbing**:

1. Preferred invoice terms

This allows you to set up default payment terms for all customers. For example, setting default payment terms of Net 30 means that payment from your customers is due 30 days from the invoice date.

This will save you the time so that you don't have to set up payment terms for each customer separately. However, if you need to set up special payment terms for a customer you can do so when you create the customer in QuickBooks. In the **Setting up your Customers** module, we will walk you through how to set up special payment terms in the customer profile. You can also learn more about choosing payment terms for your customers here.

2. Preferred delivery method

This allows you to set up a default for how you will send your customers their invoices. The options here are **print later,** which means you will print & mail the invoice, or **send later,** which means you will send the invoice via email.

Example: *Paul prefers to save as many trees as possible, so he will set the default here to email his customers their invoices. However, a handful of his customers also prefer to receive a mailed invoice copy. Similar to payment terms, you can select special delivery method option when you set up your customers. Be sure to take our Setting up Your Customers tutorial to learn how to do this.*

3. Shipping

This feature is applicable only if you are shipping products. If so, then this feature will add shipping fields (ship date, tracking #, ship to address) to your sales forms.

4. Custom Fields

If you need to add any additional information in QuickBooks but there is no place to put it then you can create custom fields by turning this feature on. For example, if you have an order # that you want to add to your sales form, then you can create a custom field that will show the order # on all sales forms.

Example: *Paul would like to create a custom field to keep track of the customer ID# he has assigned to each of his customers. This ID# is for internal tracking purposes only so we will select Internal.*

5. Custom Transaction Numbers

QuickBooks allows you to use your own numbering system for invoices, sales receipts, and estimates. This can be beneficial to a business that is converting from another bookkeeping system and wants to keep the same numbering system that it currently has in place. Otherwise, don't worry about turning this feature on. QuickBooks will automatically assign transaction numbers for you.

6. Service Date

This will add a service date field to all sales forms if you need to track **date of service** separately from the **invoice date.** Typically a business that provides consulting services may want to use the service date field to provide the date the consultation took place on their invoices.

Example: *Paul definitely likes to keep track of service dates. Since he cannot bill a customer until he completes a job, it is important for him to keep track of how long it takes him to invoice a customer for a job from the date of service.*

7. Discount

If you plan to give your customers a discount on the products or services that you provide then you will need to turn this feature on to add a discount field to all invoices. This will ensure that your customer can see on their invoices any discounts that you have applied.

8. Deposit

If you typically require a deposit from customers prior to doing any work, then you should activate this feature so that a deposit field can be added to an invoice form. QuickBooks will subtract the deposit from the total amount of the invoice to calculate the balance due.

Example: *In the plumbing business, you've got to purchase materials and supplies before you can start any work. This can be a rather large outlay of cash, depending on the job. For this reason, Paul requires a 50% deposit on jobs that are $1,000 and over. So this feature works very well with how Paul likes to run his business.*

Wrap Up

That wraps up the lessons on setting up your invoices, sales receipts, and estimates. The next lesson in our QuickBooks Online Training Course will be **How to Set Up Products and Services**. In this lesson, we will show you how to choose what information appears on sales forms when you invoice your customers for products or services sold.

To access this course or any of the others in the series, click here.

How to Set Up Products and Services in QuickBooks Online

By Crystalynn Shelton on August 29, 2016 | Accounting, How To, Quickbooks | Comments (0)

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to set up products and services in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

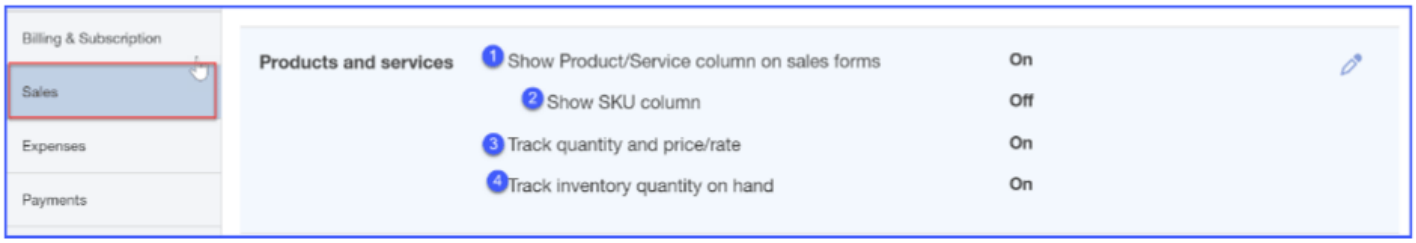
Why is it Important to Set Up Product and Services?

It is important to set up products and services if you plan to provide your customers with an invoice or a sales receipt for products or services that you sold to them. These settings determine how much information is included on all invoices and sales receipts that you create in QuickBooks.

How to Set Up Products and Services

Below are the step-by-step instructions on how to set up product and services in QuickBooks Online:

Product and Services determines what information appears on sales forms when you invoice your customers for products and/or services sold.



As you can see, there are a total of four fields that we can edit here. To edit a field, just click on the pencil icon in the upper right portion of the screen.

Below you will find a brief description of each feature along with how we would set this up for our fictitious company, **Paul's Plumbing**:

1. **Show product/service column –** this feature will add a Product/Service column on sales forms so you can choose from a list of products and services when creating an invoice or sales receipt for a customer. This will allow the customer to see the details of what you are billing them for. (i.e. Plumbing services)

Example: *Paul provides a variety of different types of plumbing services from your normal residential toilet clog to a brand new restaurant that requires commercial kitchen sinks and the works. He needs to provide as much detail as possible when he creates an estimate for a customer whose business he is trying to get or when he invoices a customer for work that has already been completed. This helps Paul to make sure that he has billed his customer for everything that the job entails. From the customer perspective, it should be clear what work they are being billed for.*

2. **Show SKU column** – An SKU is a store or catalog product code, also known as a barcode that is used for inventory tracking purposes. This feature will add a column for SKU/barcode to all sales forms. If you do not track inventory by SKU then you can leave this feature off.

3. **Track quantity and price/rate** – this is only applicable for businesses that track inventory. This feature will add Quantity and Rate fields to all sales forms.

Example: *Since Paul does track inventory for the parts that he uses on most jobs like faucets and toilets we will turn this feature on.*4. **Track inventory quantity on-hand –** this feature is only applicable to businesses that need to keep track of inventory even if you do not invoice your customers.

By turning this feature on, QuickBooks will track available stock for each product you sell and its related inventory costs.

Wrap Up

That wraps up the lesson on setting up products and services. The next lesson in our QuickBooks Online Training Course will be **How to Set Up Messages.** In this lesson, we will walk you through how to create custom messages for your customers on invoices and sales receipts.

How to Set Up Messages in QuickBooks Online

By Crystalynn Shelton on August 29, 2016 | Accounting, How To, Quickbooks |

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to set up messages in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

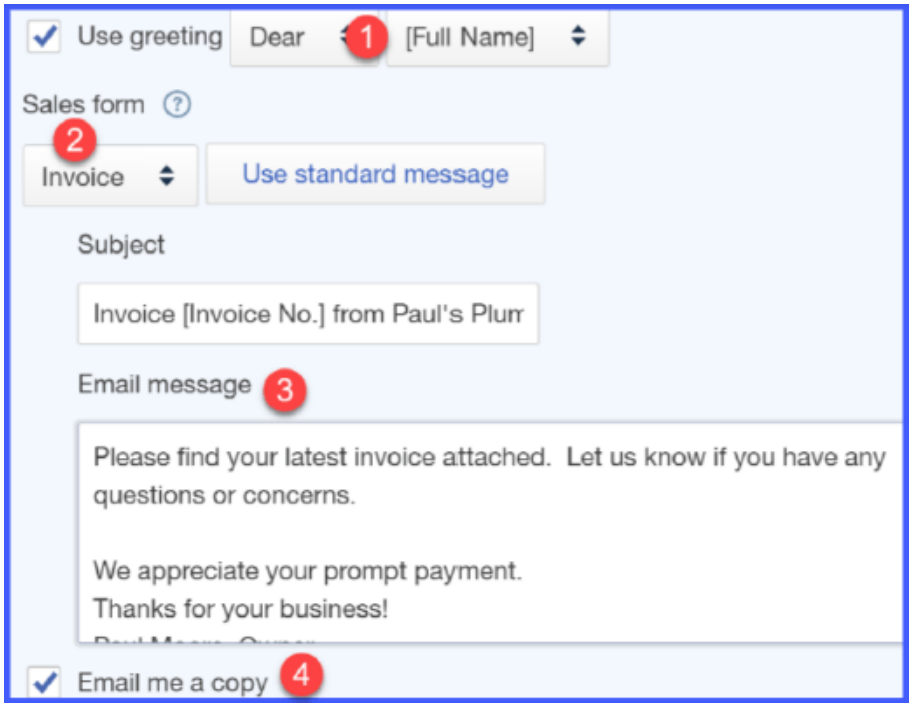
Why is it Important to Set Up Messages?

If you send invoices or sales receipts to your customers then you should take a few minutes to create a personalized message that will appear on the invoices and sales receipts that you send to them. This will show your customers how much you appreciate them, as well as give them any additional information they might need to pay the invoice.

How to Set Up Messages

Below are the step-by-step instructions on how to set up messages:

Messages allow you to customize the email that you send to your customers along with their invoices, sales receipts, and estimates.



1. QuickBooks gives you the option to select a Salutation and who you want the email addressed to.
2. Select a sales form (Invoice, Sales Receipt, or Estimate) from the drop down.
3. You can type the email message that you would like your customers to receive in the next field.
4. Select the checkbox if you want to be copied on all emails sent to your customers.
5. For more information on invoicing your customers and how to set terms, click here.

Wrap Up

That wraps up the lesson on How to Set Up Messages in QuickBooks Online. The next lesson in our QuickBooks Online Training Course will be **How to Set Up Statements.** In this lesson, we will walk you through when you might want to send a statement to your customers and how to create statements in QuickBooks.

To access this course or any of the others in the series, click here.

How to Set Up Statements in QuickBooks Online

By Crystalynn Shelton on August 29, 2016 | Accounting, How To, Quickbooks | Comments (0)

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to set up statements in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Why is it Important to Set Up Statements?

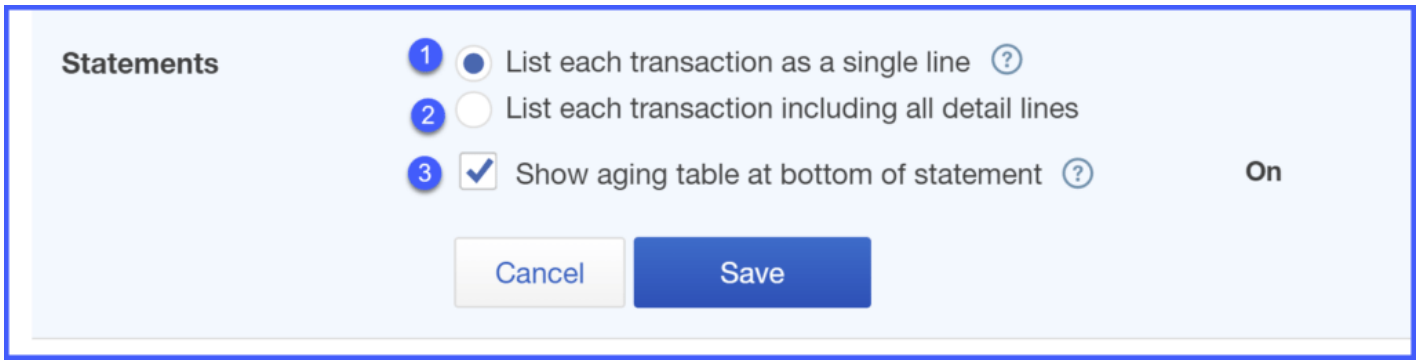
Statements are a great way to provide a recap of the products and/or services that were billed to a customer and payments received from a customer over a period of time, typically one month.

If you prefer to send invoices to your customers then there is no need to send them a statement.

However, I do recommend sending a statement over an invoice if you have customers who you bill on a monthly, quarterly or annual basis.

How Do I Set Up Statements?

You have 3 options to choose from when you set up statements. It all depends on how much detailed information you want to provide to your customers on their purchase:



1. List each transaction as a single line as indicated below:

DATE	ACTIVITY	AMOUNT	OPEN AMOUNT
06/15/2016	Invoice #1010: Due 07/15/2016. --- Custom Design = $375.00	375.00	375.00

2. List each transaction including all detail lines as indicated below. Notice in this example that we see the invoice details (Rock Fountain=$275, Sprinkler

Pipes=$16.00)

DATE	ACTIVITY	AMOUNT	RECEIVED
06/17/2016	Invoice #1035 --- Rock Fountain = $275.00 --- Sprinkler Pipes = $16.00 --- Tax = $23.28	314.28	0.00

3. Show aging table at the bottom of the statement – this view provides a list of charges billed categorized by how long they have been outstanding, (i.e. 1-30 days, 31-60 days)

Current Due	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	90+ Days Past Due	Amount Due
375.00	0.00	0.00	0.00	0.00	**$375.00**

Once you have made your selections, be sure to save your changes.

Wrap Up

That wraps up the lesson on Setting Up Statements. The next lesson in our QuickBooks Online Training Course will be **How to Set Up Expenses.** In this lesson, we will show you how to track your expenses and manage your accounts payable.

To access this lesson or any of the others in the series, click here.

How to Set Up Expenses in QuickBooks Online

By Crystalynn Shelton on August 29, 2016 | Accounting, How To, Quickbooks |

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to set up expenses in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Why is it Important to Set Up Expenses?

One of the primary reasons why small businesses want to use QuickBooks is so that they can track their expenses. QuickBooks is designed to keep track of expenses from downloading your banking transactions to writing checks. In this set up, you can customize how QuickBooks will track your expenses by selecting one or more of the following options:

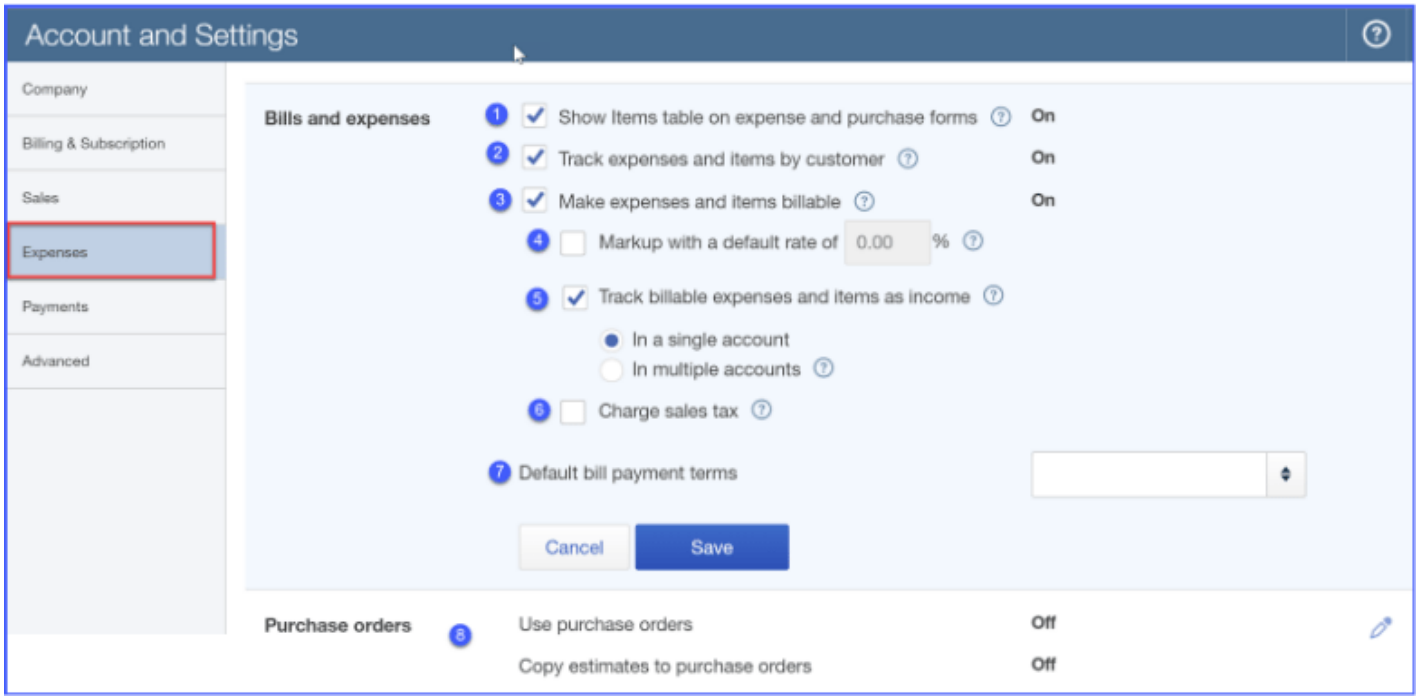
- Track expenses by customer so that you can run profitability reports
- Bill customers back for items that you purchased on their behalf
- Manage bills through Accounts payable
- Create purchase orders to send to your suppliers

If you do not need to customize QuickBooks for any of the options mentioned above, then you can skip this set up.

How Do I Set Up Expenses in QuickBooks Online?

Below are the step-by-step instructions on how to set up Expenses:

Expenses is the 4th tab in **Account and Settings.** This section will allow you to turn on/off features that affect **how you pay bills and track your expenses.**



Below you will find a brief description of each feature along with how we would set this up for our fictitious company, **Paul's Plumbing**:

1. **Show items table on expense and purchase forms –** this feature adds a Product/Service table on expense and purchase forms so you can itemize products and services that you have purchased.
   Example: *Paul likes details. He is going to activate this feature because he wants to be able to easily see the details of what he has spent his money on when he looks at his checks and purchase orders in QuickBooks.*
2. **Track expenses and items by customer –** if you purchase an item on behalf of a customer and you want to link this item to that customer, then this feature will add a Customer column on expense and purchase forms.
   Example: *While Paul typically bills his customers a rate that will include any materials and parts he uses for the job, there are occasions when his customers make special requests. For example, a customer wants a specific brand for their kitchen sink. Paul will purchase the item on behalf of the customer and bill them back for the actual cost of that sink. This feature works well for these types of situations so Paul will activate it.*
3. **Make expenses and items billable –** this feature will add a billable column on expense and purchase forms so you can add billable expenses and items on sales forms to charge customers for items purchased on their behalf.
   Example: *This feature complements the track expenses and items by customer feature. It will add a column next to the customer column so that Paul can place a*

checkmark in it to mark it as a billable item. QuickBooks will keep track of all billable items and when Paul is ready to create an invoice for a customer who has billable items, QuickBooks will provide him with an alert that he has billable items to add to the invoice.

4. **Set up a default markup rate –** this feature is only available if you have turned on the **make expenses and items billable** feature (above). It allows you to set a default markup rate for items you plan to bill your customers for.
   Example: *In general, Paul prices his services such that typically he does not need to markup items that he bills back to his customers. However, there are those occasions when he has to go out of his way for specialty items that customers might ask for. In those cases, having the ability to markup items would be great. So he will his default markup at 30%.*
5. **Track billable expenses and items as income –** this feature is only available if you have turned on the **make expenses and items billable** feature (above). You can choose to track this income in one account or in multiple accounts. Refer to the **chart of accounts** set up lesson to learn how to create new accounts.
   Example: *Since Paul does markup specialty items, he will go ahead and select Track billable expenses and items as income in a single account.*
6. **Charge sales tax –** this feature should be activated if you need to charge your customers sales tax.
7. **Set up default payment terms –** this feature allows you to set default payment terms for all bills that you enter into QuickBooks. If the payment terms vary by vendor, you can adjust them in the vendor profile when you set up your vendors in QuickBooks. By setting up payment terms in QuickBooks, you will receive reminders when a bill is coming due.
   Example: *Paul has established good rapport with all of his suppliers. As a result, he's got 30 day terms with all of his suppliers so he will set the default at Net 30 for his payment terms.*
8. **Purchase orders –** if you need to send purchase orders to your suppliers, you will need to turn this feature on here.

Wrap-Up

That wraps up the section on Setting Up Expenses. The next lesson in our QuickBooks Online Training Course will be **How to Set Up Advanced Settings in QuickBooks Online.** In this course, we will show you how to set up custom settings for your financial reports.

To access this course or any of the others in the series, click here.

How to Set Up Advanced Settings in QuickBooks Online

By Crystalynn Shelton on August 29, 2016 | Accounting, How To, Quickbooks |

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to set up Advanced Settings in QuickBooks Online. These settings will affect what shows up on your financial reports, including your profit & loss statement, balance sheet, and cash flow statement

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Why is it Important to Set Up the Advanced Settings?

Advanced settings is important because most of what's here will be used as default settings for your financial reports, including your profit & loss statement, balance sheet, and cash flow statement.

There are also features here that determine how customer credits are applied and how you want QuickBooks to manage bill payments.

If you do not set up this area then your reports will be run using the default information for fiscal year, accounting method (i.e. cash or accrual), and chart of accounts. If these default settings do not match your actual business information, then it could result in incorrect financial reports. In turn, this could impact your tax returns, ability to get a business loan, and more.

This is definitely one of those areas that you do not want to skip.

How Do I Set Up Advanced Settings?

Below are the step-by-step instructions on how to set up Advanced Settings in QuickBooks Online:

Advanced is the last tab in **Company Settings.**

Company	Accounting 1	First month of fiscal year	January
Billing & Subscription		First month of income tax year	Same as fiscal year
Sales		Accounting method	Cash
		Close the books	Off
Expenses	Company type 2	Tax form	Sole proprietor (Form 1040)
Payments	Chart of accounts 3	Enable account numbers	Off
Advanced		Discount account	Discounts given
	Categories 4	Track classes	Off
		Track locations	Off
	Automation 5	Pre-fill forms with previously entered content	On
		Automatically apply credits	On
		Automatically invoice unbilled activity	Off
		Copy estimates to invoices	On
		Automatically apply bill payments	On
	Time tracking 6	Add Service field to timesheets	Off
		Make Single-Time Activity Billable to Customer	On
	Currency 7	Home Currency	United States Dollar
		Multicurrency	Off
	Other preferences 8	Date format	MM/dd/yyyy

Below you will find a brief description of each feature along with how we would set this up for our fictitious company, **Paul's Plumbing**:

1. Accounting

This feature allows you to enter the fiscal year for your business. In general, most businesses use the calendar year, January 1 thru December 31. However, if your business uses a different fiscal year, then you would note that here.

The accounting method that you use also needs to be indicated here. There are only two methods: cash and accrual. Most small businesses use the cash method. If you are not sure which method you use, refer to your tax return or contact your tax professional.

2. Company Type

You will need to select how your company is organized. The options you have to choose from are as follows:

- Sole proprietor
- Partnership or LLC
- Corporation
- Nonprofit
- Limited Liability

Example: *Paul files a Schedule C with his tax return so he is a sole proprietor.*

3. Chart of Accounts

Chart of Accounts allows you to enable the following features:

- **Account numbers** – this feature will allow you to assign an account number to all of your accounts. Most accountants tend to use this feature but it is not commonly used by non-accountants. Unless you have been given a chart of accounts that your accountant wants you to use, I recommend that you leave this feature off.
- **Discount account** – In the How to Set up QuickBooks Online Invoices, Sales receipts and Estimates lesson, we walked thru how to turn on the discount feature. If you activated this feature, then you want to be sure you assign a discount account here. If you did not set up a discount account, you can do so from this screen. Be sure to watch our video tutorial on how to set up the chart of accounts.

4. Categories

Categories allows you to enable the following features:

- **Track classes** – class tracking allows you to categorize income and expenses by department or product line. Once you turn this feature on, it will add a **class** field to all sales and expense forms.
- **Track locations** – location tracking allows you to categorize income and expenses by location like stores or sales region. Once you turn this feature on, it will add a **location** field to all sales and expense forms.

5. Automation

Automation allows you to activate the following features:

- **Pre-fill forms with previously entered content** – this feature will automatically complete the fields on any form in QuickBooks based on the last saved transaction for that customer, vendor, or employee.
  A WORD OF CAUTION: While this feature might save you a few keystrokes, be sure that the information that is copied over is correct. For example, if the invoice date or amount is different from the last transaction, you will need to update those fields with the correct info.
  Example: *In Paul's business, time is money.. If he can save even a few minutes here and there, it's worth it. He's going to allow QuickBooks to pre-fill his forms so that all he has to do is make changes to just the fields that are different.*
- **Automatically apply credits –** this feature will automatically apply credits to the next invoice you create for the same customer. For example, if you overcharge a customer for something, then you need to create a credit memo in QuickBooks for that customer. By turning this feature on, QuickBooks will automatically apply the credit to the next invoice that you create for that customer so that the amount that they owe is reduced by the credit that is applied. If you don't turn this feature on you will have to manually apply any outstanding credits to customer invoices.
- **Copy estimates to invoices –** with the click of a button, this feature will allow you to quickly create an invoice by copying the items from an estimate that your customer has approved. Turning on this feature is definitely worth the keystrokes it will save you!
  Example: *Turning on this feature will definitely save Paul time because once his customer approves his estimate, he can go into QuickBooks and create an invoice with just the click of a button. QuickBooks will copy the information from his estimate to an invoice.*
- **Automatically apply bill payments** – This setting automatically applies your payments to the oldest existing bill that you have entered into QuickBooks for a vendor. For example, when you create a payment for a vendor you typically want to pay the **oldest** bill first. By turning this feature on, QuickBooks will automatically apply your payment to bills in the order that they become due. This will ensure that your bills are paid by their due date.

6. Time Tracking

If you hire contractors then the time tracking feature might be something you want to set up. It allows you to easily manage the hours that they work and makes it easy to bill your

customers back for that work if you need to.

Example: *Paul bills customers by the hour so this feature will help him to easily bill his customers for the right hours once the job is complete.*

7. Multicurrency

This lets you track transactions in foreign currencies. You would only use this feature if you have bank accounts, customers, or vendors that don't use your home currency.

8. Other Preferences

This allows you to set up the following general features:

- **Date format:** this feature allows you to select what format you would like all of the date fields in QuickBooks to be.
  (i.e. mm/dd/yyyy)
- **Number format:** this feature allows you to select what format you would like all of the number fields in QuickBooks to be
  (i.e. 123,456.00)
- **Warn if duplicate check number is used:** by turning this feature on, QuickBooks will warn you if a check # that was previously used is being entered again.
- **Warn if duplicate bill number is used:** by turning this feature on, QuickBooks will warn you if you enter a vendor bill/invoice # that was previously entered into QuickBooks. I recommend that you **turn this feature on** to safeguard against paying a vendor twice for the same work.
- **Sign me out if inactive:** you can set this feature up so that QuickBooks will automatically log you out. The default is set to 1 hour, but you can increase that up to 3 hours.

Wrap Up

That wraps up the lesson on Setting Up Advanced Settings. The next lesson in our QuickBooks Online Training Course will be **How to Import Banking Transactions**. In this lesson, we will walk you through how to connect your bank account to QuickBooks.

To access this lesson or any of the others in the series, click here.

How to Import Bank Tractions into QuickBooks: Excel & More

By Crystalynn Shelton on August 29, 2016 | Accounting, How To, Quickbooks |

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to connect your bank accounts to QuickBooks Online. We'll explain how to automatically link up your bank account to QuickBooks as well as how to import banking transactions manually using a CSV file.

If you cannot locate your bank on QuickBooks online or if you need to download more than 90 days of banking transactions, then you'll need to import your banking transactions using an Excel format called .CSV or a .QBO file. We'll cover how to do that later in this lesson.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both.

Why is it Important to Connect Your Bank Account to QuickBooks?

One of the many benefits of QuickBooks Online is that you can save a lot of time by automatically downloading your banking transactions into QuickBooks instead of manually inputting each transaction.

Most big banks allow you to quickly and easily connect to QuickBooks, some of the smaller banks and credit unions do not have that capability.

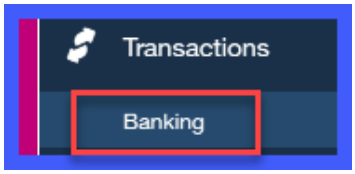
A WORD OF CAUTION: If you don't have a business bank account and are using a personal bank account, then I recommend setting up a separate bank account for your business as soon as possible. It is always best practice from an accounting and tax standpoint to keep business and personal activities separate. We recommend Chase as the Best Small Business Checking Account as it gives you access to more than 16,000 ATMs and 5K branches nationwide.

How to Import Banking Transactions Automatically in QuickBooks Online

In order to connect your bank account to QuickBooks, you will need your online banking user ID and password to log into your bank account.

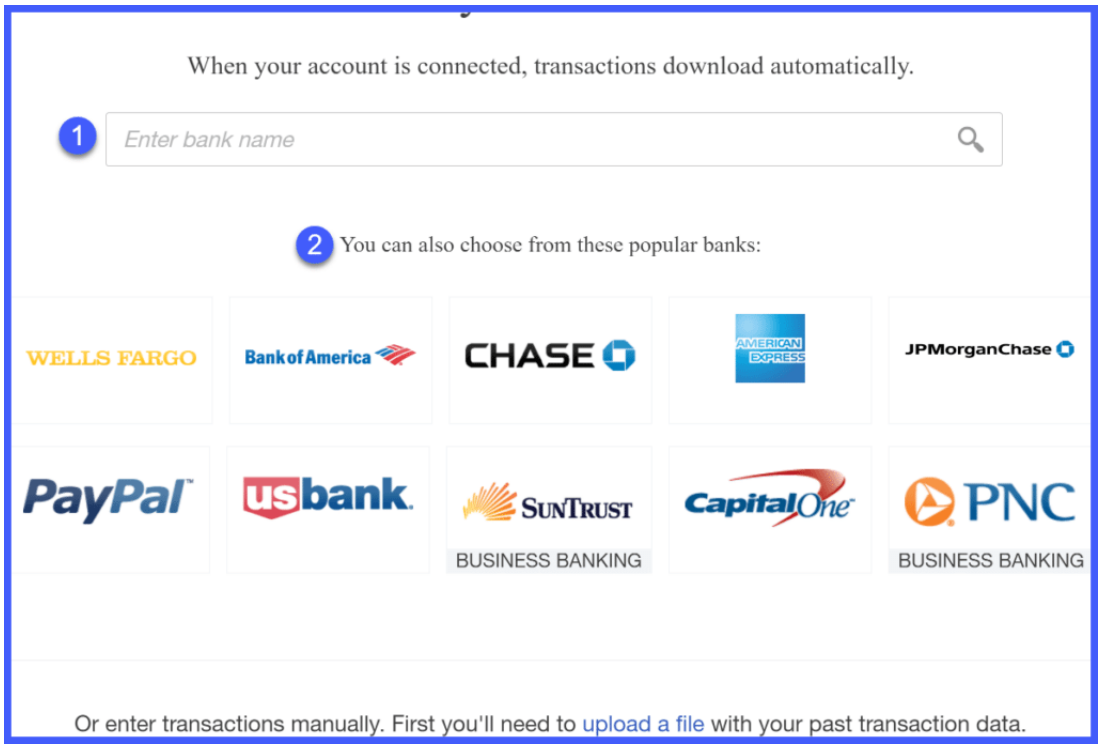
Step 1: Locate Your Bank

From the Home Page, select Transactions and then Banking from the left menu bar:



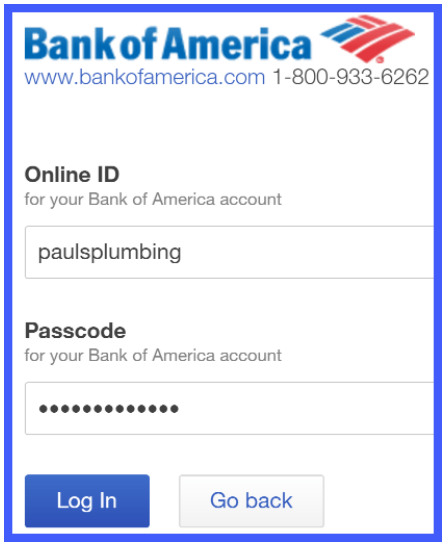
1. Type your bank name in the search box as indicated below **or**
2. Select from the list of banks right below the search box.

If you are unable to locate your bank then you will need to **Import your Banking Transactions using CSV Format** which we will cover later in this lesson.



Step 2: Log Into Your Bank Account

You should see your bank login screen like the one below.

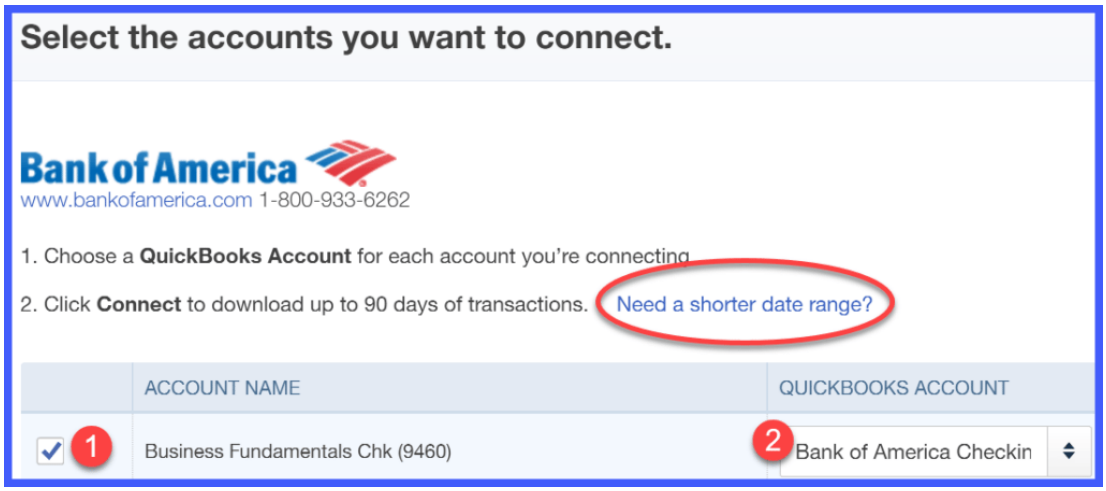


Enter the user ID and password that you normally use to access your bank account as we have done for Paul.

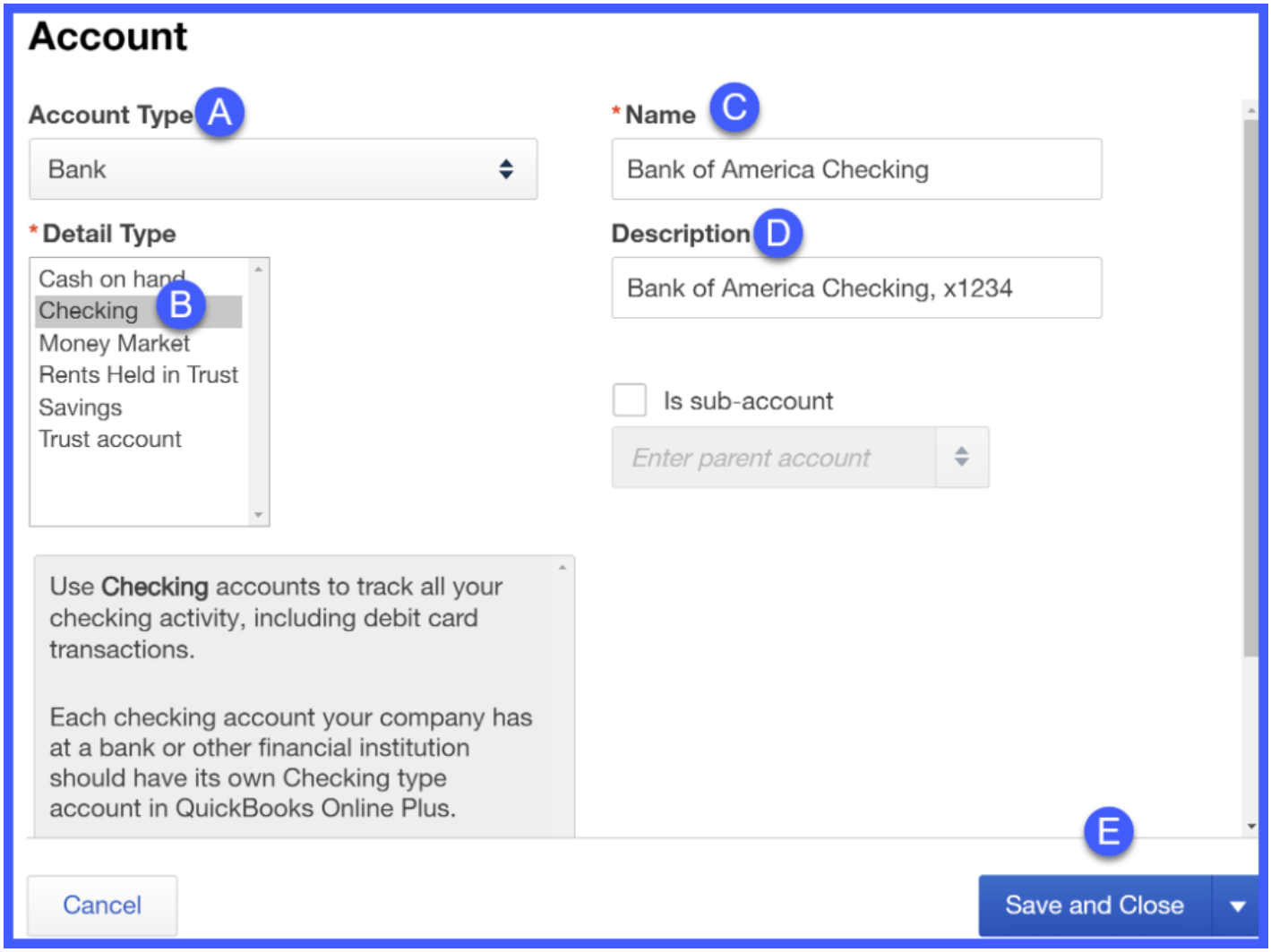
Depending on your internet connection and the number of accounts that you have, it may take a few minutes for QuickBooks to connect to your bank.

Step 3: Select Bank Accounts

You should see a screen similar to the one below that will list all of the accounts you have at this bank.



1. Place a checkmark in the first column for each account you would like to connect to QuickBooks.
2. **Account Name:** From the drop down, select the QuickBooks account you want to link to this bank account. If you have not set up the account in QuickBooks yet, select **Add Account** from the drop down.
3. Your screen should display the following account setup window. Complete the fields below to **set up the bank account** in QuickBooks:



A. Account Type: Select the type of account you are downloading transactions for. Typically this would be either a Bank or Credit Card account.

B. Detail Type: Here you want to provide more information on the type of bank account.

C. Name: This is how the account name will show up in QuickBooks.

TIP: If you've got more than one business checking account that you plan to connect to QuickBooks then I would be more descriptive here and put the name of the bank and the last 4 digits of the bank account number (i.e. Bank of America Checking, x1234). This will allow you to easily tell one bank account from another when you are writing checks.

D. Description: Put the bank name and account type (i.e. checking, savings etc;)

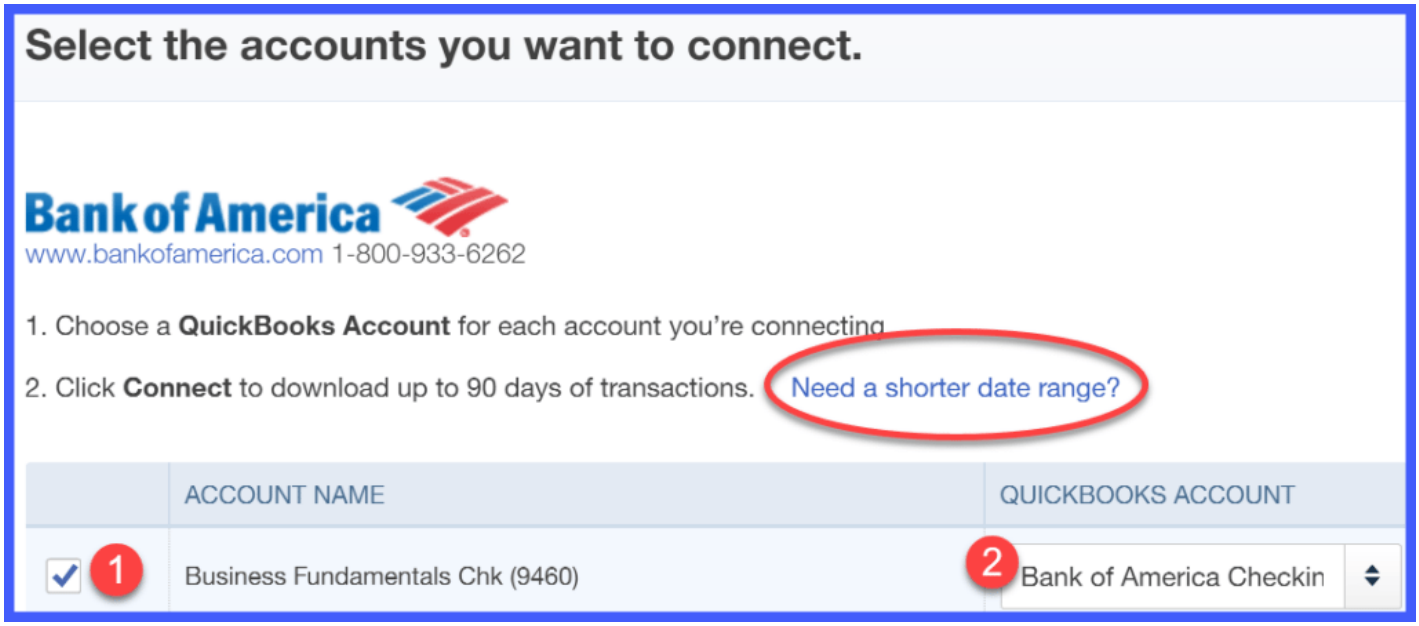
E. Double check to make sure that you have make selections in all 5 fields. Click the **Save and Close** button

Step 4: Selecting the right date range

The maximum # of transactions that will download is 90 days.

If you need to download **more than 90 days** of banking transactions, then you will need to **Import Transactions using CSV**.

If you would like a **shorter date range,** just click the link that says **need a shorter date range** as indicated below:



If the date you start using QuickBooks is less than 90 days, then you would need to use a shorter date range.

Below is an example when you might need to use a **shorter date range**:

Example: *Paul's Plumbing has been in business for 3 years now. Business is good and he has decided that he needs to do a much better job of tracking his income and expenses. Paul purchases QuickBooks on January 15. He has decided not to worry about entering any transactions from the previous year into QuickBooks. So his start date will be January 1. With that said, Paul needs to ensure that when he connects his bank account to QuickBooks that his date range starts with January 1.*

If not, all banking transactions from the last 90 days will download into his QuickBooks file. For Paul, that would include transactions from October, November, and December of the previous year, which he does not want.

Step 5: Click Connect

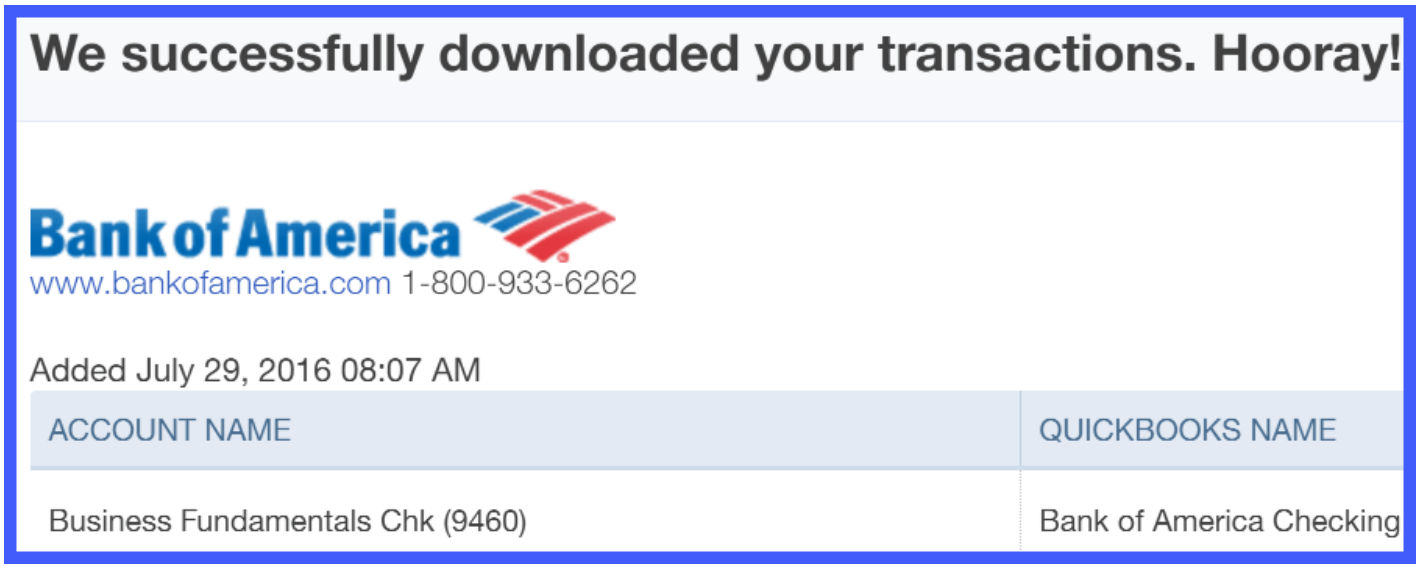
Before you click the blue connect button, double check to make sure that you did not select any accounts that you **do not** want to keep track of in QuickBooks. (i.e. **personal bank accounts)**

A WORD OF CAUTION: Once you click Connect all transactions will be downloaded into QuickBooks. Unfortunately there is no automatic undo button. Later on if you find out that you accidentally selected an account that you do not want connected to QuickBooks then you will need to manually delete all of those transactions before you can delete the account from QuickBooks.

Click the blue **Connect** button in the far bottom right part of the screen. This will start the process of downloading transactions for the accounts you selected in Step 3 into your QuickBooks file.

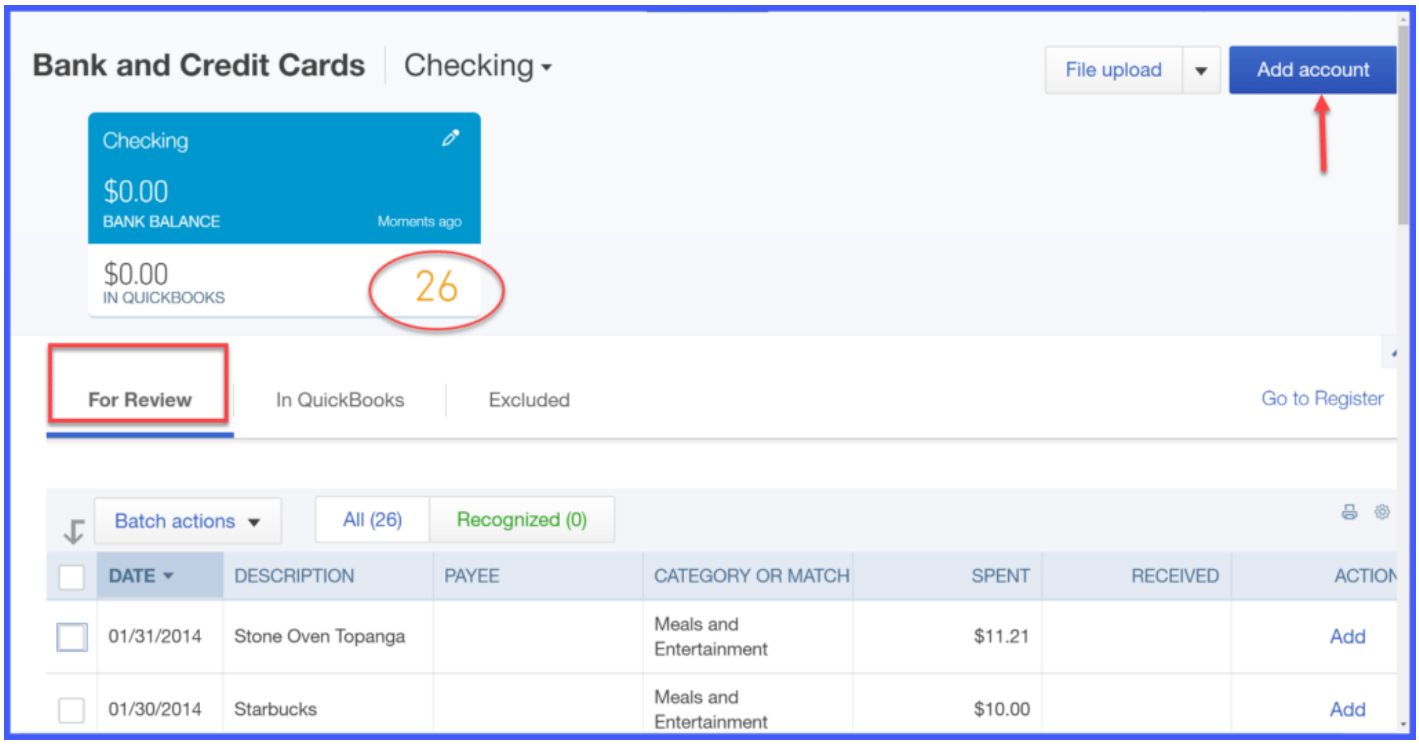
Depending on the number of accounts you have selected and the date range, this could take a while to complete.

Once the transactions have been successfully downloaded into QuickBooks, the following message will display:



Step 6 – Review Downloaded Transactions in the Banking Center

In the Banking Center, you should see the # of transactions that have been imported as indicated below:



All transactions that are downloaded will appear on the **For Review** tab. To learn how to manage banking transactions after they are downloaded, watch our step-by-step video tutorial on **How do I manage downloaded banking transactions.**

To add another account, just click the blue **Add account** button as indicated above and go back to Step 1 of this course to repeat this process.

If you have bank accounts at **multiple** banks that you want to track in QuickBooks then you will need to go back to Step 1 and repeat this process for each **bank** where you have business accounts that you want to track in QuickBooks.

When to Manually Import Banking Transactions Into QuickBooks Online Using a CSV File

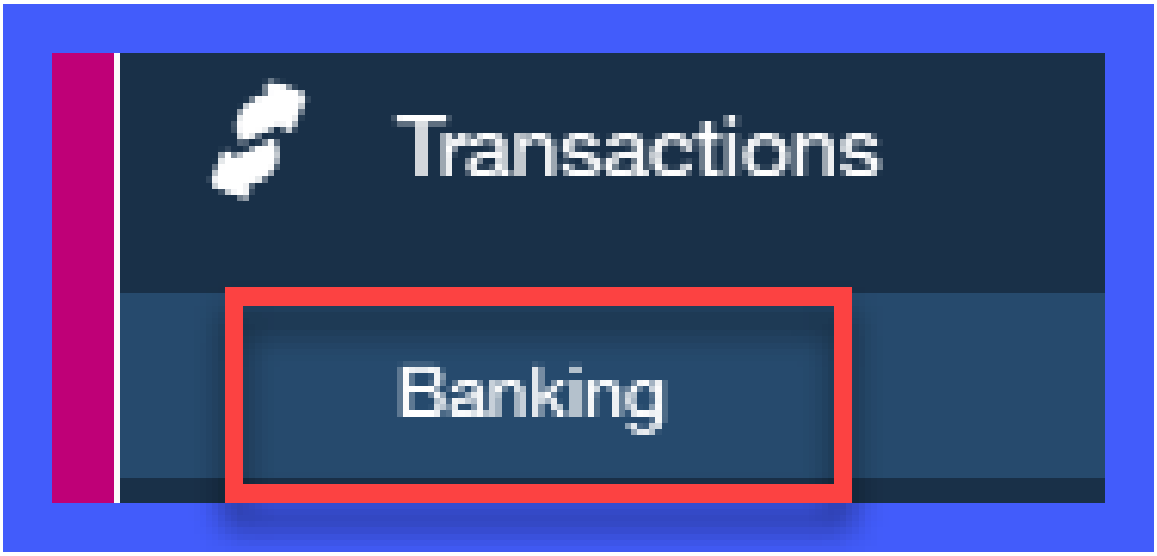
If you were not able to locate your bank or if you need to download more than 90 days of banking transactions, then it is important for you to understand how to import your banking transactions using an Excel format called .CSV or a .QBO file.

To obtain this type of file, log into your bank account and go to the section where you can download transactions or bank statements. Most likely you will have the option to download your transactions in multiple formats. If you don't see either of these options (.CSV or .QBO) then contact your bank. Let them know that you would like to download your banking transactions into QuickBooks and you would like to know how to do that from their website.

How to Manually Import Banking Transactions Into QuickBooks Online with a CSV File

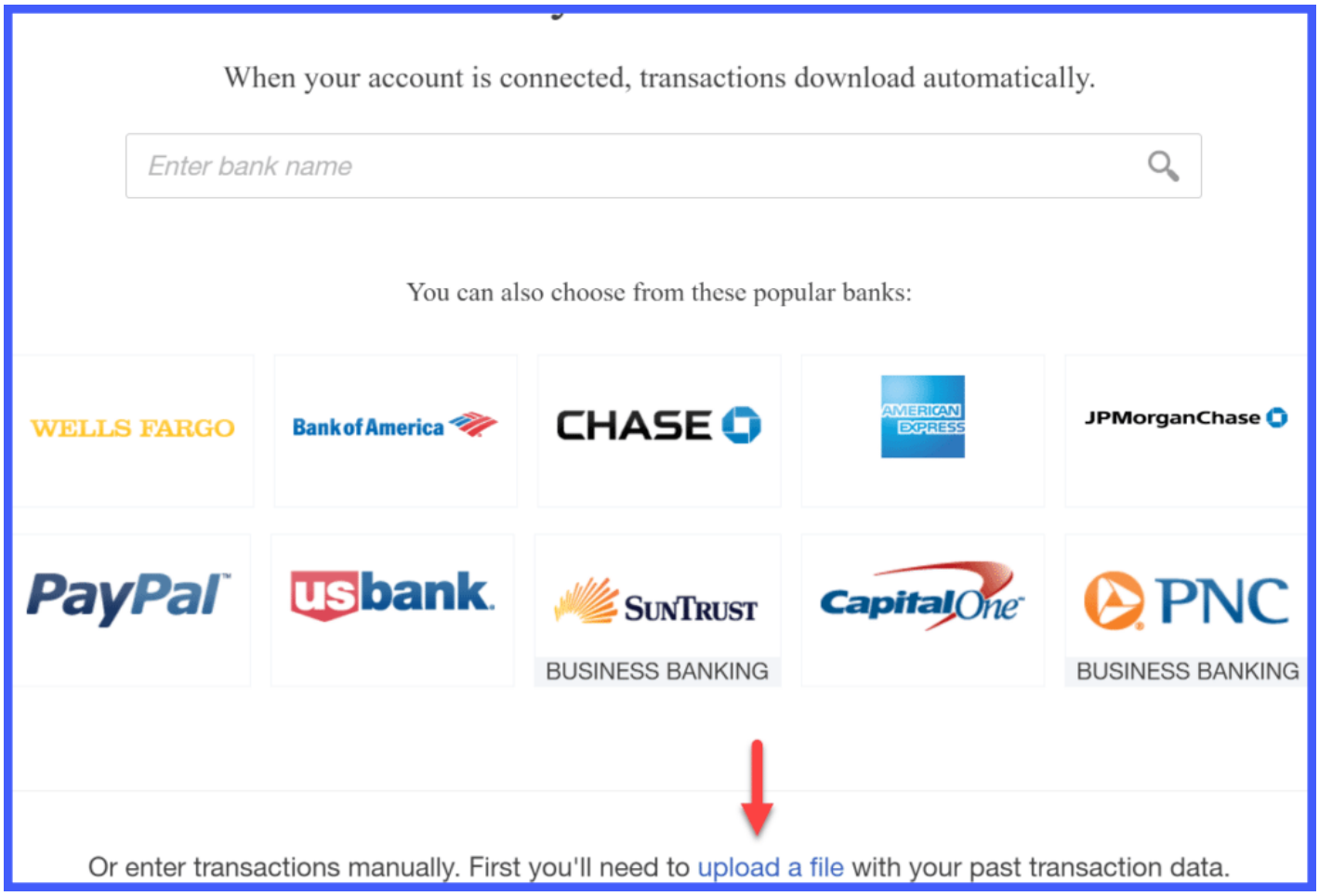
Step 1 – Navigate to the Banking Center

From the left icon bar, select **Transactions** and **Banking**.



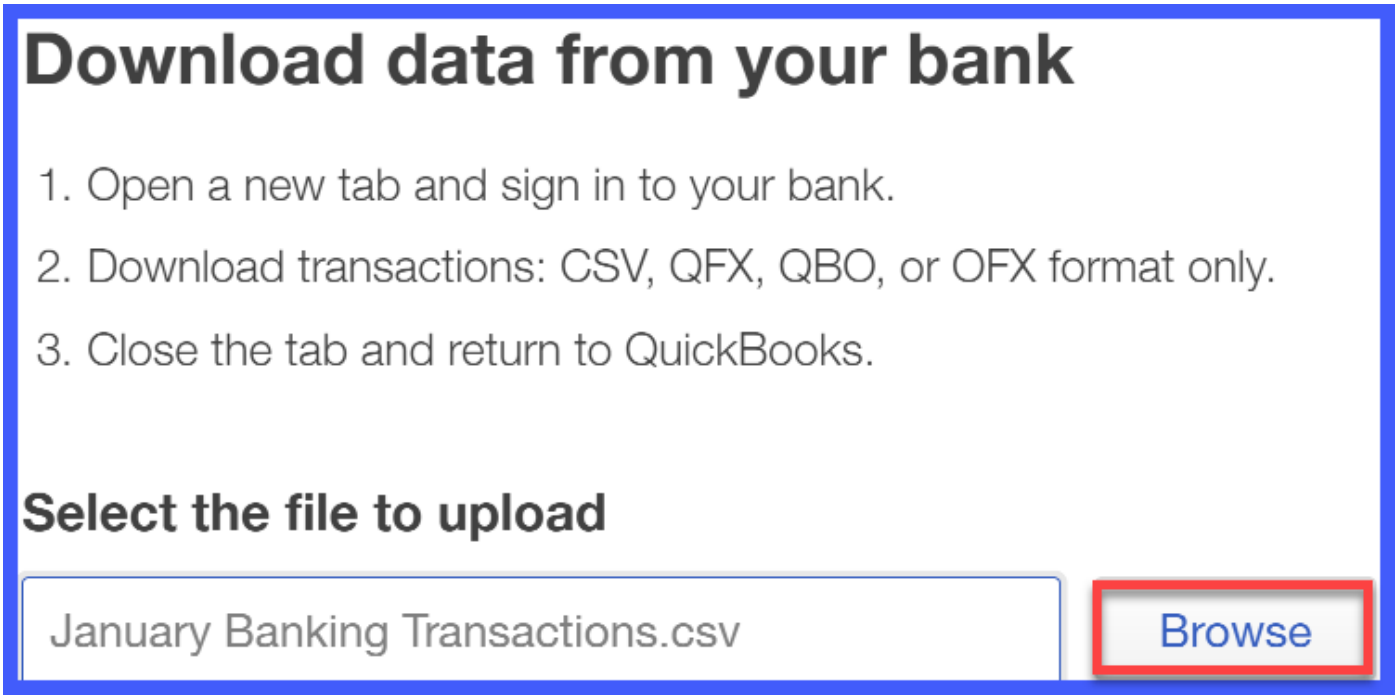
Step 2 – Select Upload a file

Click the **Upload a file** option as indicated below at the very bottom of the screen.



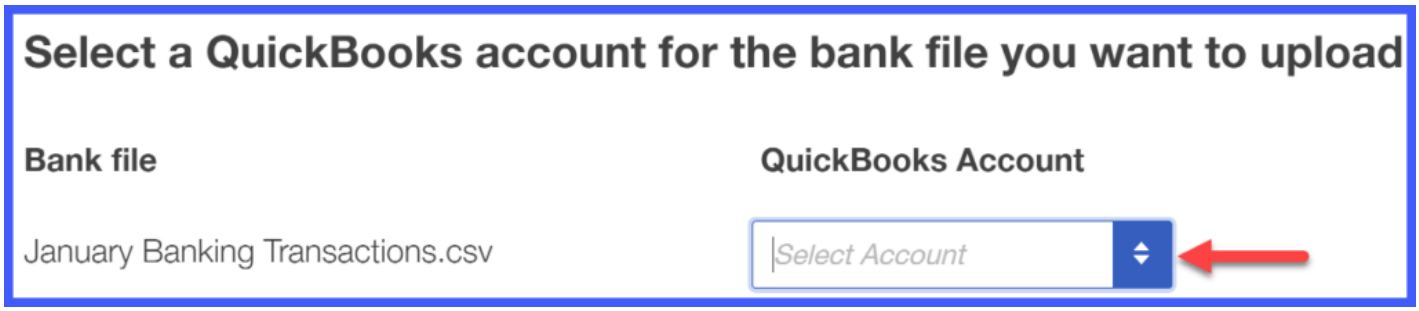
Step 3 – Select the file to upload

Click **Browse** to locate the file that you wish to upload.



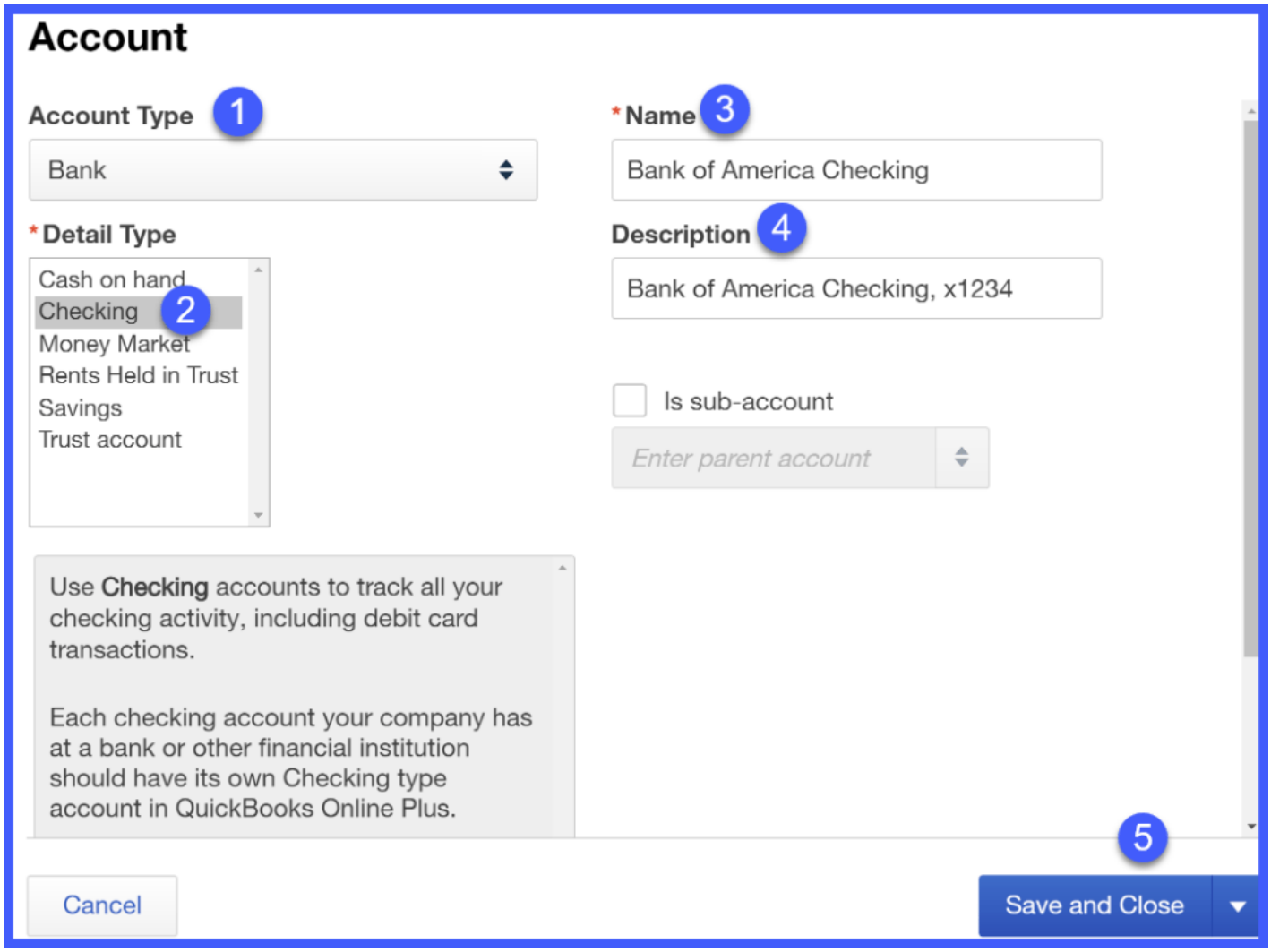
Step 4 – Select a QuickBooks account

From the drop down, select the QuickBooks account you want to link to this bank account. If you have not set up the account in QuickBooks yet, you can do that in Step 5.



Step 5 – Setup the QuickBooks Account

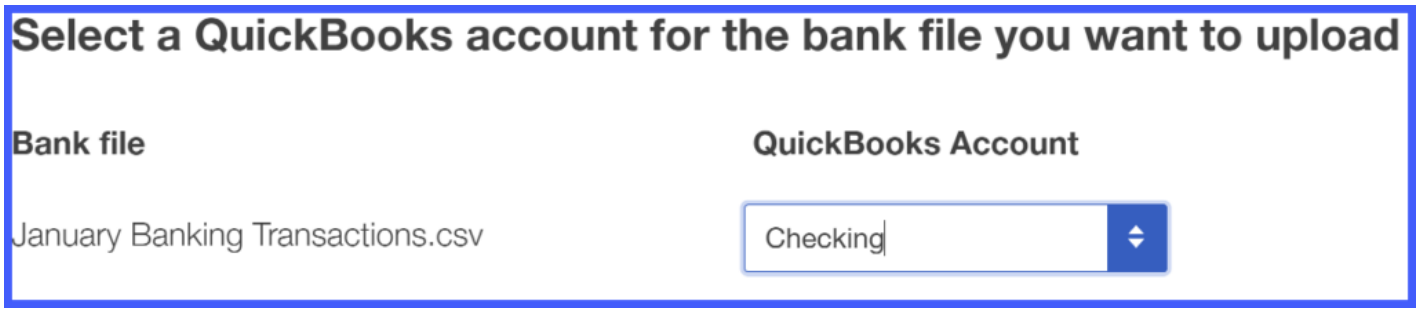
Select **Add New** from the drop down menu and complete the following fields:



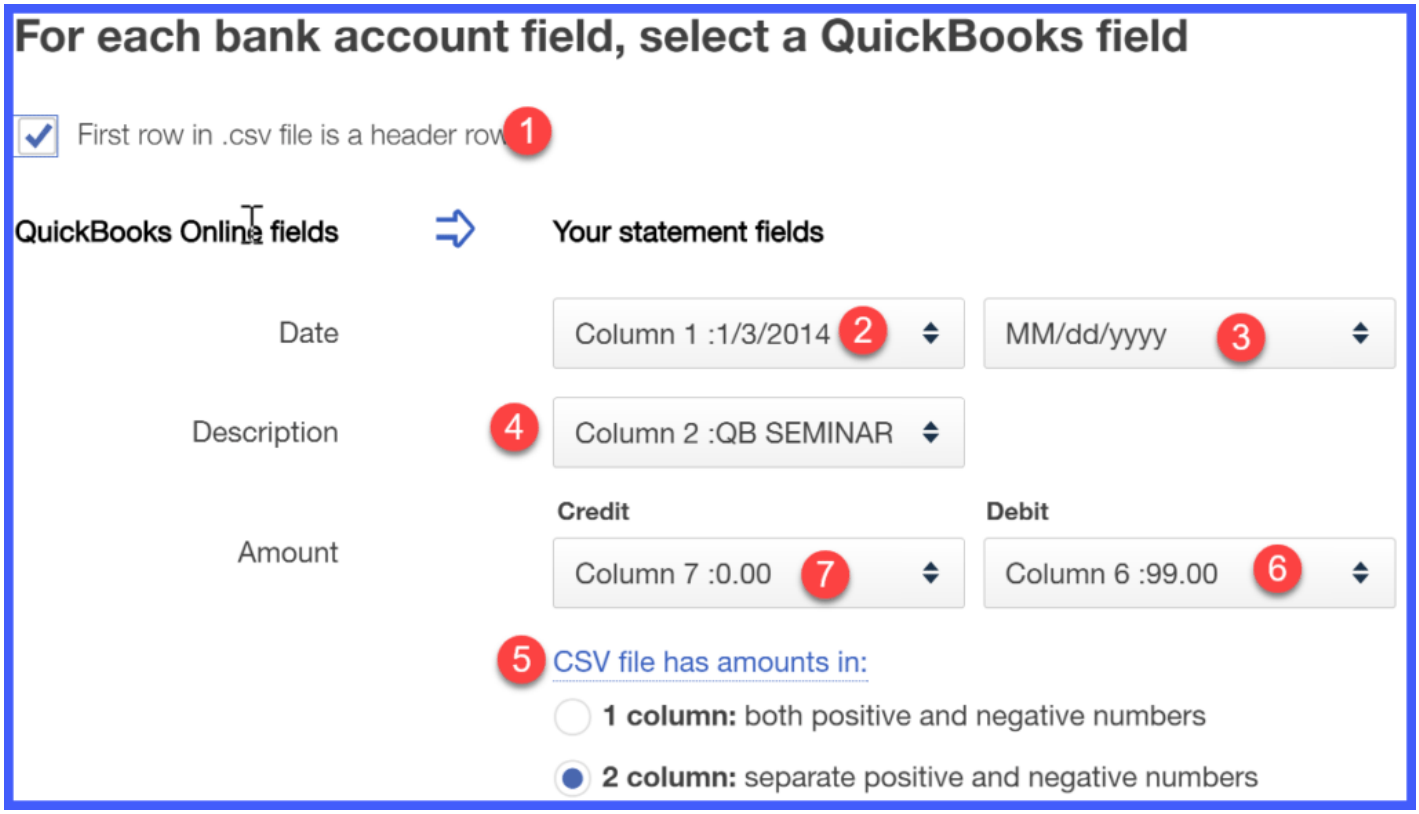
1. **Account Type: Bank**

2. **Detail Type: Checking**
3. **Name: Bank of America Checking**
4. **Description**: Put bank name and last 4 digits of account #
5. Click the **Save and Close** button

Once you have both the **Bank file** and the **QuickBooks Account** selected as indicated below, you can proceed to the next screen.



Step 6 – Map the QuickBooks Online fields to your bank account fields



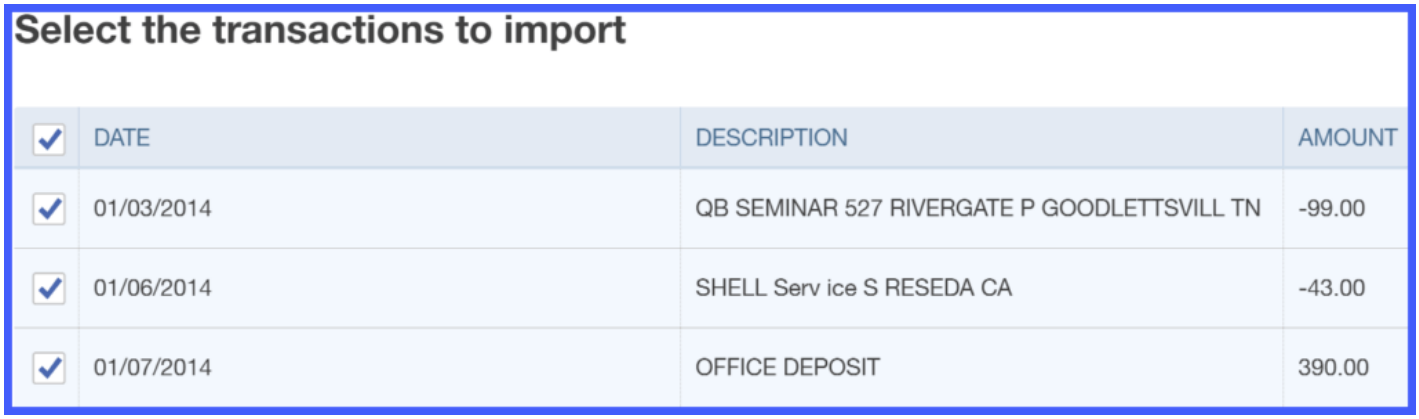
Map the fields in your upload file to the fields in QuickBooks Online:

1. If your CSV file has a header row, make sure to check the box at the top left of the screen as indicated above.

2. Select the column that has the date in it
3. Select the format of the date column
4. Select the column that has the description of the transaction (i.e. Staples)
5. Select whether your file has both positive and negative numbers in one column or if it separates the positive and negative numbers into two columns.
6. Select the column that has the positive numbers (Debit)
7. Select the column that has the negative numbers (Credit)

Step 7 – Select Banking Transactions to Import

Select the transactions to import into QuickBooks by putting a checkmark in the first column and select **Next.**



Select the transactions to import

	DATE	DESCRIPTION	AMOUNT
✓	01/03/2014	QB SEMINAR 527 RIVERGATE P GOODLETTSVILL TN	-99.00
✓	01/06/2014	SHELL Serv ice S RESEDA CA	-43.00
✓	01/07/2014	OFFICE DEPOSIT	390.00

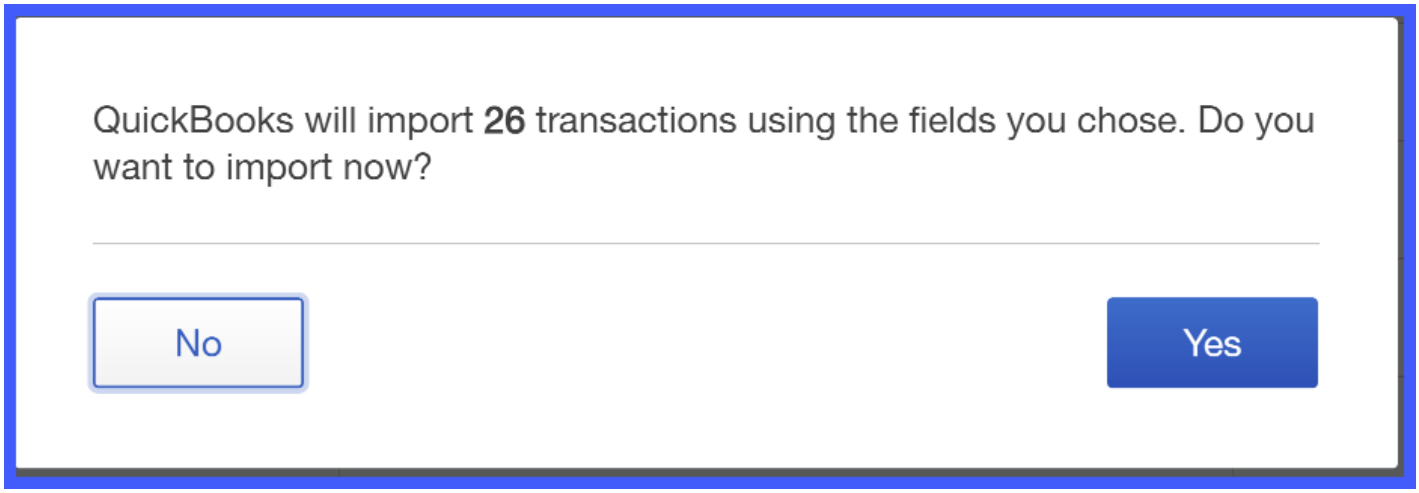
TIP #1: If you get to this screen and there are no transactions listed, make sure that you have done the following:

- **Remove any formatting like $ from the dollar amount column**
- **Delete any blank rows in your spreadsheet. Be sure that everything begins at row 1, column 1 of the spreadsheet.**

TIP #2: If you make any changes to your spreadsheet, you will need to save it & reupload it. Go back to Step 3 and browse for the updated spreadsheet.

Step 8 – Confirm Transactions to Import

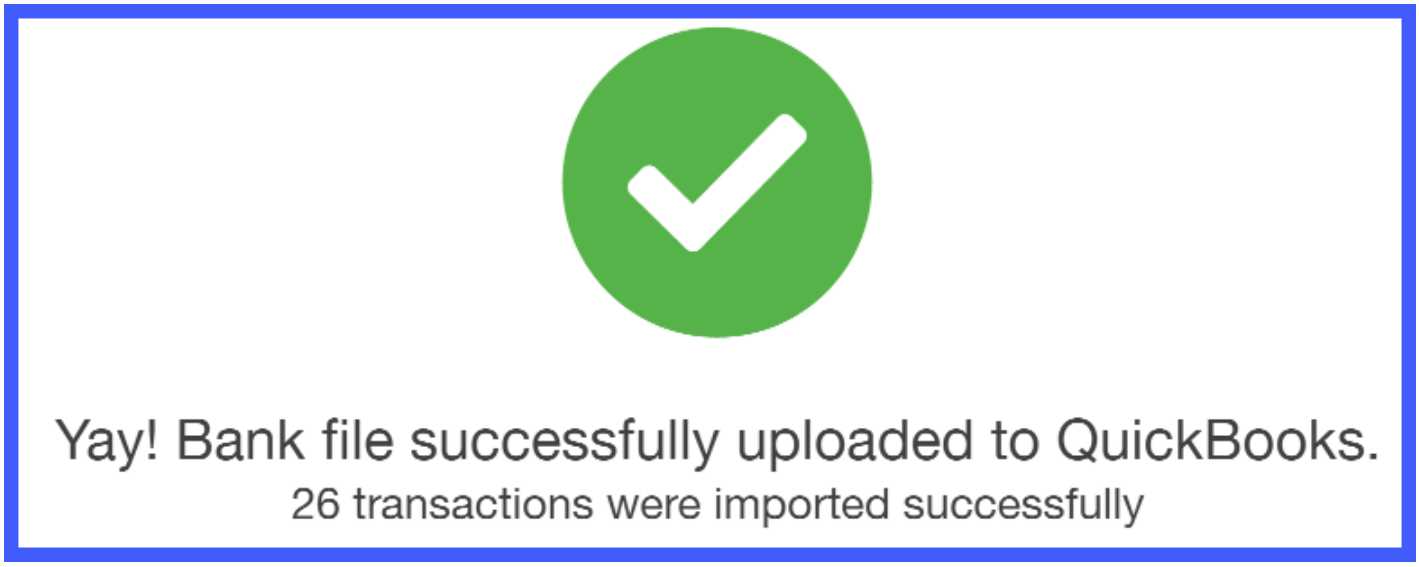
Click **Next** and QuickBooks will confirm the number of transactions that you have selected for download:



If you agree with the # of transactions then select **Yes**. Otherwise, select **No** to go back and make any necessary changes.

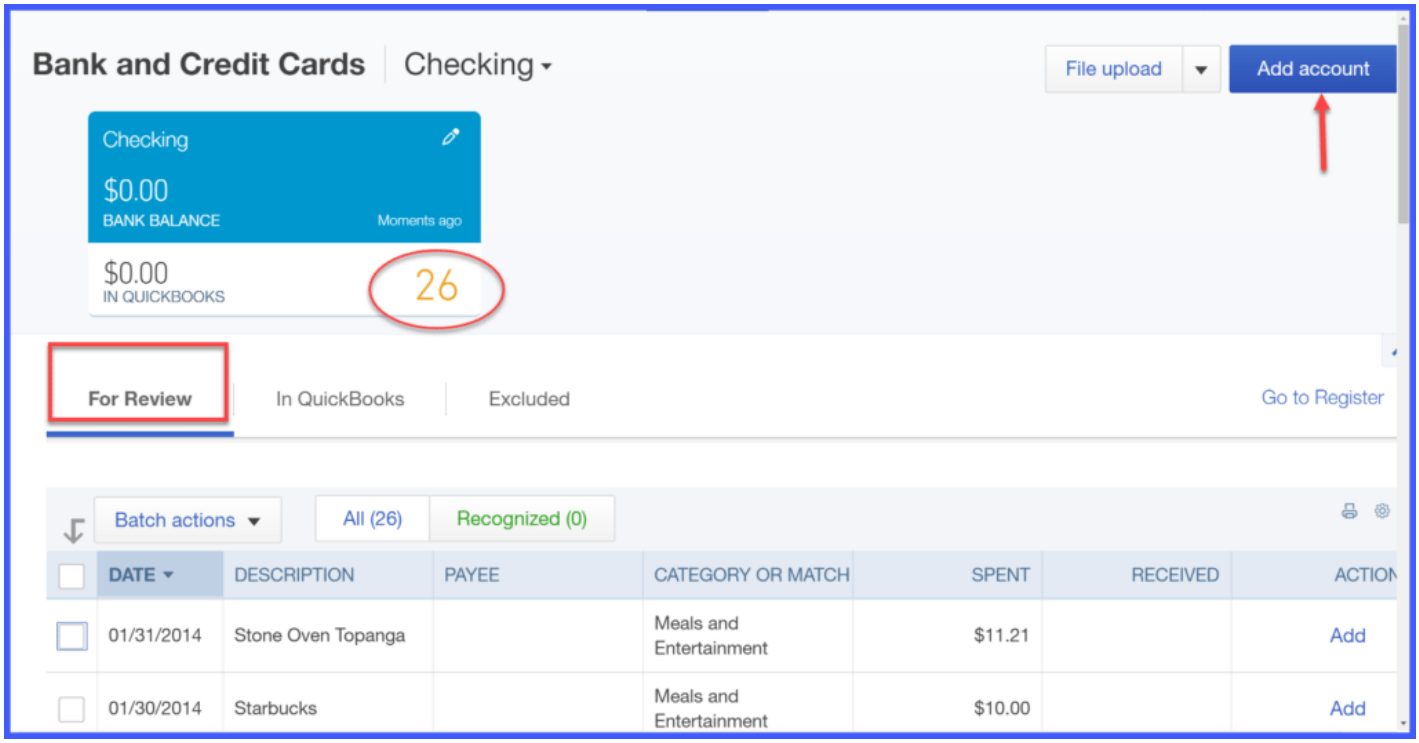
Step 9 – Transactions have been downloaded

Once the transactions have been successfully imported the following message will display:



Step 10 – Review Imported Transactions

In the Banking Center, you should see the # of transactions that have been imported as indicated below:



All transactions that are downloaded will appear on the **For Review** tab. To learn how to manage banking transactions after they are downloaded, watch our step-by-step video tutorial on **How do I manage downloaded banking transactions.**

To add another account, just click the blue **Add account** button as indicated above and go back to Step 1 of this course to repeat this process.

Wrap Up

That wraps up the section on How to Import your Banking Transactions into QuickBooks.

The next lesson in our QuickBooks Online Training Course will be **How to Import Credit Card Transactions.** In this lesson, we will walk you through how to import credit card transactions directly from your bank's website or using an Excel formatted file called CSV.

To access this lesson or any of the others in the series, click here.

If you'd rather save your time and hire a local bookkeeper to set this up for you, check out our Bookkeeper Directory to find a bookkeeper in your area.

How to Import Credit Card Transactions into QuickBooks Online

By Crystalynn Shelton on August 29, 2016 | Accounting, Credit Card Processing, How To, Quickbooks, Retail |

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to import your business credit cards into QuickBooks Online. We'll explain how to automatically link up your credit card accounts to QuickBooks as well as how to import credit card transactions manually using a CSV file.

If you cannot locate your bank on QuickBooks online or if you need to download more than 90 days of credit card transactions, then you'll need to import your credit card transactions using an Excel format called .CSV or a .QBO file. We'll cover how to do that later in this lesson.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Why is it Important to Connect your Credit Card Account to QuickBooks?

One of the many benefits of QuickBooks Online is you can save a lot of time by downloading your business credit card transactions into QuickBooks instead of manually inputting each transaction.

Most big banks allow you to quickly and easily connect to QuickBooks, some of the smaller banks and credit unions do not have that capability. We consider Bank of America to be the best bank for small businesses, based on their low rates.

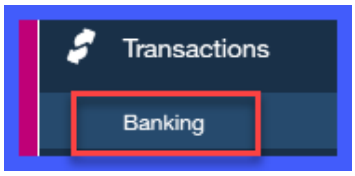
A WORD OF CAUTION: If you don't have a business credit card and are using a personal card, then I recommend getting a separate small business credit card as soon as possible and then connect it to QuickBooks. If you're looking for the best cash-back small business credit card take a look at Chase. It comes with great rates and an introductory bonus reward. You can see exact rates, terms and details here.

How to Automatically Import Your Credit Card Transactions to QuickBooks Online

In order to connect your credit card account to QuickBooks, you will need your online banking user ID and password to log into your account.

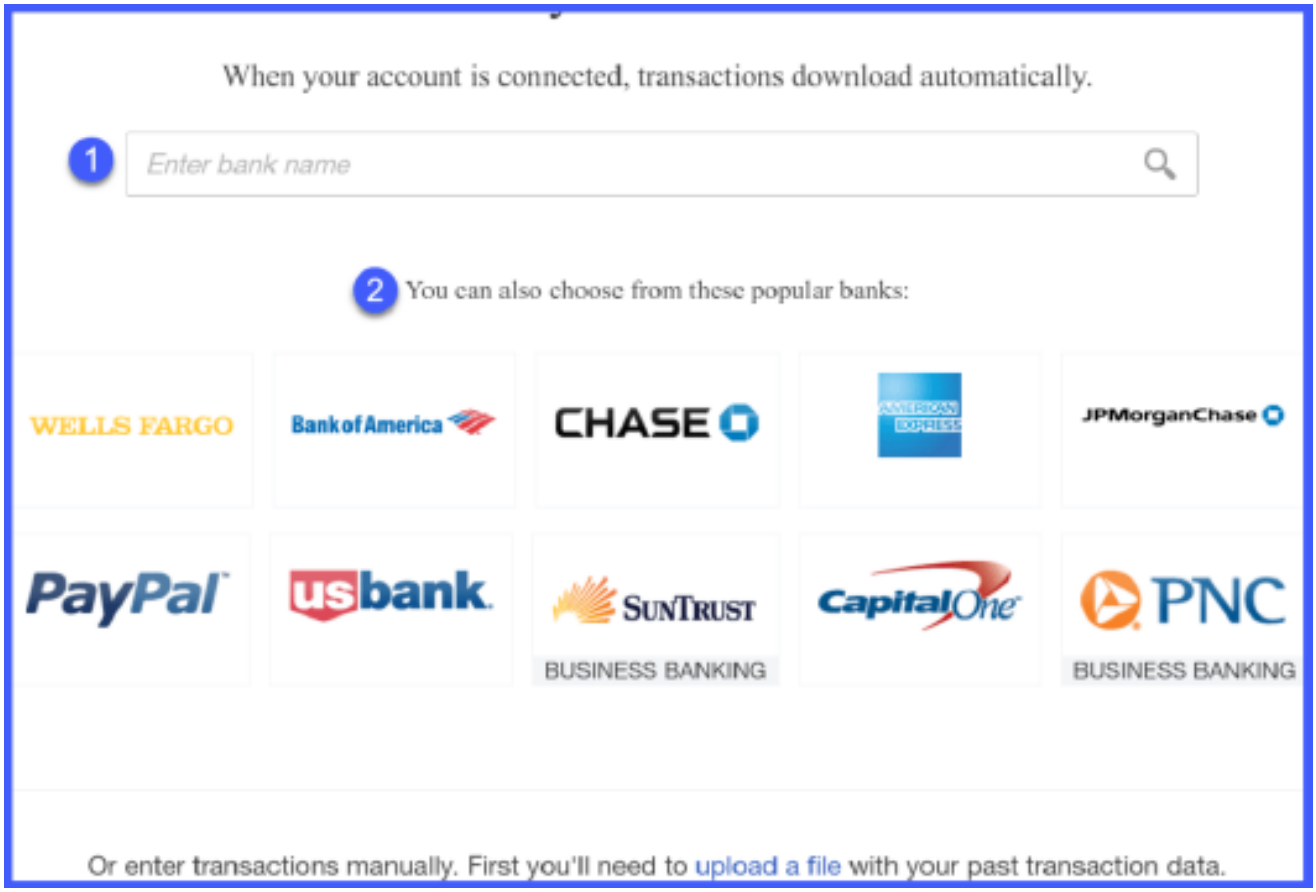
Step 1: Navigate to the Banking Center

From the Home Page, select Transactions and then Banking from the left menu bar:



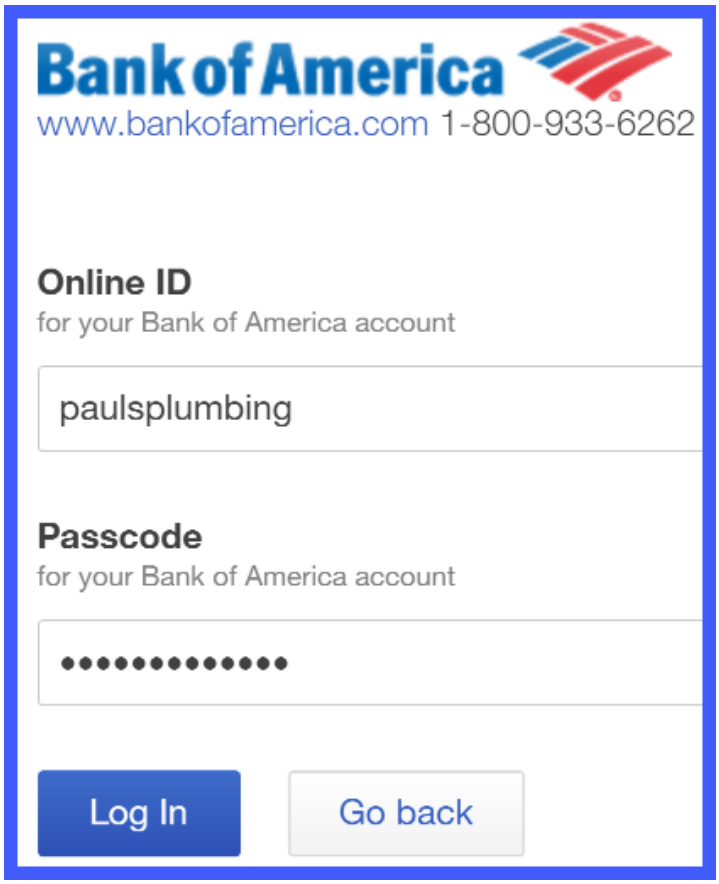
1. Type your bank/credit card name in the search box as indicated below **or**
2. Select from the list of banks/credit card companies right below the search box.

If you are unable to locate your credit card company or you need to download more than 90 days of credit card transactions then you need to **Upload Credit Card Transactions using CSV Format** which is covered later in this lesson.



Step 2: Log Into your Business Credit Card account

You should see your bank login screen like the one below.

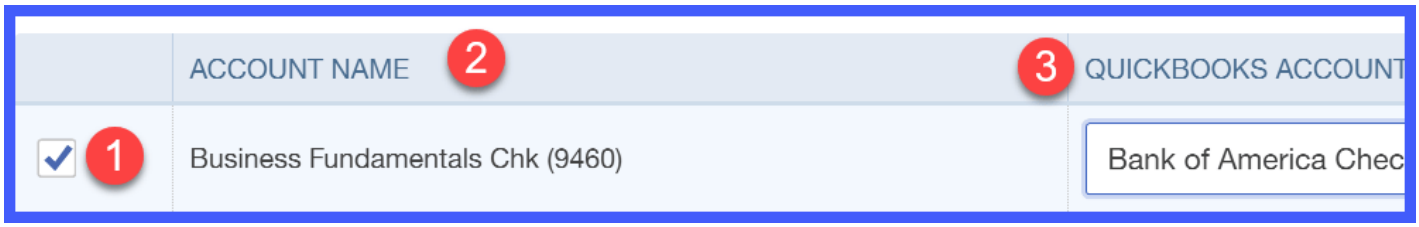


Enter the user ID and password that you normally use to access your business credit card account as we have done for Paul, owner of fictitious company Paul's Plumbing.

Depending on your internet connection and the number of accounts that you have, it may take a few minutes for QuickBooks to connect to your bank.

Step 3: Select Business Credit Card Accounts

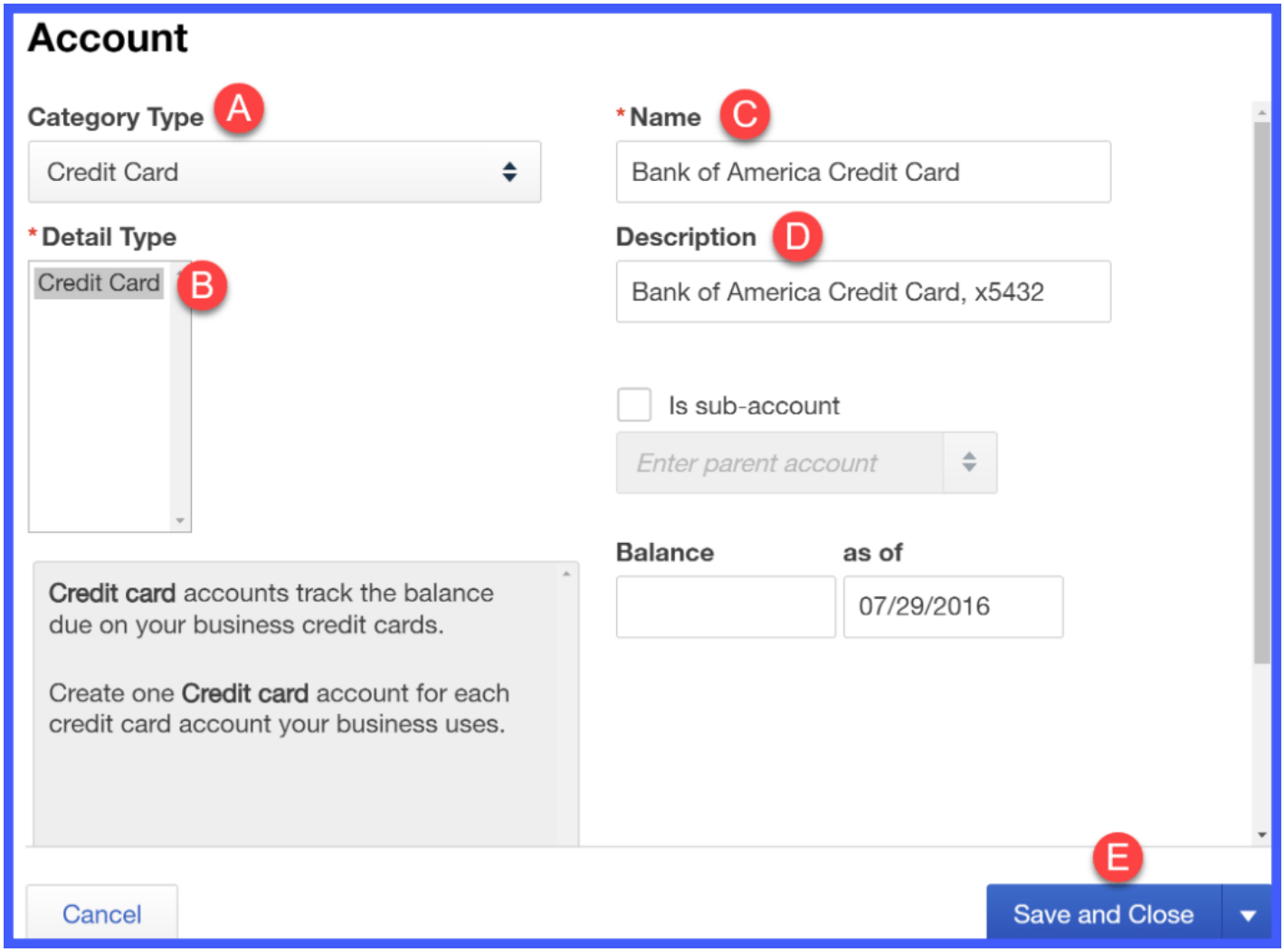
You should see a screen similar to the one below that will list all of the accounts you have at this bank.



1. Place a checkmark in the first column for each account you would like to connect to QuickBooks.

2. **Account Name:** This is the bank's name for the account. No edits can be made to this field.
3. **QuickBooks Account:** From the drop down, select the QuickBooks account you want to link to this bank account. If you have not setup the account in QuickBooks yet, select **Add Account** from the drop down.

Your screen should display the following **account setup** window. Complete the fields below to setup Paul's credit card in QuickBooks:



A. Category Type: Select the type of account you are downloading transactions for. Typically this would be either a Bank or Credit Card account.

B. Detail Type: This field automatically populates with **Credit Card** based on the selection made in the Account Type field.

C. Name: This is how the account name will show up in QuickBooks.

D. Description: Put the bank/credit card name and the last 4 digits of the account number.

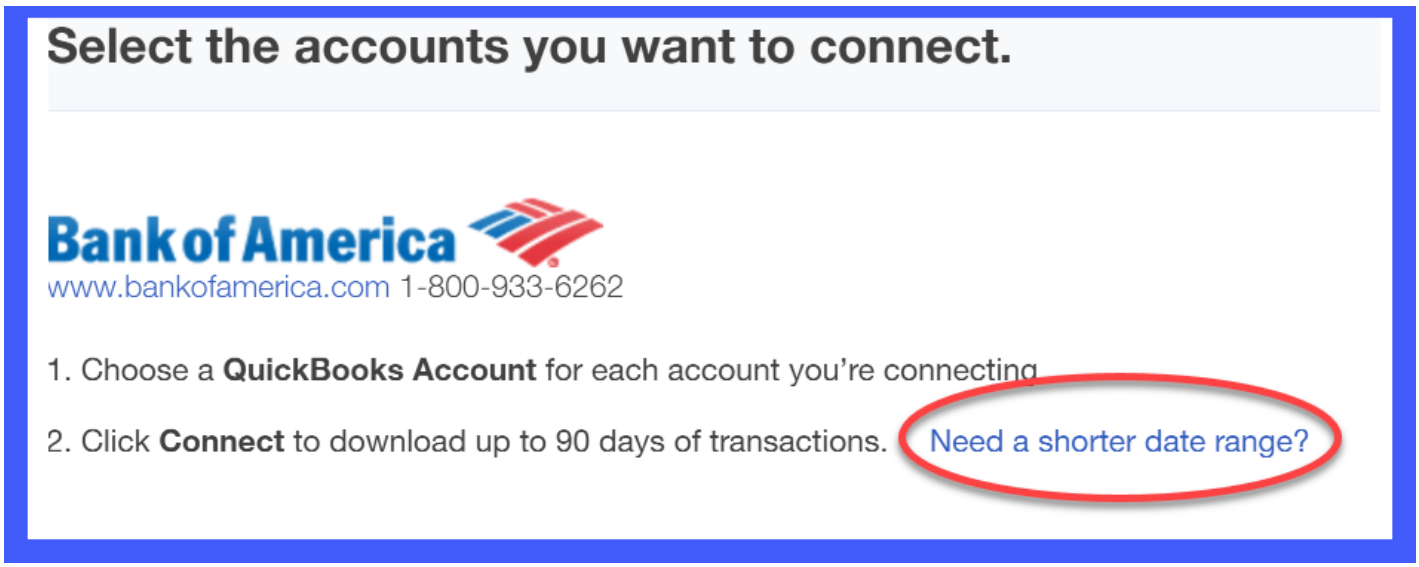
TIP: *If you've got more than one business credit card that you plan to connect to QuickBooks, including the name of the card and the last 4 digits of the card number allows you to easily tell one credit card account from another when you reconcile these accounts.*

E. Double check to make sure that you have make selections in all 5 fields. Click the **Save and Close** button

Step 4: Select the right date range

The maximum # of transactions that will download is 90 days. If you need to download **more than 90 days** of credit card transactions then skip to the **Uploading Transactions using CSV** format section of this course.

If you would like a shorter date range, just click the link that says **need a shorter date range** as indicated below:



If the date you start using QuickBooks is less than 90 days, then you would need to use a shorter date range.

Below is an example of when you might need to use a **shorter date range**:

Example: *Paul has decided that he is going to start using one of his personal credit card accounts for business only. He has had this credit card for a number of years now but just stopped using it for personal expenses about a month ago.*

In this situation, Paul only wants to download transactions for the last 30 days into his QuickBooks account. In this situation, he needs to modify the date range by clicking the Need a shorter date range link and enter in the correct date range. If he does not do this, QuickBooks will automatically download the last 90 days of transactions and that will include personal expenses which Paul does not want to add to his QuickBooks file.

Step 5: Click Connect

Before you click the blue connect button, double check to make sure that you did not select any accounts that you **do not** want to keep track of in QuickBooks. (i.e. **personal bank accounts)**

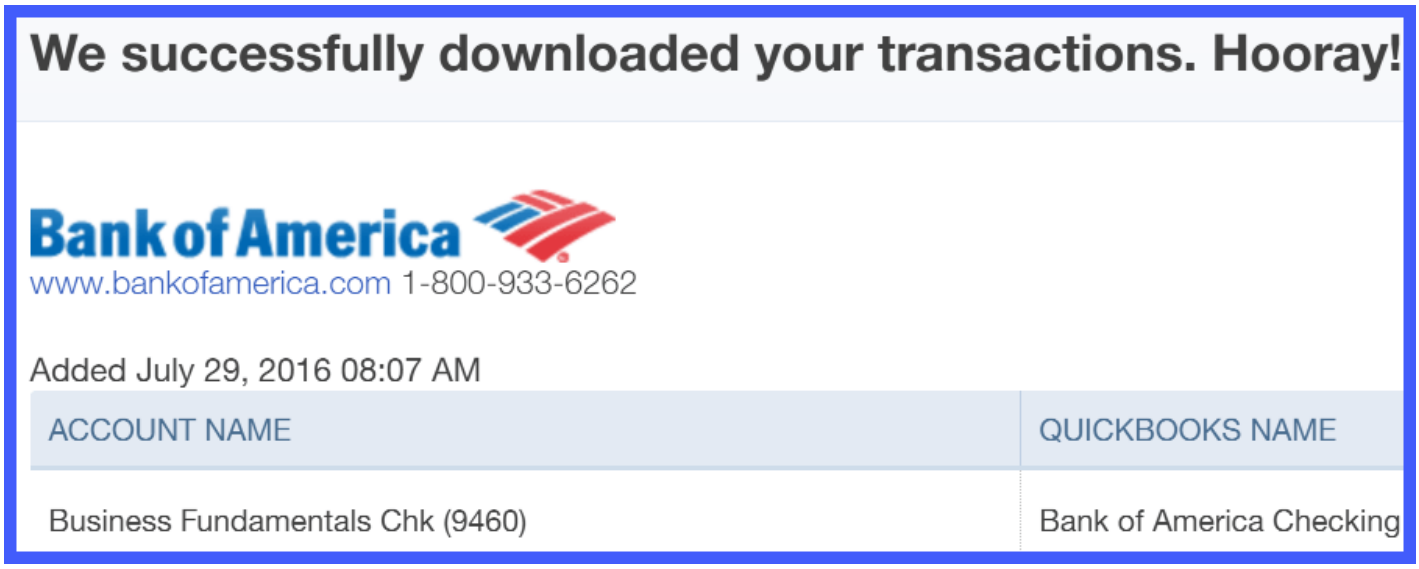
A WORD OF CAUTION: Once you click Connect, all transactions will be downloaded into QuickBooks. Unfortunately there is no automatic undo button. Later on if you find out that you accidentally selected an account that you do not want connected to QuickBooks then you will need to manually delete all of those transactions before you can delete the credit card from QuickBooks.

Once you are ready, click the blue **Connect** button to start the process of downloading your credit card transactions into your QuickBooks file.

Depending on the number of accounts you have selected and the date range, this could take a while to complete.

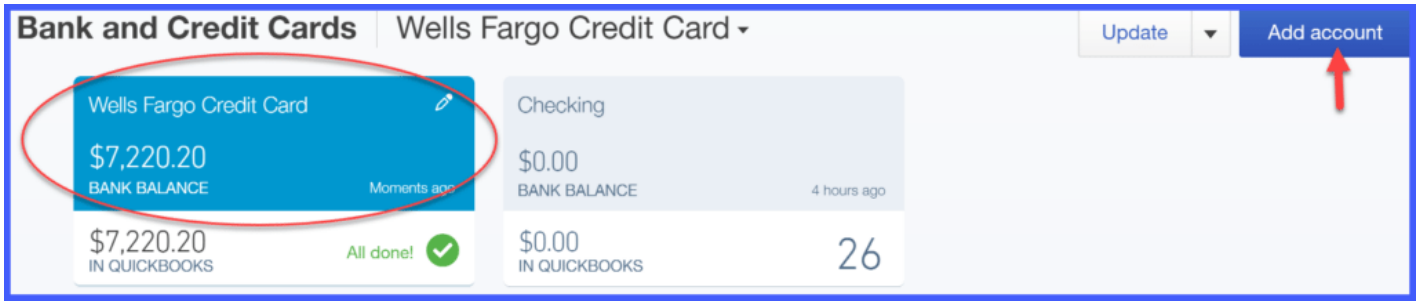
Step 6 – Transactions have been downloaded

Once the transactions have been successfully downloaded into QuickBooks, the following message will display:



Step 7 – Review Downloaded Transactions

In the Banking Center, you should see the credit card account and balance as indicated below.



If you have other credit card accounts that you want to track in QuickBooks then you can just click the blue **Add account** button as indicated above and go back to step 1.

To learn how to manage banking transactions after they are downloaded, watch our step-by-step video tutorial on **How do I manage downloaded banking transactions**.

When to Import Credit Card Transactions Using a CSV File

If you can't directly connect your credit card account to QuickBooks or you need to download more than 90 days of credit card transactions, it is important that you know how to upload your credit card transactions using an Excel .CSV file or .QBO file.

To obtain this type of file, log into your credit card account and go to the section where you can download transactions and credit card statements. Most likely you will have the

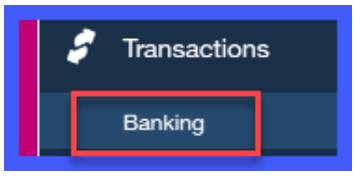
option to download your transactions in multiple formats.

If you don't see either of these options (.CSV or .QBO) then contact your credit card company. Let them know that you would like to download your credit card transactions into QuickBooks and you would like to know how to do that from their website.

How to Import Credit Cards Transactions into QuickBooks Online with a CSV File

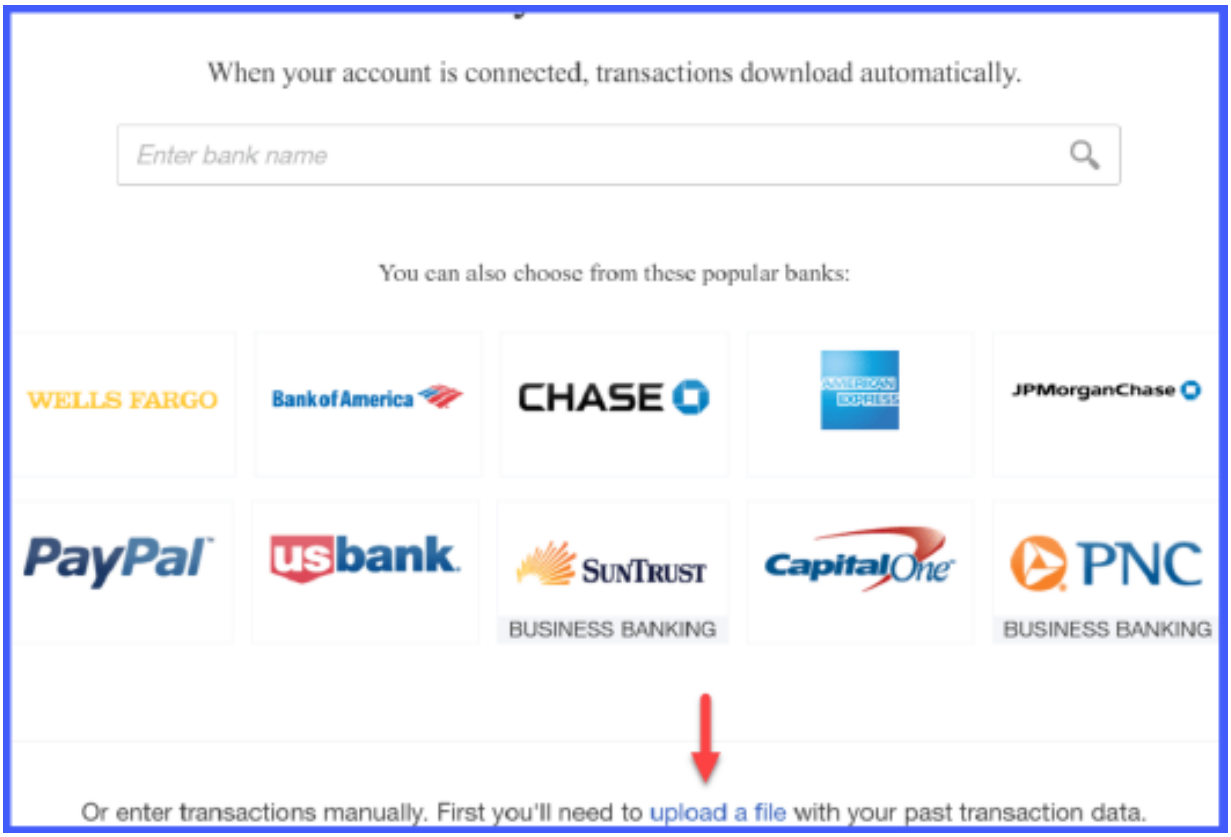
Step 1 – Navigate to the Banking Center

From the left icon bar, select **Transactions** and **Banking**.



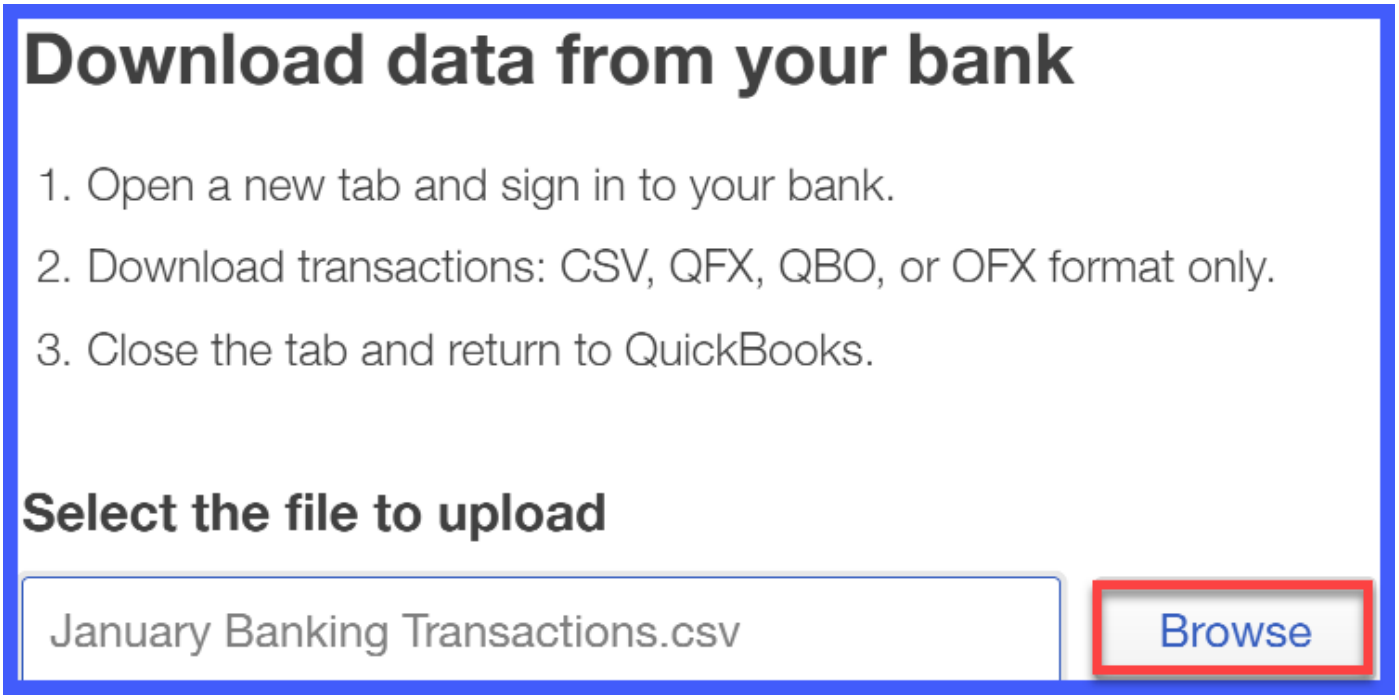
Step 2 – Select Upload a File

Click the **Upload a file** option as indicated below at the very bottom of the screen.



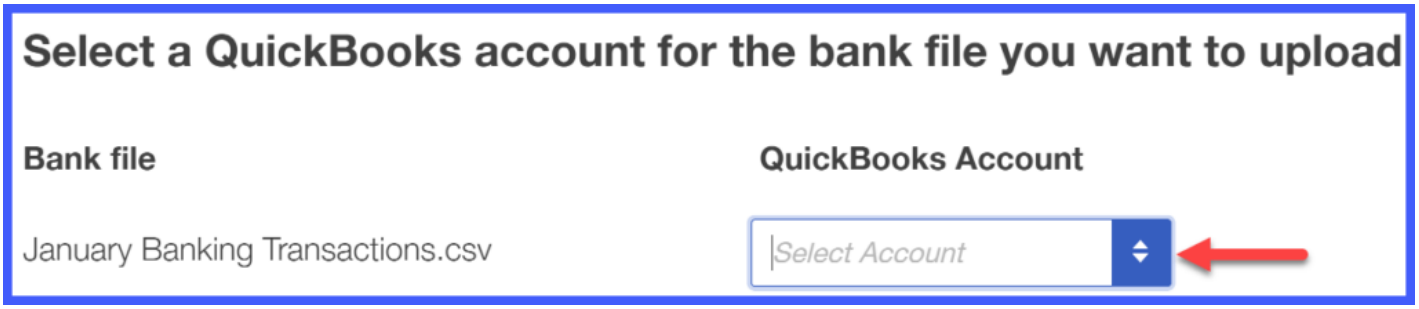
Step 3 – Select the File to Upload

Click **Browse** to locate the file that you wish to upload.



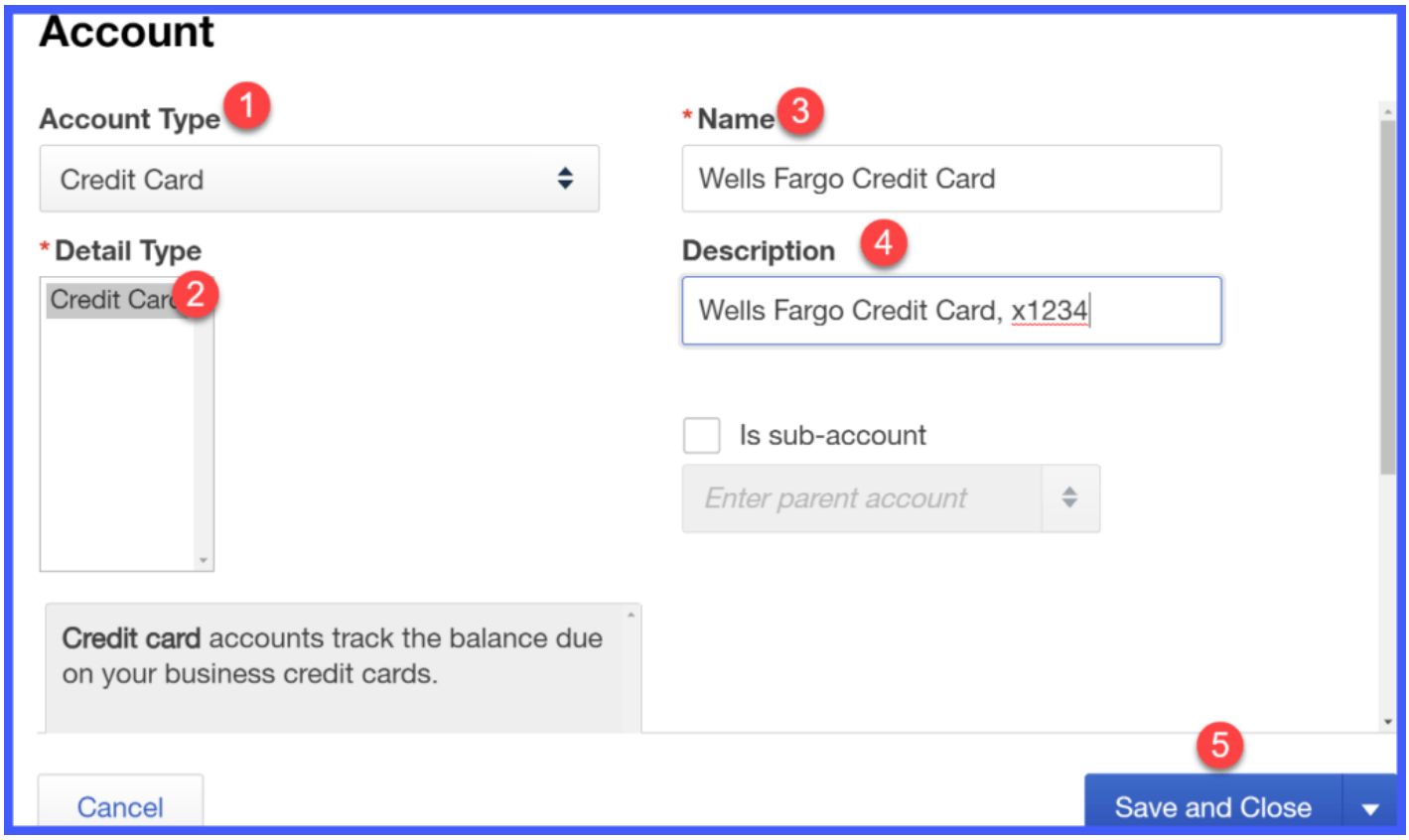
Step 4 – Select a QuickBooks Account

From the drop down, select the QuickBooks account you want to link to this credit card account. If you have not set up the account in QuickBooks yet, you can do that by clicking the drop down menu and selecting Add New.



Step 5 – Set Up the QuickBooks Account

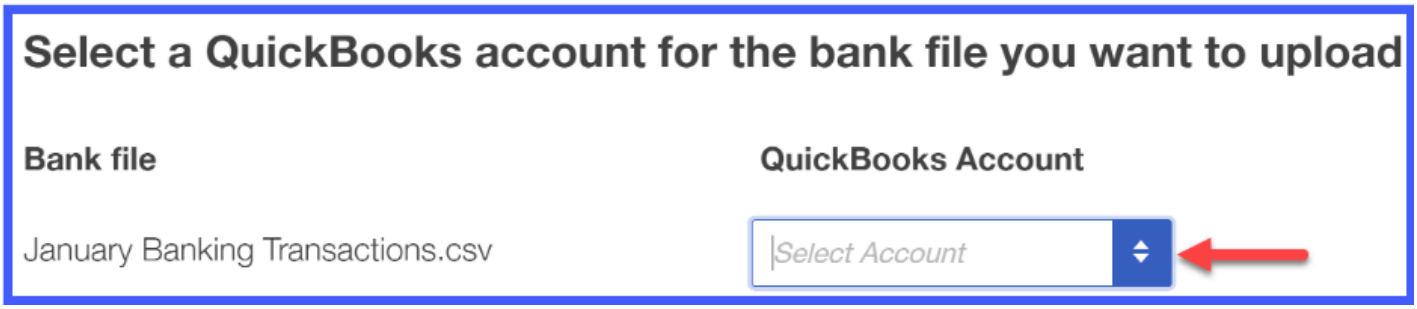
Your screen should display the following account setup window. Complete the fields below to setup Paul's VISA credit card in QuickBooks:



1. **Account Type:** Select the type of account you are downloading transactions for. Typically this would be either a Bank or Credit Card account.

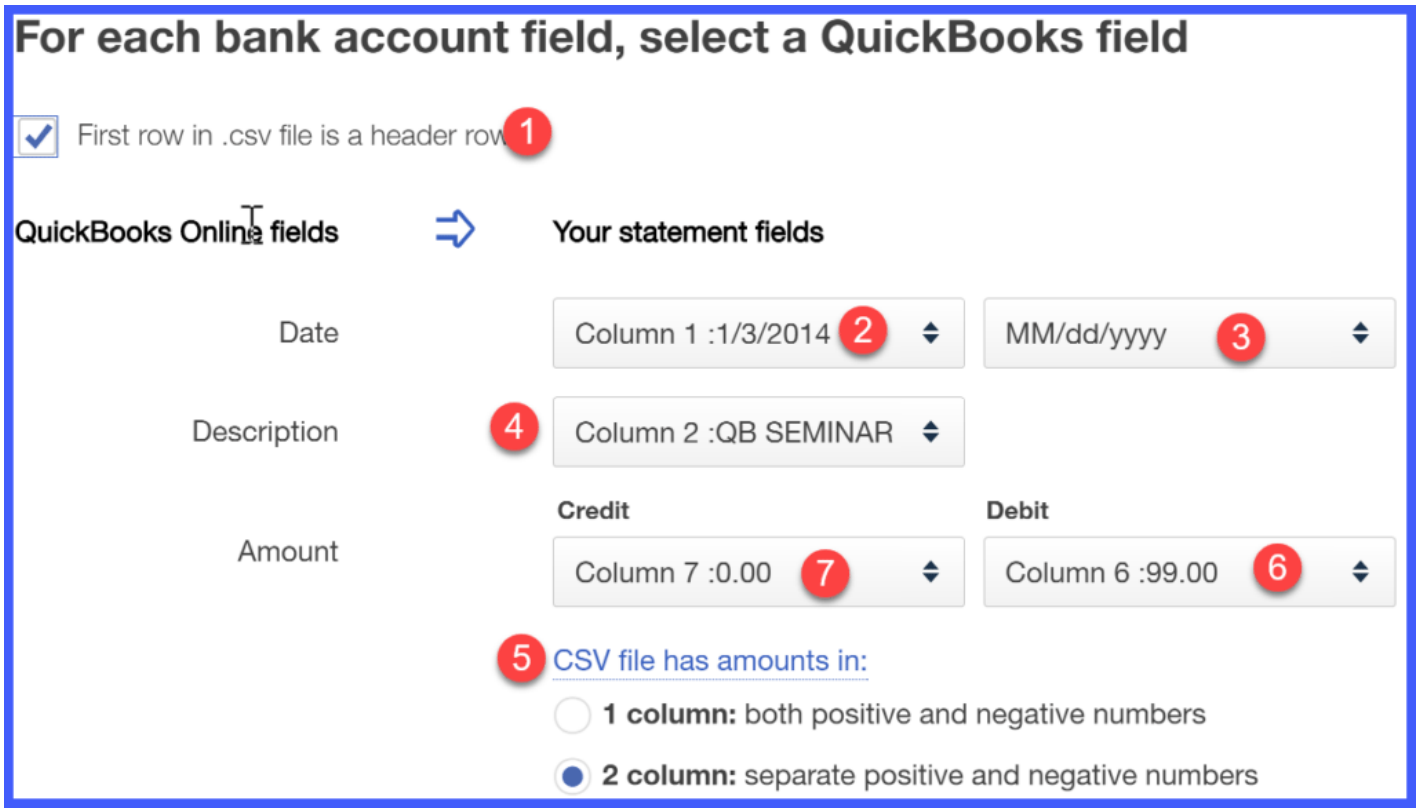
2. **Detail Type:** This field automatically populates with **Credit Card** based on the selection made in the Account Type field.
3. **Name:** This is how the account name will show up in QuickBooks.
   TIP: ***If you've got more than one business credit card that you plan to connect to QuickBooks then be sure to include the name of the card and the last 4 digits of the card number. This will allow you to easily tell one credit card account from another when you reconcile each month.***
4. **Description**: Put the bank/credit card name and the last 4 digits of the account #.
5. Double check to make sure that you have make selections in all 5 fields. Click the **Save and Close** button.

Once you have both the **Bank file** and the **QuickBooks Account** selected as indicated below, you can proceed to the next screen.



Step 6 – Map the QuickBooks Online Fields to Your Bank Account Fields

Map the fields in your upload file to the fields in QuickBooks Online.



1. If your CSV file has a header row, make sure to check the box at the top left of the screen as indicated above.
2. Select the column that has the date in it
3. Select the format of the date column
4. Select the column that has the description of the transaction (i.e. Staples)
5. Select whether your file has both positive and negative numbers in one column or if it separates the positive and negative numbers into two columns.
6. Select the column that has the positive numbers (Debit)
7. Select the column that has the negative numbers (Credit)

Step 7 – Select Credit Card Transactions to Import

Select the transactions to import into QuickBooks by putting a checkmark in the first column and select **Next.**

Select the transactions to import

✓	DATE	DESCRIPTION	AMOUNT
✓	01/03/2014	QB SEMINAR 527 RIVERGATE P GOODLETTSVILL TN	-99.00
✓	01/06/2014	SHELL Serv ice S RESEDA CA	-43.00
✓	01/07/2014	OFFICE DEPOSIT	390.00

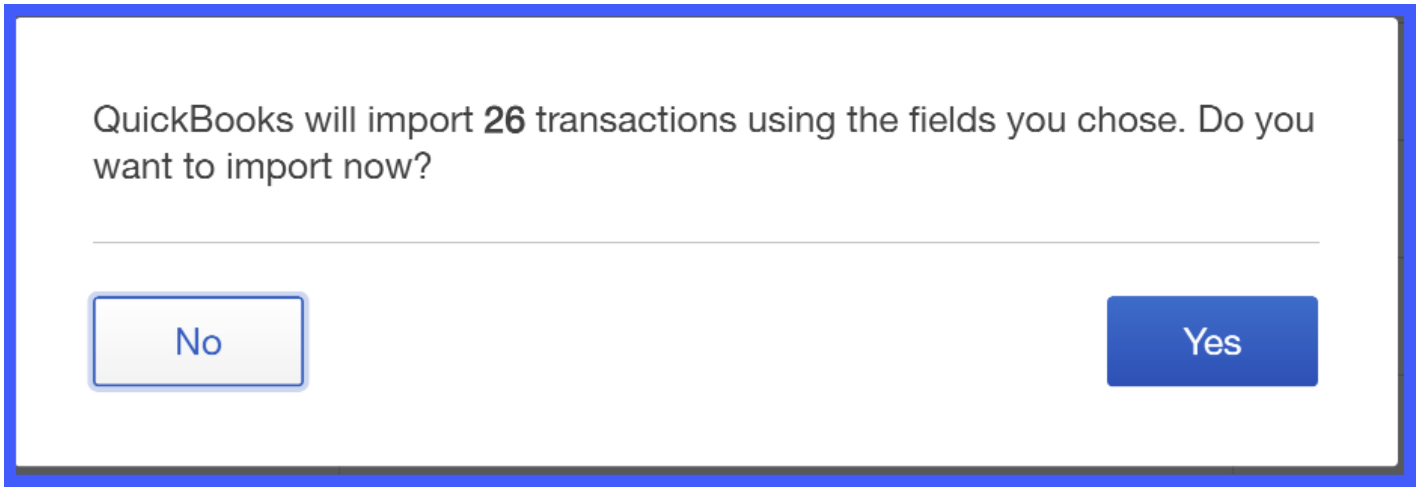
TIP #1: *If you get to this screen and there are no transactions listed, make sure that you have done the following:*

- **Remove any formatting like $ from the dollar amount column**
- **Delete any blank rows in your spreadsheet. Be sure that everything begins at row 1, column 1 of the spreadsheet.**

TIP #2: *If you make any changes to your spreadsheet, you will need save it & reupload it. Go back to Step 3 to do this.*

Step 8 – Confirm transactions to Import

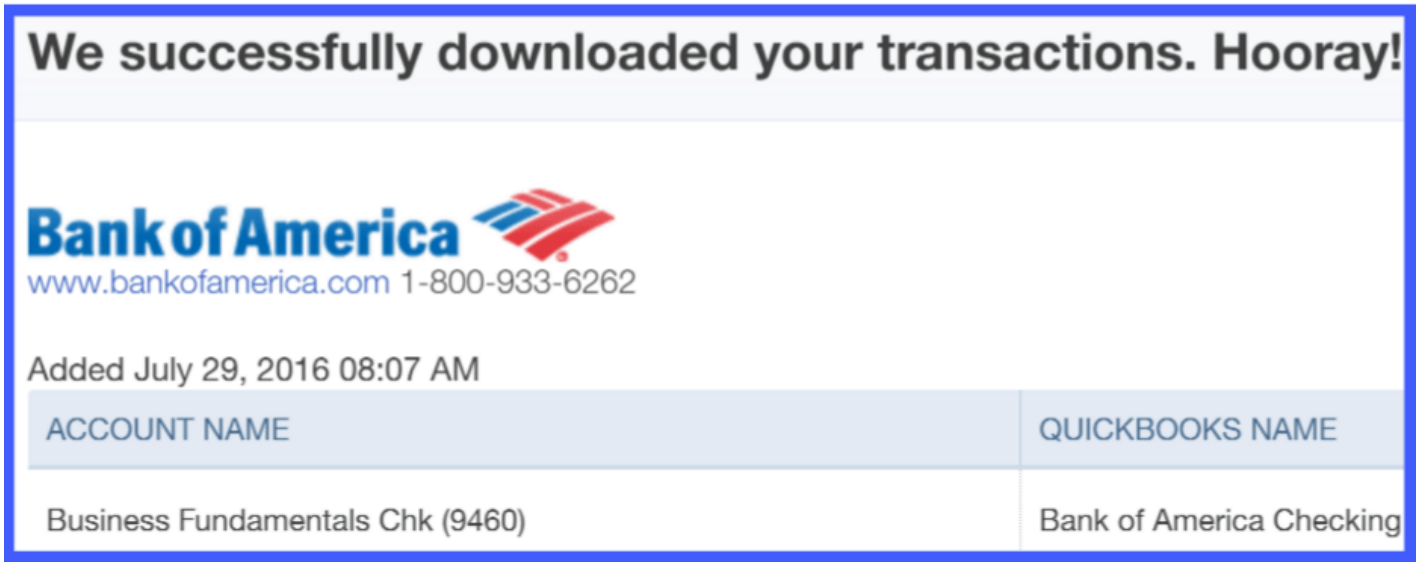
Click **Next** and QuickBooks will confirm the number of transactions that you have selected for download:



If you agree with the # of transactions then select **Yes**. Otherwise, select **No** to go back and make any necessary changes.

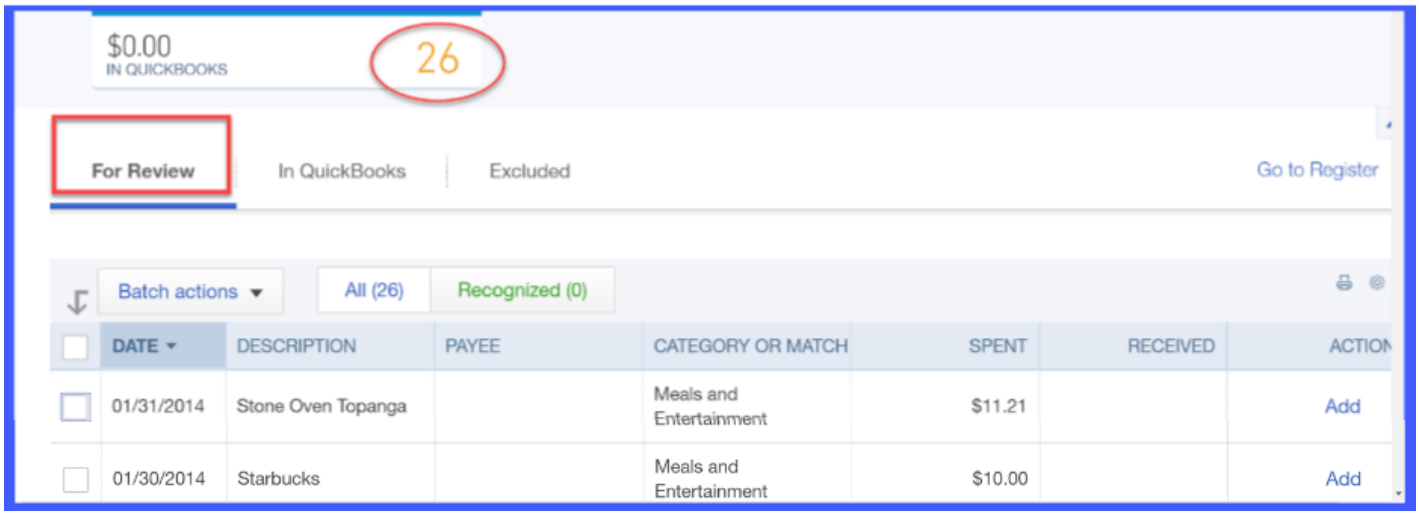
Step 9 – Transactions have been downloaded

Once the transactions have been successfully imported the following message will display:



Step 10 – Review Imported Transactions

In the Banking Center, you should see the credit card account and balance as indicated below.



Wrap Up

That wraps up the section on how to Import Business Credit Card Accounts into QuickBooks. The next lesson in our QuickBooks Online Training Course will be **How to Grant Multiple Users Access to Your QuickBooks Data**. In this lesson, we will walk through how to give your accountant and bookkeeper access to your QuickBooks data.

To access this lesson or any of the others in the series, click here.

How to Set Up Multiple Users in QuickBooks Online

By Crystalynn Shelton on August 29, 2016 | Accounting, How To, Quickbooks |

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to give your accountant, bookkeeper, or other users access to your QuickBooks Online account.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Why Is It Important to Give Other Users Access to Your QuickBooks Data?

One of the benefits of QuickBooks Online is the ability to give other people access to your QuickBooks data. Most commonly, this is used to give your accountant, bookkeeper, or tax professional access to your data.

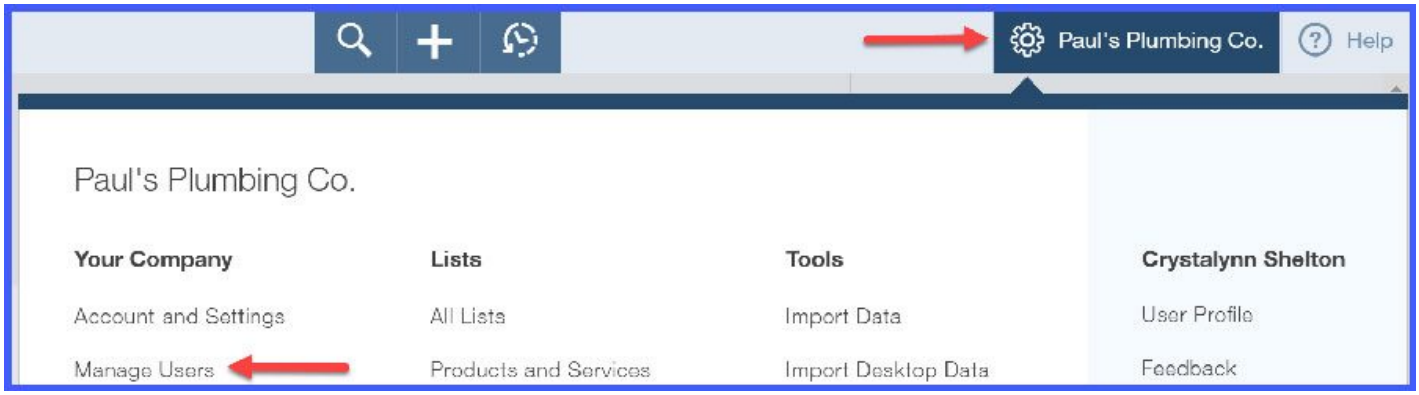
This allows them to log in, see your business and financial data, and do your bookkeeping for you from their office without having to bother you.

How Do I Give My Accountant Access to my QuickBooks Online Account?

Below, you will find the steps to give your accountant access to your QuickBooks data in just a few minutes. QuickBooks allows you invite up to two accountants to access your QuickBooks data.

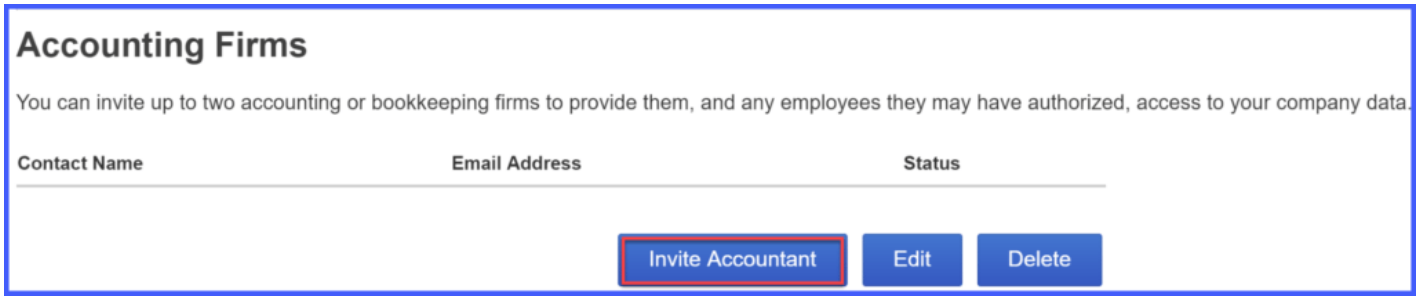
Step 1 – Navigate to Manage Users

Click on the Gear icon to the left of your company name (e.g. Paul's Plumbing Co.) and select **Manage Users** which is located under the **Your Company** column as indicated below:



Step 2 – Send Invite to Accountant

Click on the **Invite Accountant** button as indicated below.



Enter your accountant's email address.

Step 3 – Set Up is Complete

Once you send the invite, the following will occur:

- Your accountant will receive an email that contains a link for signing into your QuickBooks Online account.

- Your accountant will be asked to create a user ID before signing in the first time.
- Until your accountant signs in, their status on the Manage Users page is "Invited." After accepting the invitation, their status changes to "Active."
- By default, your accountant will be given "Company Administrator" privileges for performing tasks like closing your books for prior periods.

TIP: Be sure to give your accountant a heads-up that you have sent this invitation. It's possible that the invite could go to their Spam/Junk folder so be sure to have them check there as well. If you need to resend the invite, you can do so from the Manage Users page.

Why is it Important to Give Other Users (Beyond Your Accountant) Access to Your QuickBooks Data?

While you can certainly benefit from giving your accountant access to your QuickBooks data, they may not be the only one you'd like to share your account with. For example, you may want to share your data with a business partner. You might also want to give your tax professional access to your QuickBooks data, so he or she can obtain financial reports that are needed to prepare your tax return without you having to drive over to their offices or run the reports yourself.

How to Give Other Users Access to Your QuickBooks Online Data

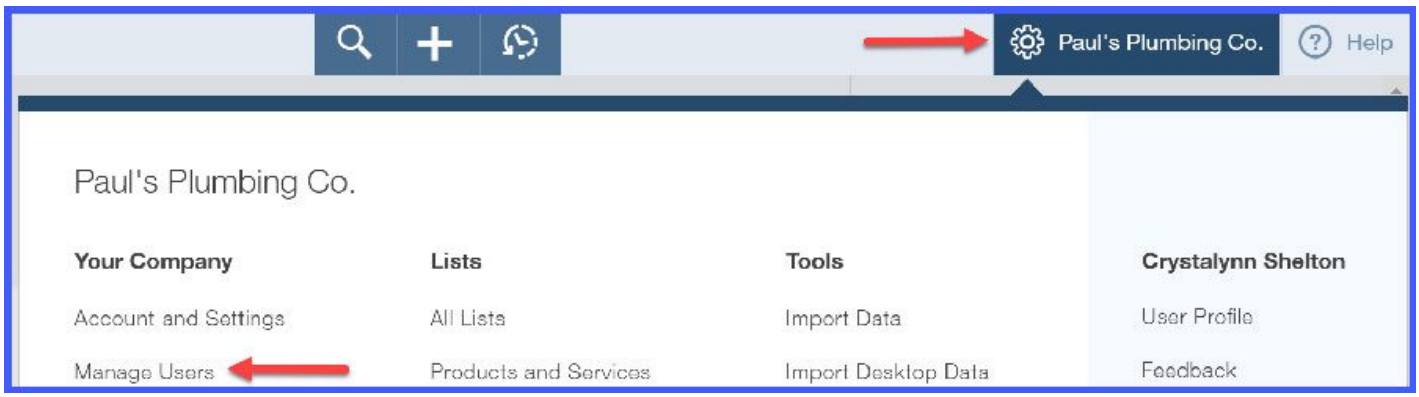
Once you have decided **who** to give access to your QuickBooks data then you need to decide **what** information they need access to. QuickBooks allows you to grant limited access to users who do not need to see everything. A good rule of thumb here is to give folks access to only what they need and no more.

Below, you will find the steps to give other users access to your QuickBooks data in just a few minutes.

Step 1 – Navigate to Manage Users

Click on the Gear icon to the left of your company name (i.e. Paul's Plumbing Co.) and select **Manage Users** which is located under the **Your Company** column as indicated

below:

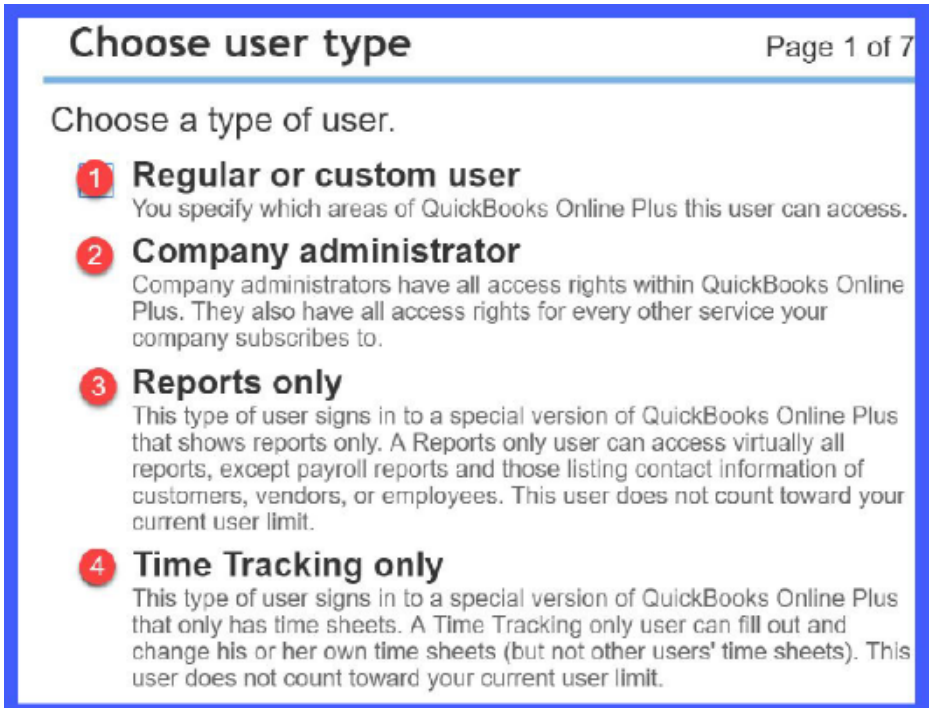


Step 2 – Create a New User

Click on the **New** button as indicated below:

Step 3 – Select User Type

There are 4 types of users that you can choose from:



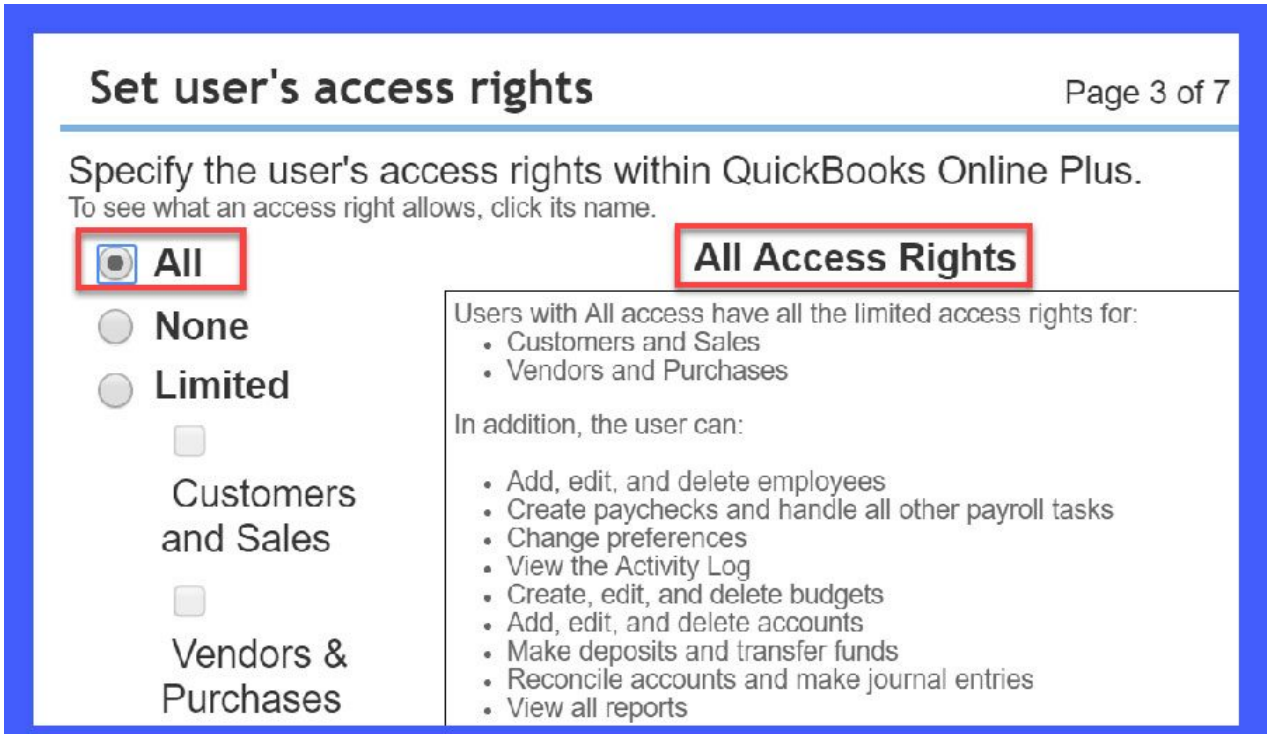
1. **Regular or custom user –** For this type of user, you can select which areas of QuickBooks to give this person access to. This is great for someone who does not need access to everything in QuickBooks, but just specific areas. For example, a bookkeeper whose only responsibility is to manage accounts receivable tasks like invoicing and entering customer payments does not need access to any accounts payable tasks.
2. **Company administrator** – The company administrator has access to all of your QuickBooks data as well as any additional services you may have through QuickBooks, such as payroll or payments. This level of access should be limited to decision makers only (i.e. business owner, partner, or officer).
3. **Reports only** – You can give reports only access to someone who does not need access to anything else. For example, if you have a tax professional who you see annually to file your tax return, this access would work well because they can run any reports that they need (i.e. income statement, balance sheet and cash flow statement) to complete your tax return.

4. **Time Tracking Only** – in the Advanced lesson, we walked you through how to set up time tracking for contractors who need to report their billable hours. The Time Tracking only user is perfect for contractors because they only need access to QuickBooks so that they can report hours that they worked and nothing else.

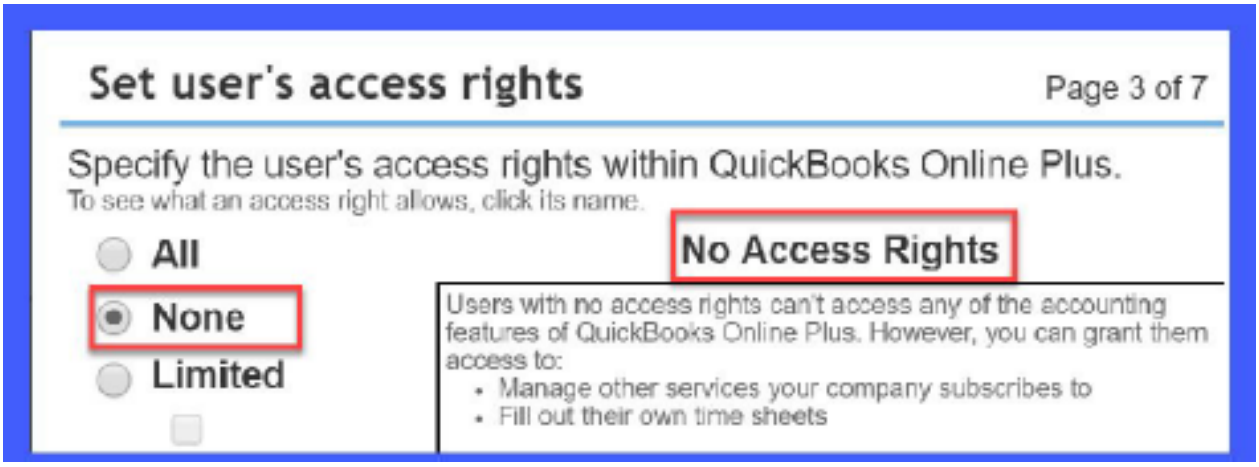
Step 4 – Set User's Access Rights

There are three types of user access rights you can set in QuickBooks Online:

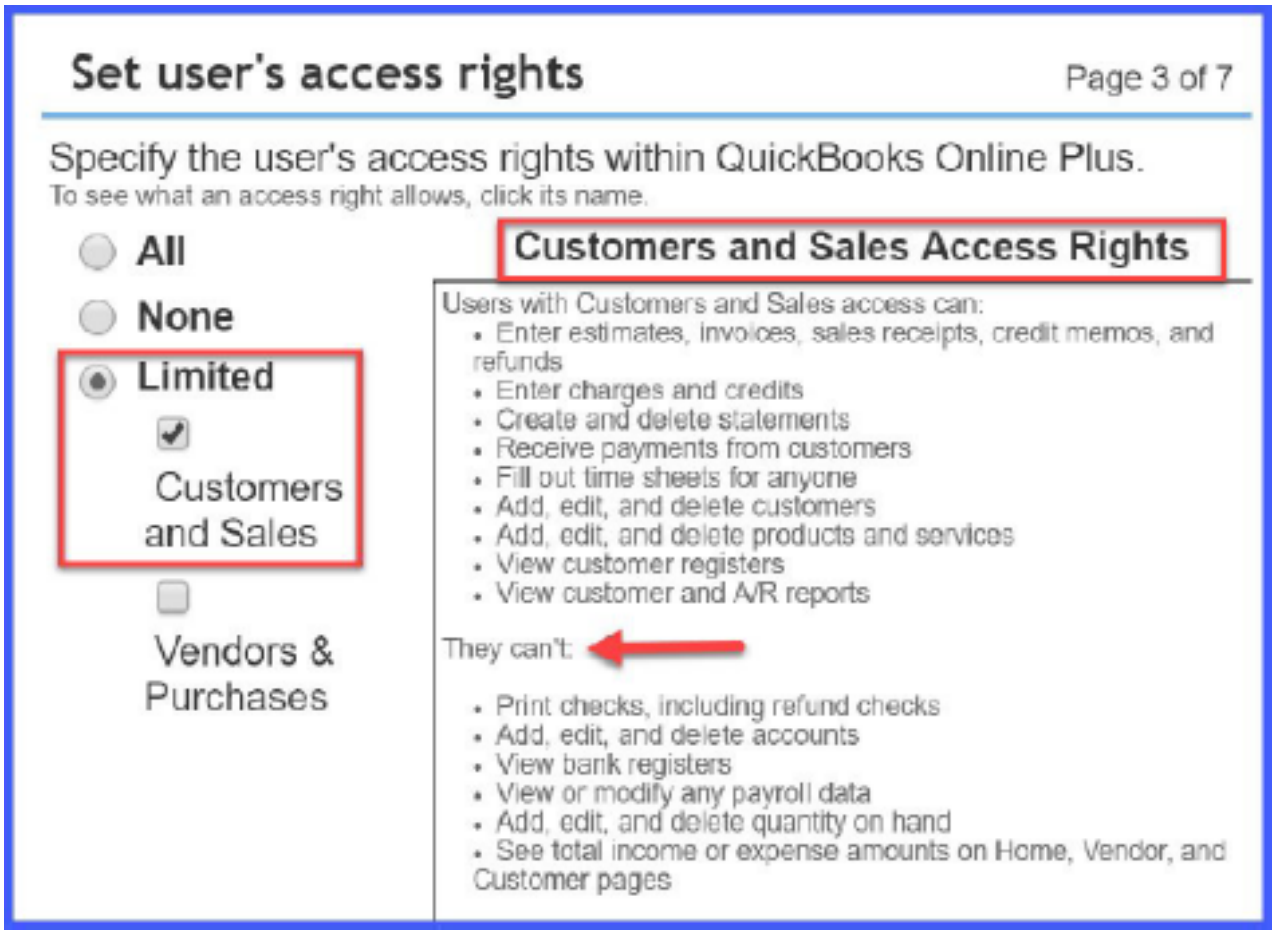
1. ***All Access Rights*** will give the user unlimited access to all of your QuickBooks data. In the screenshot below, you will see a list of what this user can do. The only access that is **not included** here is administrative rights. We will cover that a little later in this lesson.



2. ***No Access Rights*** is the complete opposite of All Access Rights. This level of access does not include access to any of the QuickBooks data. However, it will allow this user to manage other services that you may subscribe to, like payroll and payments. The only access that is **not included** here is administrative rights. We will cover that a little later in this lesson.



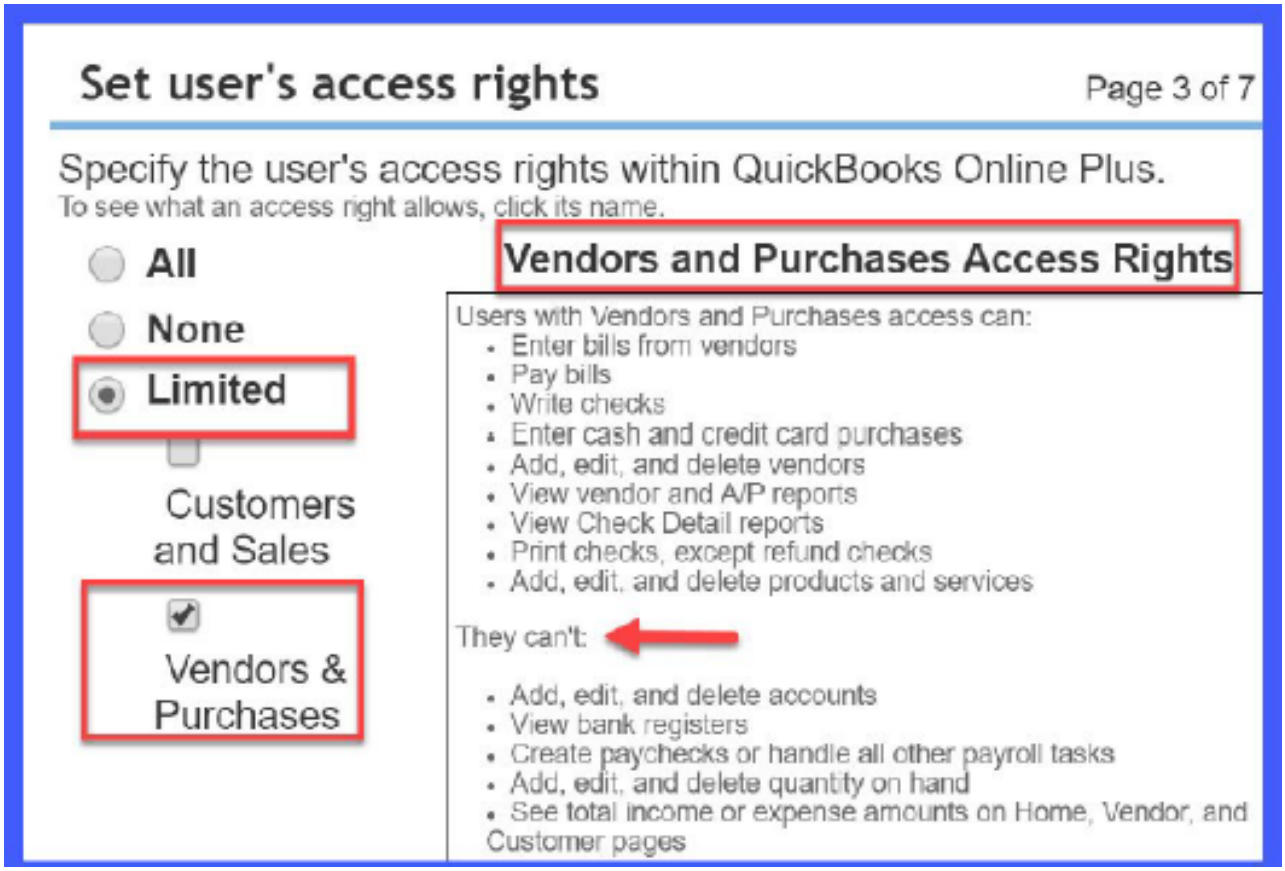
3. ***Limited Customers and Sales Access Rights*** allows you to grant access to just Customers and Sales. In the screenshot below, you can see a list of what this user has access to do and what they cannot do. This would be the level of access we would give to a bookkeeper who is just responsible for accounts receivable tasks like invoicing and entering customer payments. ***TIP:*** *If you do need someone to perform any of the tasks listed under the what they can't do section, then you will not be able to select Limited access for this user. Instead, you will have to grant them All access so that they can perform these tasks.*
   The only access that is **not included** here is administrative rights. We will cover that a little later in this lesson.



4. ***Limited Vendors & Purchases Access Rights*** allows you to grant access to just Vendors and Purchases. In the screenshot below, you can see a list of what this user has access to do and what they cannot do. This would be the level of access we would give to a bookkeeper who is just responsible for accounts payable tasks like entering & paying bills.

TIP: *If you do need someone to perform any of the tasks listed under what* ***they can't*** *do then you will not be able to select Limited access for this user. Instead, you will have to grant them All access in order for them to be able to perform these tasks.*

The only access that is **not included** here is administrative rights. We will cover that a little later in this lesson.



Step 5 – Set Up User's Administrative Rights

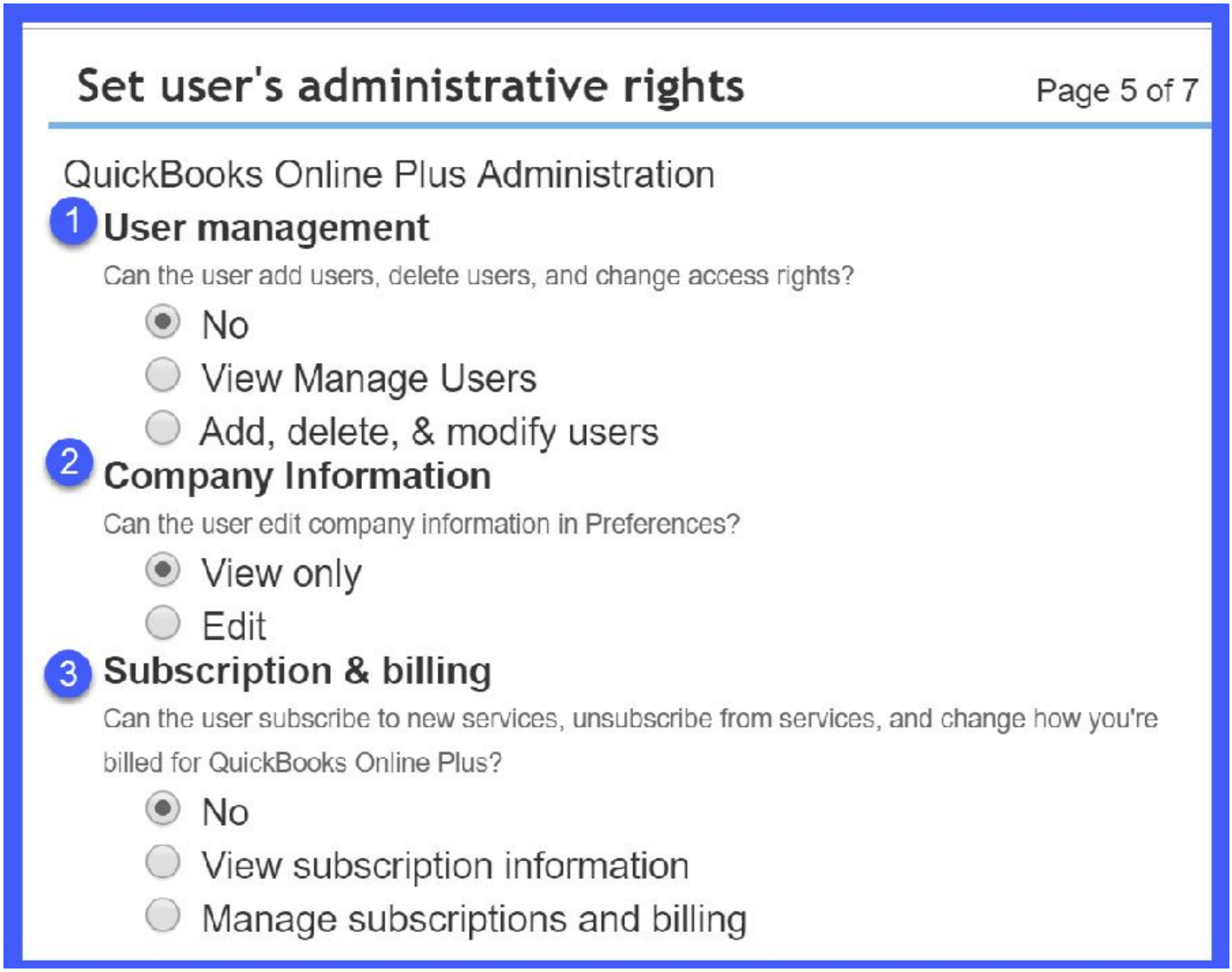
In this step, you are given the option to grant administrative privileges to a Regular or Custom user (this is not applicable to Reporting only or Time Tracking users).

A Word of Caution: I do not recommend that you grant administrative rights to anyone who is not an owner, officer or partner in the business.

Anyone who has administrative rights can make the following changes without your permission:

1. Add/Delete and change access rights for users
2. Change company information (i.e. Company name, Tax ID, etc;)
3. Add new services or cancel your QuickBooks Online subscription

You also have the option to give the user **View only** access if necessary.



Step 6 – Send Invite to New User

After you have selected the access rights, you need to enter an email address for the new user.

Step 7 – Set Up is Complete

Once you send the invite, the following will occur:

- The new user will receive an email that contains a link for signing into your QuickBooks Online account.
- The new user will be asked to create a user ID before signing in the first time.
- Until the new user signs in, their status on the Manage Users page is "Invited." After accepting the invitation, their status changes to "Active."

TIP: Be sure to give the new user a heads-up that you have sent this invitation. If they don't have you saved in their contact list then this invite could go to their Spam/Junk folder so be sure to have them check there as well. However, if you need to resend the invite, you can do so by selecting **Manage Users** as indicated below:

Just click the FINISH button and you are set!

Wrap Up

That's it for today! That wraps up the section on Setting up Multiple Users in QuickBooks Online. The next lesson in our QuickBooks Online Training Course will be **How to Set Up the Chart of Accounts in QuickBooks Online**. In this lesson, we will show you how to add, edit, and delete accounts. To access this lesson or any of the others in the series, click here.

How to Set Up the Chart of Accounts in QuickBooks Online

By Crystalynn Shelton on August 29, 2016 | Accounting, How To, Quickbooks |

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to add, delete, and modify the chart of accounts list.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. If you'd rather save your time and hire a local bookkeeper to set this up for you, click here for access to hundreds of Quickbooks Certified ProAdvisors.

Why is it Important to Setup the Chart of Accounts?

The Chart of Accounts is the backbone of your bookkeeping/accounting system. All of the transactions that you enter into QuickBooks are categorized behind the scenes using the Chart of Accounts so that financial statements, such as your Profit & Loss Statement or Income Statement, can be generated.

What Accounts Will QuickBooks Create for You?

QuickBooks Online will create a chart of accounts list based on the **industry** that you selected when you set up your account.

Below is a list of accounts that QuickBooks will **automatically create for you**:

- Accounts Receivable
- Accounts Payable
- Inventory Asset
- Sales Tax Payable
- Retained Earnings

Review Your Chart of Accounts List

If you want to keep track of something that is not on the default chart of accounts list, you will need to create a new account. Here are some things to consider when deciding if you need a new account:

1. **What items would you like to track that are not currently on your chart of accounts list?** For example, if you want to keep a close eye on the fees that your bank charges you, then you could setup an expense account for Bank Service Charges.
2. **What accounts are on the list that you know you will never use?** For example, if you don't sell products, then you would have no use for an account that tracks shipping & delivery fees.

Once you have decided what accounts you would like to add or delete, you are ready to make the necessary changes in QuickBooks. We will use our fictitious business, **Paul's Plumbing** to walk through how to add, delete or modify the chart of accounts list.

Chart of Accounts Quick Reference Chart

Below, you will find a quick reference chart to assist you with setting up new accounts and to give you the big picture of what's happening "behind the scenes"in QuickBooks. The first column is a list of the categories you can choose from when setting up an account. The second column are examples of accounts that you would setup in QuickBooks Online. The last column is the financial statement that the account will appear on in QuickBooks.

Category	Account Examples	Financial Statement
Assets	Checking account, Inventory	Balance Sheet
Liabilities	Auto loan, Mortgage loan	Balance Sheet
Owner's Equity	Contributed Capital, Retained Earnings	Balance Sheet
Income	Sales from products Sales from services	Profit & Loss Statement
Expenses	Payroll, Office supplies	Profit & Loss Statement

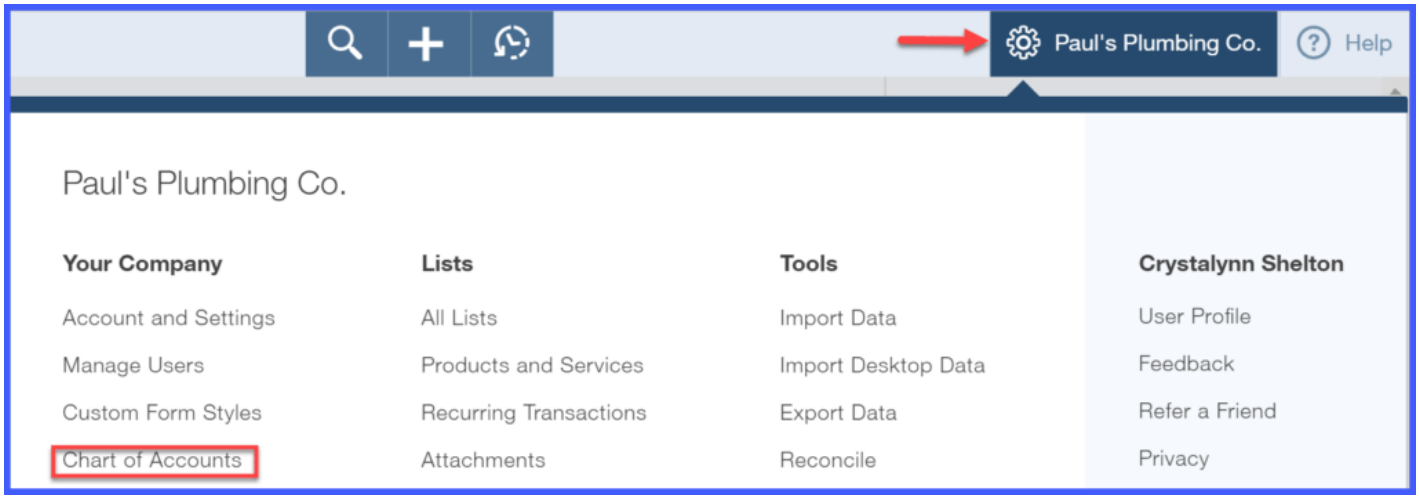
How to Add a New Account to the Chart of Accounts List

Example: *Paul would like to track the income that he makes from his residential customers separate from the income that he makes from commercial customers.*

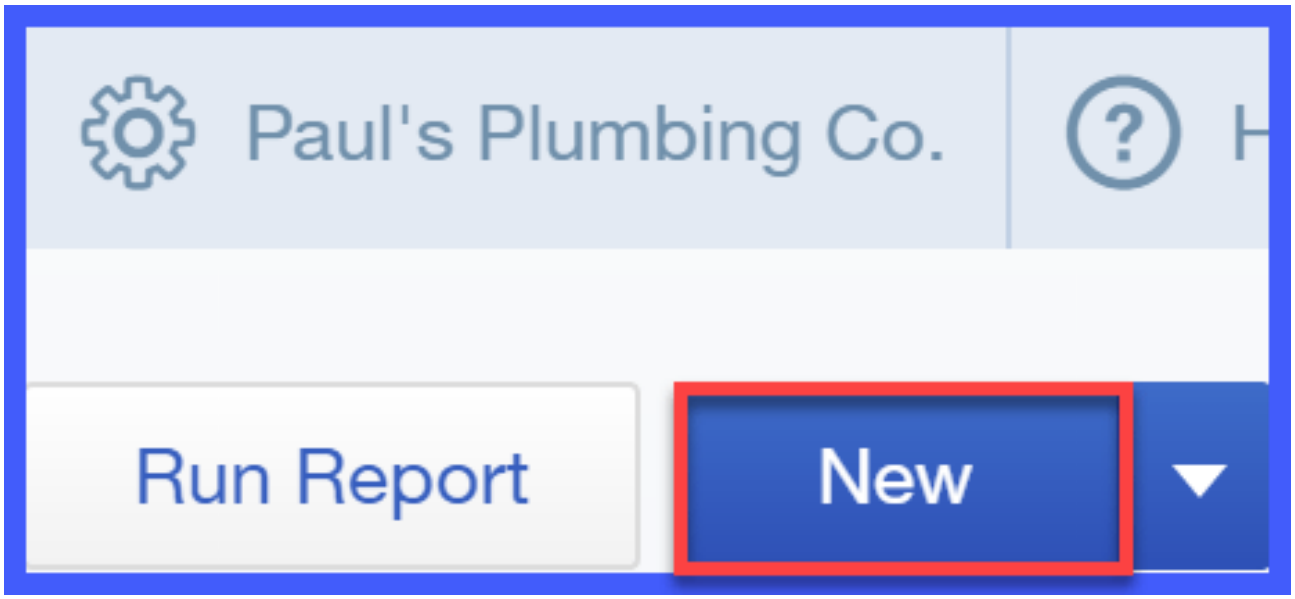
Let's setup these two accounts for Paul's Plumbing:

Step 1 – Display the Chart of Accounts List

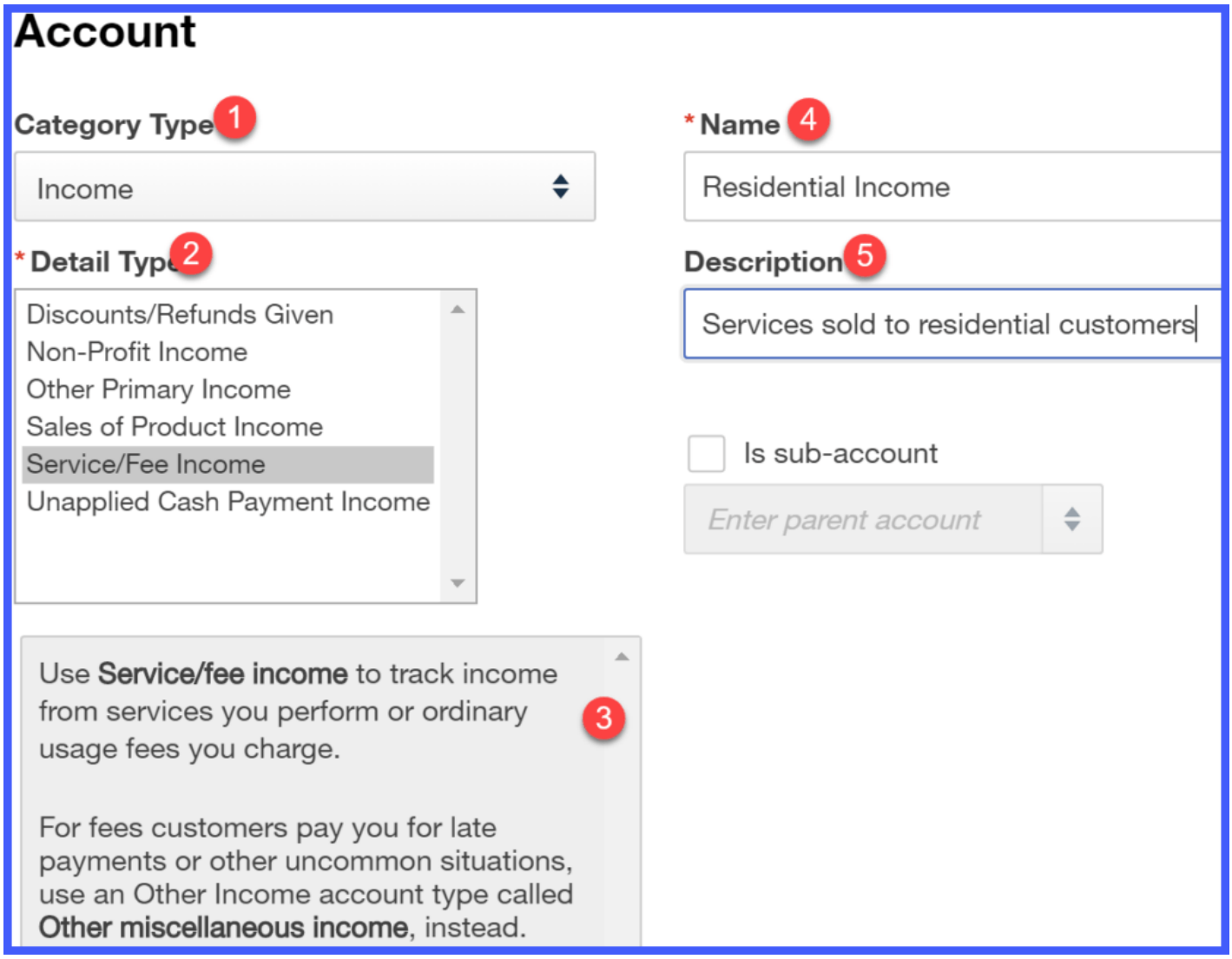
To navigate to your chart of accounts, click on the **Gear** icon to the left of your company name and **Chart of accounts** is listed below the **Your Company** column as indicated below.



Step 2 – Click the blue New button in the upper right hand corner as indicated below:



Step 3 – Complete each of the fields as indicated below:



1. **Category Type:** Typically you will select Sales of Product Income if you sell products or Service/Fee income if you sell services.
2. **Detail Type:** Based on which category type you selected, QuickBooks will provide you with a brief explanation of when to use this account type. This can be very helpful if you are unsure about how to categorize a new account.
3. **Detail Type Explanation:** This field provides an explanation of the detail type selected in step 2.
4. **Name:** This is the name of the account that will appear on your chart of accounts list
5. **Description:** This is where you can put any additional description about this account. If you don't have anything additional to add, just put the same info here that you entered in the Name field.

Step 4 – Save the New Account

Click the **Save & New** button and repeat steps 1 through 3 to set up another account.

Once both accounts have been set up, the new accounts will appear on the chart of accounts list, as indicated below.

Commercial Income	Income	Service/Fee Income
Discounts	Income	Discounts/Refunds Given
Discounts given	Income	Discounts/Refunds Given
Gross Receipts	Income	Sales of Product Income
Refunds-Allowances	Income	Discounts/Refunds Given
Residential Income	Income	Service/Fee Income

How to Delete an Account from the Chart of Accounts List

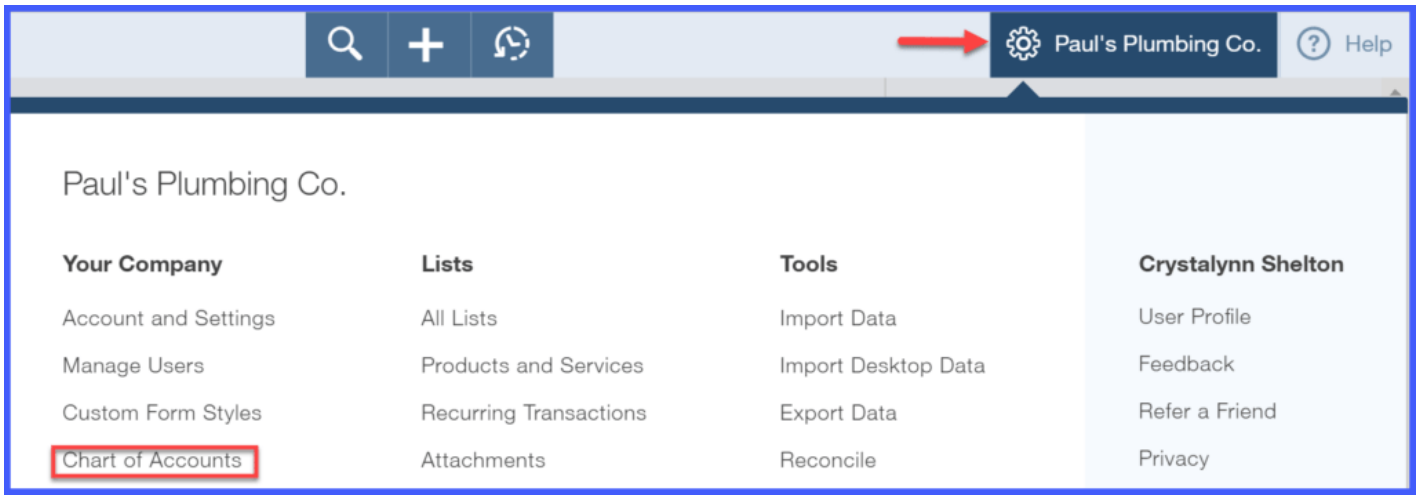
You should delete accounts that you do not plan to use. This can be helpful because:

- The account won't accidentally be used in transactions
- It makes your Chart of Accounts list much more manageable

A WORD OF CAUTION: You should never delete an account that you have already used in a transaction.

Step 1 – Display the Chart of Accounts List

To navigate to your chart of accounts, click on the **Gear** icon to the left of your company name and **Chart of accounts** is listed below the **Your Company** column as indicated below.

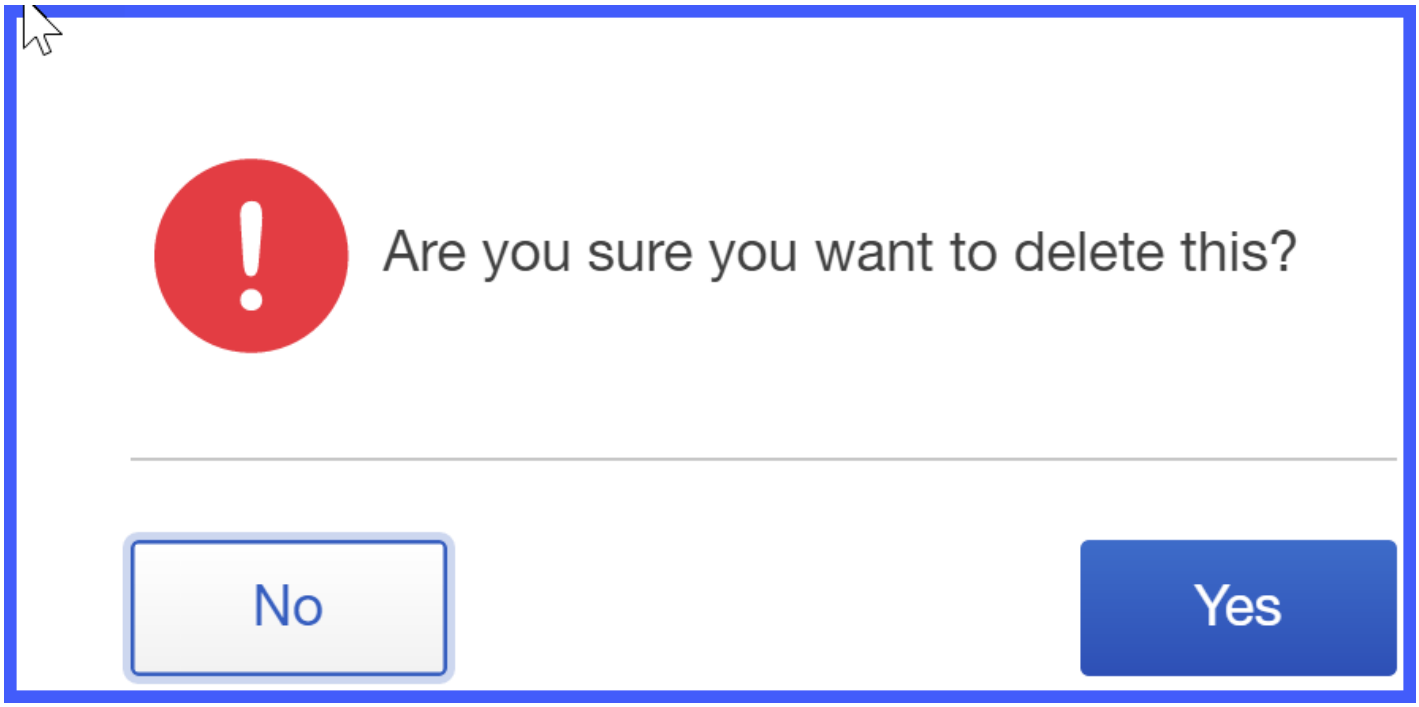


Step 2 – Delete Account

Once you have the Chart of accounts list on your screen, scroll down to the account that you would like to delete. Click on the drop down arrow in the far right column next to that account and select Delete, as indicated below.

Step 3 – Confirm Delete Action

In the next screen, you will have the option to proceed with deleting the account or to cancel, as indicated below.

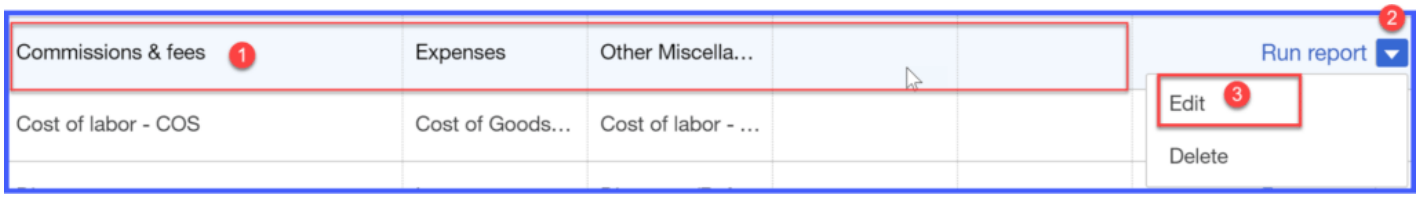


A WORD OF CAUTION: Once you select delete, there is no automatic undo button. If you accidentally delete an account, you will have to add it back again.

How to Modify an Account from the Chart of Accounts List

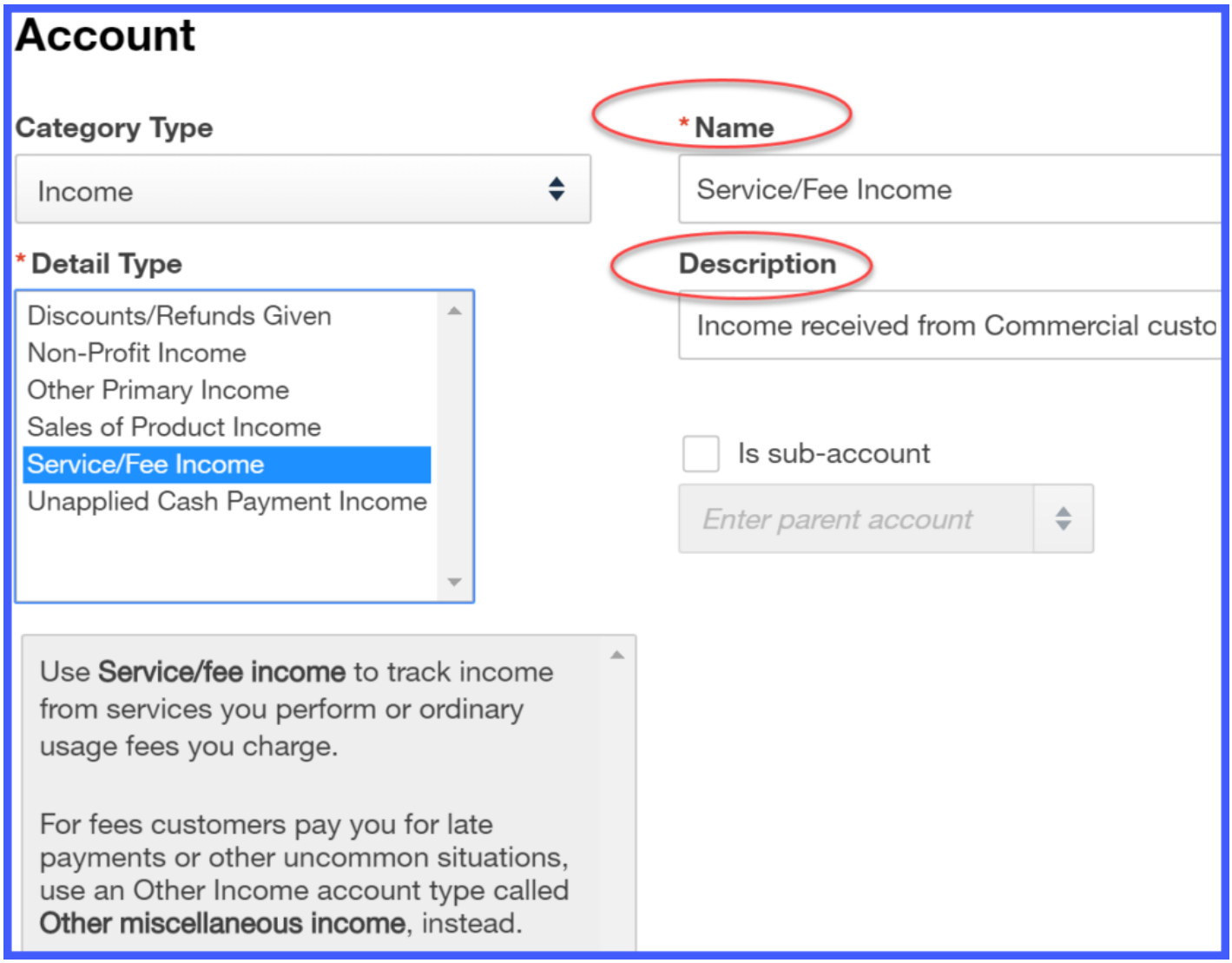
Step 1 – Select the Account

In QuickBooks, you can modify accounts at anytime. From the Chart of Accounts, scroll down to the account that you want to make changes to & click the drop arrow next to Run Report, select **Edit** as indicated below:



Step 2 – Make Modifications to the Account

The following window should open where you can make changes to the Account Name and Account Description fields as indicated below.



A WORD OF CAUTION: Do not change the Category Type if you have already entered transactions using this account. If you do so, it could impact your financial statements.

Step 3 – Save & Close

Don't forget to save your changes before exiting your account.

Wrap Up

That wraps up the section on Setting Up the Chart of Accounts. The next lesson in our QuickBooks Online Training Course will be **How to Set Up Products & Services in QuickBooks Online.** In this lesson, we'll explain how to track inventory in QuickBooks Online.

To access this lesson or any of the others in the series, click here.

How To Set Up the Products and Services List In QuickBooks Online

By Crystalynn Shelton on August 29, 2016 | Accounting, How To, Quickbooks |

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to set up your products and services list in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Why is it Important to Set Up Your Products and Services List?

If you invoice customers for products and services sold or if you need to keep track of inventory cost and quantities, then it's important that you set up the Products and Services list in QuickBooks Online.

Setting up your products and services list will allow you to do the following:

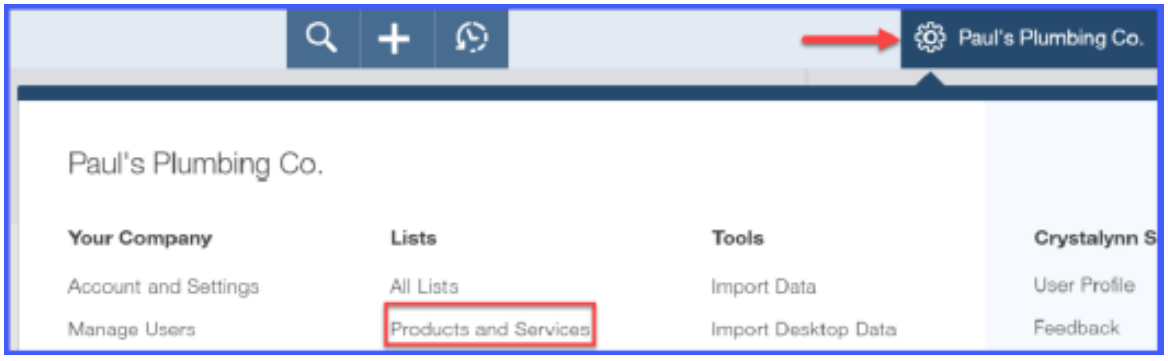
- Quickly create invoices that will automatically populate the quantity, description, and price for the product or service fields on the invoice.
- Keep track of your sales by product or service. This will allow you to gain insight about what products are selling versus what products are collecting dust on the shelf.

Next, we'll walk you through the set up process.

How Do I Set Up the Product and Services List in QuickBooks Online?

Step 1 – Navigate to the Products and Services List

After you sign into your QuickBooks Online account, click on the **Gear** icon located to the left of your company name. Select **Products and Services** right below the **All Lists** menu column as indicated below:



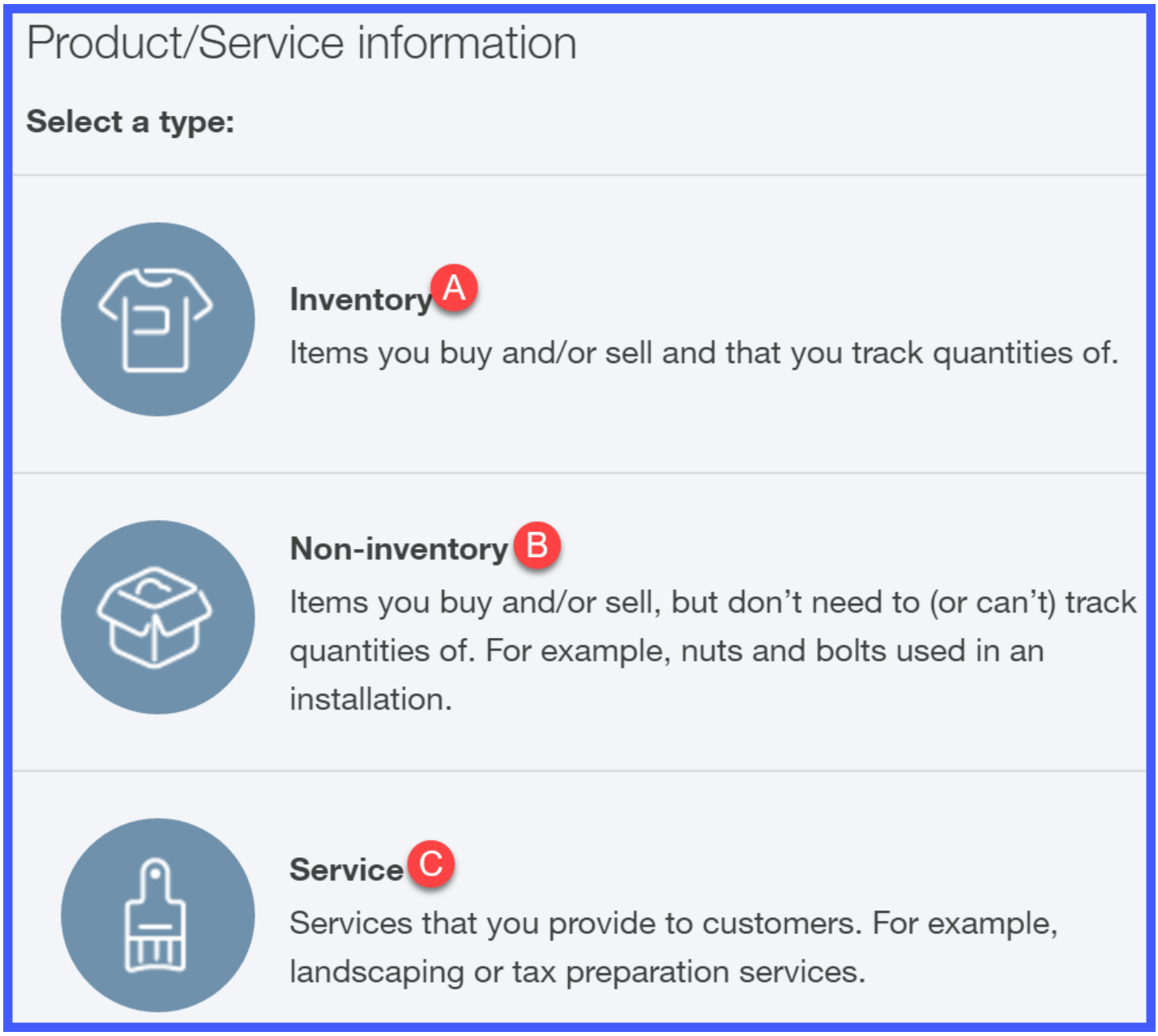
Step 2 – Create New Item

From the Products and Services list, click the Blue button in the upper right to create a new product or service item, as indicated below.

Step 3 – Select Item Type

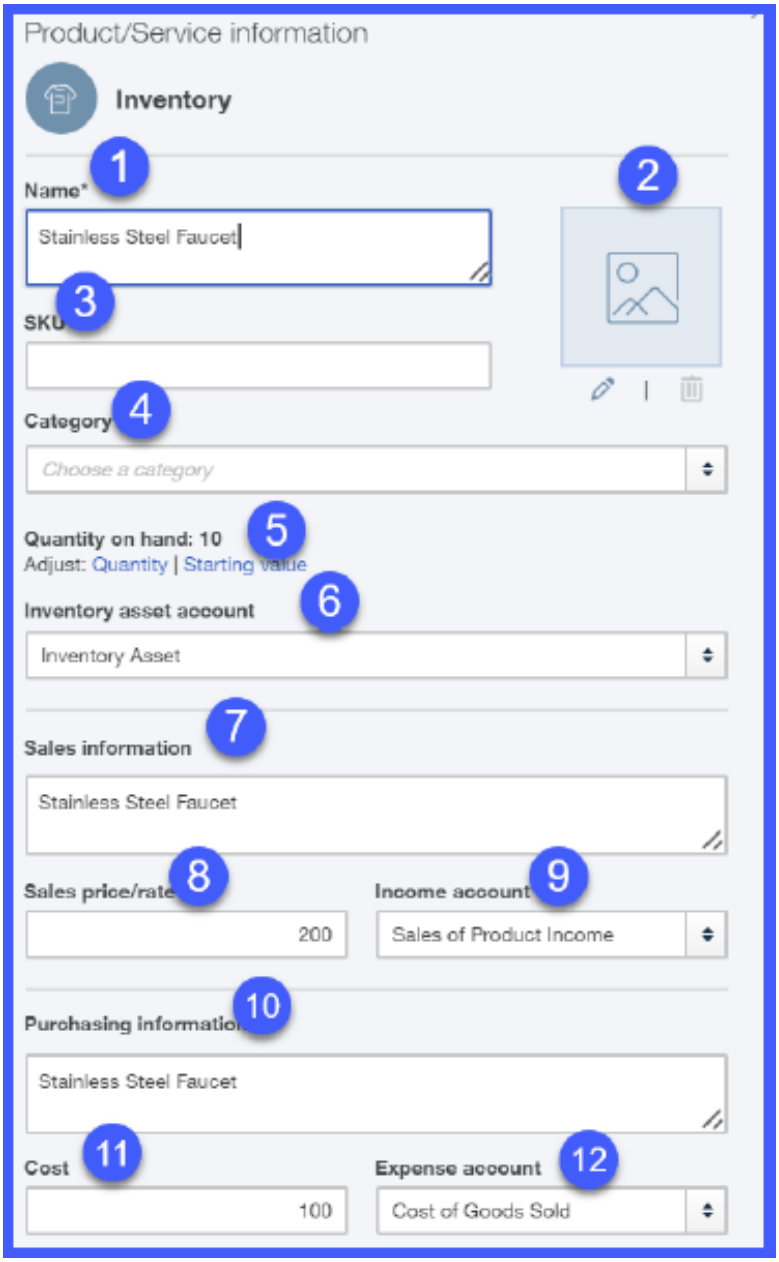
When you create a new item in QuickBooks Online, you have 3 options to choose from:

- **Inventory**
- **Non-inventory**
- **Service**



Setting up an Inventory Item

Select this option if you need to track cost and quantity for items that you buy and sell. Setting up inventory items will allow you to keep an eye on the inventory stock level as items are sold. By doing so, you will be able to keep track of when you are running low on an item so that you can place an order with the supplier before you run out.



The fields that should be completed for an **Inventory Item Set Up** are as follows:

1. *Name* – Put the name of the item in this field
2. *Picture of Item* – Upload a picture of the item
3. *SKU* – If you keep track of inventory by SKU then you can enter that info in this field

4. *Category* – This field allows you to categorize inventory items. For example, if you sell T-shirts then you can set up a T-Shirts Category and then set up the items that would fall into that category like Mens T-shirts, Ladies T-shirts, Kids T-shirts.
5. *Quantity On-hand* – Put the current quantity that you have in inventory.
6. *Inventory Asset Account* – QuickBooks will automatically assign this account to inventory items. *A Word of Caution: Do not change this account or it could result in inaccurate quantity/cost calculations.*
7. *Sales Information* – Put the description of the item that you want to appear on your customer's invoices and sales receipts. Typically this will be the same as the info you entered for the item Name.
8. *Sales price/rate* – Enter the price that you sell this item for.
9. *Income account* – This is the account where you want to track your income for this item.
10. *Purchasing Info* – Put the description of the item that you want to appear on your purchase orders that you send to suppliers when you place your orders.
11. *Cost* – Enter the cost that you purchase the item for.
12. *Expense account* – QuickBooks will automatically assign inventory items to your Cost of Goods Sold account. *A Word of Caution: Do not change this account or it could result in inaccurate quantity/cost calculations.*

Setting up a Non-Inventory Item

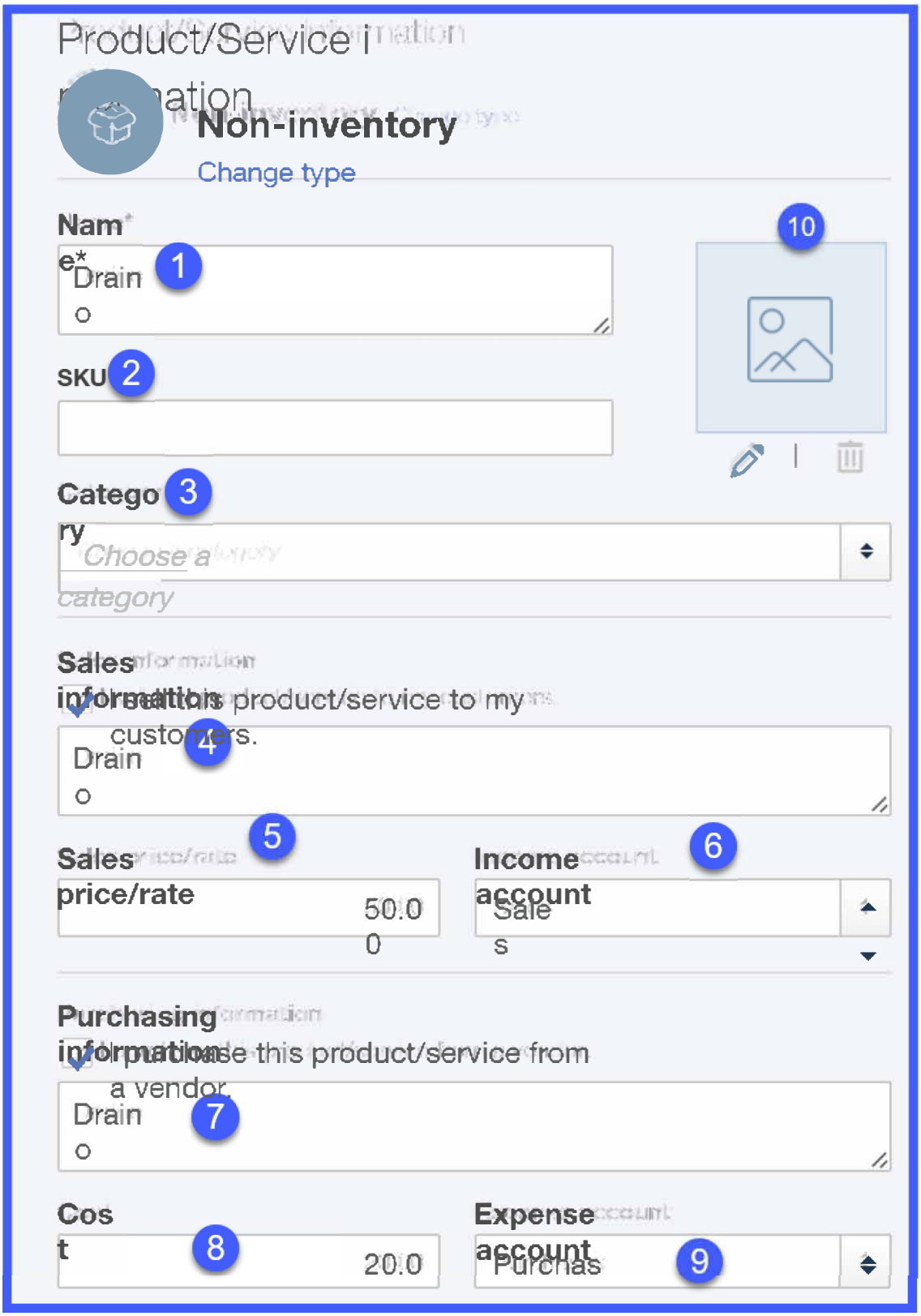
Select this option if you need to track cost but not quantity for items that you buy and sell.

For example, *Paul purchases a variety of odds and ends, such as nails, glue, and solutions to unclog drains. He does not need to keep track of the quantity but does need to keep track of the cost of these items.*

The fields that should be completed for a **Non-Inventory Item Set Up** is shown in the picture below.

Notice that the fields are exactly the same as the info required for setting up an Inventory account with the exception of the **Expense** account.

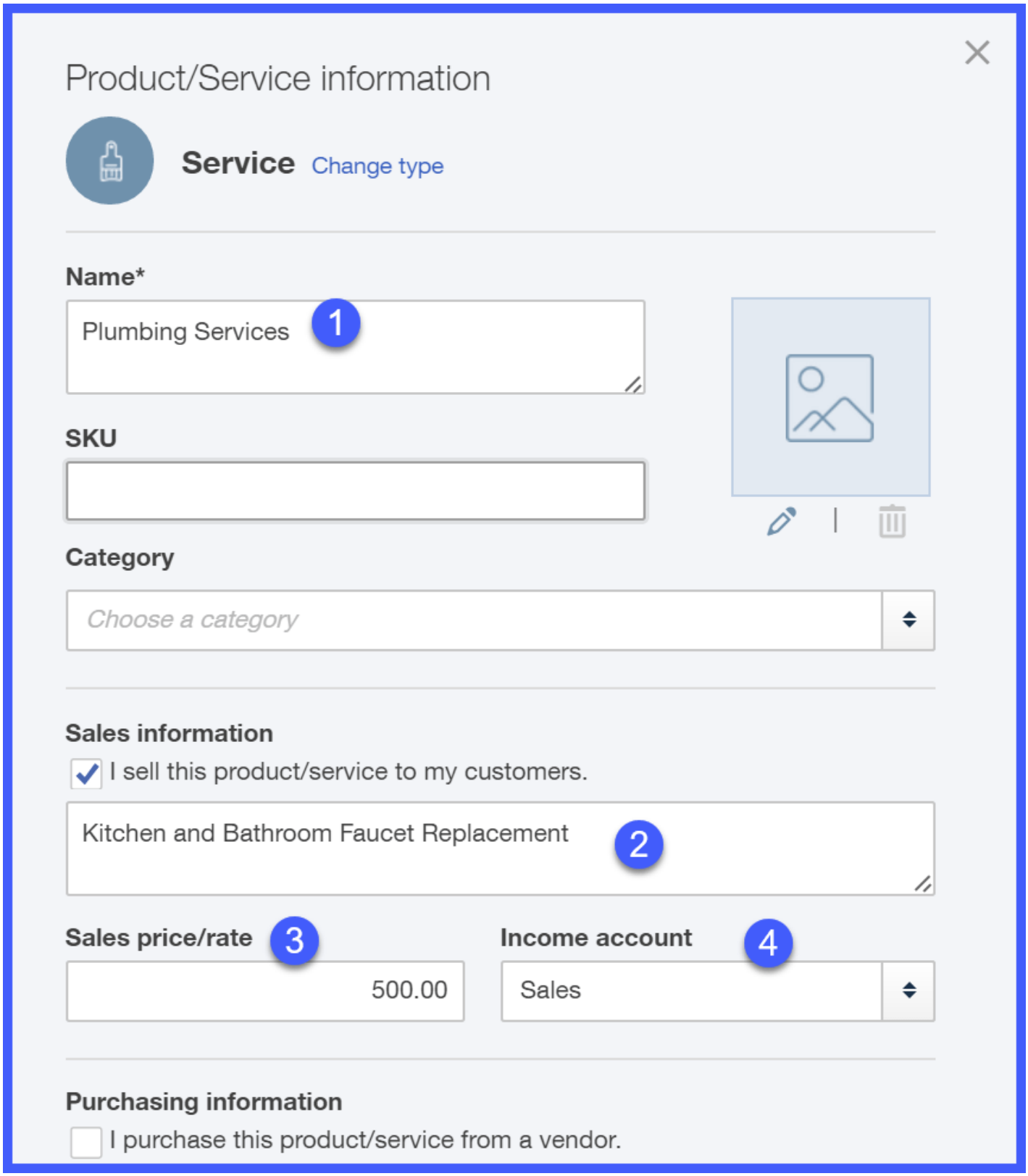
Unlike the Inventory item, this expense account is assigned by you and not by QuickBooks.



Setting up a Service Item

Select this option for services that you sell to customers. For example, Plumbing Services, Bookkeeping Services, and Tax Preparation Services would fall under this category.

The fields that should be completed for a **Service Item** are described below.



1. *Name* – Enter the name of the service that you are billing for (i.e. Plumbing Services)
2. *Sales Information* – This is the description that will appear on customer invoices.
3. *Sales Price/Rate* – Enter the price you bill customers for this service.
4. *Income Account* – Select the account that you want to use to track income for this service.

Step 4 – Run Products and Services List Report

Once you have added all of your products and services you can run a report to see the entire list. From the products and services screen, select **Run Report** as indicated below.

A report similar to the one below should display on your screen. Review it for accuracy.

Paul's Plumbing Co.
PRODUCT/SERVICE LIST

PRODUCT/SERVICE	DESCRIPTION	PRICE	COST	QUANTITY
Draino	Draino	50.00	20.00	
Plumbing Services	Kitchen and Bathroom Faucet Replacement	500.00		
Stainless Steel Faucet	Stainless Steel Faucet	200.00	100.00	10.00

How Do You Modify a Product or Service on the List?

You can modify a product or service that you previously set up. Click the **Edit** option next to the product/service and make any necessary changes.

How Do You Delete a Product or Service from the List?

You cannot delete a product or service from QuickBooks once you have used it in a transaction (i.e. created an invoice for a customer). This is due to the fact that all transactions are linked to the financial statements. However, if you do have a situation where you no longer need an item that is currently on your product and service list, you can inactivate that item. This simply means that it will no longer appear on the products and services list but it will still appear in financial reports if used in a transaction.

To inactivate an item, click the drop down arrow next to the Edit option and select **Make Inactive**. This item will no longer appear on the products and services list.

Wrap Up

That wraps up the section on setting up the products and services list. The next lesson in our QuickBooks Online Training Course will be **How to Set Up Customers in QuickBooks Online**. In this lesson, we will walk you through how to set up contact and payment information for your customers. To access this lesson or any of the others in the series, click here.

How to Set Up Customers in QuickBooks Online

By Crystalynn Shelton on August 29, 2016 | Accounting, How To, Quickbooks |

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to set up your customers in QuickBooks Online. We'll explain how to manually add customers and how to upload customer data from an Excel or CSV file.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Why Is It Important to Set Up Customers in QuickBooks Online?

If you invoice customers, then you definitely want to set up profiles for your customers in QuickBooks. Setting up your customers will allow you to do the following:

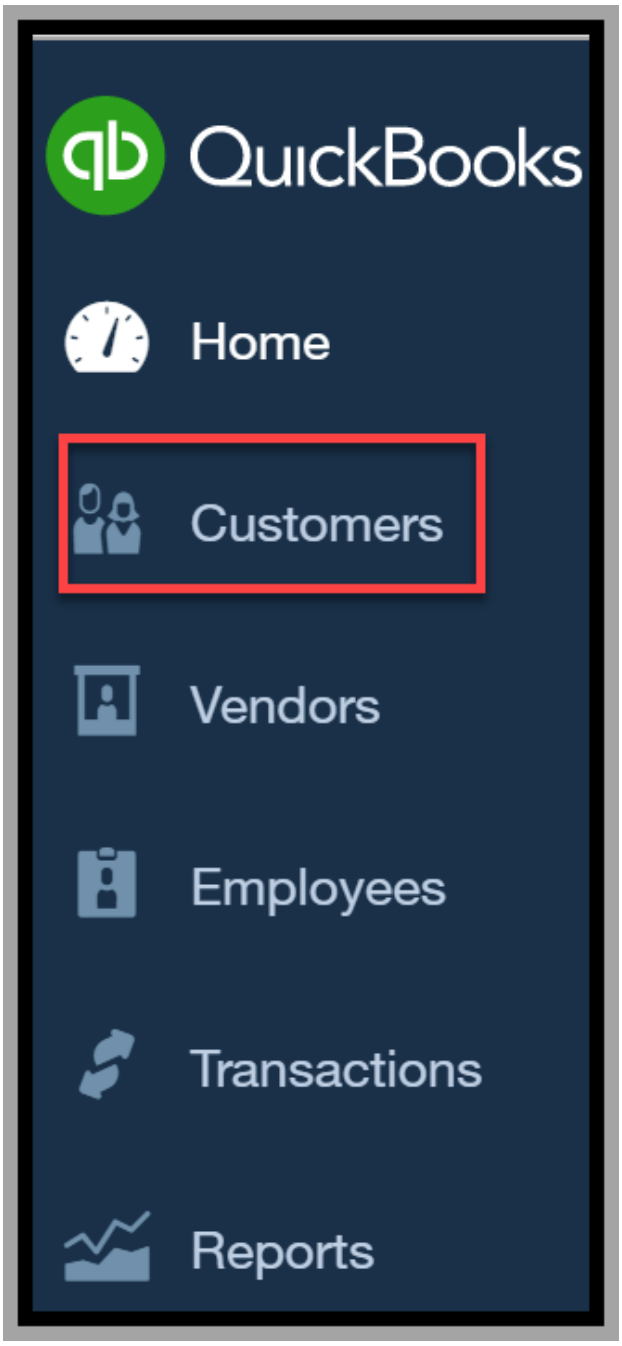
- Quickly create invoices for your customers since all of your customer data like billing address, shipping address, and due date will automatically populate from the customer profile.
- Easily track sales by customer, which could be a great way to get to know what your customers like so you can market to them strategically.

First, we'll explain how to manually set up customers in QuickBooks. However, if you have more than 10 customers to set up in QuickBooks, I recommend that you proceed to the next section of this lesson, **How to Set Up Customers Using an Excel or CSV file.**

How to Manually Set Up Customers in QuickBooks Online

Step 1 – Navigate to the Customer Center

To set up your customers in your company file, navigate to the customer center by clicking on **Customers** on the left menu bar:

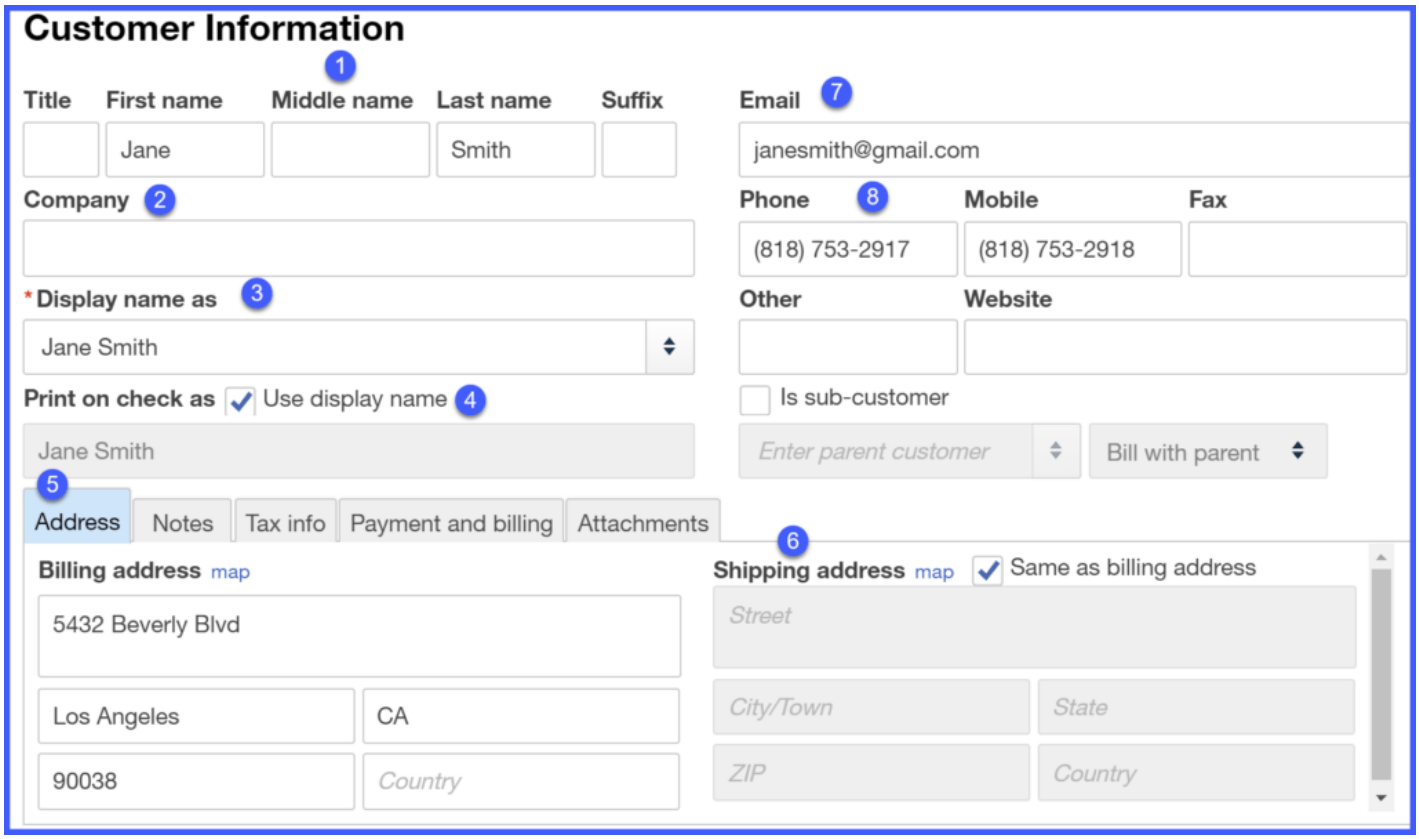


Step 2 – Create New Customer

Click the blue **New Customer** button in the upper right hand corner as indicated below.

Step 3 – Enter Customer Information

Below is a sample customer that we are setting up for our fictitious company, **Paul's Plumbing**.

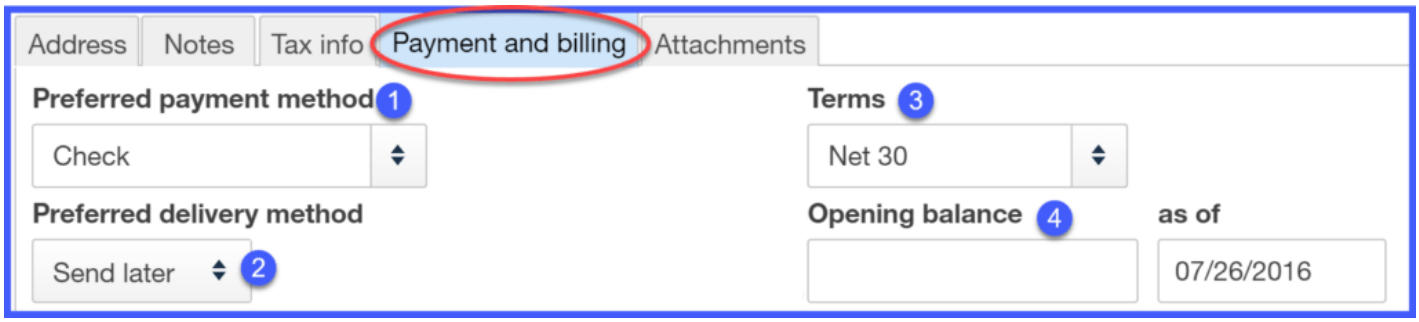


Below are the fields that you need to complete and an explanation of how that information will be used by QuickBooks:

1. **First & Last Name** – complete this for individual customers; this info will appear on all sales forms (i.e. Invoices, sales receipts and estimates).
2. **Company** – complete this for your commercial or business clients; this info will appear on all sales forms (i.e. invoices, sales receipts and estimates).
3. **Display name as** – this field will auto-populate based on the info entered in the Customer Name field. This is how your customer will show up on your Customer list in QuickBooks.
4. **Print on check as** – if you have to write your customer a check for any reason then this field allows you to change the payee name if it is different from the customer's name.
5. The **Address** tab is where you enter the **billing address** of your customer. This should be the mailing address where you send your customers their invoices.
6. **Shipping address** – this is the address that will be used to ship products to your customers. If you do not ship products to your customers then just leave the default setting which is to make the shipping address the same as the billing address.
7. **Email** – the email address that is entered here will be used to send customers their invoices if you choose to email them and not mail them.

8. **Phone/Mobile/Fax** – enter the contact telephone numbers provided by your customers.

Step 4 – Payment and Billing Info



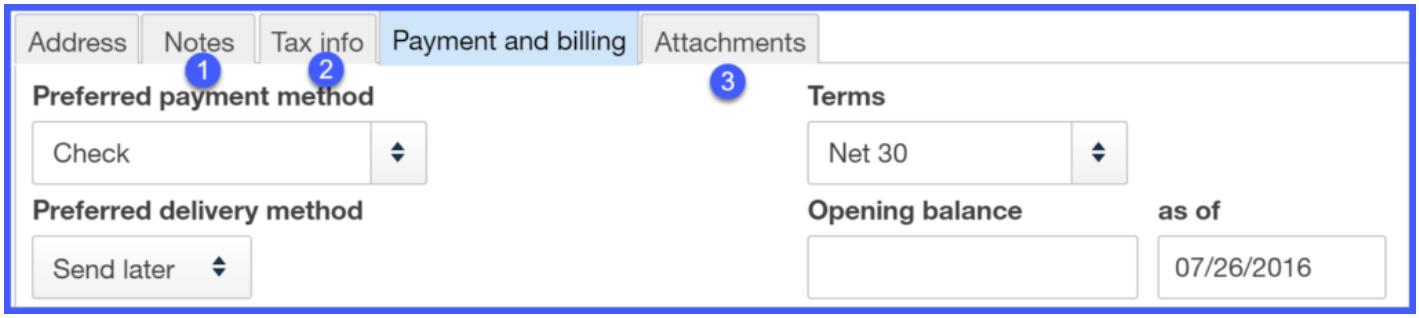
1. **Preferred payment method** – you can indicate here what method your customer prefers to pay with. If it is a credit card, then you can enter the credit card information here so that you have it on file.
   A WORD OF CAUTION: While it is convenient to keep your customer's credit card information on file so that you don't have to ask for it every time, it is also imperative that you safeguard this information. For example, if you have multiple users who access QuickBooks data, be sure that you limit access to only those who actually need this information.
2. **Preferred delivery method** – you can indicate here what method your customer prefers to receive invoices. During the lesson on **How to Setup Your Invoices**, we set up a default delivery method for all customers. If you want to change the default delivery method for any customer, you can do so here in the customer profile.
3. **Payment Terms –** In the **Setting Up Invoices** lesson, we set up default payment terms for all customers. If you want to change the default payment terms for any customer, you can do so here in the customer profile.
4. **Opening balance** – This field can be used to enter an outstanding balance for a customer. For example, if you are converting from another bookkeeping system to QuickBooks and your customer has some outstanding invoices, then you can enter the total outstanding balance here when you set them up in QuickBooks. When that customer sends you a check, you can apply it to this opening balance in QuickBooks.

If you'd like to learn more about offering payment terms and invoicing customers, click here.

Step 5 – Other Customer Info

Here is some additional information that you may want to keep track of in QuickBooks:

1. **Notes –** Enter any additional information here that you would like to keep track for your customer (e.g. additional contact names or numbers). This information is for internal purposes and will not be visible to your customers.
2. **Tax Info –** Enter your customer's resale permit info here if they are not subject to sales tax.
3. **Attachments –** Attach any documents that you would like to keep on file for this customer (e.g. signed contracts or copy of email correspondence).



Step 6 – Review Customer Set Up

Now that you have completed the customer set up, the customer will appear in the Customer Center as indicated below.

When to Import Customer Info Using an Excel or CSV File

Setting up customer profiles in QuickBooks Online allows you to quickly pre-populate invoices with customer data and track sales by customer.

If you have more than 10 customers to set up, I would recommend that you put the information in an Excel document and import the data into QuickBooks Online. This will save you a lot of time over manual entry, which we discussed in the first part of this lesson.

How Do I Import Customer Info Using an Excel or CSV File?

QuickBooks allows you to capture a lot of data about your customers, but the **key fields** that you should include in your Excel or CSV file are as follows:

- **First/Last Name for Individual clients or Company name for a business**
- **Email**
- **Phone**
- **Billing address**

Don't worry about the format of the spreadsheet, just make sure that you have the above key fields in the spreadsheet.

Once you have your spreadsheet ready, follow the instructions below to import the data into QuickBooks.

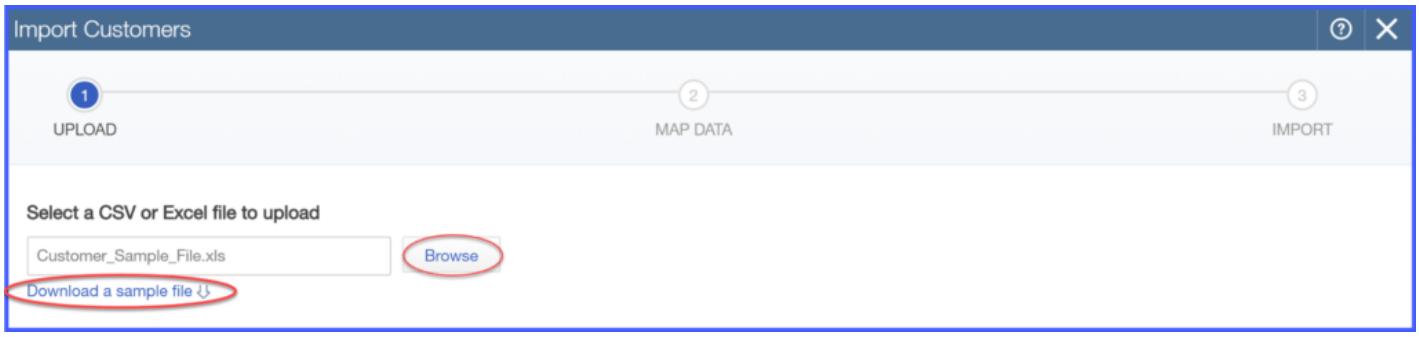
Step 1 – Navigate to Import Screen

To import into QuickBooks, click the drop down arrow to the right of the blue **New customer** button and select **Import Customers** as indicated below.

Step 2 – Select the Excel document to Upload

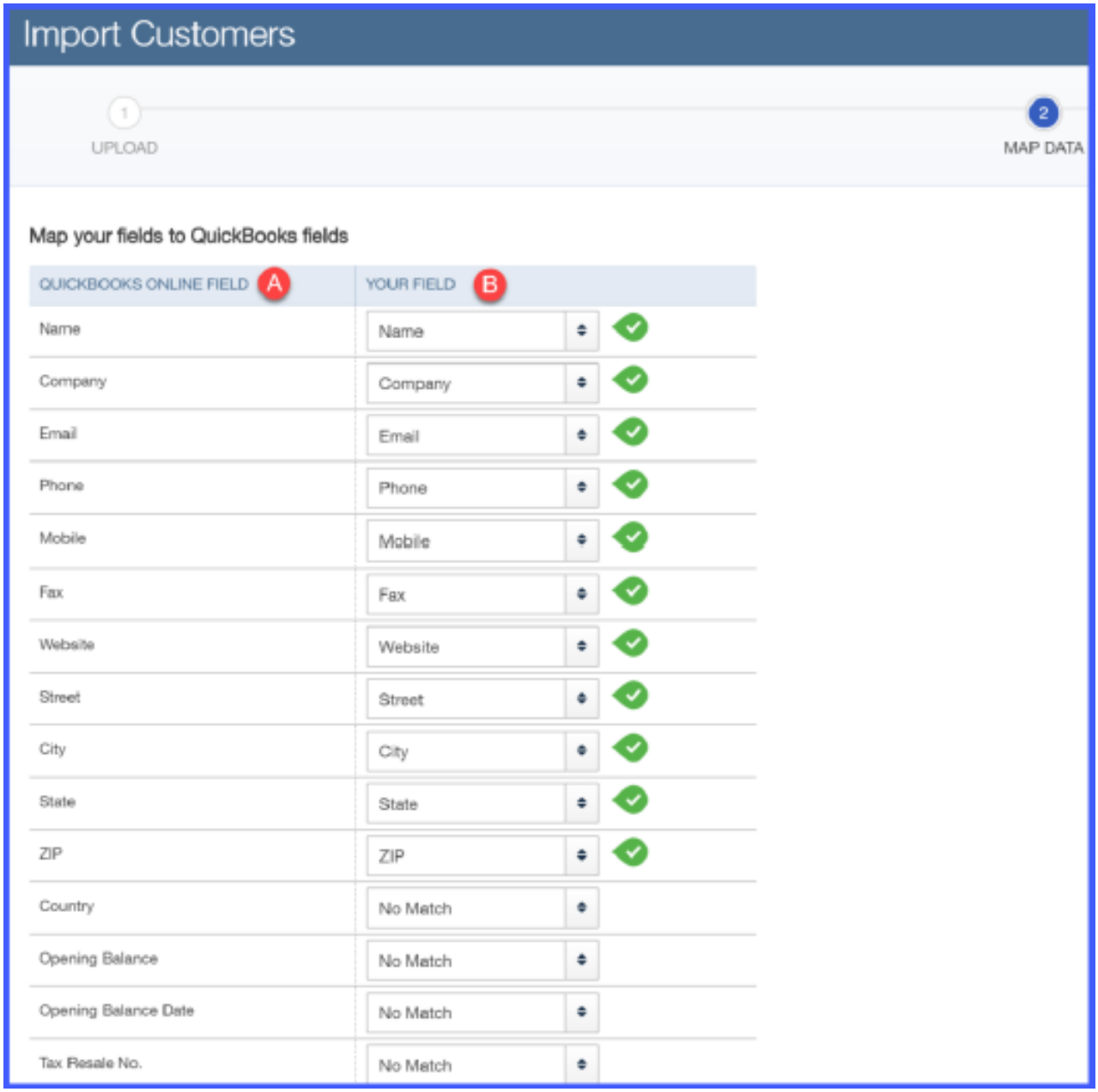
Click the **Browse** button to locate your excel file, as indicated below & go to the next screen.

TIP: If you want to see a sample Excel file, just click the Download a sample file link as indicated below. Keep in mind that there is no need to reformat your spreadsheet. In the next step, we are going to map the data so that QuickBooks will pull the right data from your spreadsheet.



Step 3 – Map your Data

In this screen, we will tell QuickBooks which field in our spreadsheet to pull the customer info from. By doing this, we will ensure that the information is imported into the right fields in QuickBooks.



1. **QuickBooks Field** – This is the field in QuickBooks where the data will import.
2. **Your Field** – From the dropdown, select the field in your spreadsheet that matches the QuickBooks field (i.e. the field where the info should import to).

TIP#1: The fields in your spreadsheet do not have to match the field names in QuickBooks like the above screenshot. For example, in QuickBooks there is a field called Mobile. In your spreadsheet, you may call it Cell phone. As long as you map the Cellphone field in your spreadsheet to the Mobile QuickBooks field, the data will import fine.

TIP#2: *D*on't worry about having more fields in your spreadsheet than what you see in QuickBooks. The only data that will import into QuickBooks are the fields that you match to the QuickBooks fields. You can indicate No Match for the fields that you do not wish to import into QuickBooks, as indicated above.

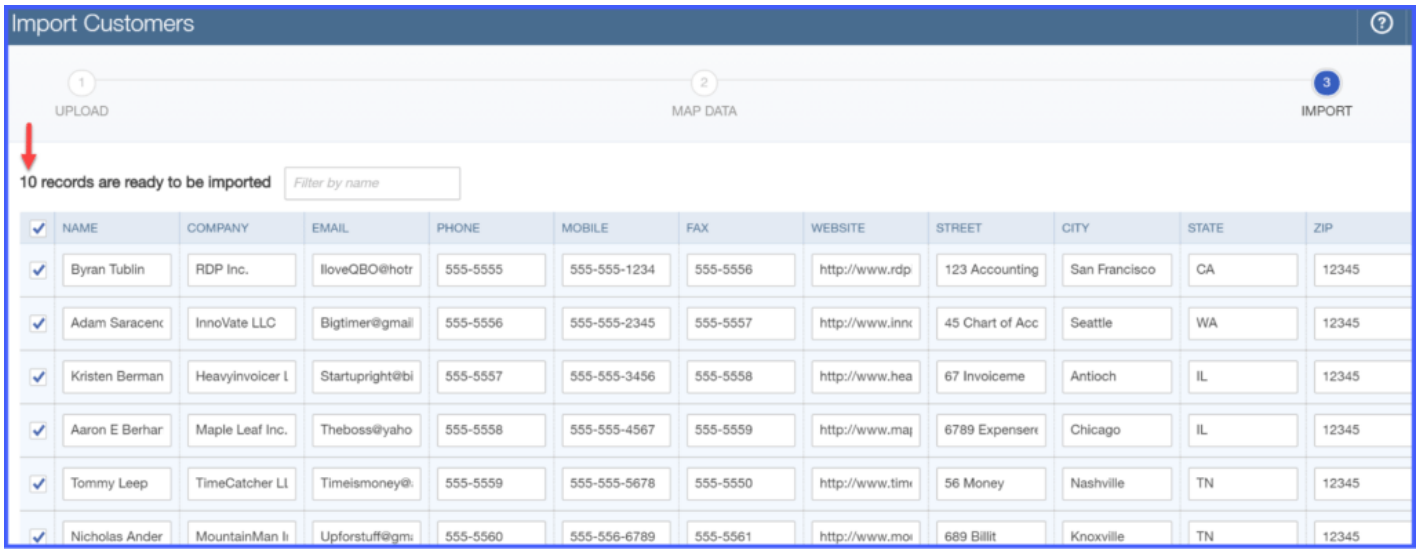
Once you have completed mapping your data, go to the next screen.

Step 4 – Final Review of Data before Import

This is your **final** opportunity to review the data and how it will import into QuickBooks. Be sure that you double check the following:

- The number of records agrees with your spreadsheet
- Verify that the info is in the right fields. (i.e. Email address is in the Email field etc;)

If something is not right, click the **Back** button to go back and make any necessary changes. Select **Import** once you are ready to proceed.

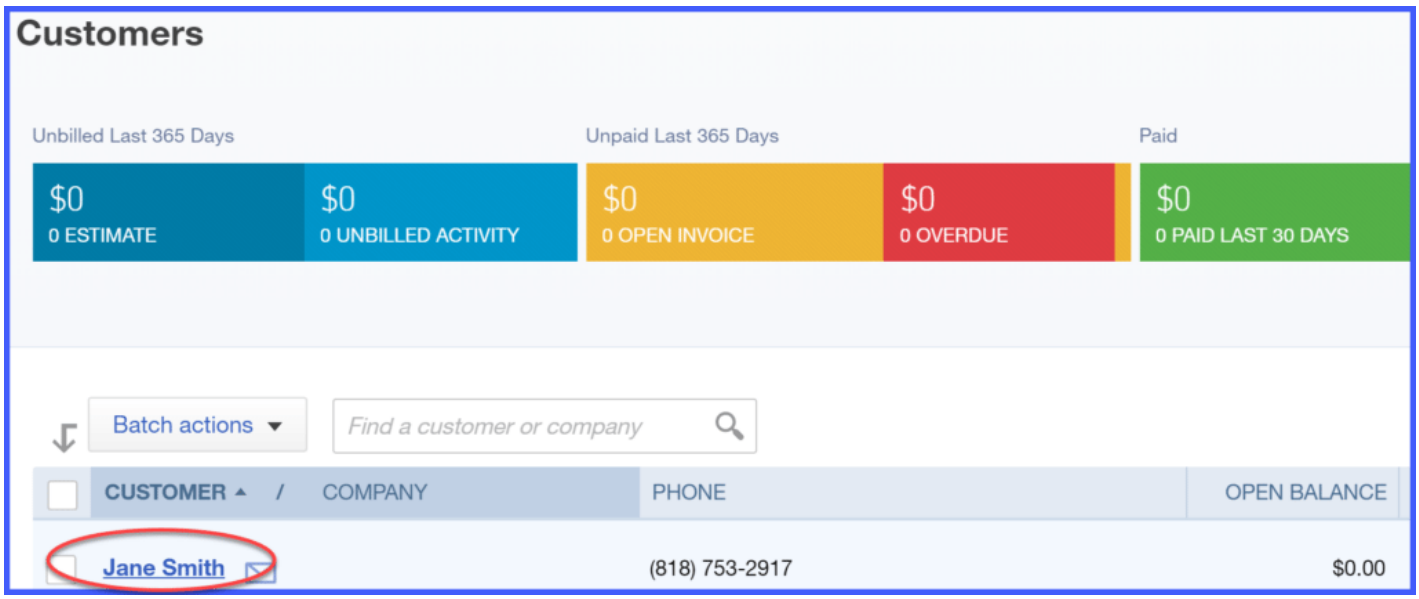


Step 5 – Import is Complete

Once the import is complete, QuickBooks will provide you with a message like the following: **10 out of 10 customers have been successfully imported!**

How Do You Modify Customer Info in QuickBooks Online?

You can change or update customer information anytime. From the Customer Center, click on the customer's name as indicated below. Make any necessary changes to the customer profile.



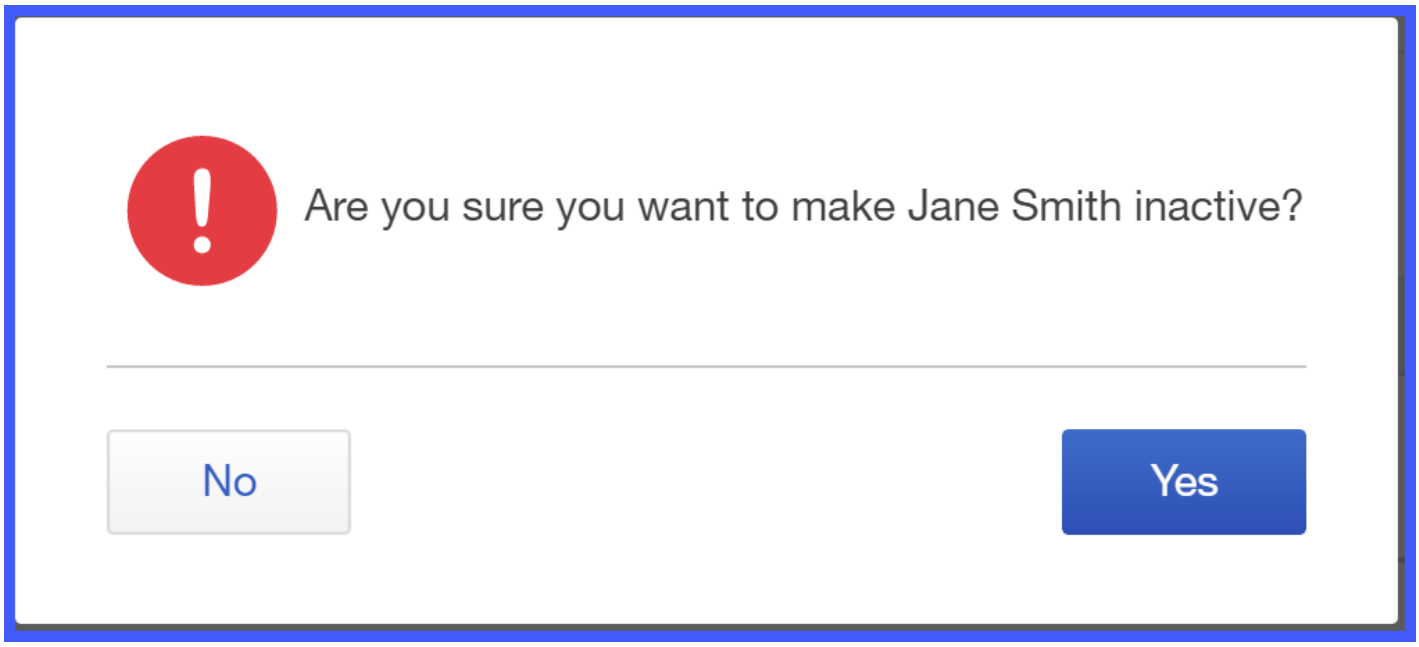
How Do You Delete a Customer in QuickBooks Online?

Similar to **Products and Services**, you cannot delete a customer once you have used them in a transaction. For example, once you have created an invoice for a customer, that is considered a transaction. This invoice (transaction) is linked to financial statements and those financial statements will be used when you file your taxes.

However, if you decide that you no longer will do business with a customer, you can inactivate a customer just like you can for products and services. Inactivate will simply hide the customer from the Customer Center but they will still appear in all financial records if there's been a transaction.

To **inactivate** a customer from the Customer Center, select the customer and click on the drop down arrow next to Create Invoice and select **Make Inactive** as indicated below.

Confirm that you want to inactivate the customer by selecting **Yes**:



Wrap Up

That wraps up the section on how to set up customers in QuickBooks Online. The next lesson in our QuickBooks Online Training Course is **How to Import Vendors in QuickBooks Online**. This lesson will cover how to add vendor information to your QuickBooks Online account. To access this lesson or any of the others in the series, click here.

How to Set Up Vendors in QuickBooks Online

By Crystalynn Shelton on August 29, 2016 | Accounting, How To, Quickbooks |

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to set up vendors in QuickBooks Online. We'll explain how to manually add customers and how to upload vendor data from an Excel or CSV file.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Why Is It Important to Set Up Vendors in QuickBooks Online?

If you are paying bills in QuickBooks, then you definitely want to setup your vendors. Setting up your vendors will allow you to do the following:

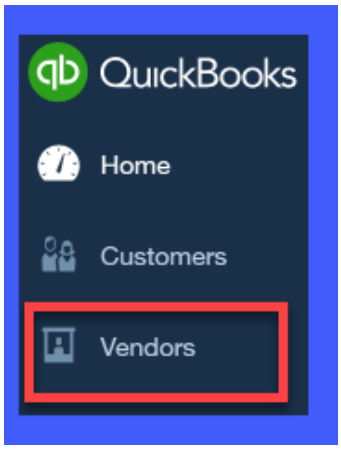
- Quickly enter vendor bills with information like remit to address and due date automatically pre-populated from the vendor profile.
- Keep track of your expenses by vendor. This will allow you to run reports that will provide insight into which vendors you are spending the most money with and what items you are purchasing from them.

First, we'll explain how to manually set up vendors in QuickBooks. However, if you have more than 10 vendors to set up in QuickBooks, I recommend that you proceed to the next section of this lesson, **How to Set Up Vendors Using an Excel or CSV file.**

How to Manually Set Up Vendors in QuickBooks Online

Step 1 – Navigate to the Vendor Center

To set up your vendors in your company file, navigate to the vendor center by clicking on **Vendors** on the left menu bar right below Customers as indicated below:

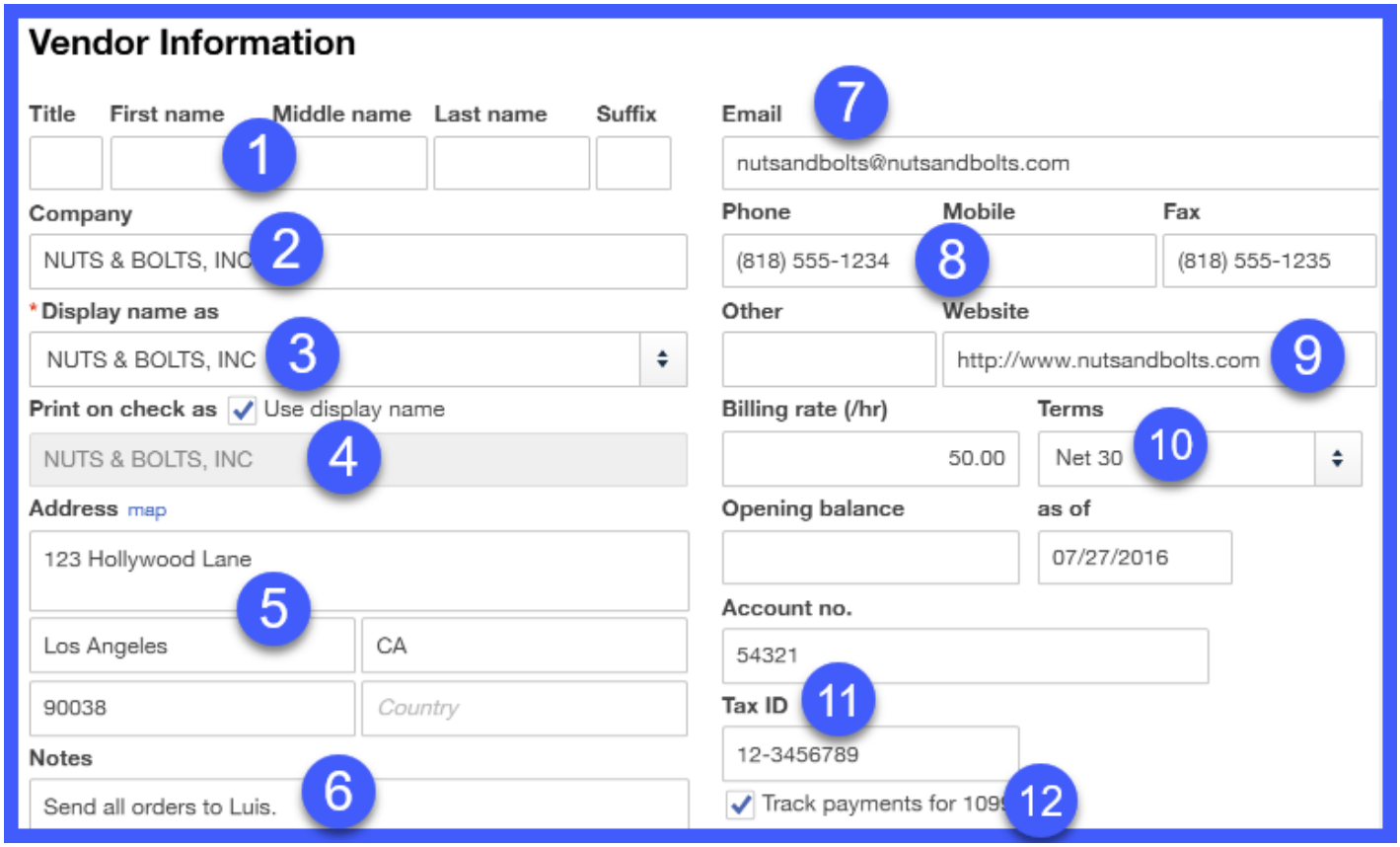


Step 2 – Create New Vendor

Click the blue **New Vendor** button in the upper right hand corner as indicated below.

Step 3 – Enter Vendor Information

Below is a sample vendor that we are setting up for our fictitious company, **Paul's Plumbing**.



Below are the fields that you need to complete and an explanation of how that information will be used by QuickBooks:

1. **First & Last Name** – complete this for individual vendors; this info will appear on all bills and purchase orders that you create.
2. **Company** – complete this for your commercial or business vendors; this info will appear on all bills and purchase orders that you create.
3. **Display name as** – this field will auto-populate based on the info entered in the Vendor Name field. This is how your vendor will show up on your Vendor list in QuickBooks.
4. **Print on check as** – when you write checks and pay vendor bills, the payee information will come from here. If the payee is different from the vendor name, then you can make the necessary changes here.
5. **Address** – this should be the address where you need to mail your payment to the vendor. (i.e. remit to address).
6. **Notes –** Enter any additional information here that you would like to keep track of for your vendors (e.g. additional contact names or phone numbers). This information is for internal purposes and will not be visible to your vendors.
7. **Email** – the email address that is entered here will be used to send vendors purchase orders via email.
8. **Phone/Mobile/Fax** – enter the contact telephone numbers provided by your vendors.
9. **Website** – Enter your supplier's website address for quick reference.
10. **Payment Terms –** In the **How to Setup Expenses** lesson, we set up default payment terms (i.e. Net 30) for all vendors. If you want to change the default payment terms for any vendor, you can do so here in the vendor profile.
11. **Tax ID** – You need to request the tax ID or Social Security # from all suppliers since that is a key piece of information you will need for the 1099 tax form. When preparing 1099 forms, QuickBooks will take the tax ID info from here.

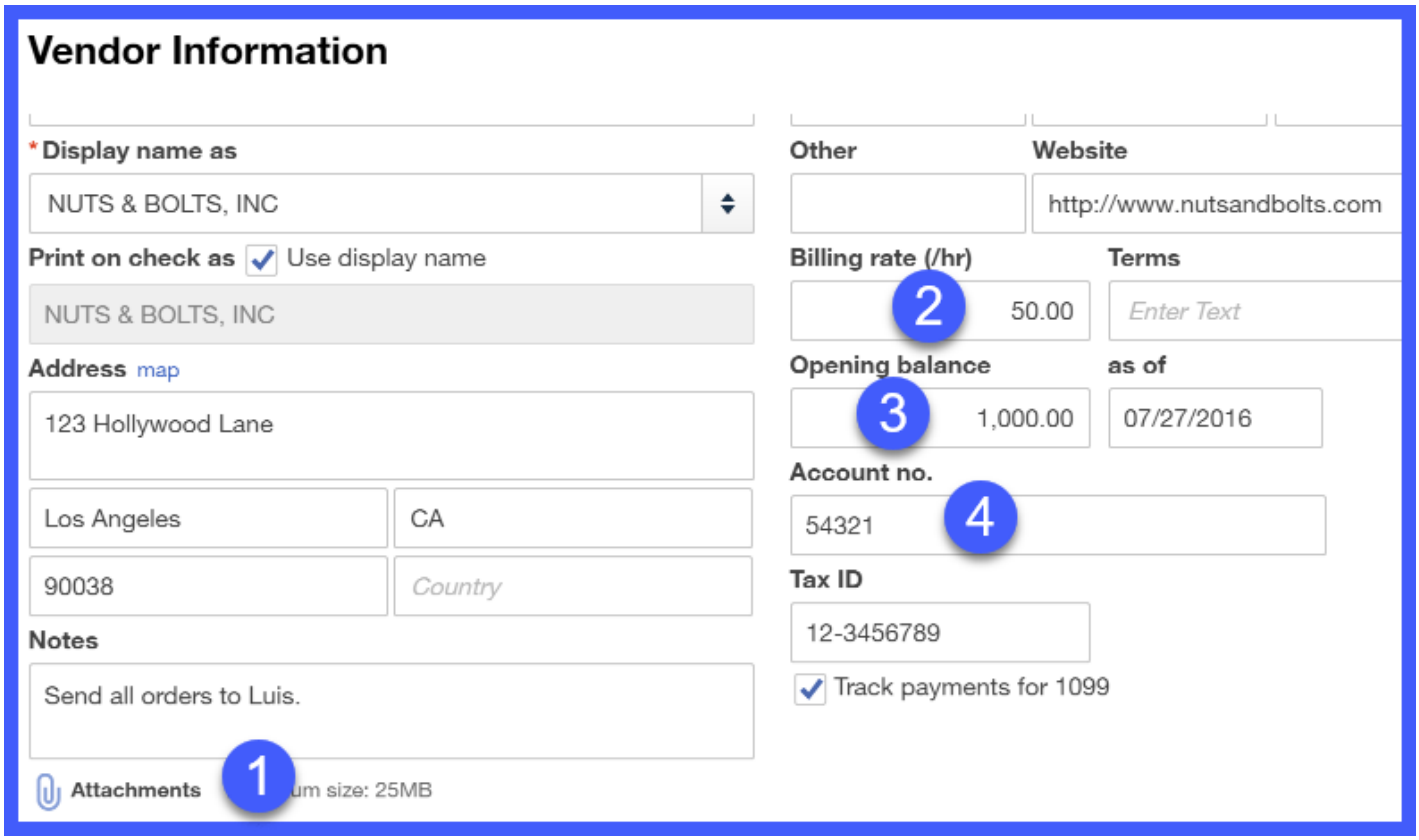
    A WORD OF CAUTION: If you do not have the tax ID # for a vendor, you will not be able to print a 1099 form.

    TIP: Before you issue the first payment to a 1099 vendor, ask them to supply you with a completed W9 form. This form will have all of the key info that you need in order to create a 1099 form.
12. **Track Payments for 1099** – by marking this box, QuickBooks will track these vendors and include them on a 1099 report. If the supplier is not incorporated,

you are required to send them a 1099 tax form if you pay them $600 or more in a calendar year.

Step 4 – Other Vendor Info

Next, add in additional vendor information with the fields below:



1. **Attachments –** Attach any documents that you would like to keep on file for this vendor (e.g. signed contracts or copy of email correspondence).
2. **Billing rate (/hr)** – Enter the billing rate for this vendor for easy reference.
3. **Opening balance** – This field can be used to enter an outstanding balance that you have with a vendor. For example, if you are converting from another bookkeeping system to QuickBooks and you have some outstanding bills, then you can enter the total outstanding balance here when you set them up in QuickBooks. When you write a check to pay those bills, then you can apply the payment to this opening balance.
4. **Account Number** – If you have an account number with your vendor you can enter it here for easy reference.

Step 5 – Review Vendor Set Up

Now that you have completed the vendor set up, the vendor will appear in the Vendor Center as indicated below. You can review the information to ensure it's all correct.

VENDOR / COMPANY	PHONE	EMAIL	OPEN BALANCE
NUTS & BOLTS, INC NUTS & BOLTS, INC	(818) 555-1234	nutsandbolts@nutsandbolts.com	$1,000.00
Plumbing Supplies-R-Us Plumbing Supplies-R-Us	(818) 354-5324		$0.00

When to Import Vendor Info Using an Excel or CSV File

Setting up your vendor profiles in QuickBooks Online allows you to quickly enter vendor bills since all of your information like remit to address and due date will automatically populate from the vendor profile.

If you have more than 10 vendors to set up, I would recommend that you put the information in an Excel document and import the data into QuickBooks Online. This will save you a lot of time over manual entry, which we discussed in the previous lesson.

How To Import Vendor Info into QuickBooks Online Using an Excel or CSV File

QuickBooks allows you to capture a lot of data about your vendors, but the **key fields** that you should include in your Excel or CSV file are as follows:

- **First/Last Name for Individual vendors or Company name for a business**
- **Email**
- **Phone**
- **Remit to address**

Don't worry about the format of the spreadsheet, just make sure that you have the above key fields in the spreadsheet.

Once you have your spreadsheet ready, follow the instructions below to import the data into QuickBooks.

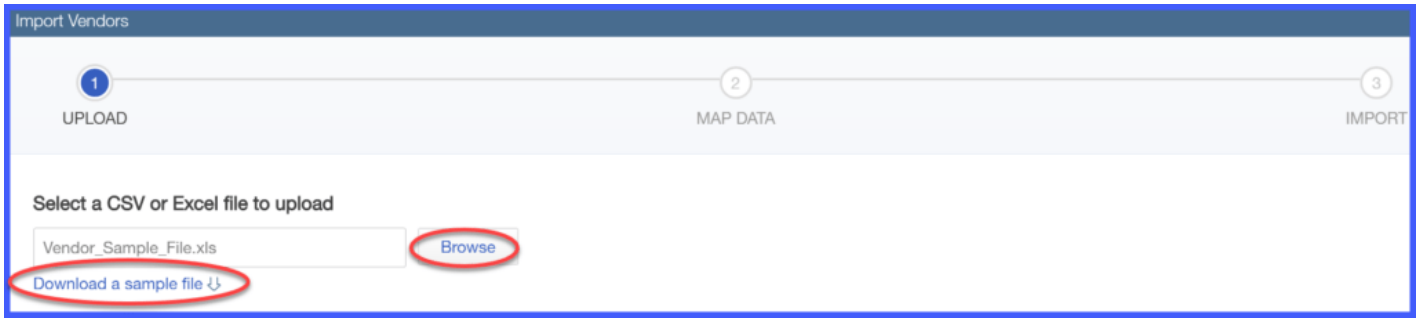
Step 1 – Navigate to Import Screen

To import into QuickBooks, navigate to the Vendor Center. Click the drop down arrow to the right of the blue **New vendor** button and select **Import Vendors** as indicated below.

Step 2 – Select the Excel Document to Upload

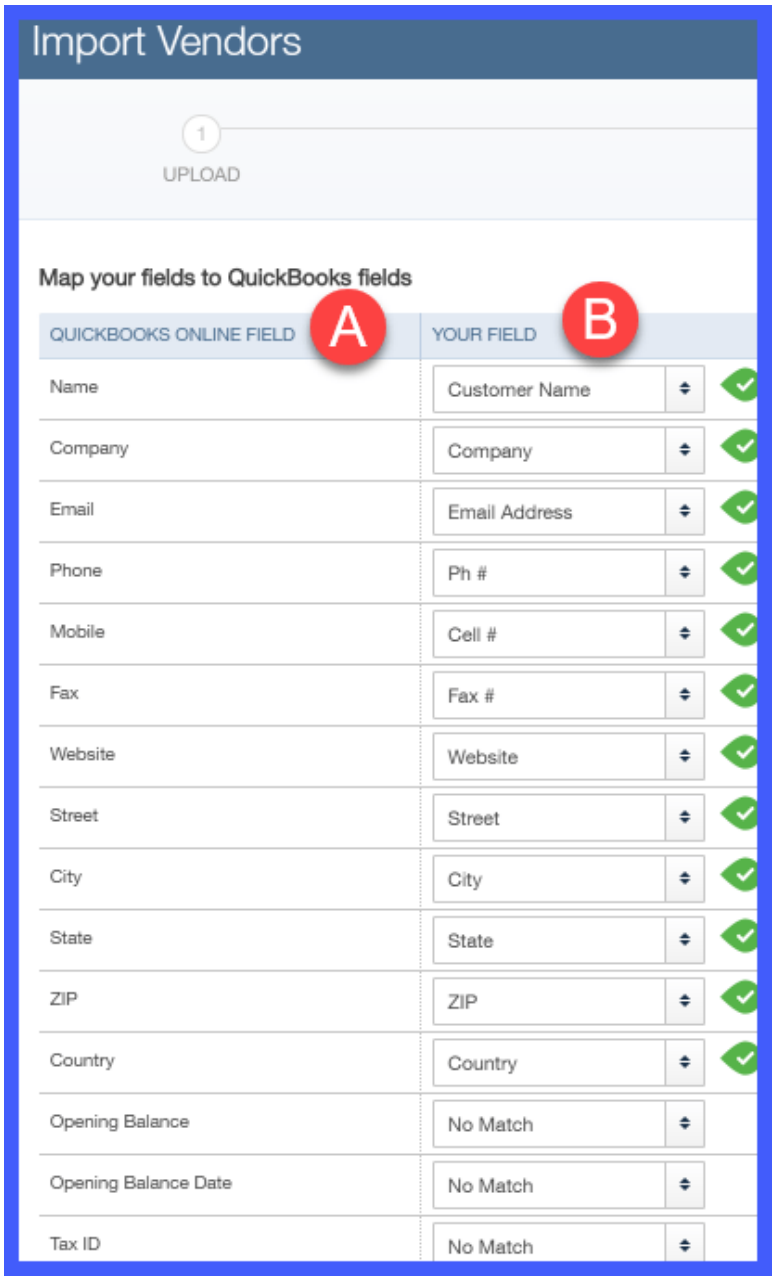
Click the **Browse** button to locate your excel file, as indicated below & go to the next screen.

TIP: If you want to see a sample Excel file, just click the Download a sample file link as indicated below. Keep in mind that there is no need to reformat your spreadsheet. In the next step, we are going to map the data so that QuickBooks will pull the right data from your spreadsheet.



Step 3 – Map your Data

In this screen, we will tell QuickBooks which field in our spreadsheet to pull the vendor info from. By doing this, we will ensure that the information is imported into the right fields in QuickBooks.



A. QuickBooks Field – This is the field in QuickBooks where the data will import.

B. Your Field – From the dropdown, select the field in your spreadsheet that matches the QuickBooks field (i.e. the field where the info should import to).

TIP#1: As you can see in the screenshot above, the fields in your spreadsheet do not have to match the field names in QuickBooks. For example, in QuickBooks the Customer field is Customer Name in the spreadsheet.

TIP#2: Don't worry about having more fields in your spreadsheet than what you see in

QuickBooks. The only data that will import into QuickBooks are the fields that you match to the QuickBooks fields. You can indicate No Match for the fields that you do not wish to import into QuickBooks, as indicated above for the last 3 fields (Opening Balance, Opening Balance Date and Tax ID).

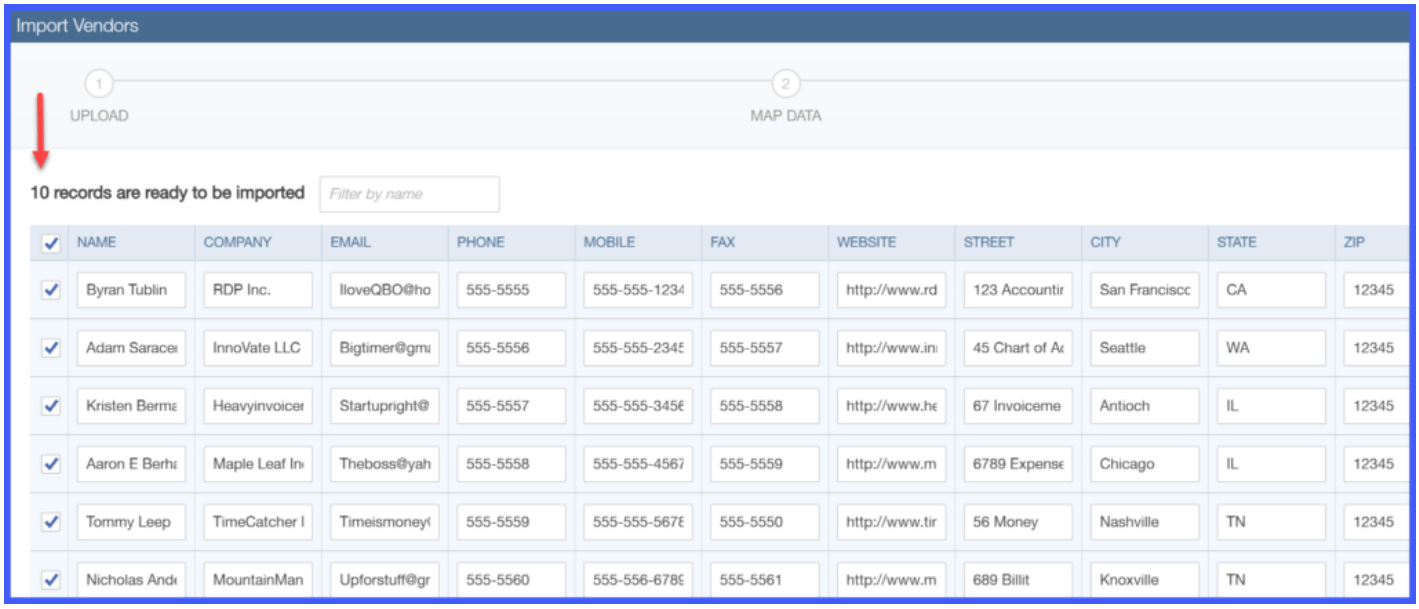
Once you have completed mapping your data, go to the next screen.

Step 4 – Final Review of Data before Import

This is your **final** opportunity to review the data and how it will import into QuickBooks. Be sure that you double check the following:

- That the number of records agrees with your spreadsheet
- That the info is in the right fields (i.e. Email address is in the Email field etc;)

If something is not right, click the **Back** button to go back and make any necessary changes. Select **Import** once you are ready to proceed.

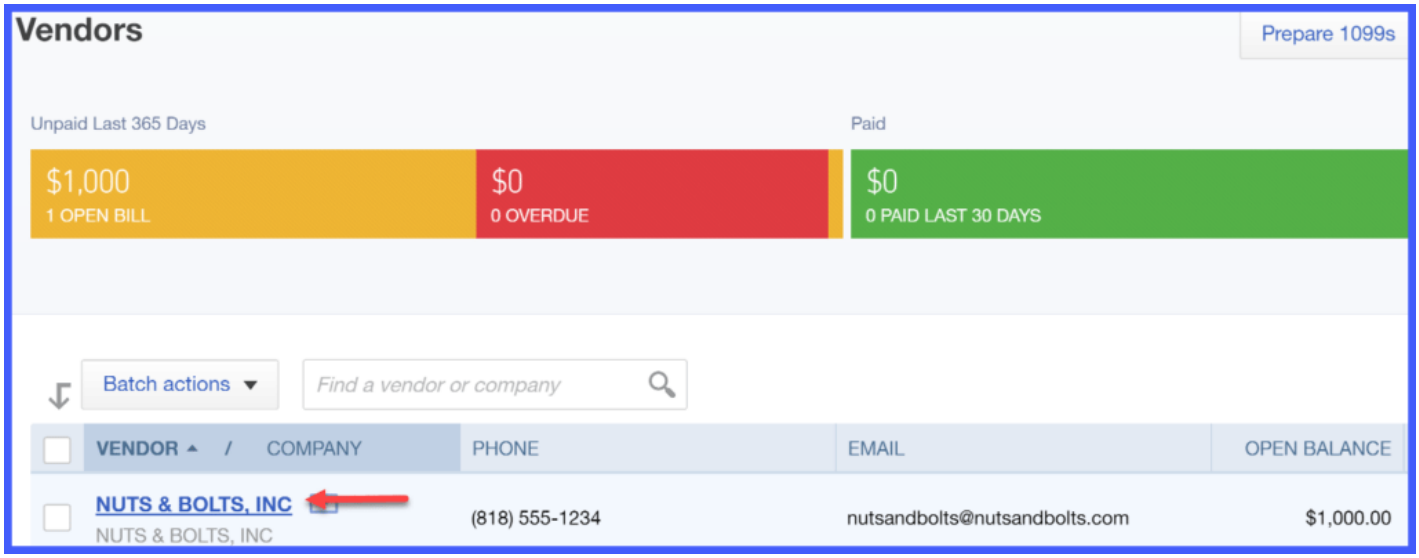


Step 5 – Import is Complete

Once the import is complete, QuickBooks will provide you with a message like the following: **10 out of 10 vendors have been successfully imported!**

How Do You Modify a Vendor?

You can change or update vendor information anytime. From the Vendor Center, click on the vendor's name as indicated below. Make any necessary changes to the vendor profile.

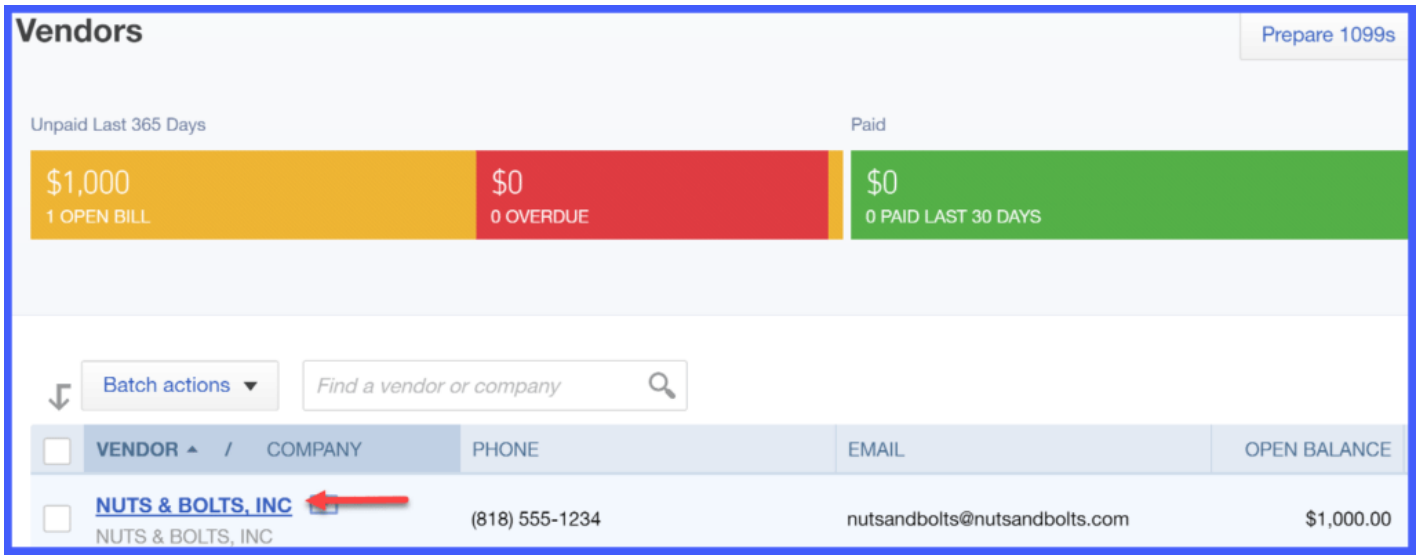


How Do You Delete a Vendor in QuickBooks Online?

Similar to **Customers**, you cannot delete a vendor once you have used them in a transaction. For example, once you have created a check to pay a vendor, that is considered a transaction. This check (transaction) is linked to financial statements, and those financial statements will be used when you file your taxes.

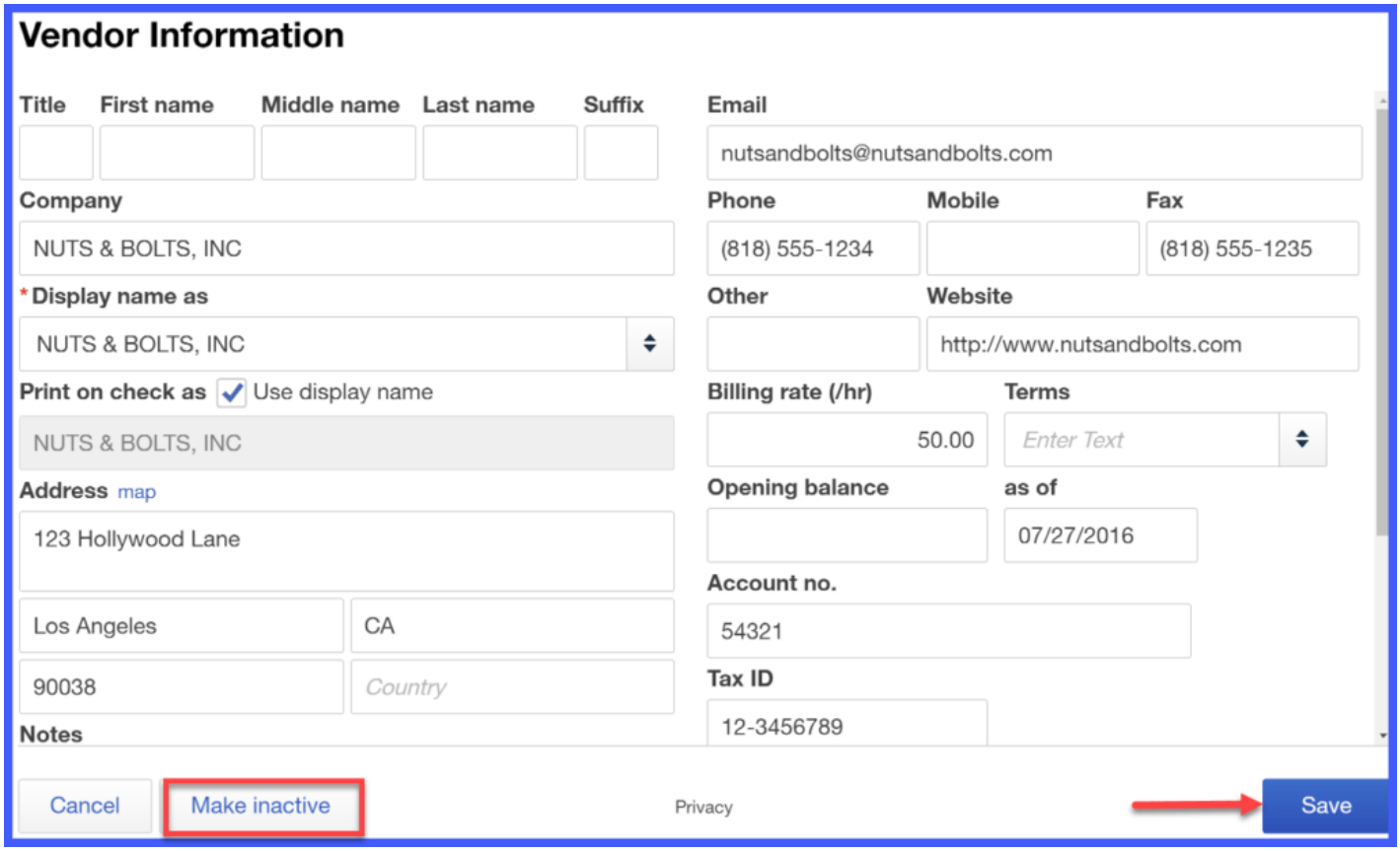
However, if you decide that you no longer will do business with a vendor, you can inactivate a vendor just like you can inactivate a customer. Inactivating the vendor will simply hide the vendor from the Vendor Center, but they will still appear in all financial records if there has been a transaction.

To **inactivate** a vendor from the Vendor Center, select the vendor as indicated below.



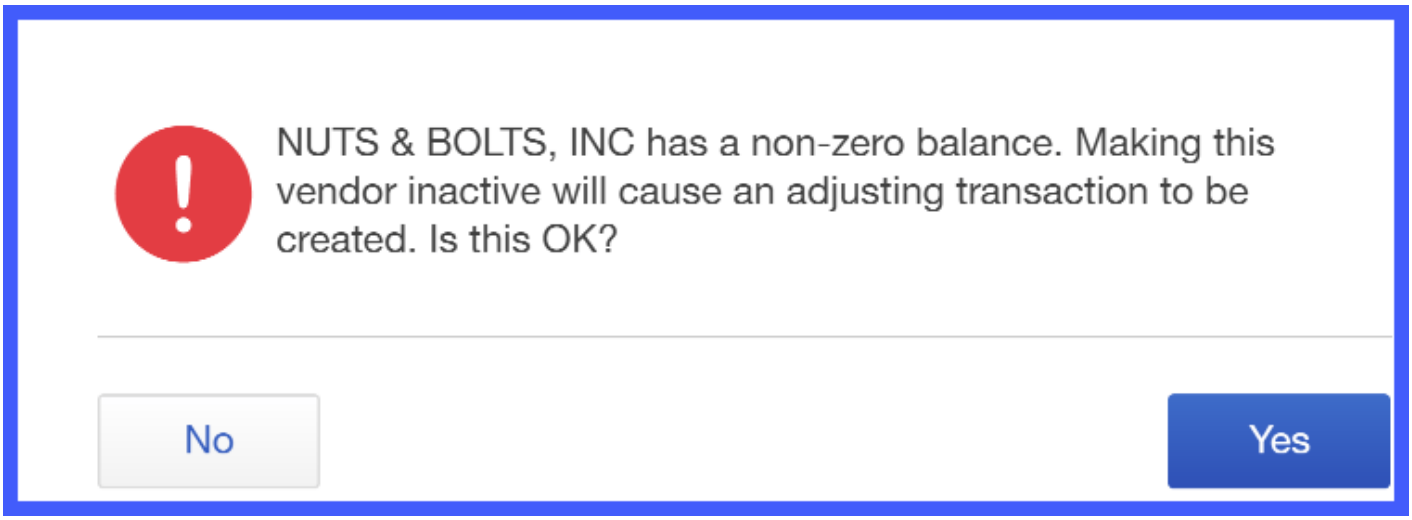
Select the Edit button at the top of the next screen as indicated below.

At the very bottom of the next screen, select the **Make Inactive** button as indicated below & **Save** your changes.



The next screen will confirm whether or not you want to inactivate the vendor.

A WORD OF CAUTION: If you have an outstanding balance for a vendor, QuickBooks will display a message similar to the one below. The best course of action in this situation is to pay the outstanding balance first and then inactivate the vendor. If you do not plan to pay the outstanding balance then you should void the bills in QuickBooks and then proceed to inactivate the vendor.



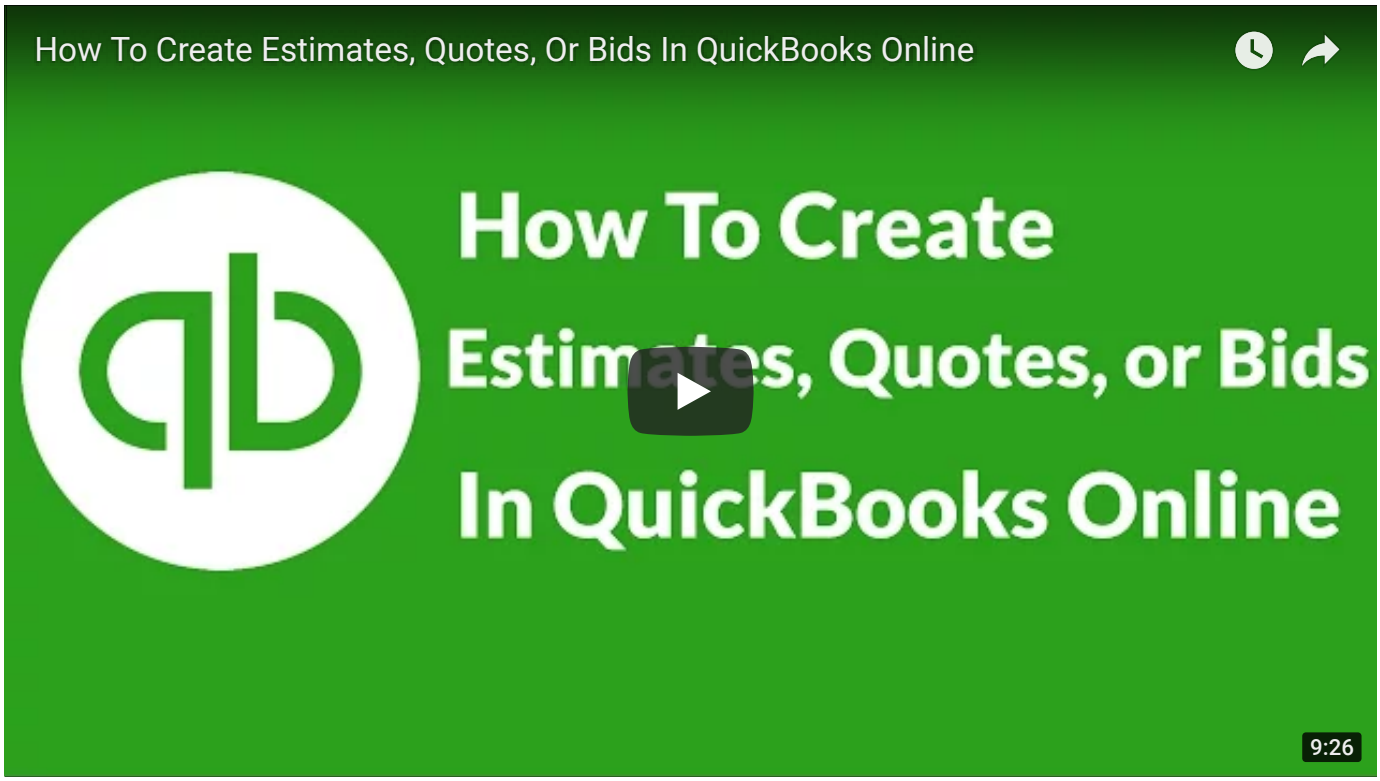
Wrap Up

That wraps up the lesson on how to set up vendors in QuickBooks Online. The next module in our QuickBooks Online Training Course will be Managing Sales and Income in QuickBooks Online. In this module, we'll cover to send and receive payments, estimates, and invoices and record deposits in QuickBooks Online. To access any of the lessons in our series, click here.

How to Create Estimates (Quotes or Bids) in QuickBooks Online

By Crystalynn Shelton on May 11, 2017 | Accounting, How To, Quickbooks |

In this tutorial, we're going to cover how to create estimates (also known as quotes or bids) in QuickBooks Online. Let's begin!



You can watch the video above and follow along with your own QuickBooks Online account. Don't have one? Sign up for a free 30-day trial.

What is an Estimate in QuickBooks Online?

An estimate, also known as a quote or a bid, is a document that provides customers with a list of the products and or services that you will provide and how much you will charge.

Below you will find a sample of a completed estimate for our fictitious company, Paul's Plumbing.

Paul's Plumbing Co.

crystalynn@fitsmallbusiness.com
www.paulsplumbing.com

ESTIMATE

ADDRESS
Bridget O'Brien
CustomersRus LLC
4890 easy
Portland, OR 12345
United States

ESTIMATE # 1001
DATE 08/08/2016

ACTIVITY	QTY	RATE	AMOUNT
Installation Install sinks in the kitchen and bathrooms	3	150.00	450.00
Part Kitchen Sink	1	125.00	125.00
Part Bathroom Sink	2	125.00	250.00

This is an estimate of the work that needs to be done. Once we have received your approval, we can begin the job.

TOTAL **$825.00**

Let us know if you have any questions.

Accepted By

Accepted Date

Why Should I Create Estimates in QuickBooks Online?

You should consider creating estimates in QuickBooks because they provide the following benefits:

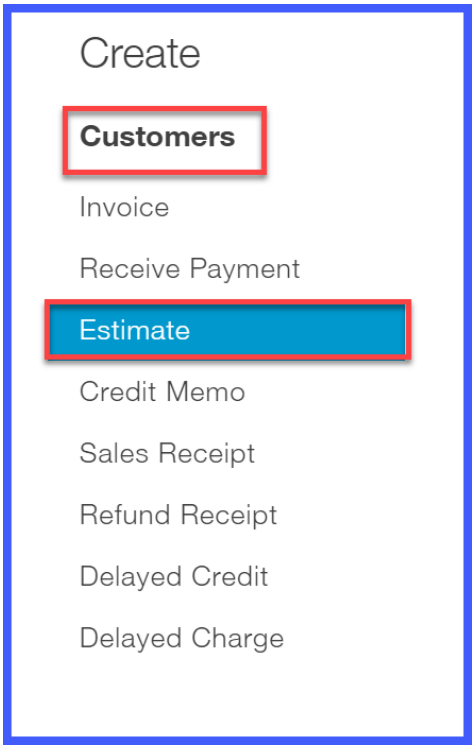
- Help customers decide if they want to purchase the goods or services
- It can serve as a written approval to start a job
- With the click of a button, you can easily turn the estimate into an invoice in QuickBooks Online when you are ready to bill your customer for work completed
- You can run reports in QuickBooks that will help you compare your estimates to actual income and costs after the work is completed

Estimates are not a required transaction for the sales and income process. No money changes hands when you create an estimate in QuickBooks. Estimates have no impact on your financial statements.

How Do I Create Estimates in QuickBooks Online?

Step 1 – Navigate to Create Estimates

From the Home page, below the **Customers** column, select **Estimate** as indicated below.



Step 2 – Create Estimate

The Estimate form should display on your screen. The fields that should be completed are as follows:

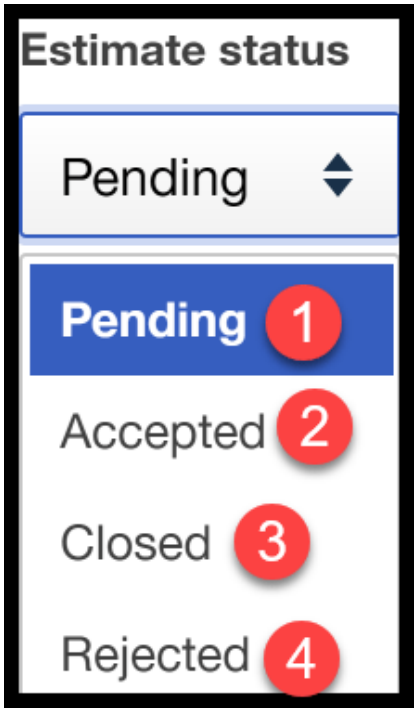
1. **Customer Name** – select the customer's name from the drop down.**TIP:** *If you have not set up the customer info yet, you can do so by clicking on the drop down arrow, scroll up to the top of the list and select **Add New**. A new window will open up that will allow you to enter your customer's information. Once you have done this, you can click save and finish your estimate.*
2. **Customer email address** – this info will automatically populate from the customer profile. If you did not enter the email address in the customer profile, then this field will be blank.**TIP:** *You can enter the email address directly in this field and it will automatically update the customer profile.*
3. **Billing address** – this info will automatically populate from the customer profile. If you did not enter the billing address in the customer profile, then this field will be blank.**TIP:** *You can enter the billing address directly in this field but it **will not** automatically update the customer profile. You will have to go back to the customer profile and enter this information for it to auto-populate going forward.*
4. **Estimate date** – this is the date you are creating the estimate. Typically QuickBooks will default to today's date but you can change this if needed.
5. **Product/Service** – select each product/service from the drop down list.**TIP:** *If you have not set up the products and services info yet, you can do so by clicking on the drop down arrow, scroll up to the top of the list and select **Add New**. A new window will open up that will allow you to enter your product and service information. Once you have done this, you can click save and finish your estimate.*
6. **Description –** this field will auto-populate based on the product/service you selected above. However, you can customize this description by typing directly in this field.**TIP:** *Any custom description that you enter on this estimate will not update the description for the product and service. If you want this description to auto-populate*

when this product or service is selected, then you need to update the products and services info.

7. **Qty –** if applicable, enter the quantity for each product or service.
8. **Rate –** this field will auto-populate based on the rate you set up for the product/service selected. If you did not set up a rate, then you can enter it directly on this form.**TIP:** *Any rate that you enter on this estimate will not update the rate for the product and service. If you want this rate to auto-populate when this product or service is selected then you need to update the products and services info.*
9. **Amount** – QuickBooks will automatically multiply the quantity and the rate columns to calculate the amount.
10. To **delete an item**, just click the trash can symbol in this column.

Estimate Status

Right below the customer name field, is the estimate status field. This field allows you to keep track of where you are in the approval process for an estimate. There are 4 status options. Below, you will find a brief explanation of when to use each one.



1. **Pending status:** Typically, this is the status used when you have created an estimate and sent it to your customer for approval.
2. **Accepted status:** Once your customer has approved the estimate, it moves from pending status to accepted.
3. **Closed status:** Once you have invoiced your customer in full then QuickBooks will mark the estimate as closed.

4. **Rejected status:** If you send a customer an estimate and they do not approve it, this would be considered an estimate that has been rejected.

TIP: *You're probably wondering why would you keep an estimate that has been rejected by a customer. Sometimes customers change their mind and decide later on that they want to purchase the product or service. In that case, you can quickly locate the estimate, make any changes requested by the customer and change the status to accepted. This will save you time because you won't have to create the estimate from scratch.*

Step 3 – Preview Estimate

Once you have completed all of the necessary fields, you can do a print preview to see what the estimate will look like. Just click the **Print or Preview** button at the bottom of the screen. Below is a sample estimate for our fictitious company, Paul's Plumbing.

Paul's Plumbing Co.

crystalynn@fitsmallbusiness.com
www.paulsplumbing.com

ESTIMATE

ADDRESS
Bridget O'Brien
CustomersRus LLC
4890 easy
Portland, OR 12345
United States

ESTIMATE # 1001
DATE 08/08/2016

ACTIVITY	QTY	RATE	AMOUNT
Installation Install sinks in the kitchen and bathrooms	3	150.00	450.00
Part Kitchen Sink	1	125.00	125.00
Part Bathroom Sink	2	125.00	250.00

This is an estimate of the work that needs to be done. Once we have received your approval, we can begin the job.

Let us know if you have any questions.

TOTAL **$825.00**

Accepted By

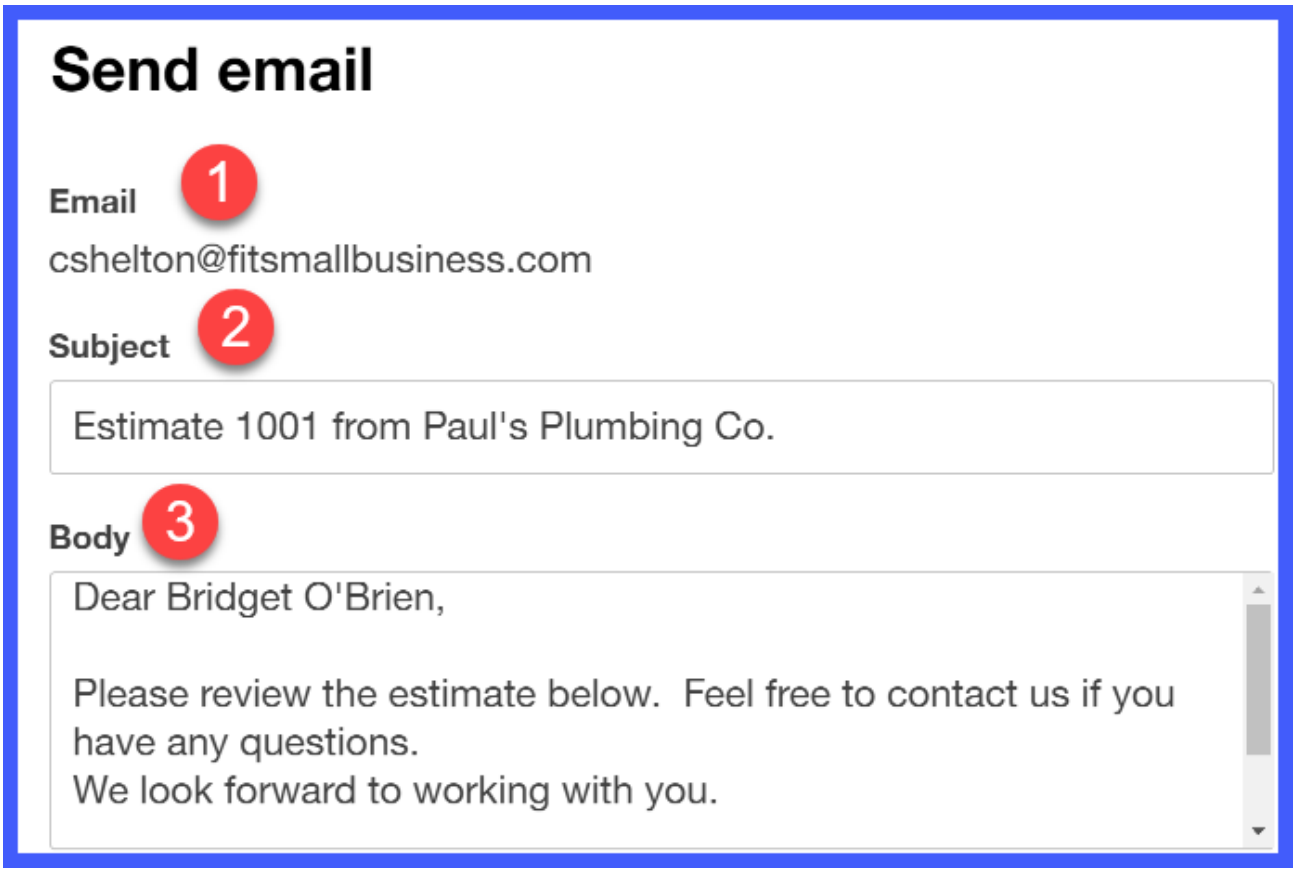
Accepted Date

Step 4 – Send Estimate to Customer From QuickBooks Online

After you are satisfied with the estimate, you can either print it out and mail it to your customer, or you can email it directly from QuickBooks.

To email the estimate directly from QuickBooks, just click on the drop down arrow to the right of the **Save and close** button and select **Save and send**.

The following should display on your screen along with a preview of the estimate.



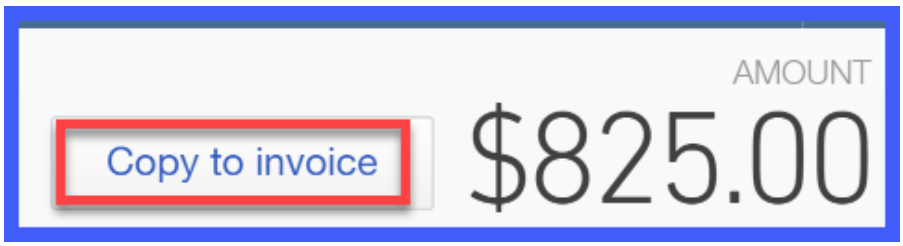
1. **Email:** This is the email address that is saved in the customer profile.
2. **Subject:** This is the estimate number and your company name. You can edit this information directly on this screen.
3. **Body:** This is the information that will appear in the body of the email that your customer receives. You can edit this information directly on this screen.

The estimate will be attached to the email as a PDF document. Once you have made your changes, select the **Save to the send queue and close** button as indicated below.

TIP: *Be sure to check your email delivery settings before sending emails to your customers. We covered this in the how to set up sales form content tutorial.*

Step 5 – Copy Estimate Info to Invoice

After you have saved the estimate, you will see the **Copy to invoice** button at the top of the form to the left of the amount, as indicated below.



Once you are ready to invoice your customer, just click this button and it will copy all of the information on your estimate to an invoice.

Wrap Up

That wraps up How to Create Estimates (Quotes or Bids) in QuickBooks Online. In our next tutorial, we will walk through the importance of invoices, their impact on your financial statements, and How to Create & Send Invoices.

How to Create and Send Invoices in QuickBooks Online

By Crystalynn Shelton on May 11, 2017 | Accounting, How To, Invoicing, Quickbooks |

In this tutorial, we're going to cover how to create and send invoices to your customers. Let's begin!

You can watch the video above and follow along with your own QuickBooks Online account. Don't have one? Sign up for a free 30-day trial.

What is an Invoice?

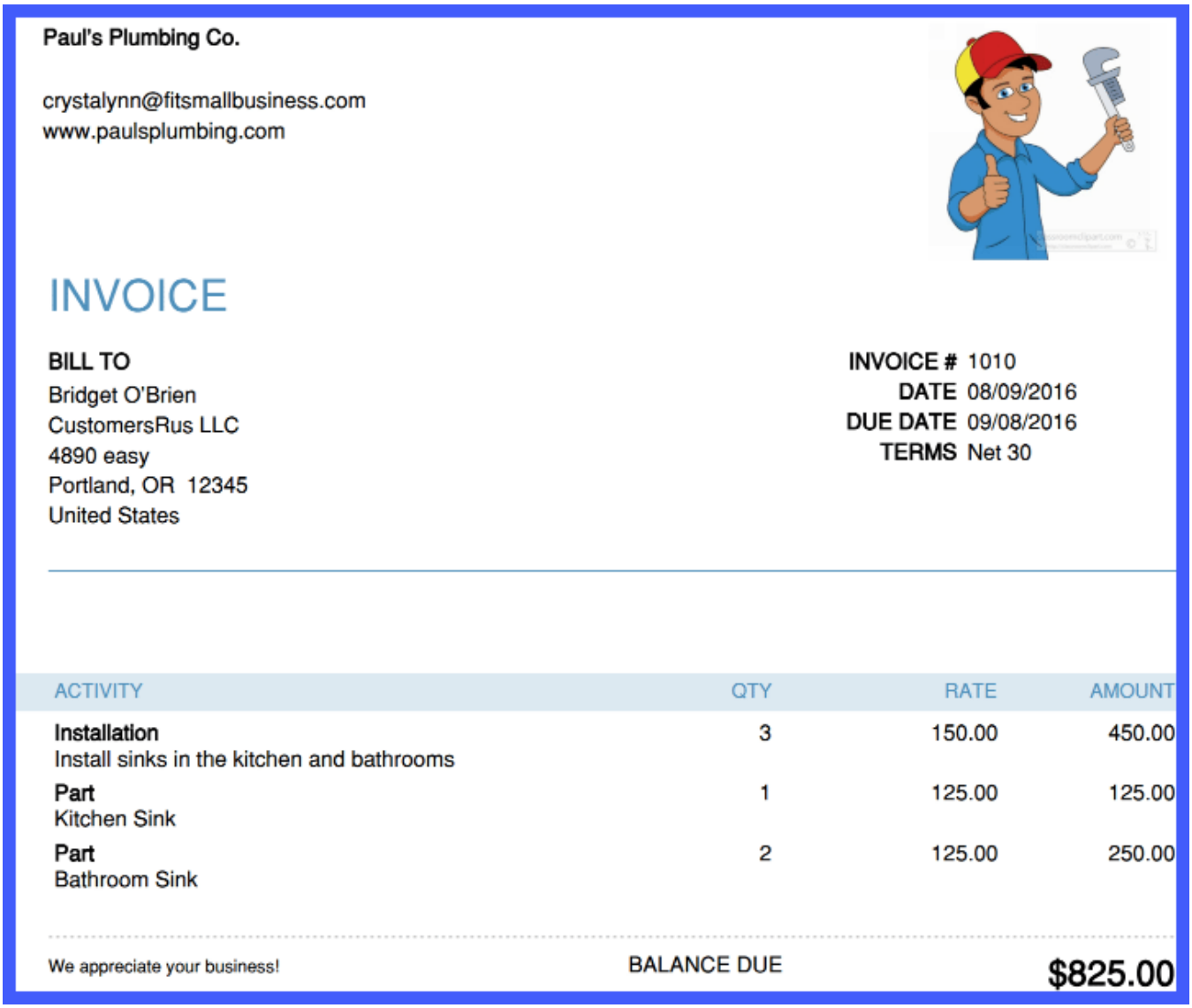
An invoice is a document that provides customers with a detailed description of the products or services that you have provided and how much they cost. Invoices are required for sales made on credit. In other words, if customers do not pay you at the time of the sale then you need to keep track of what they owe you so that you can ensure you receive payment in the future.

Invoices help you to manage your accounts receivable. Accounts receivable is the outstanding balance that is owed to you by your customers.

When an invoice is created in QuickBooks, the accounts and financial statements are affected as follows:

Account Affected	Impact on Account	Financial Statement
Accounts Receivable	Increase	Balance Sheet
Income (Sales)	Increase	Profit & Loss

Below you will find a sample of a completed QuickBooks Online invoice for our fictitious company, Paul's Plumbing.



Paul's Plumbing Co.

crystalynn@fitsmallbusiness.com
www.paulsplumbing.com

INVOICE

BILL TO
Bridget O'Brien
CustomersRus LLC
4890 easy
Portland, OR 12345
United States

INVOICE # 1010
DATE 08/09/2016
DUE DATE 09/08/2016
TERMS Net 30

ACTIVITY	QTY	RATE	AMOUNT
Installation Install sinks in the kitchen and bathrooms	3	150.00	450.00
Part Kitchen Sink	1	125.00	125.00
Part Bathroom Sink	2	125.00	250.00

We appreciate your business! BALANCE DUE $825.00

Why Should I Create Invoices in QuickBooks?

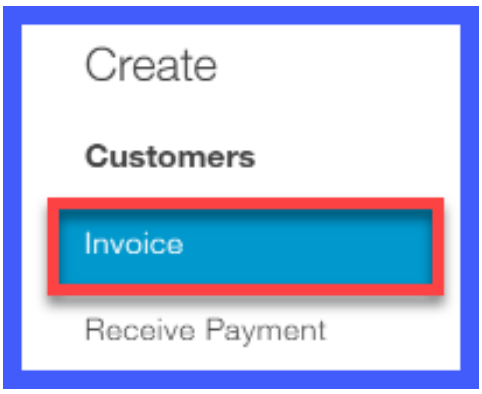
When you create an invoice in QuickBooks, you benefit in two ways:

- Your financial statements are updated in real-time to reflect the change in your accounts receivable and bank account balances.
- You can email invoices to your customers directly from QuickBooks. This will allow you to not only save postage but also ensure that your customer receives the invoice faster so that you can get paid faster.

How Do I Create an Invoice in QuickBooks Online?

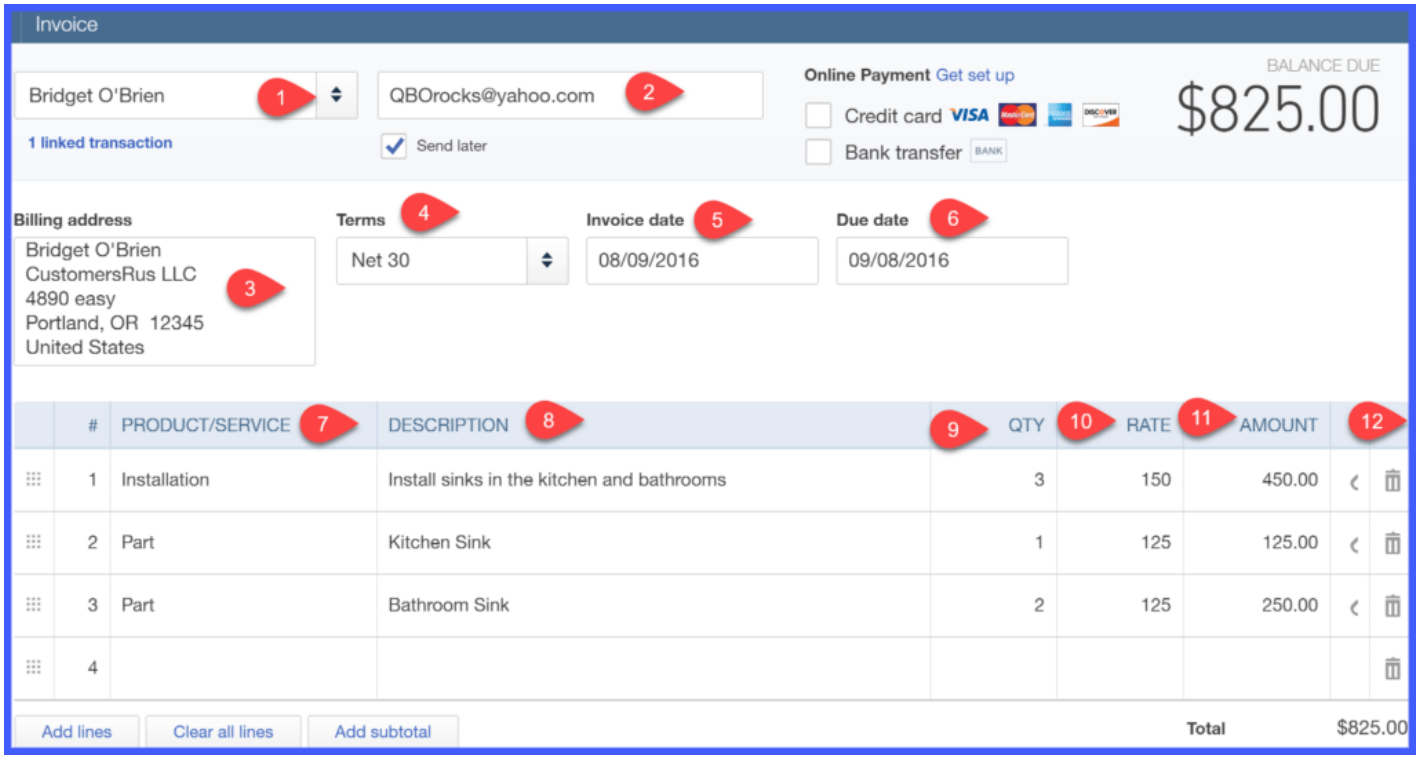
Step 1 – Navigate to Create Invoices

From the Home page, below the **Customers** column, select **Invoice** as indicated below.



Step 2 – Create Invoice

The Invoice form should display on your screen. The fields that should be completed are as follows:



1. **Customer name** – select the customer's name from the drop down.**TIP:** *If you have not set up the customer info yet, you can do so by clicking on the drop down arrow, scroll up to the top of the list and select **Add New**. A new window will open up that will allow you to enter your customer's information. Once you have done this, you can click save and finish your invoice.*
2. **Customer email address** – this info will automatically populate from the customer profile. If you did not enter the email address in the customer profile, then this field

will be blank.**TIP:** *You can enter the email address directly in this field, and it will automatically update the customer profile.*

3. **Billing address** – this info will automatically populate from the customer profile. If you did not enter the billing address in the customer profile, then this field will be blank.**TIP:** *You can enter the billing address directly in this field, but it* ***will not*** *automatically update the customer profile. You will have to go back to the customer profile and enter this information for it to auto-populate going forward.*
4. **Terms –** this is the # of days you have given your customers to pay you. This info will automatically populate from the customer profile. If you did not enter the payment terms in the customer profile, then this field will be blank.**TIP:** *You can select payment terms by clicking on the drop down arrow in this field, and it will automatically update the customer profile.*
5. **Invoice date** – this is the date that you provided the product or service to your customer.**TIP:** *Typically QuickBooks will default to today's date. If you are creating the invoice after the date that the product or service was provided, then you will need to change this date.*
6. **Due date** – this date is automatically calculated based on the payment terms field. In this example, the payment terms are Net 30. That means that the due date is calculated 30 days from the Invoice date which is 8/9/2016. The due date is 9/8/2016.
7. **Product/Service** – select each product/service from the drop down list.**TIP:** *If you have not set up the products and services info yet, you can do so by clicking on the drop down arrow, scroll up to the top of the list and select* ***Add New****. A new window will open up that will allow you to enter your product and service information. Once you have done this, you can click save and finish your invoice.*
8. **Description –** this field will auto-populate based on the product/service you selected above. However, you can customize this description by typing directly in this field.**TIP:** *Any custom description that you enter on this invoice* ***will no****t update the description for the product and service. If you want this description to auto-populate when this product/service is selected, then you need to update the products and services info.*
9. **Qty –** if applicable, enter the quantity for each product or service.
10. **Rate –** this field will auto-populate based on the rate you set up for the product/service selected. If you did not set up a rate, then you can enter it directly on this form.**TIP:** *Any rate that you enter on this invoice will not update the rate for the product and service. If you want this rate to auto-populate when this product/service is selected, then you need to update the products and services info.*

11. **Amount** – QuickBooks will automatically multiply the quantity and the rate columns to calculate the amount.
12. To **delete an item**, just click the trash can symbol in this column.

Step 4 – Preview Invoice

Once you have completed all of the necessary fields, you can do a print preview to see what the invoice will look like. Just click the **Print or Preview** button at the bottom of the screen. Below is a complete sample invoice for our fictitious company, Paul's Plumbing.

Paul's Plumbing Co.

crystalynn@fitsmallbusiness.com
www.paulsplumbing.com

INVOICE

BILL TO
Bridget O'Brien
CustomersRus LLC
4890 easy
Portland, OR 12345
United States

INVOICE # 1010
DATE 08/09/2016
DUE DATE 09/08/2016
TERMS Net 30

ACTIVITY	QTY	RATE	AMOUNT
Installation Install sinks in the kitchen and bathrooms	3	150.00	450.00
Part Kitchen Sink	1	125.00	125.00
Part Bathroom Sink	2	125.00	250.00

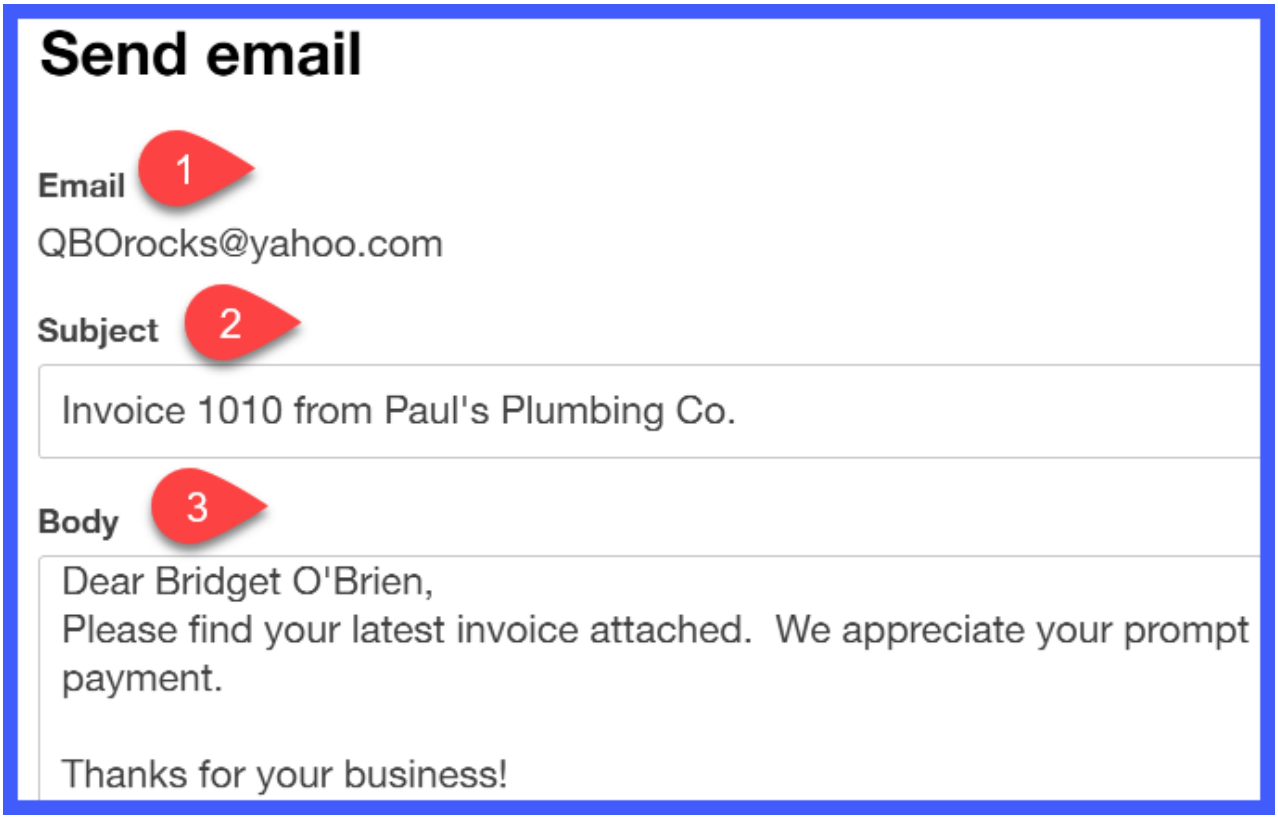
We appreciate your business! BALANCE DUE **$825.00**

Step 5 – Send Invoice to Customer

After you are satisfied with the invoice, you can either print it out and mail it to your customer, or you can email it directly from QuickBooks.

To email the invoice directly from QuickBooks, just click on the drop down arrow to the right of the **Save and close** button and select **Save and send**.

The following should display on your screen along with a preview of the invoice.



1. **Email:** this is the email address that is saved in the customer profile.
2. **Subject:** this is the invoice # that was assigned by QuickBooks and your company name. You can edit this information directly on this screen.
3. **Body:** This is the information that will appear in the body of the email that your customer receives. You can edit this information directly on this screen.

The invoice will be attached to the email as a PDF document. Once you have made your changes, select the **Save to send queue and close** button as indicated below. This will then trigger the email to be sent to the customer.

TIP: *Be sure to check your email delivery settings before sending emails to your customers. We covered this in the tutorial on how to set up sales form content.*

Wrap Up

That wraps up How to Create and Send Invoices in QuickBooks Online. In our next tutorial, we will show you How to Receive (Record) Payments from Customers, how to properly apply customer payments, and the impact this will have on your financial statements.

How to Receive Payments in QuickBooks Online

By Crystalynn Shelton on May 11, 2017 | Accounting, How To, Quickbooks |

In this tutorial, we're going to cover how to receive (record) payments from customers in QuickBooks Online. Let's begin!

You can watch the video above and follow along with your own QuickBooks Online account. Don't have one? Sign up for a free 30-day trial.

What Does Receiving (Recording) Payments Mean?

If you created an invoice in QuickBooks Online to record a sale to a customer, at some point you expect to receive payment from your customer for that invoice. Receiving payments is only necessary if you have an open invoice to apply the payment to.

If you receive a payment from a customer and you **have not** created an invoice in QuickBooks then proceed to the sales receipt tutorial to enter this payment.

Receiving payments in QuickBooks Online helps maintain an accurate accounts receivable balance. When a payment is entered into QuickBooks, the accounts and financial statements are affected as follows:

Account Affected	Impact on Account	Financial Statements
Accounts Receivable	Decrease	Balance Sheet
Cash	Increase	Balance Sheet

TIP: *You may be wondering why there is no impact on Income when a payment is received into QuickBooks. If you recall, in our tutorial on How to Create and Send Invoices, we mentioned that one of the accounts affected when you create an invoice is Income. Since Income was recorded at the time the invoice was created, there is no change to Income when payment is received.*

Why Should I Receive (Record) Payments in QuickBooks Online?

You must receive payments in QuickBooks so that they are applied to the correct invoices. This will ensure that your accounts receivable balance is accurate.

TIP #1: *One of the most common mistakes made when checks are received from customers is that they are entered into QuickBooks as a deposit. Entering checks received as payment for an invoice as a deposit is a mistake because it will have the following impact:*

- The outstanding invoice will remain unpaid in QuickBooks
- The amount owed by the customer (accounts receivable) will be overstated
- Sales (Income) will be overstated because it was recorded when the invoice was created and then again when the deposit was entered.
- The account used to record the deposit transaction may not be correct

TIP #2: *If you follow these steps, you can minimize these type of issues:*

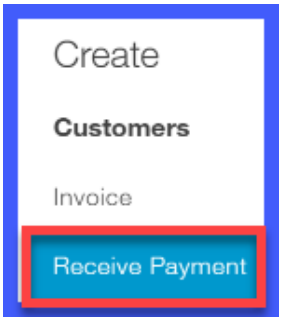
1. When a check is received from a customer, check to see if the customer has any open invoices. If so, then follow the steps outlined below for receiving payment.
2. If the customer does not have any open invoices, then follow the steps in the sales receipt tutorial to record this payment.

TIP #3: When depositing payments for your business, it's important to use a separate business checking account so you don't commingle funds. To prevent this from happening, open a small business checking account. We compared a range of small business banking options and Chase came out on top. Plus, first-time account holders are are eligible for a $200 bonus.

How Do I Receive a Payment in QuickBooks Online?

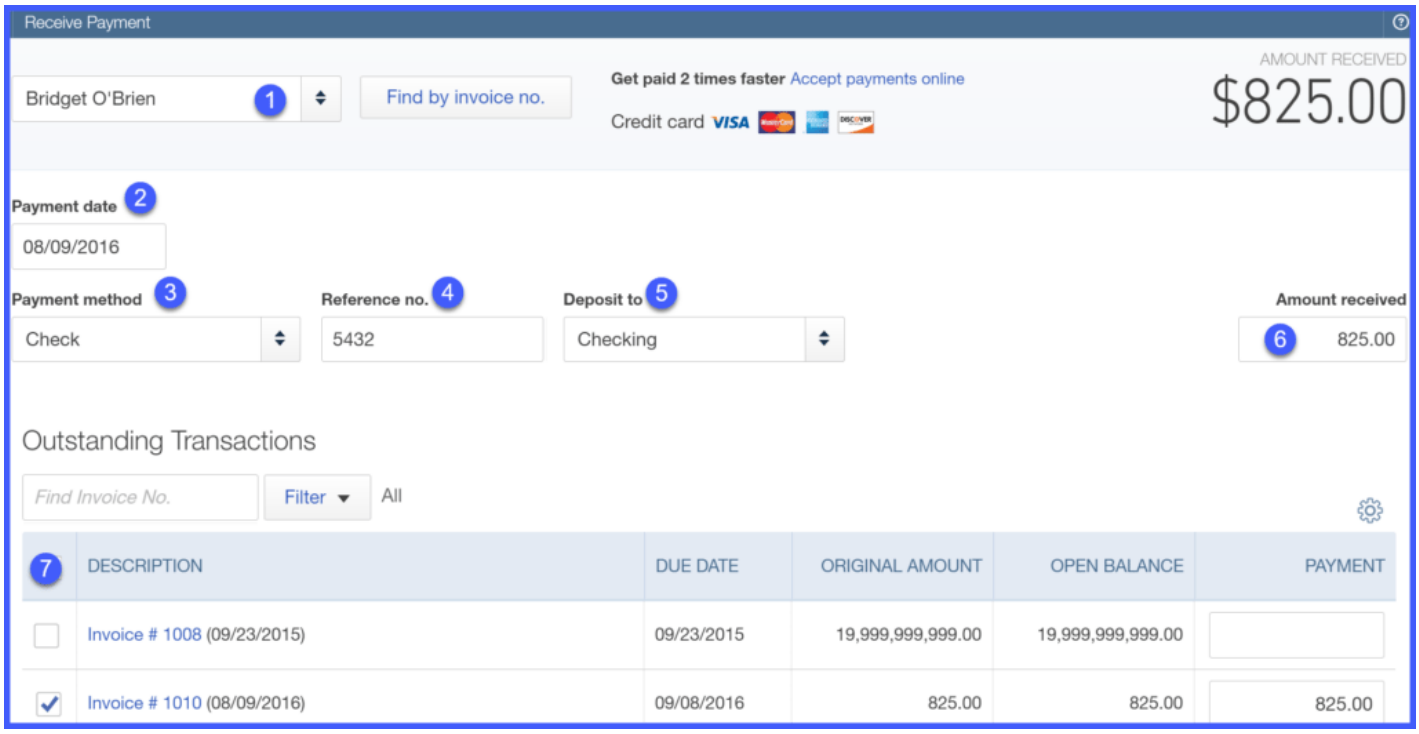
Step 1 – Navigate to Receive Payments

From the Home page, below the **Customers** column, select **Receive Payment** as indicated below.



Step 2 – Enter Customer Payment

The following window should display on your screen. The fields that should be completed are as follows:



1. **Customer Name** – Select the customer's name from the drop down.
   TIP: If you have not set up the customer info yet, then this customer does not have any outstanding invoices in QuickBooks. Do not proceed with receiving this payment. Close out of this window immediately, and follow the steps in the sales receipt tutorial to record this payment.
2. **Payment Date –** This should be the date that you received the payment.
   TIP #1: *This date does not impact financial statements, so if you don't know the exact date that you received the payment, it is ok to make your best guess here.*
   TIP #2: *Keep the envelope that the checks come in so that you can use the postmark date as your payment date.*
3. **Payment method –** Select the payment method from the drop down list. The options are check, cash or credit card. If you have an Intuit payments account, go ahead and select credit card for the payment method, and enter your customer's credit card information. Once you click the save button, QuickBooks will process the credit card payment. A message will display on the screen to inform you whether the credit card payment was accepted or declined.
4. **Reference no. –** Enter the check # here if the payment method was a check. If not, you can enter any info here that will help you reference the payment later on.
5. **Deposit to –** Select the bank account that you will deposit this payment to from the drop down.

6. **Amount received** – This will auto-populate once you select the invoice that this payment applies to in the Outstanding Transactions list.
7. **Checkmark** – Put a checkmark in this column next to the invoices that the payment is for.

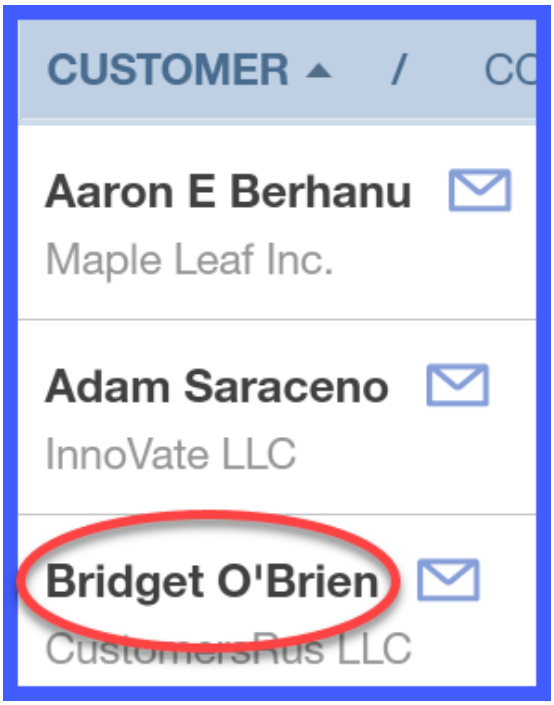
Step 3 – Save Customer Payment

1. Click the arrow to the right of the Save and new button
2. Select Save and close as indicated below.

Step 4 – Confirm Payment was Correctly Applied

From the left navigation bar, select **Customers** as indicated below.

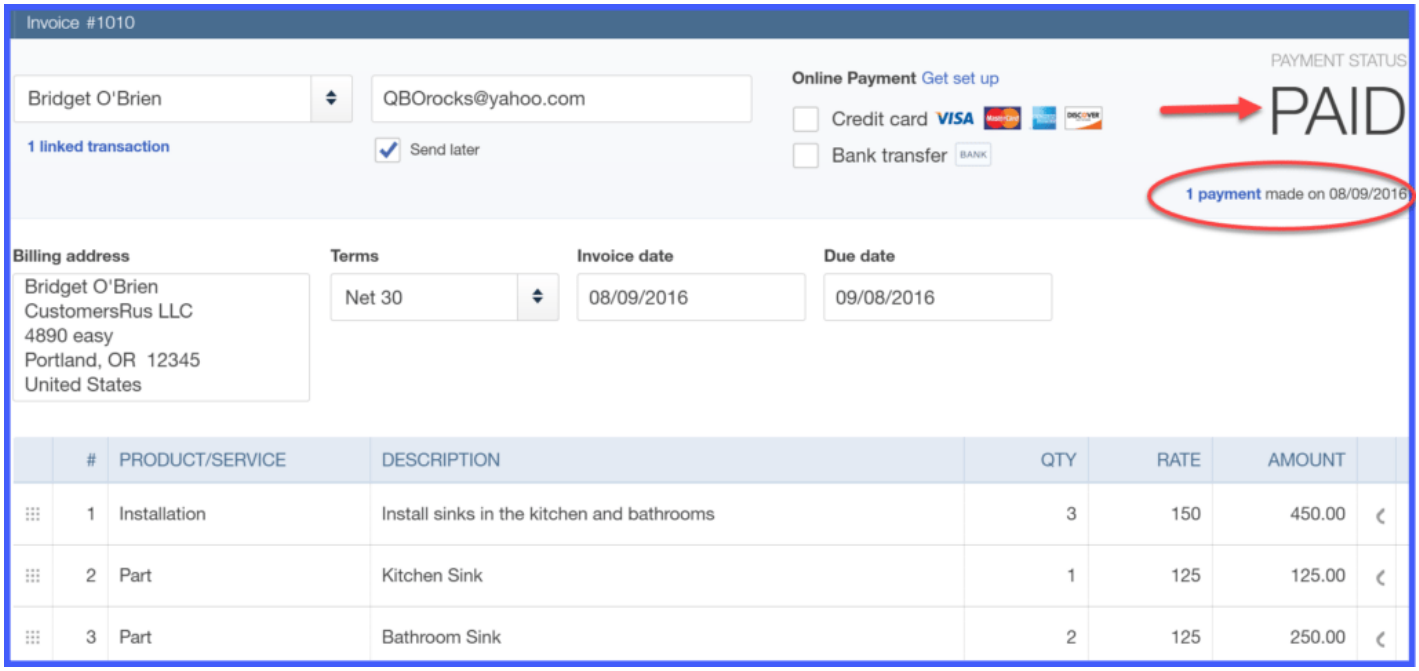
Click on the customer's name, as indicated below.



Locate the invoice # and amount. Once you find it, the **Status** column should indicate **PAID** as indicated below.

DATE	TYPE	NO.	DUE DATE	BALANCE	TOTAL	STATUS
08/09/2016	Invoice	1010	09/08/2016	$0.00	$825.00	Paid

QuickBooks will also mark the invoice as **PAID**. To display the paid invoice, just click on the Paid status and it will pull up as indicated below.



Wrap Up

That wraps up How to Receive Payments in QuickBooks Online. In our next tutorial, we will show you How to Create Sales Receipts, what a sales receipt is, why you should create sales receipts, how to create a sales receipt in QuickBooks Online, and the impact this will have on your financial statements.

How to Create & Send Sales Receipts in QuickBooks Online

By Crystalynn Shelton on May 11, 2017 | Accounting, How To, Quickbooks |

In this tutorial, we're going to cover how to setup and send Sales Receipts in QuickBooks Online. Let's begin!

You can watch the video above and follow along with your own QuickBooks Online account. Don't have one? Sign up for a free 30-day trial.

What is a Sales Receipt?

A sales receipt is a document that provides customers with a detailed description of the products or services that they have purchased from you. If you receive a payment from a customer at the time of sale, then you would create a sales receipt in QuickBooks to record both the sale and payment.

When a sales receipt is created in QuickBooks, the accounts and financial statements are affected as follows:

Account Affected	Impact on Account	Financial Statement
Checking account	Increase	Balance Sheet
Income (Sales)	Increase	Profit & Loss

Below you will find a sample of a completed QuickBooks Online sales receipt for our fictitious company, Paul's Plumbing.

Paul's Plumbing Co.

crystalynn@fitsmallbusiness.com
www.paulsplumbing.com

SALES RECEIPT

BILL TO
Byran Tublin
RDP Inc.
123 Accounting Lane
San Francisco, CA 12345
United States

SALES # 1011
DATE 08/11/2016

PMT METHOD
Check

ACTIVITY	QTY	RATE	AMOUNT
Installation Installed toilet in the Master Bedroom	1	150.00	150.00
Installation Installed new sink in kitchen	1	250.00	250.00
Installation Installed new sinks in 3 bathrooms	1	550.00	550.00

We appreciate your business!

TOTAL	950.00
AMOUNT RECEIVED	950.00

Why Should I Create a Sales Receipt in QuickBooks Online?

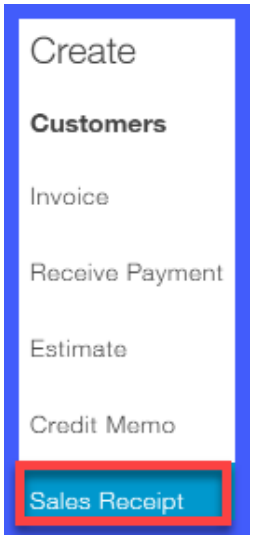
When you create a sales receipt in QuickBooks, you get two benefits:

1. Your financial statements are updated in real-time to reflect the change in your income and bank account balances.
2. You can email sales receipts to your customers directly from QuickBooks so that your customers have a detailed record of the products and services that they purchased from you.

How Do I Create a Sales Receipt in QuickBooks Online?

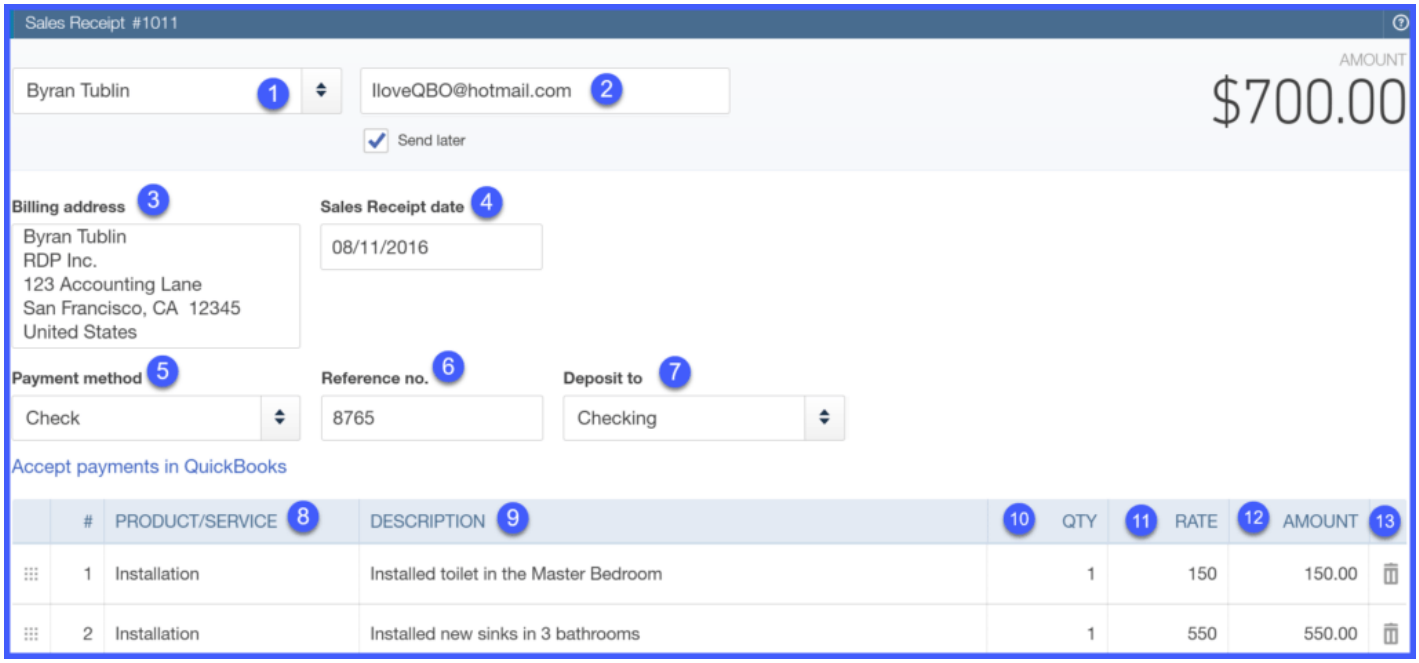
Step 1 – Navigate to Create Sales receipt

From the Home page, below the **Customers** column, select **Sales Receipt** as indicated below.



Step 2 – Create Sales Receipt

The Sales receipt form should display on your screen. The fields that should be completed are as follows:



1. **Customer Name** – Select the customer's name from the drop down.
   TIP: *If you have not set up the customer info yet, you can do so by clicking on the drop down arrow, scroll up to the top of the list and select **Add New**. A new window will open up that will allow you to enter your customer's information. Once you have done this, you can click save and finish your sales receipt.*

2. **Customer email address** – This info will automatically populate from the customer profile. If you did not enter the email address in the customer profile, then this field will be blank.
   TIP: *You can enter the email address directly in this field and it will automatically update the customer profile.*

3. **Billing address** – This info will automatically populate from the customer profile. If you did not enter the billing address in the customer profile, then this field will be blank.
   TIP: *You can enter the billing address directly in this field but it **will not** automatically update the customer profile. You will have to go back to the customer profile and enter this information for it to auto-populate going forward.*

4. **Sales receipt date** – This is the date of the sale.
   TIP: *Typically QuickBooks will default to today's date. If you are creating the sales receipt sometime after the date that you made the sale, then you will need to change this date.*
5. **Payment method** – Select the payment method from the drop down list. The options are check, cash or credit card. If you have an Intuit payments account, select credit card for the payment method, and enter your customer's credit card information. Once you save the sales receipt, QuickBooks will process the credit card payment. A message will display on the screen to inform you whether the credit card payment was accepted or declined.
6. **Reference no.** – Enter the check # here if the payment method was a check. If not, you can enter any info here that will help you reference the payment later on.
7. **Deposit to –** Select the bank account that you will deposit this payment to from the drop down.
8. **Product/Service** – Select each product or service from the drop down list.
   TIP: *If you have not set up the products and services info yet, you can do so by clicking on the drop down arrow, scroll up to the top of the list and select **Add New**.*

A new window will open up that will allow you to enter your product or service information. Once you have done this, you can click save and finish your sales receipt.

9. **Description –** This field will auto-populate based on the product or service you selected above. However, you can customize this description by typing directly in this field.
   TIP: *Any custom description that you enter on this sales receipt* ***will no****t update the description for the product and service. If you want to this description to auto-populate when this product/service is selected then you need to update the products and services info.*
10. **Qty –** If applicable, enter the quantity for each product or service.
11. **Rate –** This field will auto-populate based on the rate you set up for the product/service selected. If you did not set up a rate, then you can enter it directly on this form.
    TIP: *Any rate that you enter on this sales receipt will not update the rate for the product or service. If you want to this rate to auto-populate when this product or service is selected, then you need to update the products and services info.*
12. **Amount** – QuickBooks will automatically multiply the quantity and the rate columns to calculate the amount.
13. To **delete an item**, just click the trash can symbol in this column.

Step 3 – Preview Sales Receipt

Once you have completed all of the necessary fields, you can do a print preview to see what the sales receipt will look like. Just click the Print or Preview button at the bottom of the screen. Below is a sample sales receipt for our fictitious company, Paul's Plumbing.

Paul's Plumbing Co.

crystalynn@fitsmallbusiness.com
www.paulsplumbing.com

SALES RECEIPT

BILL TO
Byran Tublin
RDP Inc.
123 Accounting Lane
San Francisco, CA 12345
United States

SALES # 1011
DATE 08/11/2016

PMT METHOD
Check

ACTIVITY	QTY	RATE	AMOUNT
Installation Installed toilet in the Master Bedroom	1	150.00	150.00
Installation Installed new sink in kitchen	1	250.00	250.00
Installation Installed new sinks in 3 bathrooms	1	550.00	550.00

We appreciate your business!

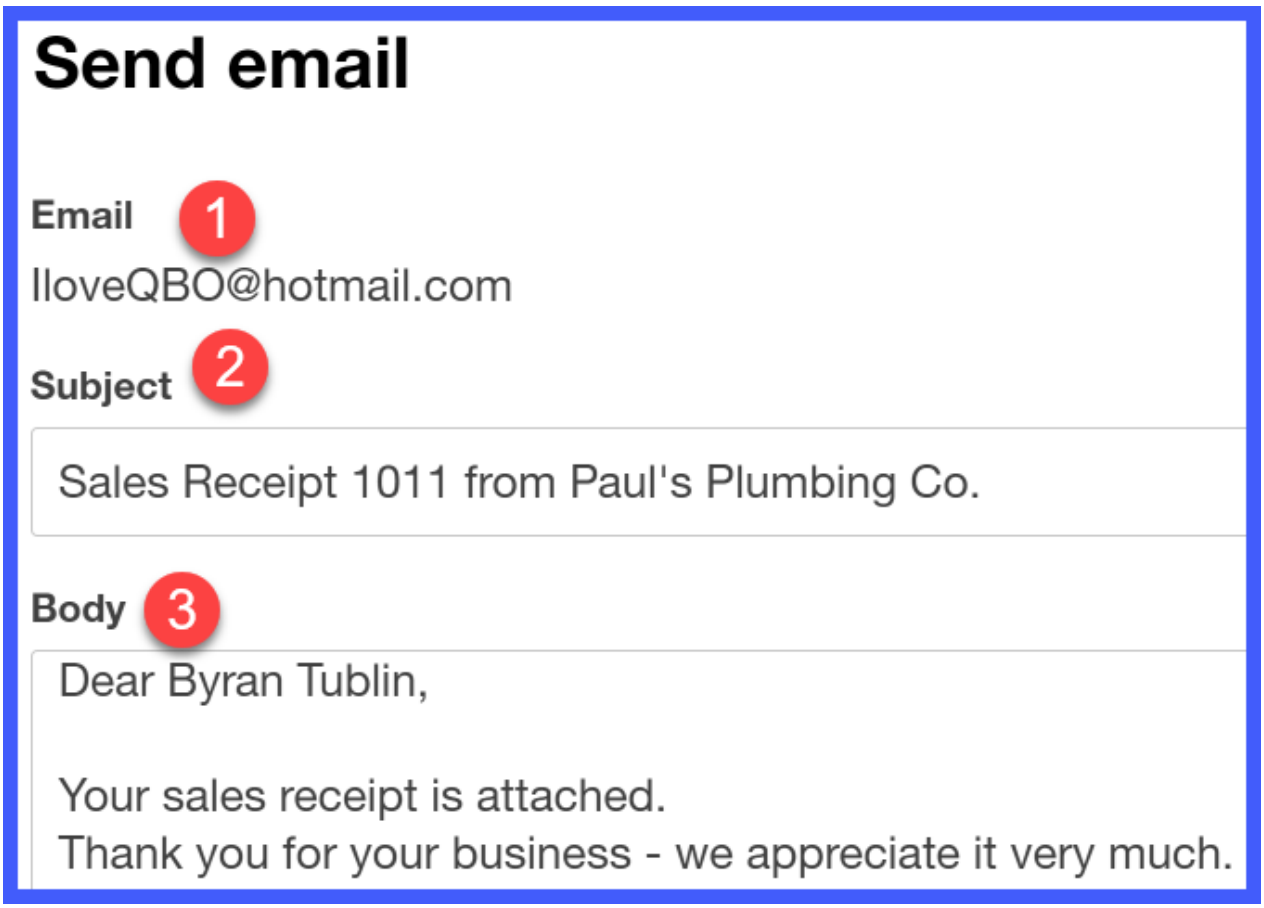
TOTAL	950.00
AMOUNT RECEIVED	950.00

Step 4 – Send Sales Receipt to Customer in QuickBooks Online

After you are satisfied with the sales receipt, you can either print it out and mail it to your customer, or you can email it directly from QuickBooks.

To email the sales receipt directly from QuickBooks, just click on the drop down arrow to the right of the **Save and close** button and select **Save and send**.

The following should display on your screen along with a preview of the sales receipt.



The receipt contains three items:

1. **Email:** This is the email address that is saved in the customer profile.
2. **Subject:** This is the sales receipt # that was assigned by QuickBooks and your company name. You can edit this information directly on this screen.
3. **Body:** This is the information that will appear in the body of the email that your customer receives. You can edit this information directly on this screen.

The sales receipt will be attached to the email as a PDF document. Once you have made your changes, select the **Save to send queue and close** button as indicated below.

TIP: *Be sure to check your email delivery settings before sending emails to your customers. We covered this in the how to set up sales form content tutorial.*

Wrap Up

That wraps up How to Create & Send Sales Receipts in QuickBooks Online. In our next tutorial, we will show you How to Write and Print Checks, when to write a check, and the impact this will have on your financial statements.

How to Write & Print Checks in QuickBooks Online

By Crystalynn Shelton on May 11, 2017 | Accounting, How To, Quickbooks |

In this tutorial, we're going to cover how to write & print checks in QuickBooks Online. Let's begin!

You can watch the video above and follow along with your own QuickBooks Online account. Don't have one? Sign up for a free 30-day trial.

Why Should I Write and Print Checks in QuickBooks Online?

There are a few benefits to creating and printing checks in QuickBooks Online that manually writing checks does not offer you:

- By creating and printing checks in QuickBooks, you do not have to manually enter the check later when it is time to reconcile your checking account with the bank statement.
- Your QuickBooks file is always up-to-date with the most recent expenses you have paid.
- You can print your checks directly from QuickBooks so that you don't have to manually write them.

In general, you should write and print checks in QuickBooks to pay for goods and services for which payment is due immediately. For example, for any supplier who you have not established credit terms with, payment will most likely be "Due Upon Receipt." Similarly, if you owe taxes and need to send a check along with your tax return, then you would want to make that payment right away.

For those vendors that have extended credit terms to you, you can enter those bills and pay them at a later date.

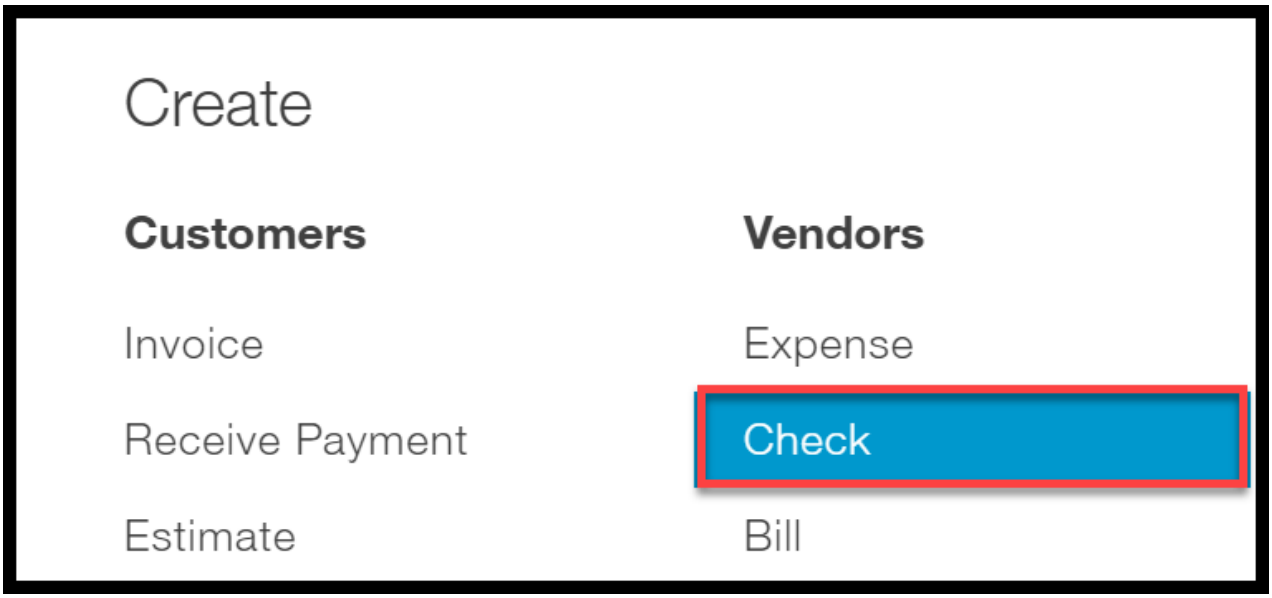
If printing and mailing checks still seems like a hassle, many vendors will accept credit card payments and credit cards can be synced up with your QuickBooks. Plus, by paying vendors with a credit card, you can earn cash back and travel rewards. We compared the best business credit cards and Chase Ink Business Cash came out on top. The Chase Ink Business Cash card provides great cash back rewards with no annual fee.

How Do I Write & Print Checks in QuickBooks Online?

Step 1 – Navigate to Write Checks

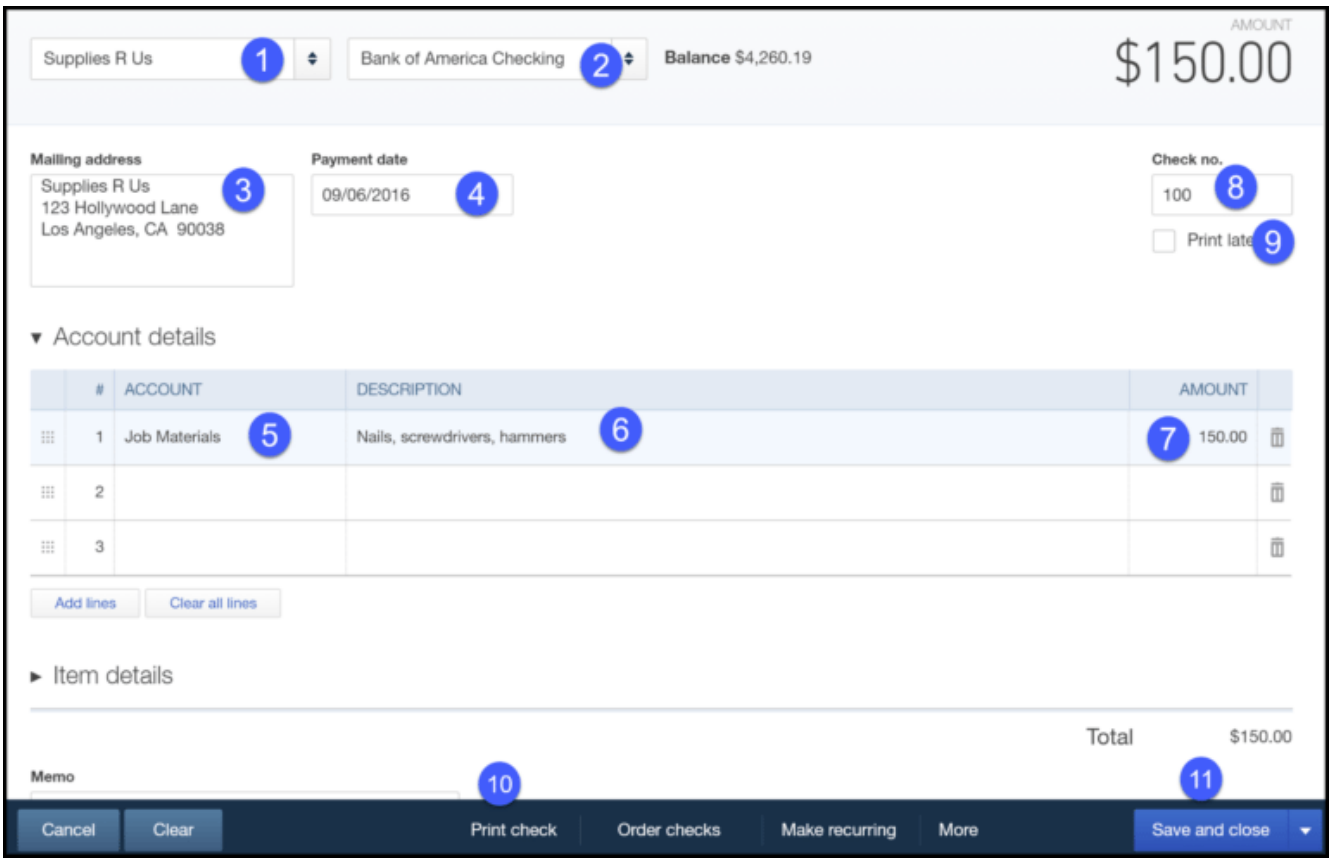
From the Home page, click on the plus sign at the top.

Below the **Vendors** column, select **Check** as indicated below.



Step 2 – Create and Print Check

The Write Checks window will display on your screen. There are 11 fields that need to be completed as indicated below.



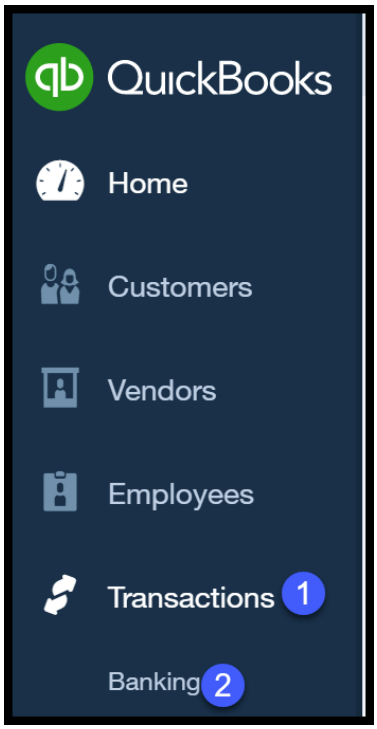
1. **Payee** – select the vendor that you are paying from the drop down menu. If you have not set up the supplier in QuickBooks yet, then you can click on the drop down arrow and scroll up to Add New. Be sure to check out our Setting up Vendors tutorial to

learn how to set up your vendors in QuickBooks.

2. **Bank account** – select the bank account that you want to write this check from.
3. **Mailing address** – this information will automatically populate from the vendor's profile.
4. **Payment date** – this should be the date that you will print the check.
5. **Account** – select the account that you track this type of expense in. If you have not set up an account to track the expense then you can click the drop down arrow and scroll up to Add New. Be sure to review our Setting up the Chart of Accounts tutorial to learn how to set up your expense and income accounts in QuickBooks.
6. **Description** – this field will automatically populate with the description that you set the account up with. You can also customize this field by typing directly into it. However, the information that you type here will not update the description in the chart of accounts. If needed, you will have to go into the chart of accounts to update the description with the change.
7. **Amount** – enter the amount of the payment in this field.
8. **Check no.** – if you are going to print the check now, enter the next available check # in this field.
9. **Print Later** – if you are not going to print the check now, put a checkmark in this box to mark the check to be printed at a later time.
10. **Print** – click this button to print the check. If this is your first time printing checks in QuickBooks, click here for step by step instructions on where to buy checks and how to print checks in QuickBooks Online.
11. **Save and close** once you have completed writing the check.

Step 3 – Review Check in Check Register

You have now finished writing the check. To locate your check, navigate to the check register. From the left hand menu bar, click on **Transactions** and **Banking** as indicated below.



Click on the Go to Register button about halfway down the page on the right:

The check that we created is located at the very top of the screen, as indicated below.

DATE	REF NO. TYPE	PAYEE ACCOUNT	MEMO	PAYMENT
Add check				
09/06/2016	100	Supplies R Us		$150.00
	Check	Job Materials		

What Impact Does Writing and Printing Checks in QuickBooks Have on My Financial Statements?

When a check is created in QuickBooks to pay for something that is not going into inventory (i.e. office supplies or utility expense), the accounts and financial statements are

affected as follows:

Account Affected	Impact on Account	Financial Statement
Checking account	Decrease	Balance Sheet
Expense account	Increase	Profit & Loss

When a check is created in QuickBooks to pay for an asset like equipment or for products that will be added to inventory, the accounts and financial statements are affected as follows:

Account Affected	Impact on Account	Financial Statement
Checking account	Decrease	Balance Sheet
Inventory asset/fixed asset	Increase	Balance Sheet

Wrap Up

That wraps up How to Write & Print Checks in QuickBooks Online. In our next tutorial, we will show you How to Enter Bills in QuickBooks Online to help you manage your accounts payable.

How to Enter Bills in QuickBooks Online

By Crystalynn Shelton on May 11, 2017 | Accounting, How To, Quickbooks |

In this tutorial, we're going to cover how to enter bills in QuickBooks that you receive from vendors. Let's begin!

You can watch the video above and follow along with your own QuickBooks Online account. Don't have one? Sign up for a free 30-day trial.

Why Should I Enter Bills in QuickBooks Online?

If you receive bills from vendors who allow you to pay them sometime in the future, then you should enter these bills into QuickBooks Online. This will allow you to keep track of the following information:

- **What bills are outstanding (accounts payable)**
- **What bills you have paid**
- **Where you are spending your money**

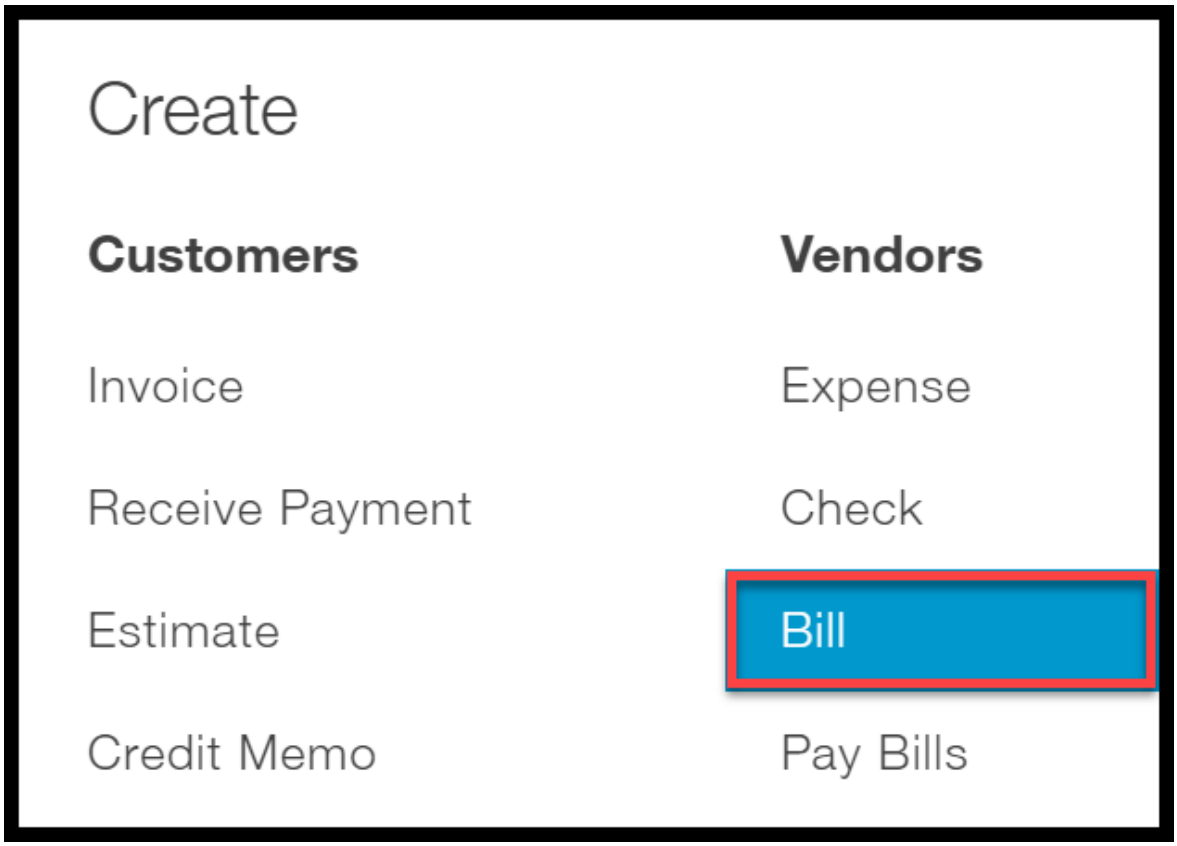
One of the many reasons why business owners purchase QuickBooks is to gain better control over their expenses. By entering bills in QuickBooks and paying them as close to the due date as possible (without being late), you will also have better control over your cash flow. It is beneficial for a business owner to hold onto cash as long as possible. You never know when an emergency might occur and if you don't have an available line of credit or cash in your bank account then that emergency could ruin your business.

How Do I Enter Bills in QuickBooks Online?

Step 1 – Navigate to Enter Bills

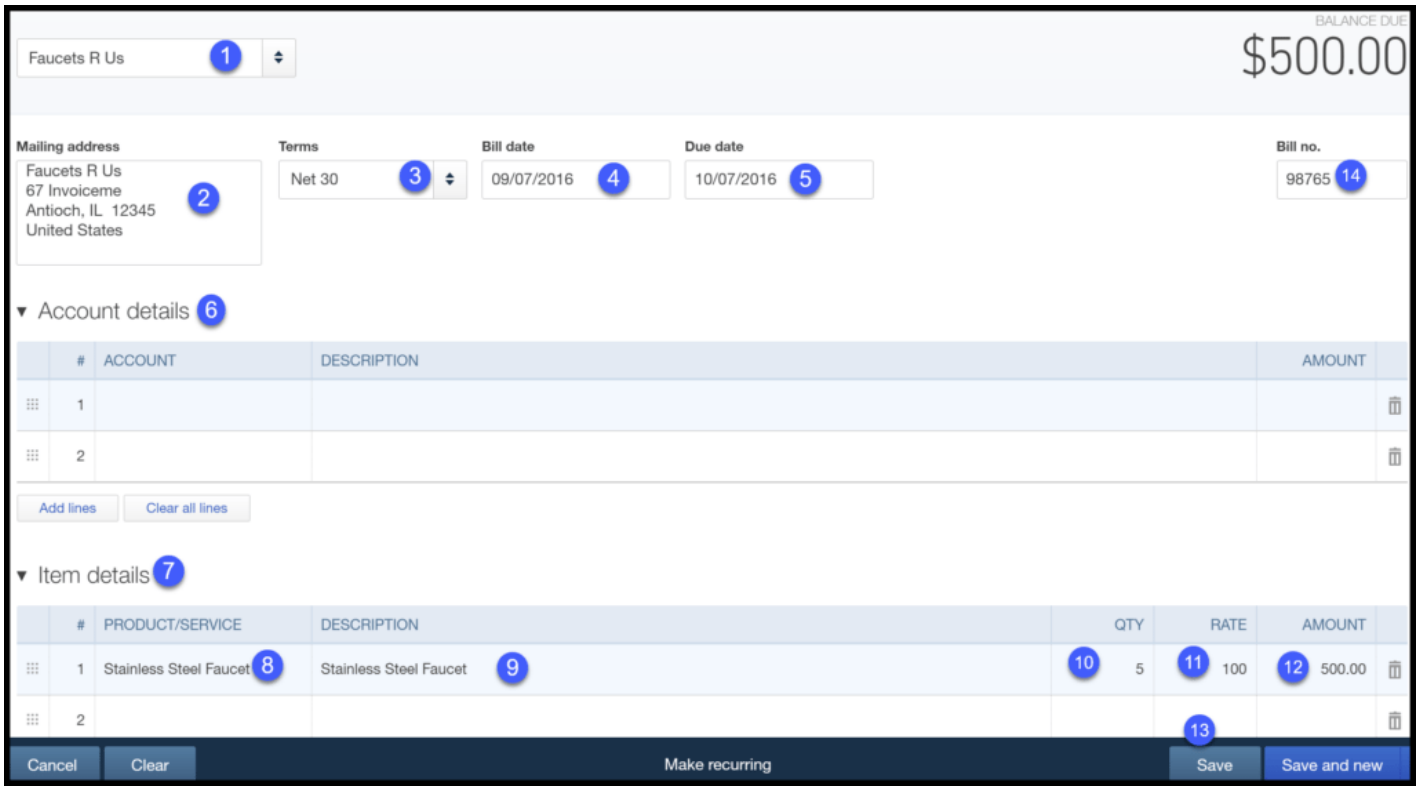
From the Home page, click on the plus sign at the top.

Below the **Vendors** column, select **Bill** as indicated below.



Step 2 – Enter Bill

The Enter Bill window will display on your screen. There are 14 fields that need to be completed as indicated below.

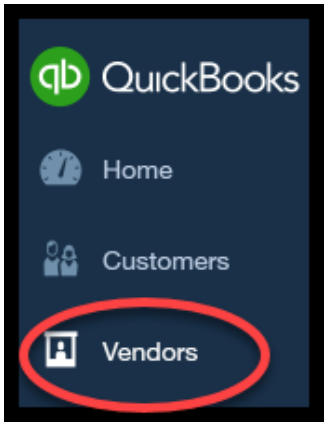


1. **Vendor:** Select the vendor from the drop-down.
   TIP: *If you have not set the vendor up then you can do so here. Just click the drop-down arrow and click on **Add New**. In the **Setting up Vendors** tutorial we walk through step by step to show you how to set up your vendors.*
2. **Mailing address:** This field will automatically populate with the information that is in the vendor profile.
   TIP: *If you did not enter the mailing address for your vendor then this field will be blank. You can enter the mailing address in this field but it will not update the vendor profile.*
3. **Terms:** The payment terms will automatically populate with what was set up in the vendor profile.
   TIP: *If you did not set special payment terms for a vendor then this field will default to the payment terms for all vendors. During the Setting up Expenses tutorial, we walked through step by step to show you how to set default payment terms for all vendors.*
4. **Bill date:** This is the date that appears on the bill you received from your vendor.
5. **Due date:** Based on the payment terms, QuickBooks will calculate the due date for you. For example, the payment terms are Net 30 for this vendor. This means that the due date will be 30 days from the Invoice date.
6. **Account details:** If you are paying for a service such as utility expense or tax preparation services, then you will need to complete this section of the bill. However, if you are paying for a product, then you will complete the Item details section.
7. **Item details:** If you are paying for a product such as a piece of equipment that you will use in your business or inventory that will be sold to customers then you will complete this section of the bill.
8. **Product/Service:** From the drop-down, select the product or service that you are paying for. If you have not set up the product/service then you can do so by selecting **Add New** from the drop down. In the **setting up products and services list** tutorial, we walk through step by step to show you how to set up the products and services list.
9. **Description:** This field will automatically populate from the product and services list. You can also type a customized description directly into this form. However, it will not update your product and services list.
10. **Quantity:** Indicate the quantity of your purchase, if applicable.
11. **Rate:** This field, containing the per product or per service cost, will automatically populate from the product and services list. You can also type the rate directly into this form. However, it will not update your product and services list.

12. **Amount**: QuickBooks will multiply the quantity column by the rate column to calculate this field.
13. **Save:** Once you have completed all of the necessary fields, save the bill.
14. **Bill no.:** This is the invoice # that appears on the bill you received from your vendor. **TIP#1:** *To help prevent you from paying for something twice, it is very important that you enter the bill no.(invoice#) for all bills. Typically this will be a unique # issued by the vendor. If a vendor does not include an invoice # on the bill, then you should come up with a unique #. For example, you could use the date of purchase and/or the purchase order # in this field. Whatever # you come up with, be sure to write it on the actual paper bill for future reference.* ***TIP #2:*** *By entering the invoice #, QuickBooks will alert you if a duplicate bill no. (invoice #) has been entered. This feature can help to ensure that you do not pay a duplicate invoice that the supplier may send to you. In the* ***Advanced Settings*** *tutorial, we walk you through step by step on how to turn this feature on.*

Step 3 – Review Bills

From the Home page, select **Vendors** from the left-hand menu bar as indicated below.



On this screen, you will see a list of vendors along with the open balance as indicated below. Click on the vendor's name in the first column to go to the next screen.

From this screen, you can see the details of the outstanding invoices that make up the open balance. Review the information to ensure that it was entered correctly.

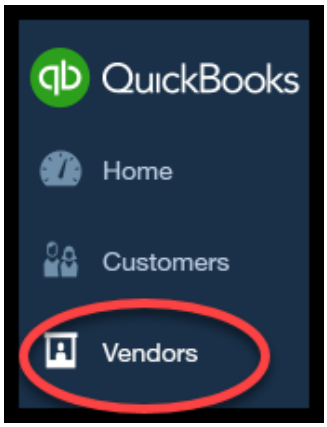
DATE	TYPE	NO.	PAYEE	CATEGORY	TOTAL	ACTION
09/07/2016	Bill	98765	Faucets R Us	Inventory Asset	$500.00	Make payment

How Do I Edit (Modify) a Bill that was Previously Entered?

If you do find that you need to make some changes to a bill that was previously entered, you can do so.

Step 1 – Navigate to the Vendor Bill

From the Home page, select **Vendors** from the left-hand menu bar as indicated below.



On this screen, you will see a list of vendors along with the open balance as indicated below. Click on the vendor's name in the first column to go to the next screen.

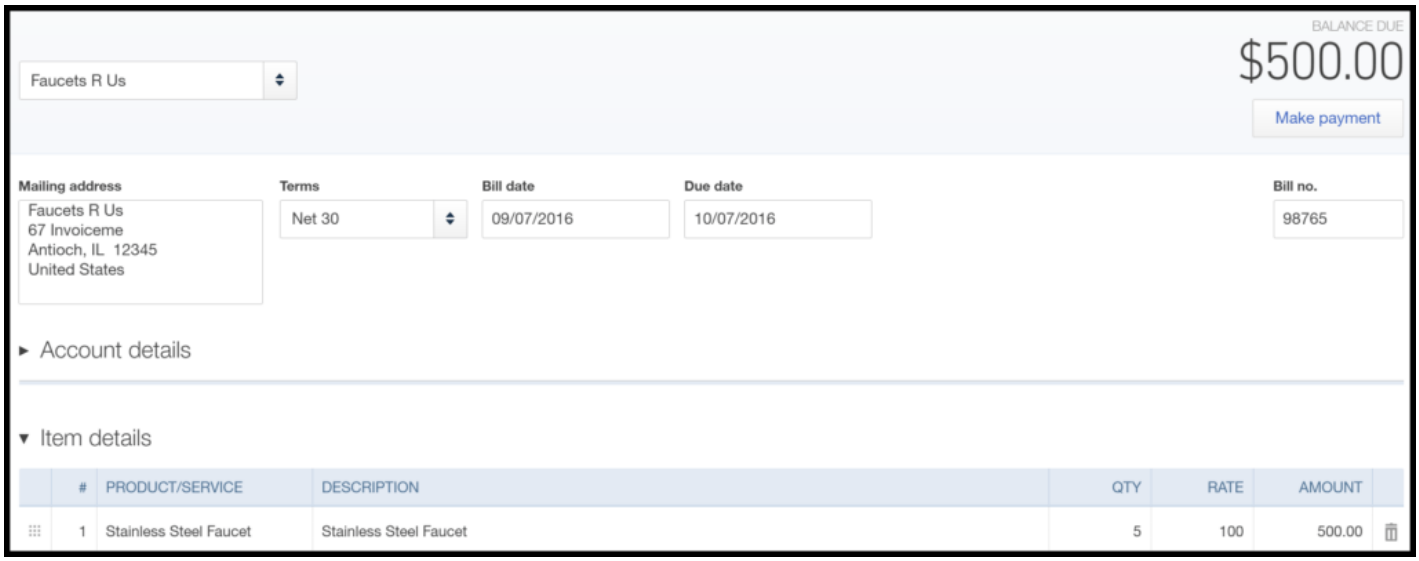
VENDOR / COMPANY	PHONE	EMAIL	OPEN BALANCE	ACTION
Faucets R Us (1) Faucets R Us	555-5557	Startupright@billingmanager.com	(2) $500.00	Make payment

From this screen, you can see the details of the outstanding invoices that make up the open balance. If you hover your mouse over any of the information right below the column headings, you can click to display the bill on your screen.

DATE	TYPE	NO.	PAYEE	CATEGORY	TOTAL	ACTION
09/07/2016	Bill	98765	Faucets R Us	Inventory Asset	$500.00	Make payment

Step 2 – Edit Bill Information

The bill should display on your screen as indicated below. Make any necessary changes and then save the bill.



What Impact Does Entering Bills Have on My Financial Statements?

When a bill is entered in QuickBooks to pay for something that is not going into inventory (i.e. office supplies or utility expense) the accounts and financial statements are affected as follows:

Account Affected	Impact on Account	Financial Statement
Accounts Payable account	Increase	Balance Sheet
Expense account	Increase	Profit & Loss

When a bill is entered in QuickBooks to pay for an asset like equipment or product that will be added to inventory, the accounts and financial statements are affected as follows:

Account Affected	Impact on Account	Financial Statement
Accounts Payable account	Increase	Balance Sheet
Inventory asset/fixed asset	Increase	Balance Sheet

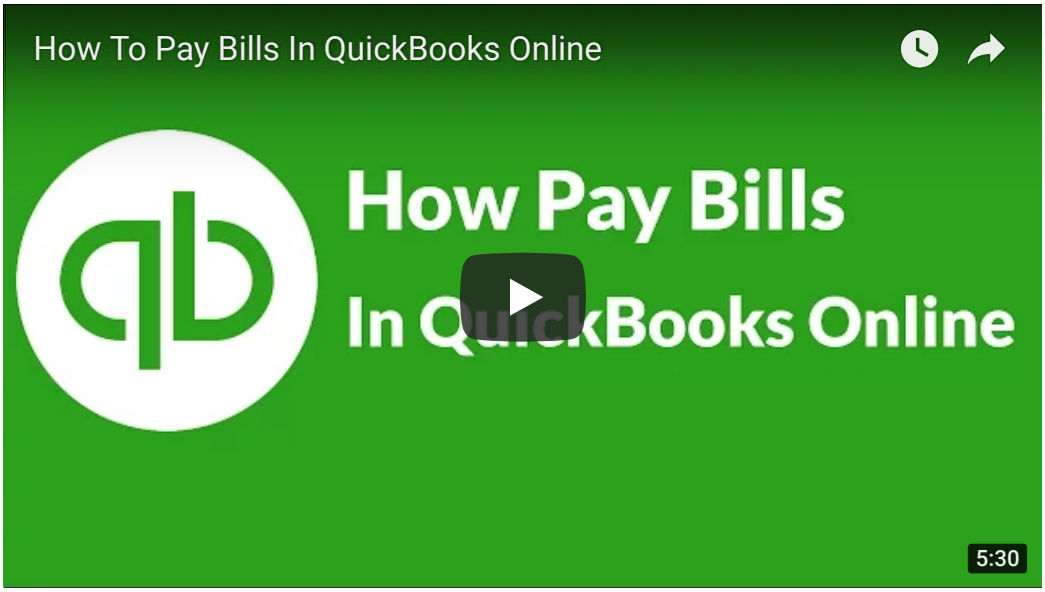
Wrap Up

That wraps up How to Enter Bills in QuickBooks Online. In our next tutorial, we will show you How to Pay Bills previously entered into QuickBooks.

How to Pay Bills in QuickBooks Online

By Crystalynn Shelton on November 3, 2017 | Accounting, How To, Quickbooks |

In this tutorial, we're going to cover how to pay bills in QuickBooks that were previously entered. Let's begin!



You can watch the video above and follow along with your own QuickBooks Online account. Don't have one? Sign up for a free 30-day trial.

Why Should I Pay Bills in QuickBooks Online?

If you previously entered bills into QuickBooks then the next step is to pay them before they become due. Paying bills in QuickBooks will automatically mark the bill as paid and it will no longer be outstanding. This will also update the accounts payable balance to reflect the bill payment. Accounts payable is the amount that you owe to vendors.

How To Pay Bills in QuickBooks Online

When it comes to paying bills, you have a couple of options in QBO. You can print a check directly from QBO or you can pay your bills online. First, we will discuss how to pay your bills by printing a check from QBO and then we will cover the steps to pay your bills online.

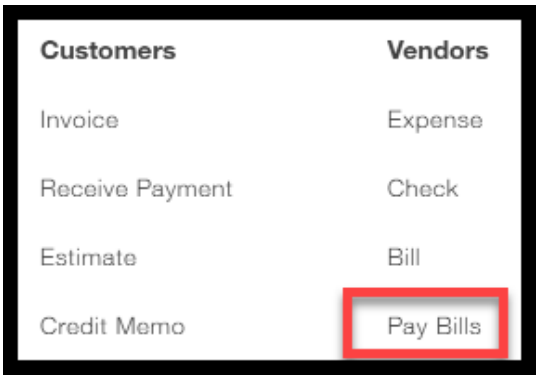
How to Pay Bills via Check

Here's the 4 steps to pay bills via check in QBO:

Step 1 – Navigate to Pay Bills

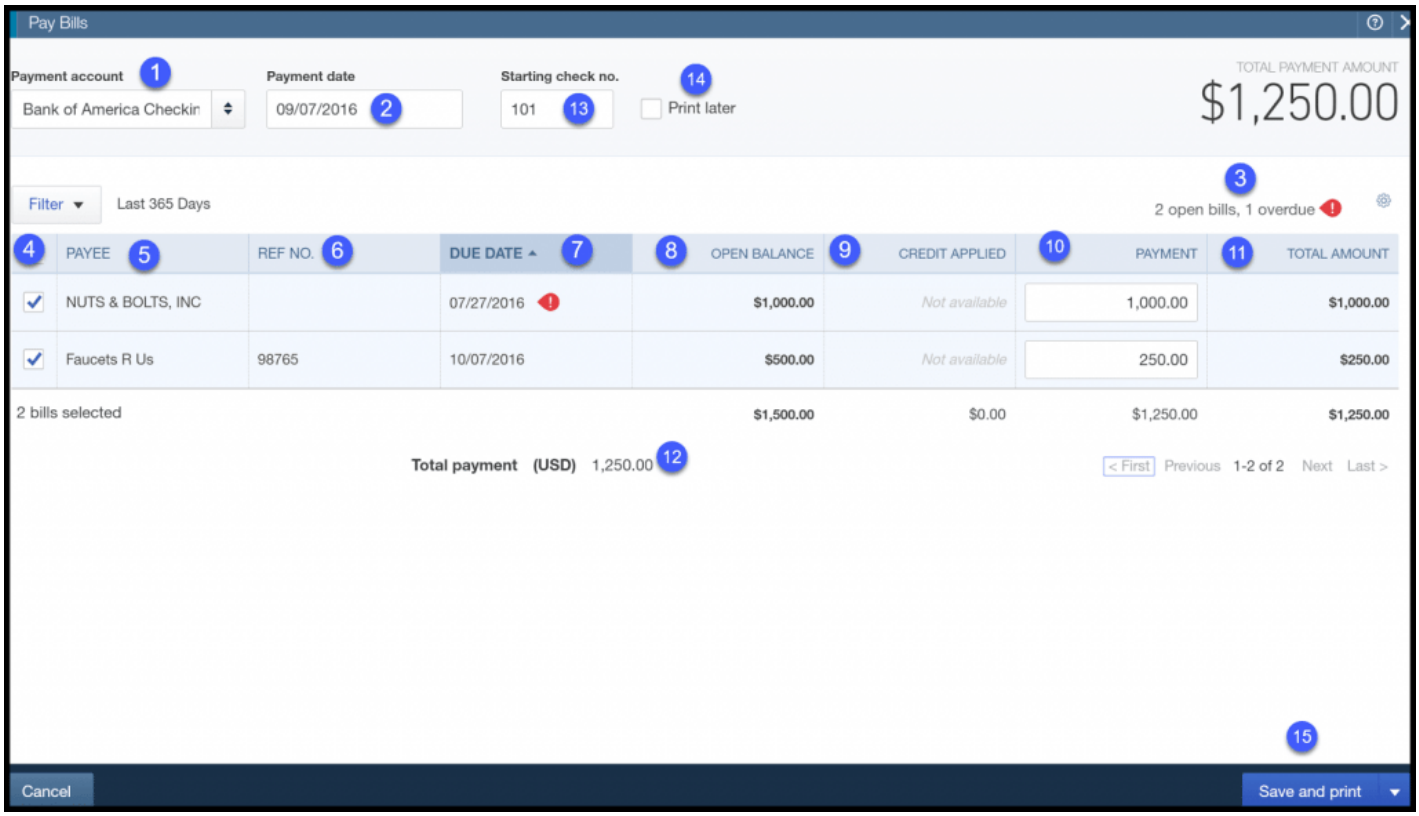
From the Home page, click on the plus sign at the very top.

Below the Vendors column, select Pay bills as indicated below.



Step 2 – Select Bills for Payment

The Pay Bills window should display. There are a total of 15 fields that need to be completed as indicated below.

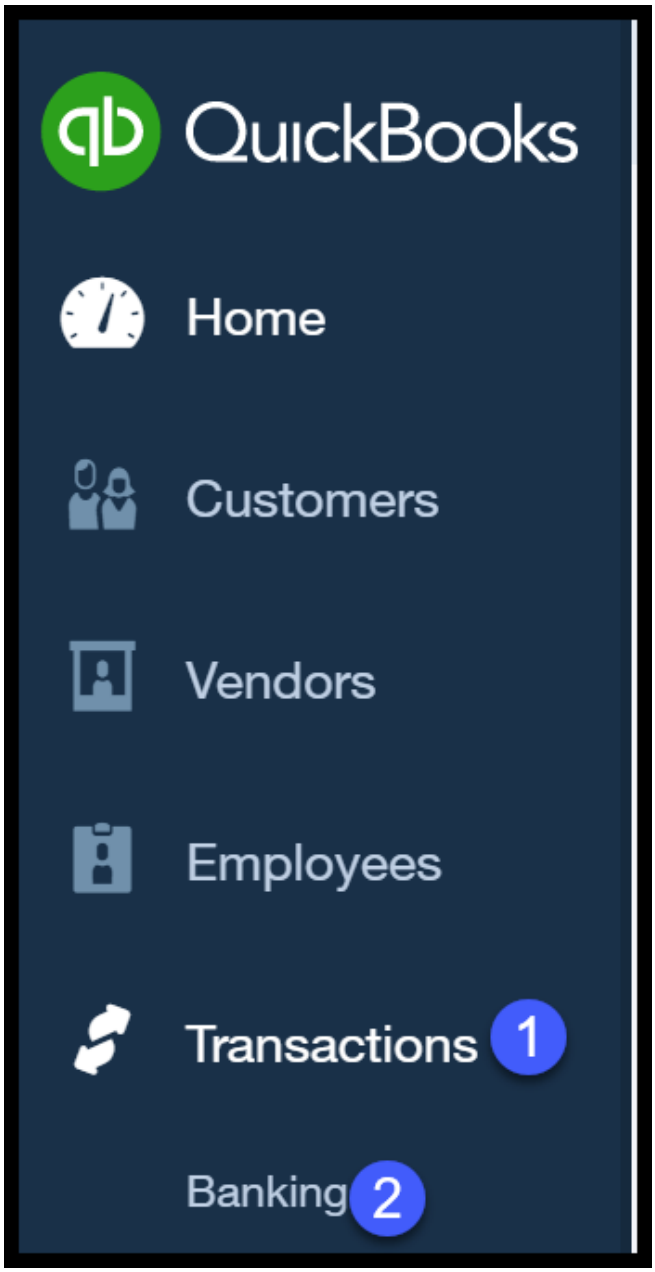


1. **Payment account:** select from the drop down the bank account that you will make these payments from.
2. **Payment date:** this will typically be your check date.
3. **Bill Notifications:** Notice QuickBooks has provided a summary of the # of open(outstanding bills). The overdue bill is referenced with an exclamation point.
4. **Bill selection:** select which bills you would like to pay and QuickBooks will put a checkmark in this column.
5. **Payee:** this is the payee for the check. Typically this will be your vendor's name but if for some reason the payee differs from your vendor's business name then you can update the vendor profile with this information. In the Setting up Vendors tutorial, we walk through step by step how to set up your vendors in QuickBooks.
6. **Ref No:** this is the vendor's invoice #.
7. **Due Date:** This is the due date of the bill. Notice that QuickBooks will indicate with an exclamation point if the bill is past due.
8. **Open Balance:** This is the unpaid (open) amount due for the invoice.
9. **Credit Applied:** If you have entered any credits that you received from your supplier, they will show up here to reduce the amount that you owe.
10. **Payment:** Enter the amount that you would like to pay. QuickBooks will automatically populate this field with the total amount due. However, you can pay less than the total amount due by simply typing directly in this field.
11. **Total Amount:** this field will automatically populate with the payment column.

12. **Total payment:** This will be the total amount of the payments that will be made.
13. **Starting check no:** If you are prepared to print checks now, enter the starting check # that you will load into the printer. If this is your first time printing checks, click here for step by step instructions on where to buy & how to print checks in QuickBooks Online.
14. **Print later:** Put a checkmark in this box if you will print checks at a later date.
15. Save and print or Save and close the bill payment window.

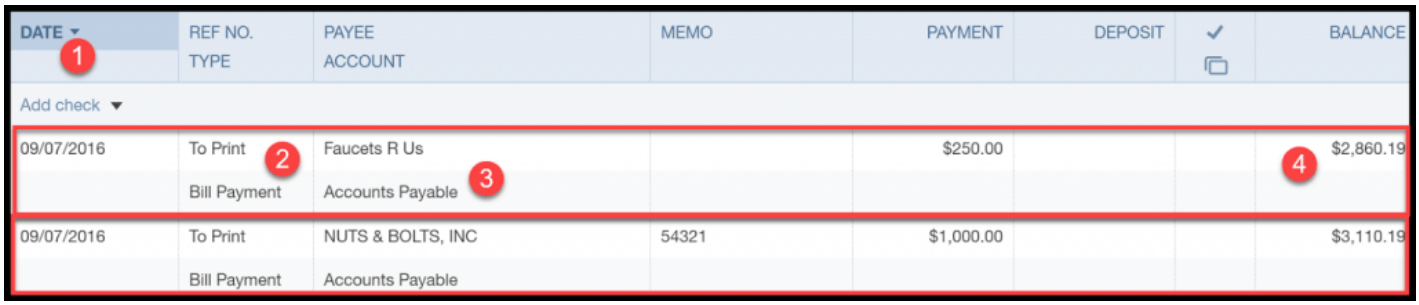
Step 3 – Check Register

To locate your payment, navigate to the check register. From the left-hand menu bar, click on Transactions and Banking as indicated below.



Click on the Go to Register button about ½ way down the page on the right:

The payments that we created for both vendors are located at the very top, as indicated below.

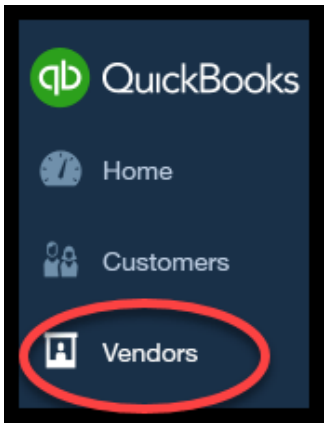


DATE 1	REF NO. / TYPE	PAYEE / ACCOUNT	MEMO	PAYMENT	DEPOSIT	✓	BALANCE
Add check							
09/07/2016	To Print 2 / Bill Payment	Faucets R Us / Accounts Payable 3		$250.00			$2,860.19 4
09/07/2016	To Print / Bill Payment	NUTS & BOLTS, INC / Accounts Payable	54321	$1,000.00			$3,110.19

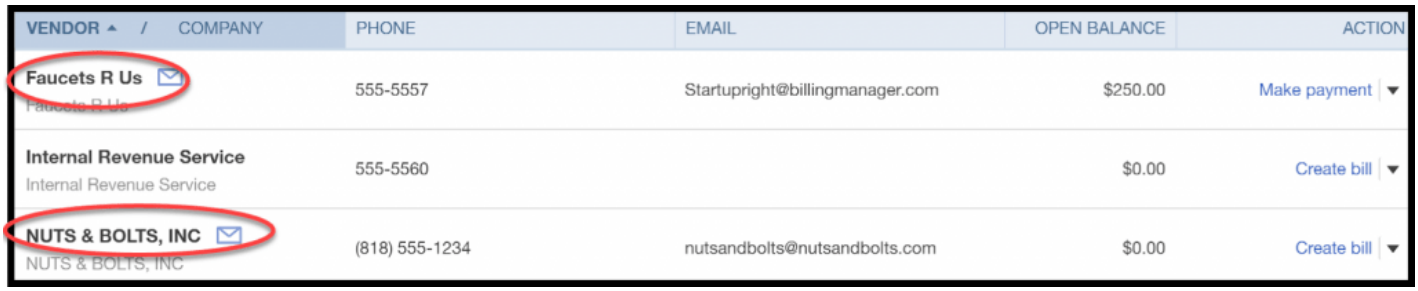
1. **Check date:** This is currently the date of the check but it will be updated once you print the check.
2. **Ref No./Type:** In this field, you will notice the "**To Print**" field. This field will be updated to reflect the check # once the check has been printed. QuickBooks assigns Bill Payment as the type of transaction for these payments.
3. **Account:** Below the payee you will see the Accounts Payable account.
4. **TIP:** ***Besides the checking account, this is the other account that is impacted when you pay bills. See the next section for additional information on how paying bills affects the financial statements.***
5. **Balance:** This column reflects the balance in the bank account after these payments were created.
6. **TIP:** ***QuickBooks will reduce the balance in the bank account whether you have printed a check or not.***

Step 4 – Confirm Payment Was Correctly Applied

From the left navigation bar, select Vendors as indicated below.



Both vendors should be listed as indicated below.

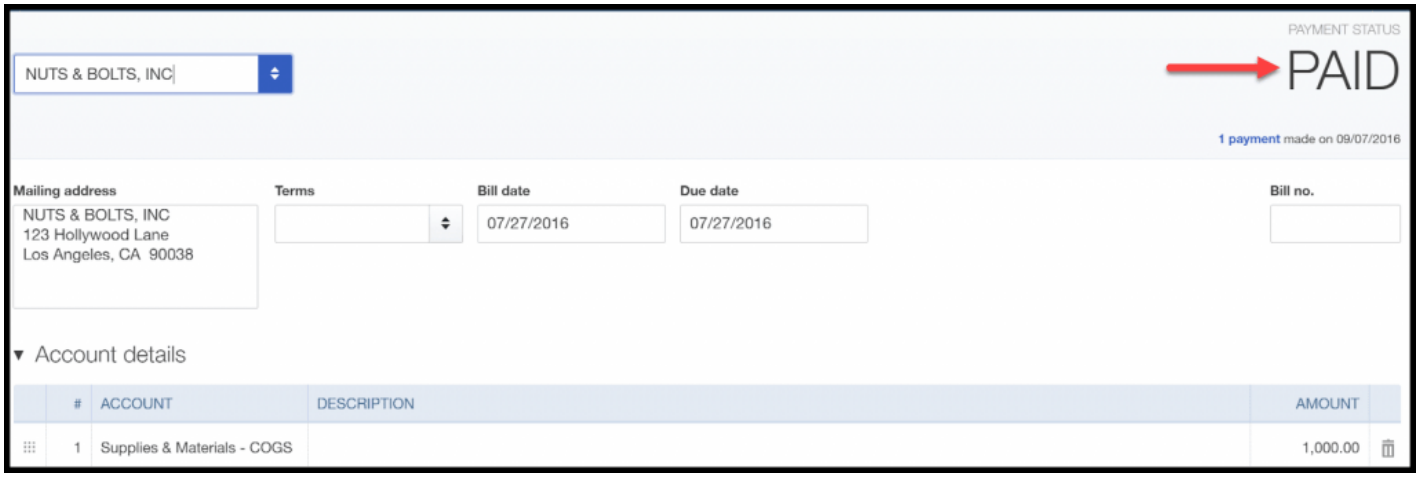


VENDOR / COMPANY	PHONE	EMAIL	OPEN BALANCE	ACTION
Faucets R Us Faucets R Us	555-5557	Startupright@billingmanager.com	$250.00	Make payment
Internal Revenue Service Internal Revenue Service	555-5560		$0.00	Create bill
NUTS & BOLTS, INC NUTS & BOLTS, INC	(818) 555-1234	nutsandbolts@nutsandbolts.com	$0.00	Create bill

Click on the Nuts & Bolts Bill as indicated below.

07/27/2016	Bill		NUTS & BOLTS, INC	Supplies & Material:	$1,000.00

The bill will display. If payment was applied correctly, then the status should be PAID as indicated below.



How to Pay Bills Online in QBO

QuickBooks Online now integrates with Bill.com, a bill payment service that will allow you to get rid of those paper checks and pay your bills online! With this new online payment feature, you can:

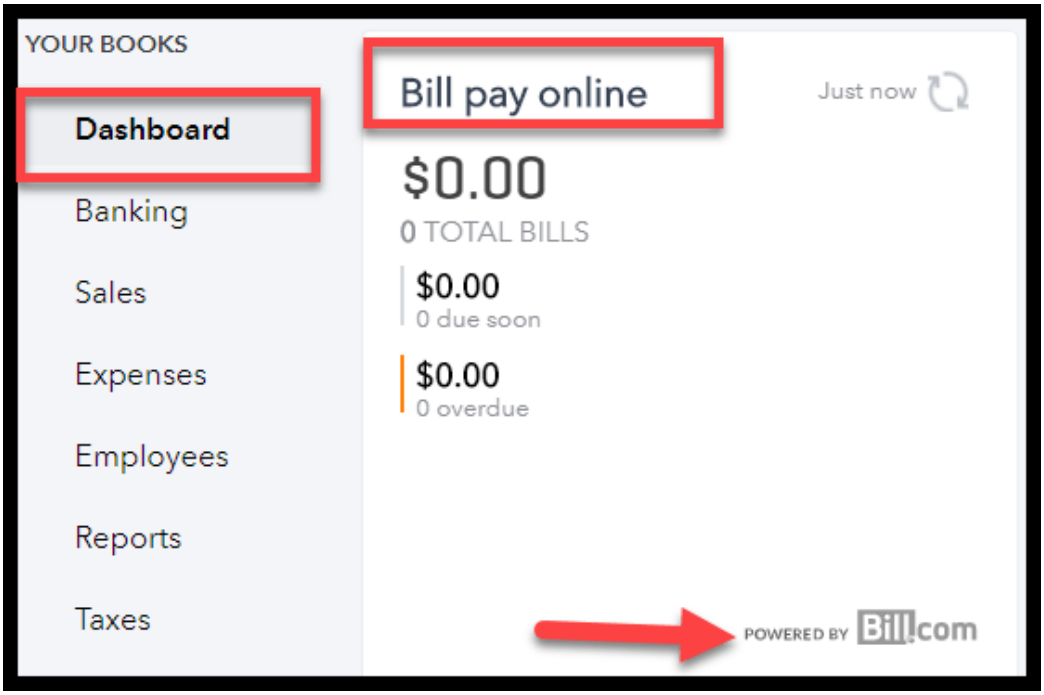
- Pay bills via check or bank transfer directly from your QBO account.
- Pay 1099 Vendors/Contractors via check or bank transfer directly from QuickBooks Online.

Log into your QBO account and you should see the option to sign up for online bill payments. If not, just click here.

Once you have signed up, follow these 6 easy steps to start paying your bills:

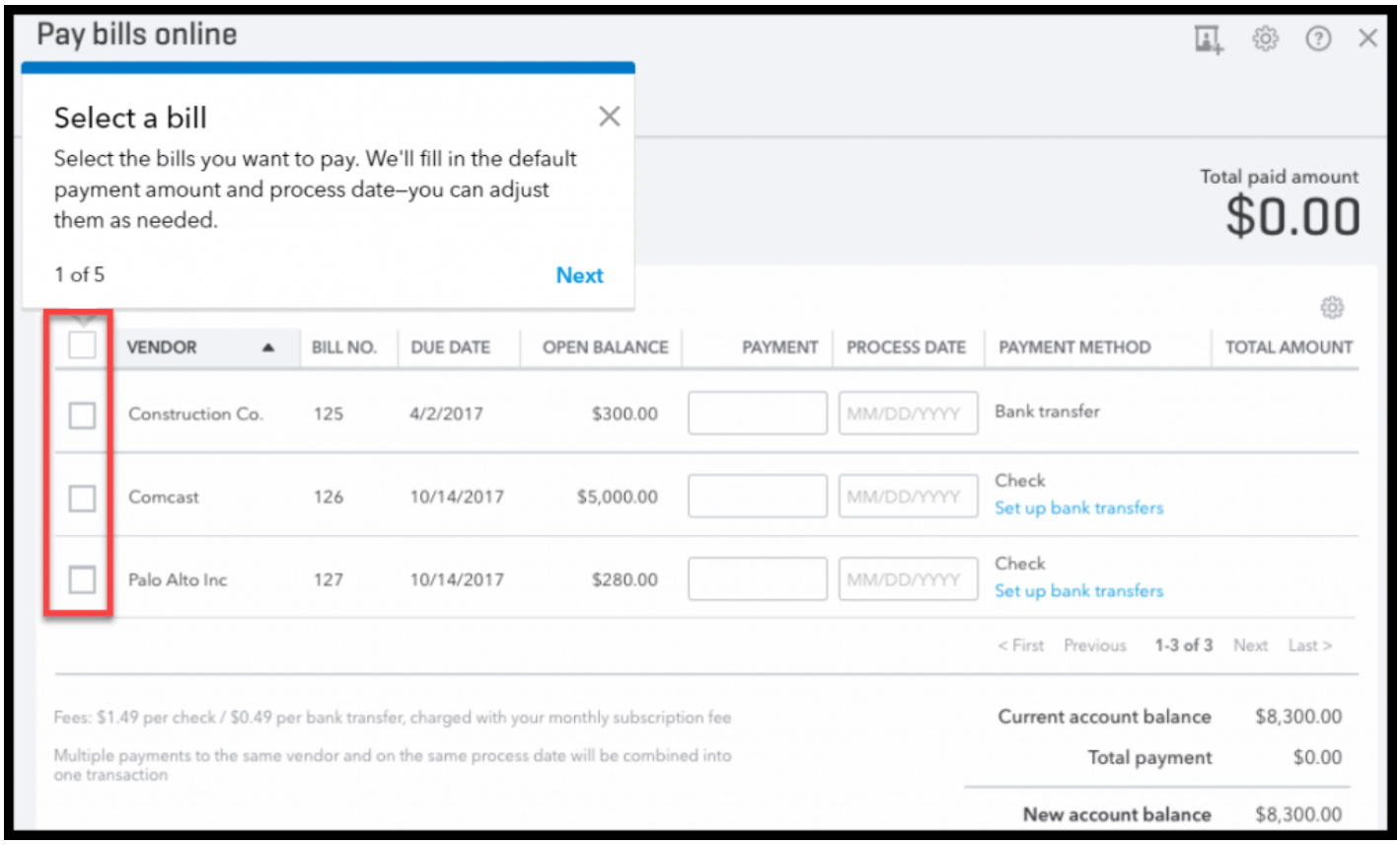
Step 1 – Navigate to Online Bill Pay in QBO

From your QBO Dashboard, you will see a section that says Bill pay online, as indicated in the screenshot below. Click anywhere in this section to access online billpay.



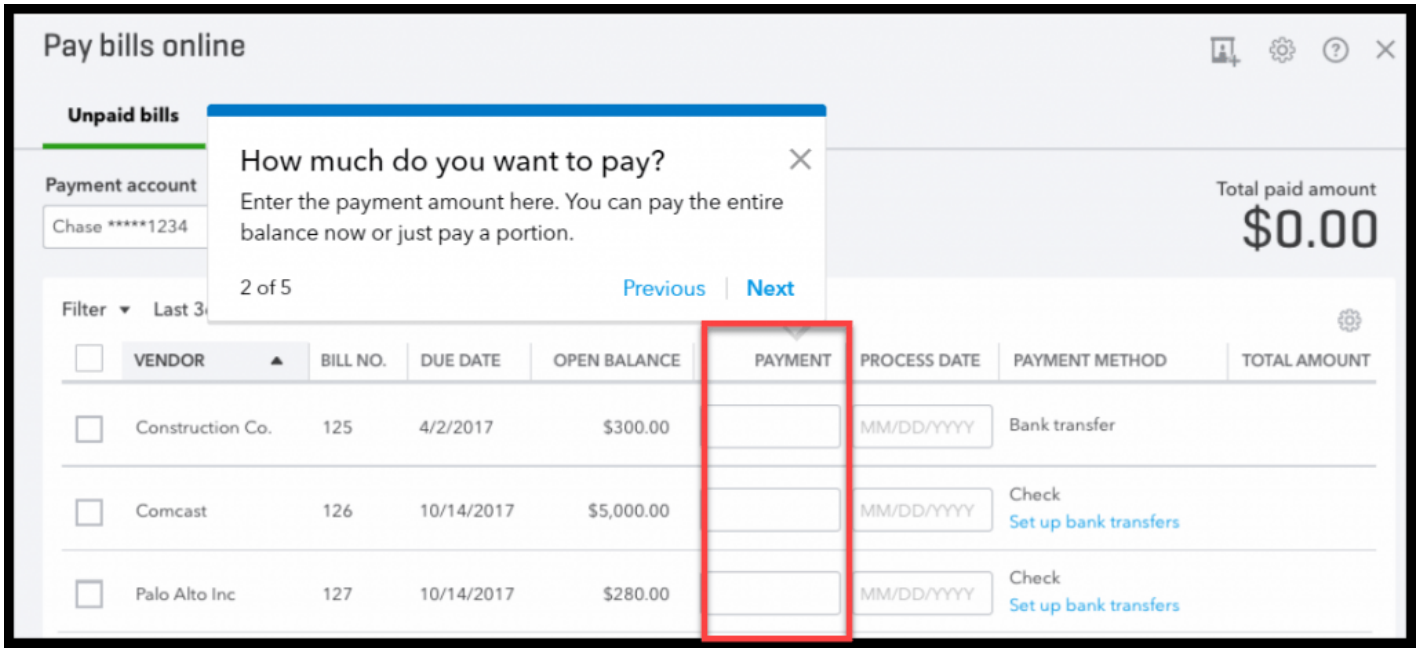
Step 2 – Select the Bills you would like to create online payments for

In the first column, put a checkmark next to each bill that you would like to pay as indicated in the screenshot below.



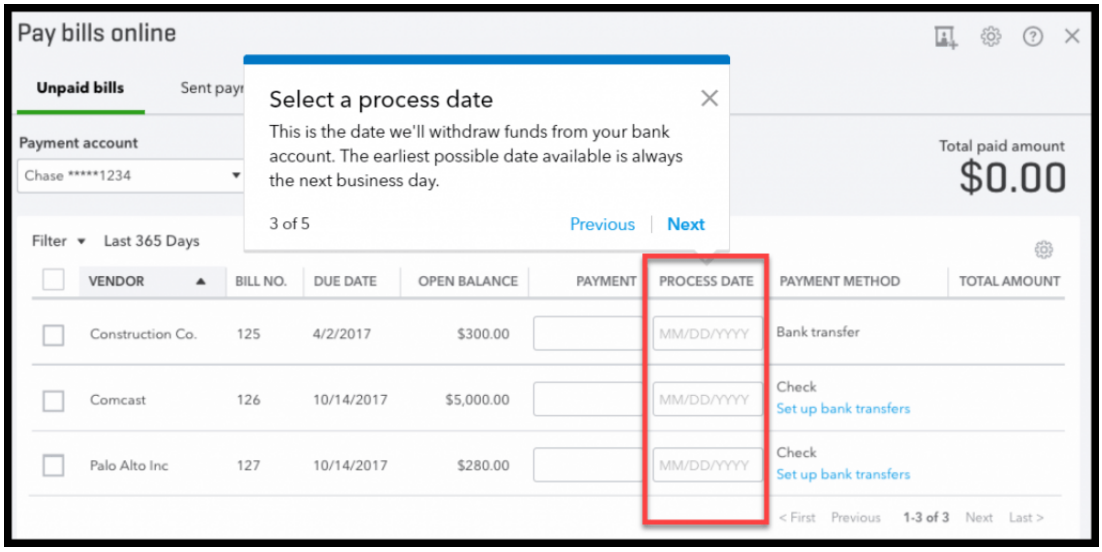
Step 3 – Enter the amount you would like to pay for each bill

QuickBooks will automatically populate the "**Payment**" column with the amount in the "**Open Balance**" column. However, if you would like to pay a different amount, you can enter the amount you would like to pay in the "**Payment**" column indicated in the screenshot below.



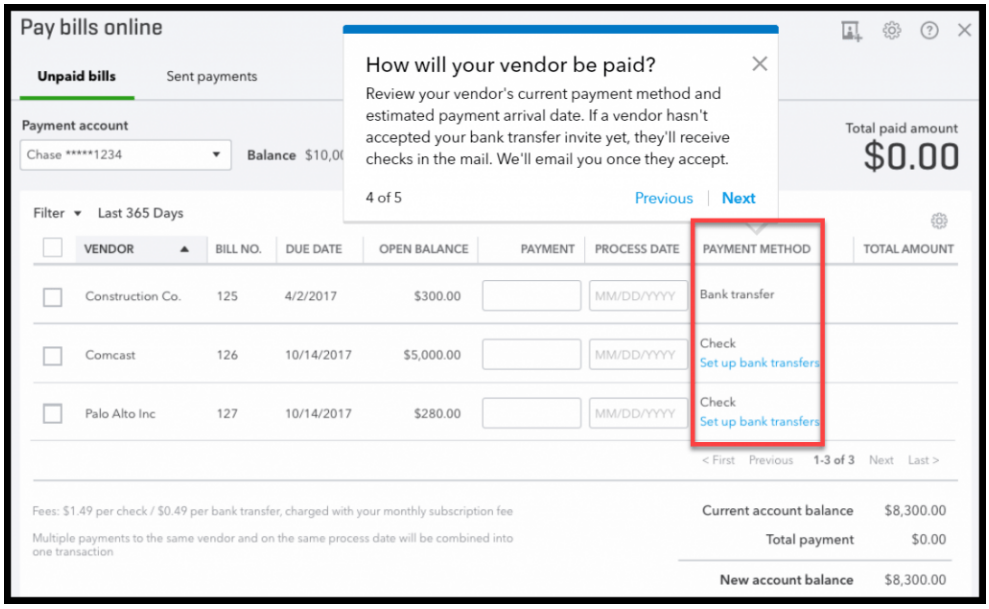
Step 4 – Select a process date for each bill

In the "**Process Date**" column, enter the date you would like the funds withdrawn from your bank account.



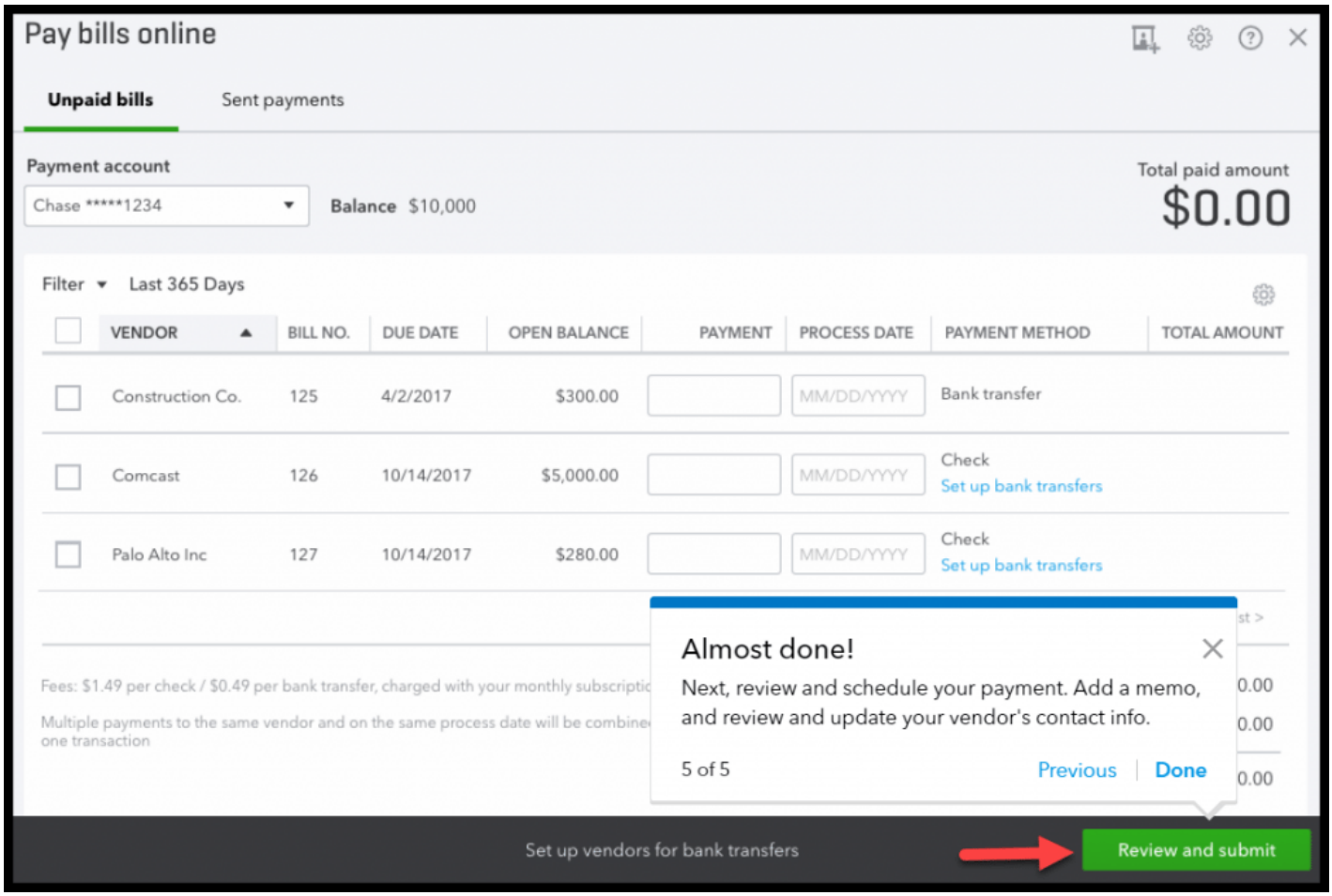
Step 5 – Select the Payment Method for each Bill

With your Bill.com service, you can elect to send electronic payments (bank transfers) or checks as indicated in the screenshot below. In addition to a monthly subscription fee, bank transfers will cost you 49 cents each and checks are $1.49 each.



Step 6 – Review & Submit Bill Payments.

Be sure to review the bills that you have selected for payment to make sure the amount, process date and payment method are correct. Once you are ready, click the "**Review and submit**" button located in the lower right-hand corner.



What Impact Does Paying Bills Have On My Financial Statements?

When a bill payment is created in QuickBooks the accounts and financial statements are affected as follows:

Account Affected	Impact on Account	Financial Statement
Checking account	Decrease	Balance Sheet
Accounts Payable account	Decrease	Balance Sheet

Wrap Up

That wraps up How to Pay Bills in QuickBooks Online. In our next tutorial, we will show you How to Manually Enter Banking Transactions that you were unable to import into QuickBooks.

To access this lesson or any of the others in the series, click here. For a free 30-day trial of QuickBooks Online, click the link below.

How to Manually Enter Banking Transactions in QuickBooks Online

By Crystalynn Shelton on September 27, 2016 | Accounting, How To, Quickbooks |

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to manually enter banking transactions in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

When to Manually Enter Banking Transactions in QuickBooks Online

The most efficient way to import your banking transactions into QuickBooks is by using one of the following methods:

- Automatically connect your bank account to QuickBooks
- Import your banking transactions from an Excel CSV file

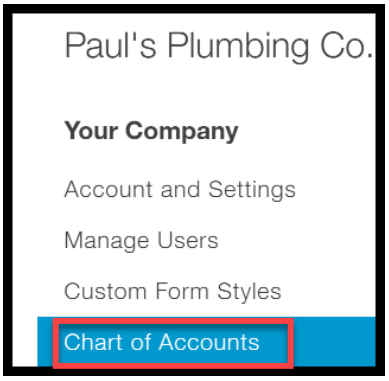
If you are unable to do this because your financial institution is a smaller bank that does not offer either of these options, you will need to manually enter your banking transactions into QuickBooks.

How Do I Manually Enter My Banking Transactions?

Before you can manually enter your banking transactions into QuickBooks, you need to set up the bank account.

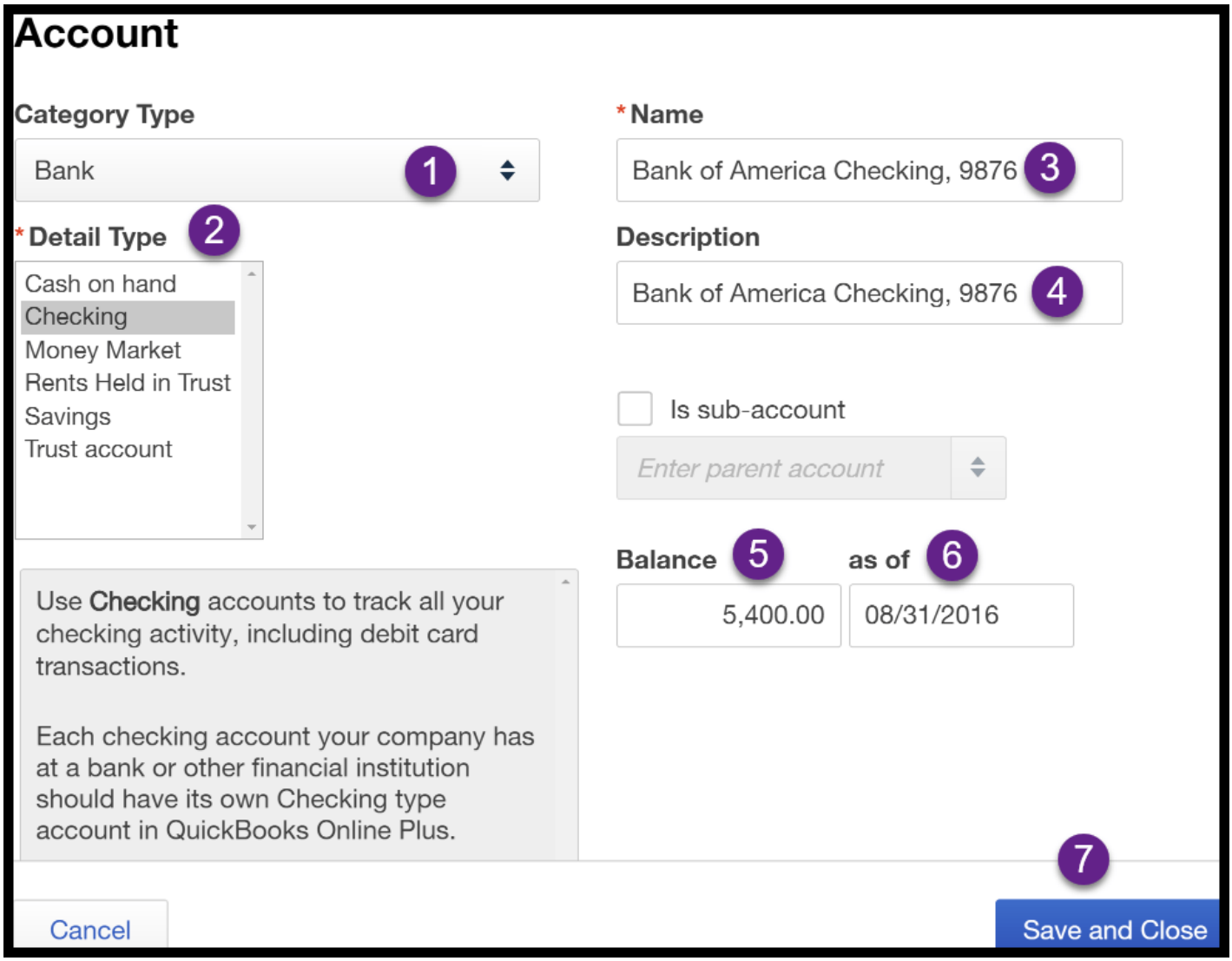
Step 1 – Display the Chart of Accounts List

To start, navigate to the chart of accounts list by clicking on the gear icon to the left of your company name. Below the **Your Company** column, select **Chart of Accounts** as indicated below.



Step 2 – Create Bank Account

The chart of accounts will display. Click on the **New** button in the upper right hand corner and complete the fields as indicated below.



1. **Category Type:** All checking, money market, and savings accounts that you connect to QuickBooks will fall into the **Bank** category.
2. **Detail Type:** This field allows you to select the *type* of bank account you are setting up. (i.e. checking, money market, savings, etc.)
3. **Name:** This is how the name of the account will appear on reports such as your financial statements and your chart of accounts list.
   TIP: *I recommend that you include the last 4 digits of the account # in this field. This will help you to easily distinguish accounts when writing checks and reconciling.*
4. **Description:** If you have additional information you would like to capture about this account, you can put that information in this field. Otherwise, just put the same info that you included in the Name field.
5. **Balance:** The is the most important field in the setup. Be sure that you have a copy of your bank statement handy. In order for you to successfully reconcile your bank accounts, you need to indicate the ending balance on your bank statement.
   TIP: *The bank statement that you use will be determined by the date that you start*

using QuickBooks. For example, if you start using QuickBooks as of January 1 then you want to use the ending balance on your December bank statements when you set up your bank account in QuickBooks.

6. **As of:** This is going to have the same date as the bank statement that you used for the balance field.
7. Once you have verified all of the information is accurate, **save & close**.

Step 3 – Review Updated Chart of Accounts

The new account will appear on the chart of accounts list, as indicated below.

NAME	TYPE ▲	DETAIL TYPE	QUICKBOOKS BALANCE
Bank of America Checking	Bank	Checking	2,860.19
Bank of America Checking, 9876	Bank	Checking	5,400.00

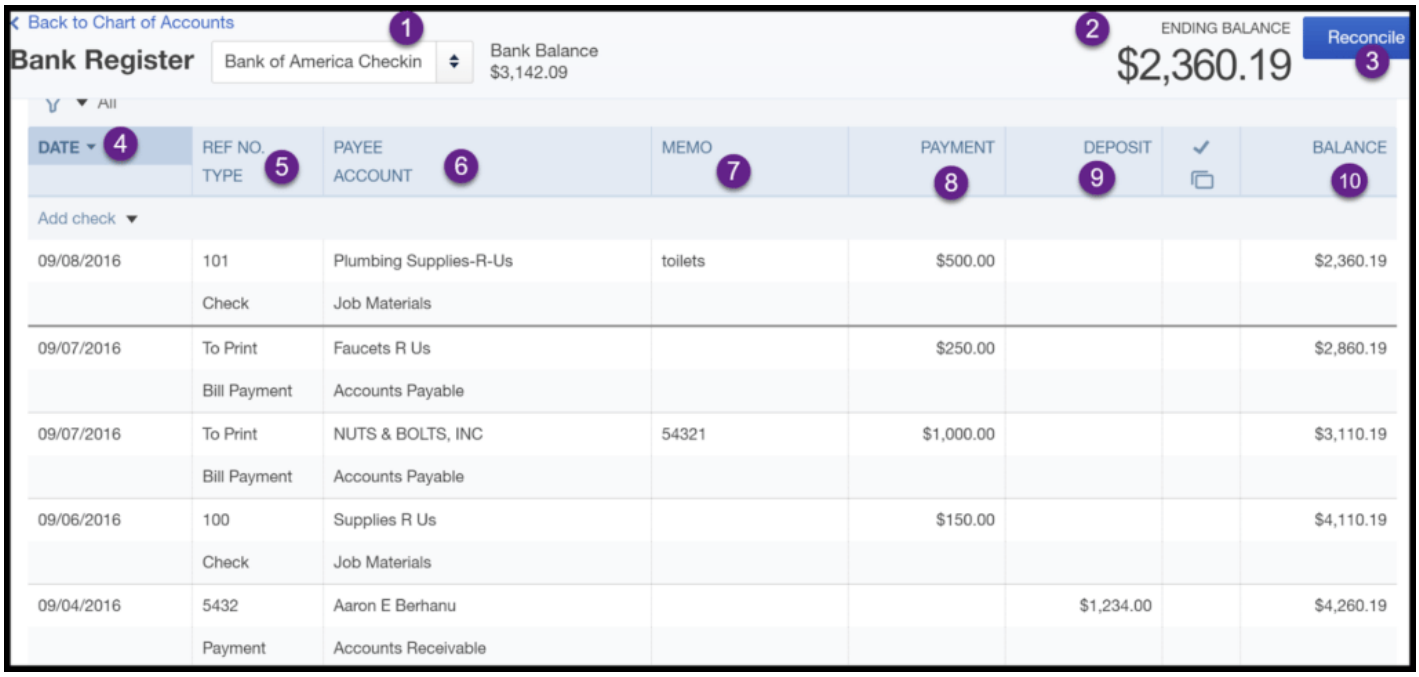
Step 4 – Navigate to Check Register

From the Chart of accounts list, click on the **View register** link in the far right column as indicated below.

Bank of America Checking, 9876	Bank	Checking	5,400.00		View register

Step 5 – Check Register

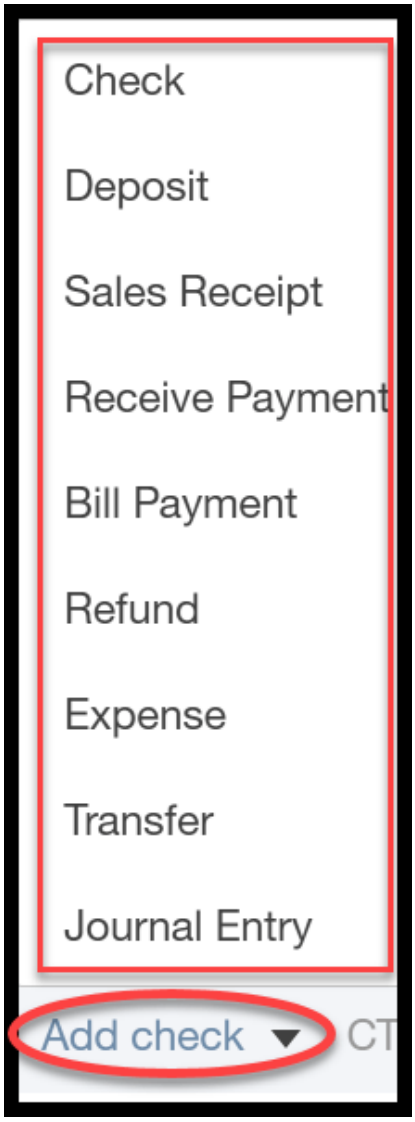
The check register should display on your screen as indicated below. Below you will find a brief description of what information appears in each field.



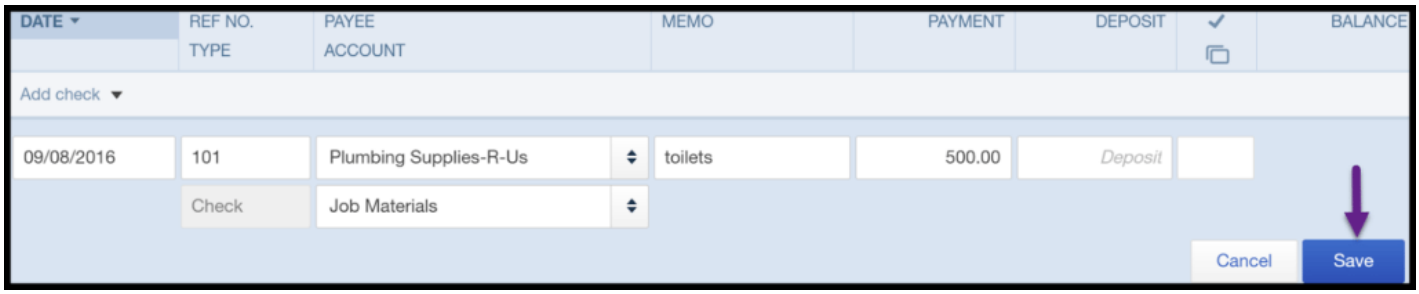
1. **Bank Register:** you can determine what bank account register you are in. You can easily switch to a different bank account by clicking the drop down arrow.
2. **Ending Balance:** this is the current balance of the bank account.
   TIP: *When you create a check in QuickBooks, the bank account balance is immediately updated, regardless of whether or not you have printed the check.*
3. **Reconcile:** in the reconciling bank accounts lesson, we will walk through step by step how to reconcile bank accounts.
4. **Date:** this will be the transaction date (i.e. check date, deposit date)
5. **Ref No/Type:** if you have a reference number such as a check number, it belongs in this field. The transaction type (i.e. check, transfer, deposit) will appear in this field right below the reference number.
6. **Payee/Account:** for ***withdrawals***, this field will include the payee and the expense account the purchase was categorized to. For ***deposits***, this field will include the customer the payment was received from along with the income account it was categorized to.
7. **Memo:** typically you would include some additional information about the transaction (i.e. august rent)
8. **Payment:** enter the amount paid in this field.
9. **Deposit:** enter the deposit amount in this field.
10. **Balance:** this is the running balance that is automatically updated after each transaction.

Step 6 – Enter a Banking Transaction

To enter a banking transaction, once you are in the register, click on the drop down arrow to the right of **Add check** and select one of the following transaction types from the list as indicated below.



Complete all of the necessary fields and save the transaction as indicated below.



How Do I Modify Banking Transactions?

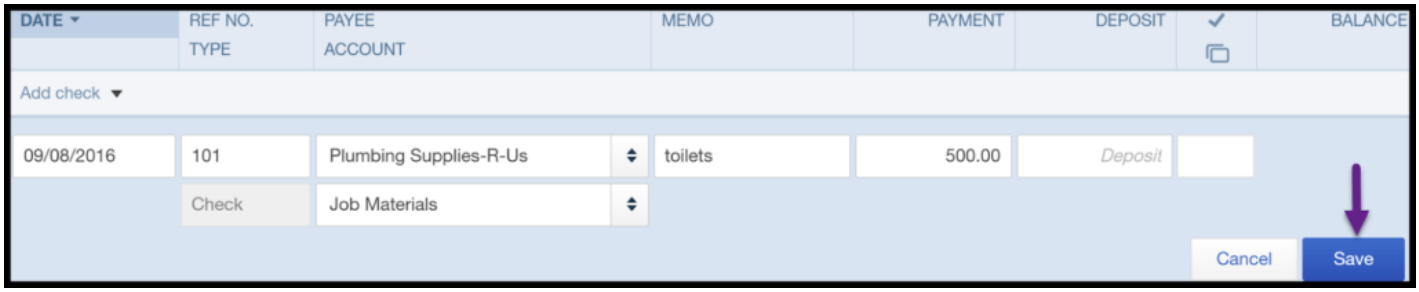
If you do need to make changes to a transaction that was previously entered into the check register, just can easily to that. Just follow the steps below:

Step 1 – Navigate to the Check Register

From the Chart of accounts list, click on the **View register** link in the far right column as indicated below.

Step 2 – Select the Banking Transaction that You Need to Edit

Once you are in the register, click on the transaction that needs to be edited and make your changes as indicated below. Save your changes.



Wrap Up

That wraps up the section on How to Manually Enter Banking Transactions. The next lesson in our QuickBooks Online Training Course will be how to manage downloaded banking transactions. In this lesson, we will walk you through what to do after you have imported your banking transactions into QuickBooks.

To access this lesson or any of the others in the series, click here.

How to Manage Downloaded Banking Transactions (Bank Feeds) in QuickBooks Online

By Crystalynn Shelton on September 27, 2016 | Accounting, Bookkeeping, How To, Quickbooks, Software | Comments (4)

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to manage downloaded banking transactions (QuickBooks bank feeds) in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

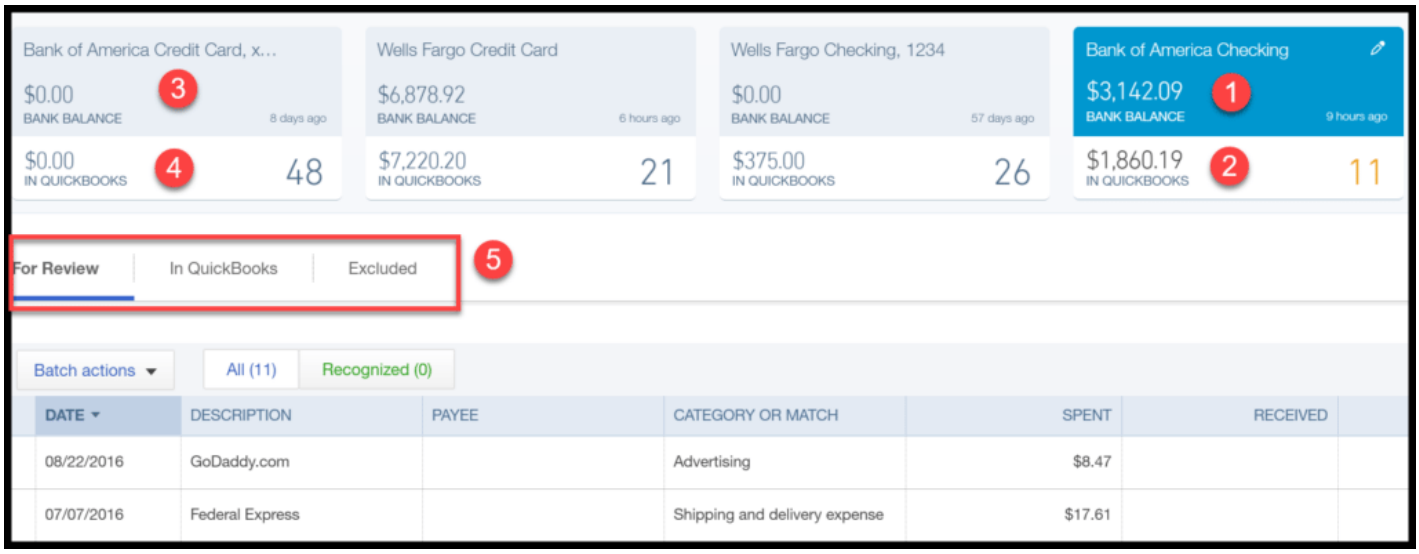
To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Why Is It Important to Manage Downloaded Banking Transactions (Bank Feeds) in QuickBooks Online?

When you import the transactions into QuickBooks, they are un-posted. This simply means that you need to review them and provide some additional information before they can be added to the register in QuickBooks. In this lesson, we will show you how to review and categorize your transactions so that they can be added to the register and your financial statements.

Understanding the Banking Center Layout

At the top of the Banking Center, you will see all of the bank and credit card accounts that you have set up as indicated below.



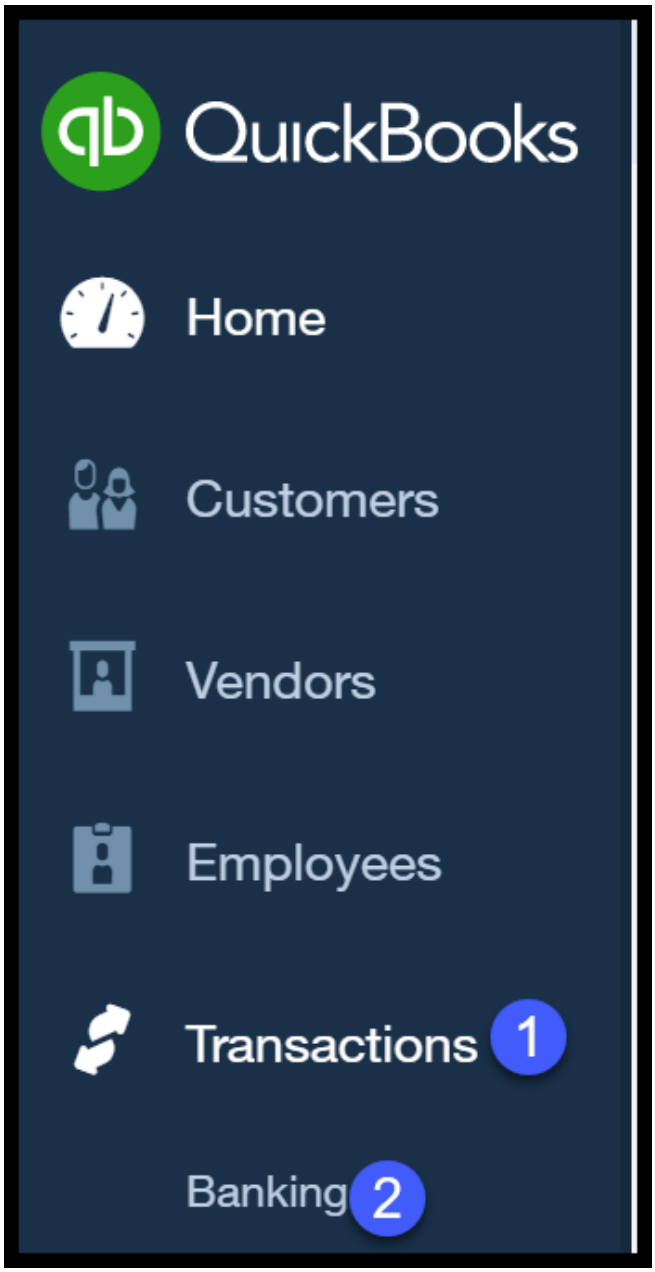
1. If the account is *linked* to your bank account, the top blue portion of the account box will show the bank balance as of the date of the last sync.
2. The bottom portion of the account box displays the current balance in the QuickBooks register and the number of transactions in the **For Review** tab below.
3. If the account is *not linked*, it will show $0.00 in the top portion of the box.
4. Similar to the *linked account,* the bottom portion of the account box displays the current balance in the QuickBooks register and the number of transactions in the **For Review** tab below.
5. Bank feed transactions are organized into the following three tabs:

- **For Review** – this tab will show all of the un-posted transactions. For example, when you import transactions into QuickBooks, this is where they will appear until you review them and take action.
- **In QuickBooks** – this tab will show all of the transactions that have been matched or added to the register in QuickBooks.
- **Excluded** – this tab will show the transactions that have been removed from the For Review tab by you.

How Do I Manage Downloaded Transactions in the Banking Center?

Step 1 – Navigate to the Banking Center

From the Home page, click on **Transactions** located on the left-hand menu bar and select **Banking** as indicated below.

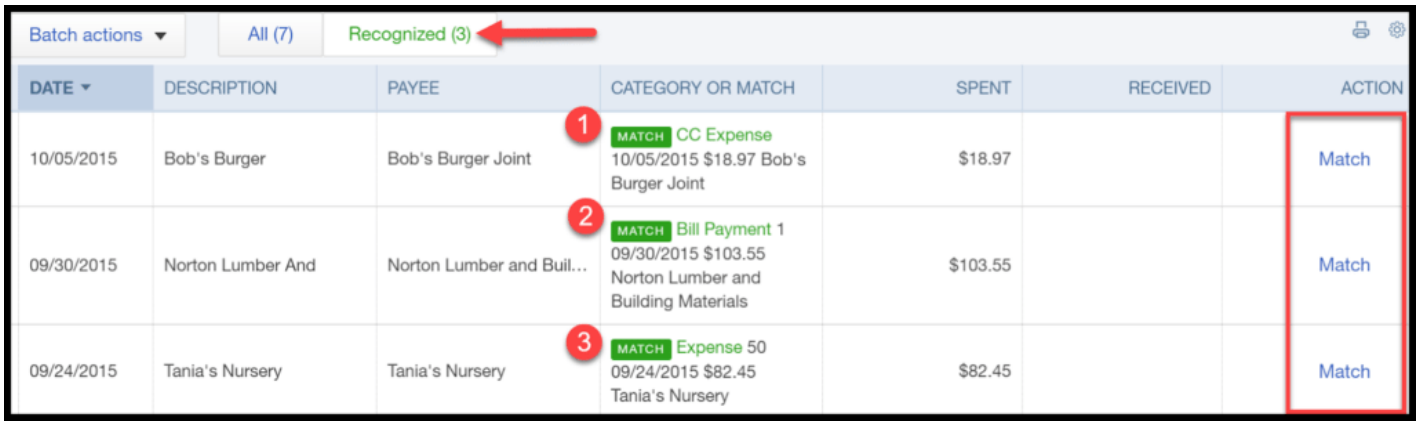


Step 2 – Review Transactions Tab

You should begin with the transactions that are located on the **For Review** transactions tab. Within this tab, transactions are categorized into two additional tabs:

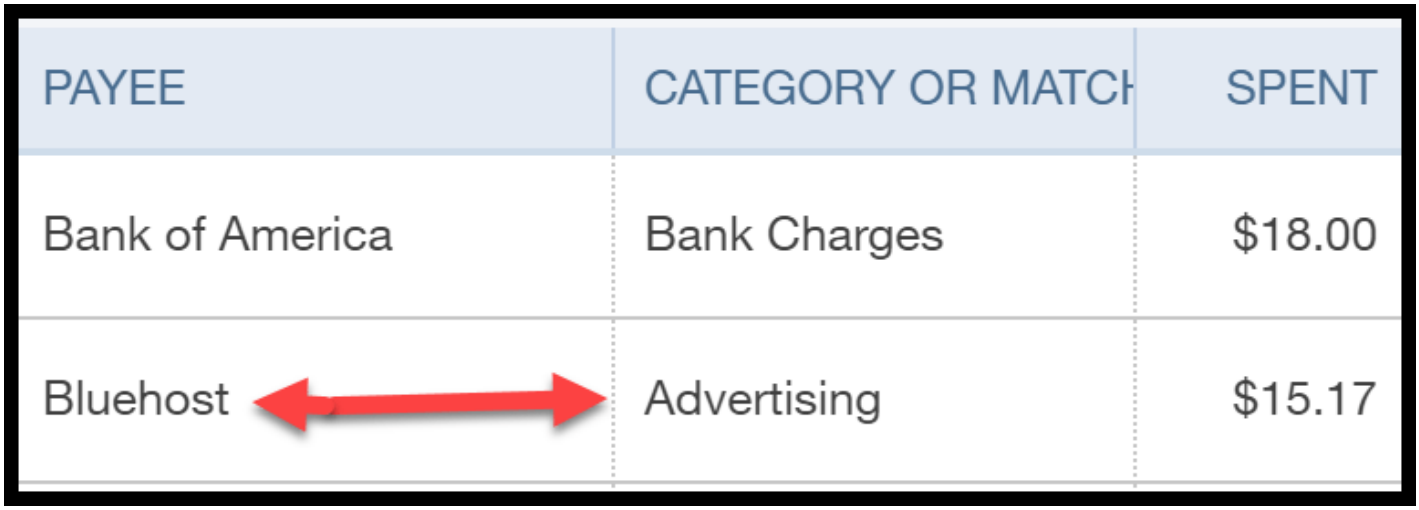
1. **All** – this tab will list all transactions (including those on the recognized tab)
2. **Recognized** – If QuickBooks recognizes a transaction that is already recorded in your register, it will display a green **MATCH** tag next to the transaction and add it to the Recognized tab as indicated below.

To add the transaction to the register, just click the **Match** link located in the Action column indicated below. QuickBooks will add the transaction to the QuickBooks register and include it in your financial statements.



TIP: QuickBooks can also recognize common vendor names and will make suggestions as to which account it should be coded to. If you accept the suggested account, QuickBooks will change the account for all transactions of that same name.

For example, if you have previously coded Bluehost.com transactions to Advertising (as indicated below) then the next time a Bluehost.com transaction is downloaded QuickBooks will suggest coding it to the Advertising account. If you accept the suggestion then QuickBooks will categorize all transactions with the Bluehost.com description to the Advertising account.



Step 3 – Add a New Transaction

Click on the transaction that you want to add in the Banking Center.Complete the following fields as indicated below.

1. Select the vendor from the drop down. If you have not set up the vendor yet, you can do so by clicking Add New from the drop down. Be sure to watch our video tutorial on **Setting up Vendors.**
2. Select the account that you want to code the transaction to.
3. Put a brief description in this field of what the expense is for.
4. Click Add to add this transaction to QuickBooks.

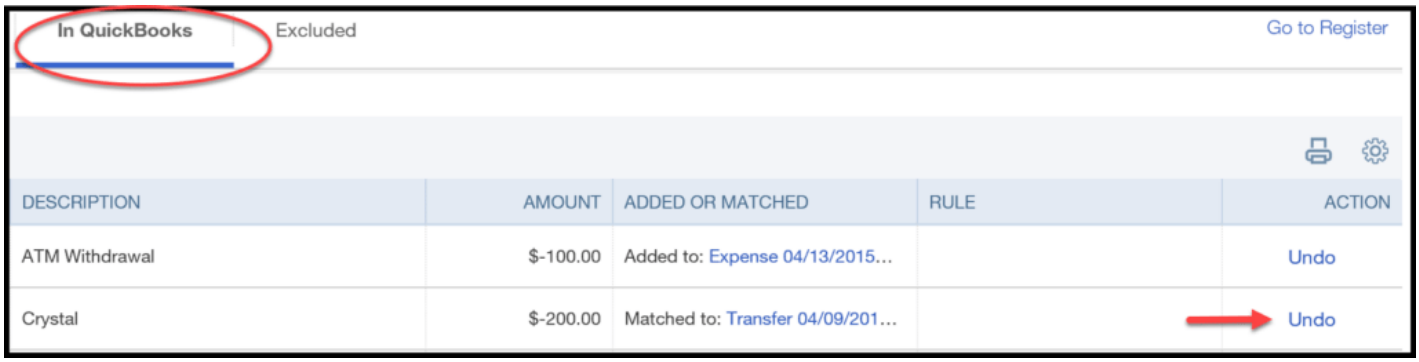
Troubleshooting QuickBooks Bank Feeds

When managing downloaded transactions in the Banking Center, a couple issues that you may encounter are:

- Transactions that have already been matched
- Sign-In Error

Transactions Already Matched

Sometimes a transaction has been matched to the wrong transaction in the register. This can happen for a number of reasons, but usually because the register transactions are for the same amount and fall within the same date range. To fix this issue, click the **In QuickBooks tab** in the Banking Center and click Undo next to the transaction as indicated below.

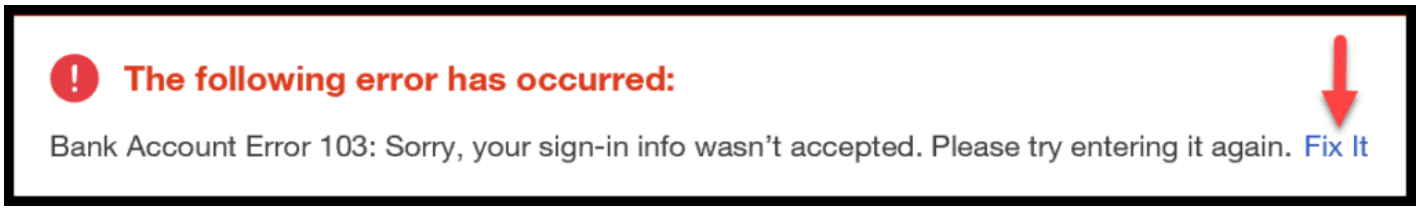


This will return the transaction to the **For Review** tab where you can match it to the correct transaction.

Sign In Information Error

If you see a red error message in the Banking Center similar to the one below, more than likely your user id or password has changed and you need to update QuickBooks with this

information. Click on the Fix It link as indicated below, and follow the on-screen instructions to update your user id and password.

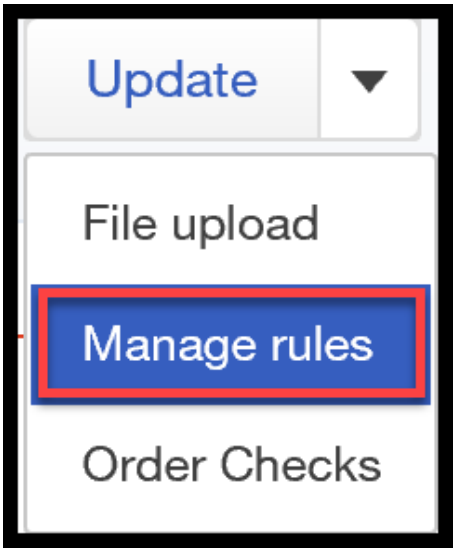


How to Create Bank Rules

You can reduce the amount of time it takes to code and record transactions in the Banking Center by setting up bank rules. QuickBooks will use the bank rules that you set up to automatically code transactions to the right account for you. To create bank rules, just follow these steps:

Step 1 – Manage Rules

Click on the drop-down arrow to the right of the Update button & select Manage rules as indicated below.

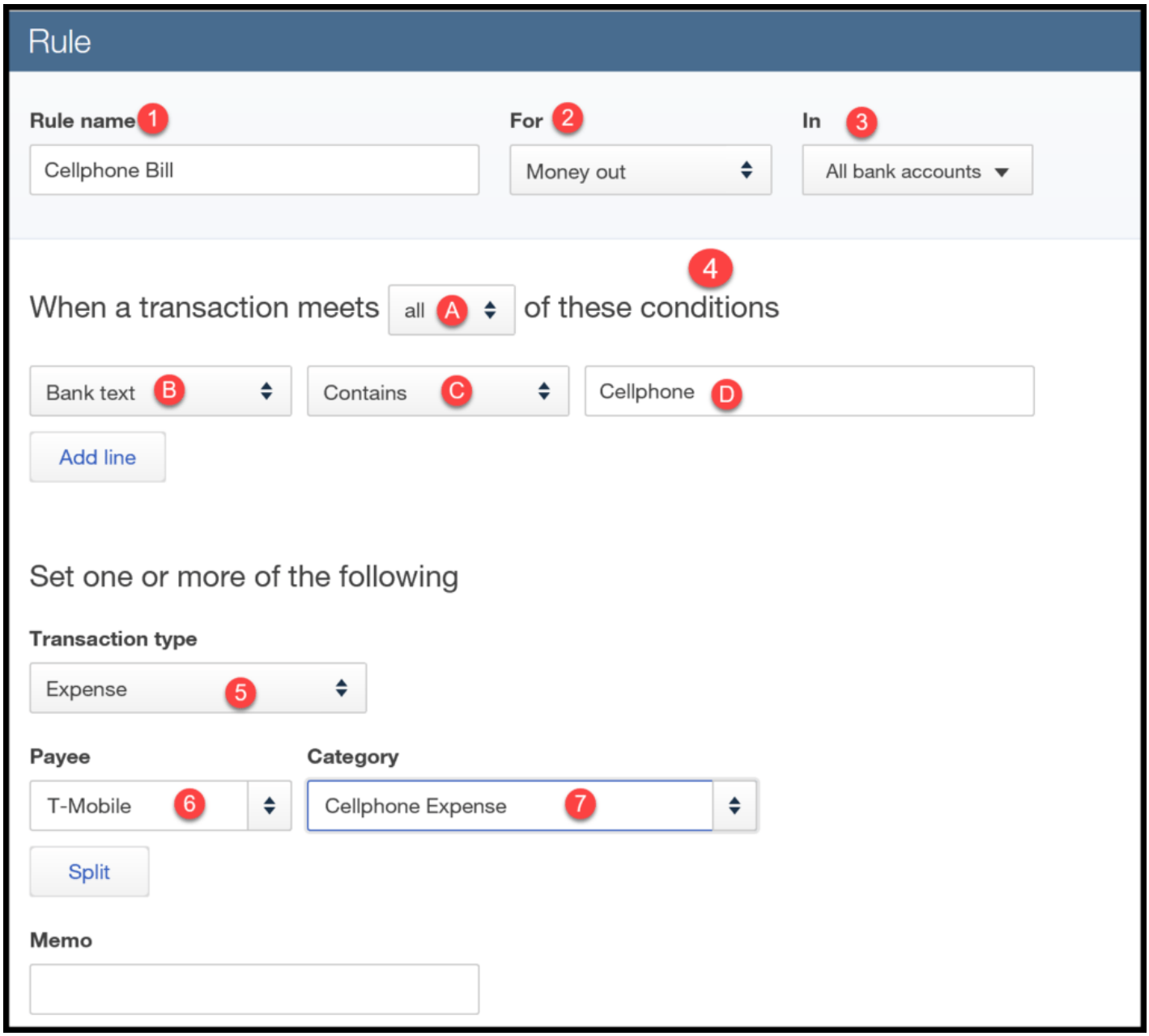


Step 2 – Click New Rule

Click the New rule button in the upper right-hand corner of the screen as indicated below.

Step 3 – Set Up Conditions for New Rule

Complete the following fields to set up a bank rule.



1. **Rule name** – Give each rule a name.
2. **For** – Select whether the rule applies to Money in (deposits) or Money out (withdrawals).
3. **In** – From the drop down, you can select which bank accounts this rule applies to. The default is All bank accounts.
4. **Conditions –** You have the option to set the conditions that the transaction must meet for this rule to apply:
    - From the drop down, select **all** or **any**

- From the drop down, you can select **bank text**, **description** or **amount**.
- From the drop down, you can select **contains**, **is exactly**, or **doesn't contain**.
- In this field, you can enter the **bank text**, **description** or **amount**.

5. **Transaction type** – Select whether the transaction is an expense, transfer, or check.
6. **Payee –** Select the payee (if applicable).
7. **Category –** Select the account the transaction should be categorized to.

Wrap Up

That wraps up the section on how to manage downloaded banking transactions (QuickBooks bank feeds) in QuickBooks Online. The next lesson in our QuickBooks Online Training Course will be how to make deposits. In this lesson, we will walk you through how & when to enter bank deposits in QuickBooks Online.

To access this lesson or any of the others in the series, click here. Or, click here for a free 30-day trial of QuickBooks Online.

How to Record Bank Deposits in QuickBooks Online

By Crystalynn Shelton on September 27, 2016 | Accounting, How To, Quickbooks | Comments (0)

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to record bank deposits in QuickBooks Online. To follow along with me, log into your QuickBooks Online account now, or click the link below for a free 30-day trial of QuickBooks Online.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Why Is It Important to Record Bank Deposits in QuickBooks Online?

You need to record a deposit in QuickBooks if you receive a check from someone other than a customer. As we discussed in the How to Receive (Record) Payments lesson, customer payments are not entered as deposits.

Some examples of the types of checks you might need to record as deposits are:

- A refund check from a tax authority
- A rebate check from a vendor
- Insurance claim check

Pro Tip: When depositing payments for your business, it's imperative to use a business checking account that's separate from your personal accounts. This will prevent you from commingling funds and potentially pierce the corporate veil. We compared a range of options for small business owners and Chase came out on top. First-time account holders are eligible for up to $200 bonus.

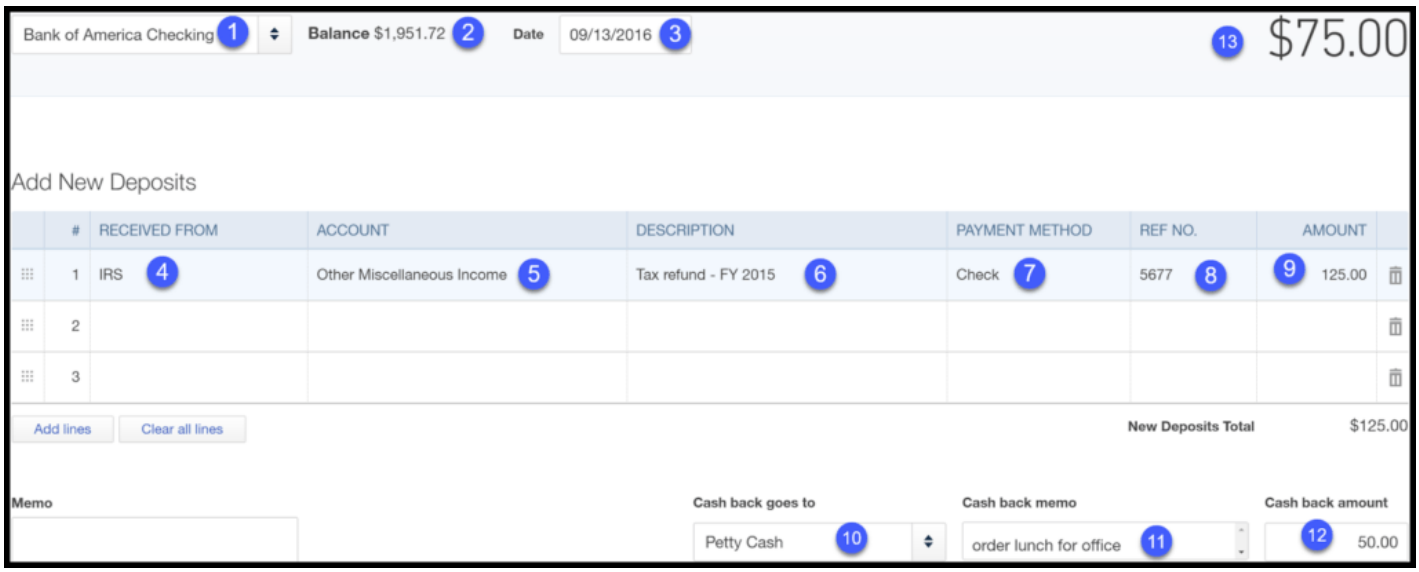
How Do I Record Bank Deposits?

Step 1 – Navigate to Record Bank Deposits

To begin, from the Home Page, click on the Plus sign at the top and select Bank Deposit right below the Other column on the far right.

Step 2 – Record the Bank Deposit

The record deposit window will display as indicated below. We will complete the following fields for a deposit for **Paul's Plumbing**.



1. **Bank account** – Select from the drop down the bank account that you want to deposit this check to.
2. **Balance** – this is the current balance in the bank account you selected.
3. **Date** – this is the date that you will make the deposit.
   TIP: *The date that appears here affects how this transaction shows up on your financial statements. Be sure to enter the date as close as possible to the actual deposit date.*
4. **Received From –** select from the drop down the person or business that you received the check from. If you have not set them up in QuickBooks, you can do so here by selecting Add new from the drop down menu.

5. **Account** – select from the drop down the account that you want to track this deposit. In the setting up the chart of accounts lesson, we walk through step by step how to set up accounts.
6. **Description** – type a description here that will help you to identify what this check was for.
7. **Payment method** – select the payment method.
8. **Ref no.** – if the payment method is a check, type the check number in this field. Otherwise, you can leave this field blank.
9. **Amount** – enter the amount of the deposit.
10. **Cash back goes to:** select the petty cash account here if you plan to get cash back.
11. **Cash back memo:** indicate here if there is a specific purpose for the cash back
12. **Cash back amount:** enter the amount of cashback you plan to receive from this deposit.
13. This is the total amount of the deposit less the cash back amount.

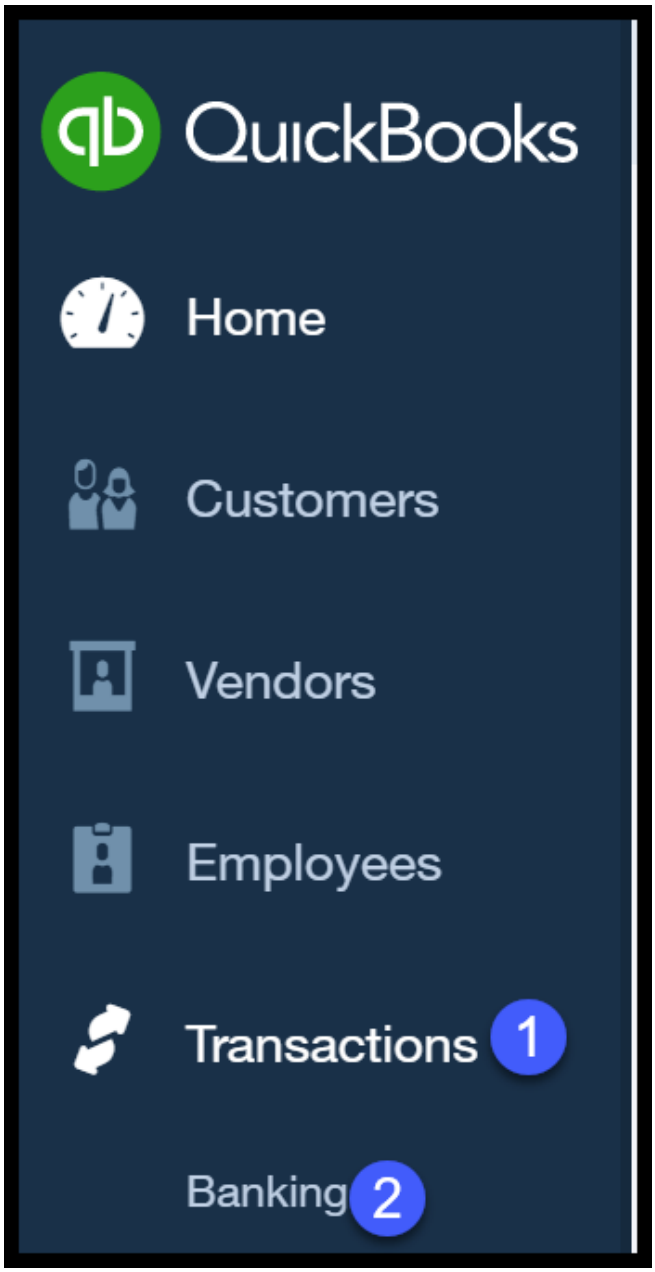
Once you have completed all of the fields, Save and Close.

Review the Bank Deposit in the Check Register

Be sure to review the deposit once you have saved it to ensure all of the information is correct. Follow these steps to review the deposit:

Step 1 – Navigate Back to the Home Screen

From the home page, select Transactions and then Banking from the left menu bar as indicated below.



Step 2 – Click on the Go to Register Button

The most recent transactions will appear at the very top as indicated below. Review the information to make sure it is correct. If you need to edit any information, follow the steps below.

DATE	REF NO. TYPE	PAYEE ACCOUNT	MEMO	PAYMENT	DEPOSIT	✓	BALANCE
Add check							
09/13/2016		IRS			$75.00		$2,026.72
	Deposit	-Split-					
09/13/2016		IRS			$100.00		$1,951.72
	Deposit	-Split-					
09/11/2016	To Print	Faucets R Us		$500.00			$1,851.72
	Bill Payment	Accounts Payable					

How Do I Modify (edit) a Bank Deposit in QuickBooks Online?

Step 1 – From the check register, click on the deposit that you want to edit as indicated below.

DATE	REF NO. TYPE	PAYEE ACCOUNT	MEMO	PAYMENT	DEPOSIT	✓	BALANCE
Add check							
09/13/2016		IRS			$75.00		$2,026.72
	Deposit	-Split-					
09/13/2016		IRS			$100.00		$1,951.72
	Deposit	-Split-					
09/11/2016	To Print	Faucets R Us		$500.00			$1,851.72
	Bill Payment	Accounts Payable					

Step 2 – Make the necessary changes and then click the Save button as indicated below.

09/13/2016	Ref No.	IRS	Memo	Payment	75.00		2,026.72
	Deposit	-Split-					

Delete Edit Cancel Save

What Impact Does Recording Bank Deposits have on the Financial Statements?

When a deposit is recorded in QuickBooks, your accounts and financial statements are affected as follows:

Account Affected	Impact on Account	Financial Statement
Checking Account	Increase	Balance Sheet
Other Income Account	Increase	Profit & Loss Statement

Wrap Up

That wraps up the section on how to record deposits in QuickBooks Online. The next lesson in our QuickBooks Online Training Course will be how to transfer money between accounts. In this lesson, we will walk you through how to transfer money between bank accounts.

To access this lesson or any of the others in the series, click here. Or, click here for a free 30-day trial of QuickBooks Online.

How to Transfer Funds Between Bank Accounts in QuickBooks Online

By Crystalynn Shelton on September 27, 2016 | Accounting, How To, Quickbooks |

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to transfer funds between bank accounts in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Why Is It Important to Transfer Funds in QuickBooks Online?

Business owners often use different bank accounts for different purposes and need a quick and easy way to transfer funds. In this lesson, we will walk through step by step how to transfer funds between business bank accounts that are setup in QuickBooks.

Note: As a business owner, you may find yourself in a situation where you need to provide a loan to your business out of your personal funds or you may need to withdraw money from the business for personal expenses. In the "real world", you would probably transfer money from one account to the other. However when it comes to QuickBooks, you will not be able to record a transfer since your *personal* bank accounts are not set up in QuickBooks.

Instead, you will need to write a check in QuickBooks to record transfers to and from personal bank accounts. In the how to write and print checks lesson, we walk through step by step how to create checks in QuickBooks.

Pro Tip: Make sure you're using a small business checking account to track business finances and avoid commingling funds. If you're still searching for the right checking account, we looked at a range of business bank account options and Chase came out on top. New Chase customers are eligible for a bonus of up-to $200.

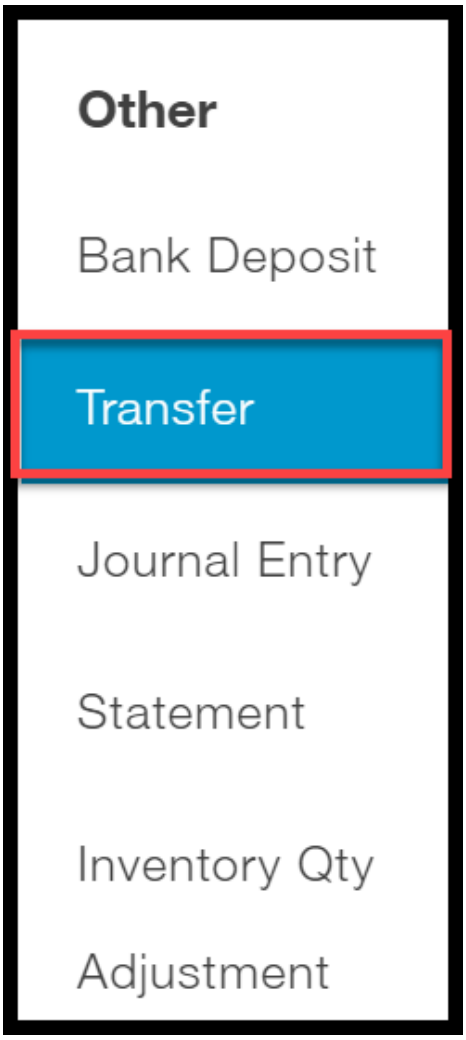
How Do I Transfer Funds in QuickBooks Online?

Step 1 – Navigate to Transfers

Online?

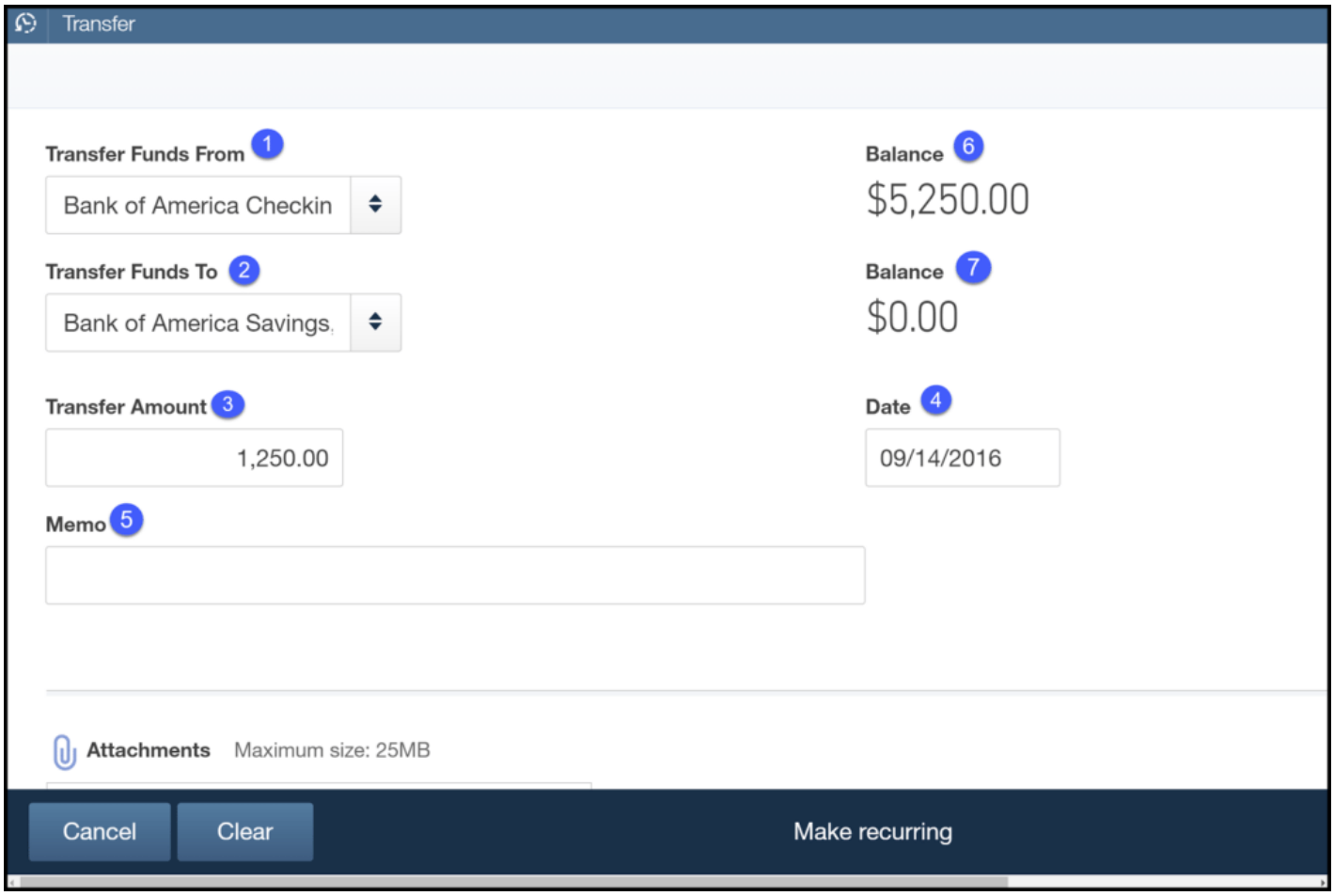
Step 1 – Navigate to Transfers

From the Home page, click on the plus sign at the top. Below the Other column, select Transfer as indicated below.



Step 2 – Enter the Bank Transfer Info

The **Transfer Funds** window will display. Complete the fields as indicated below.



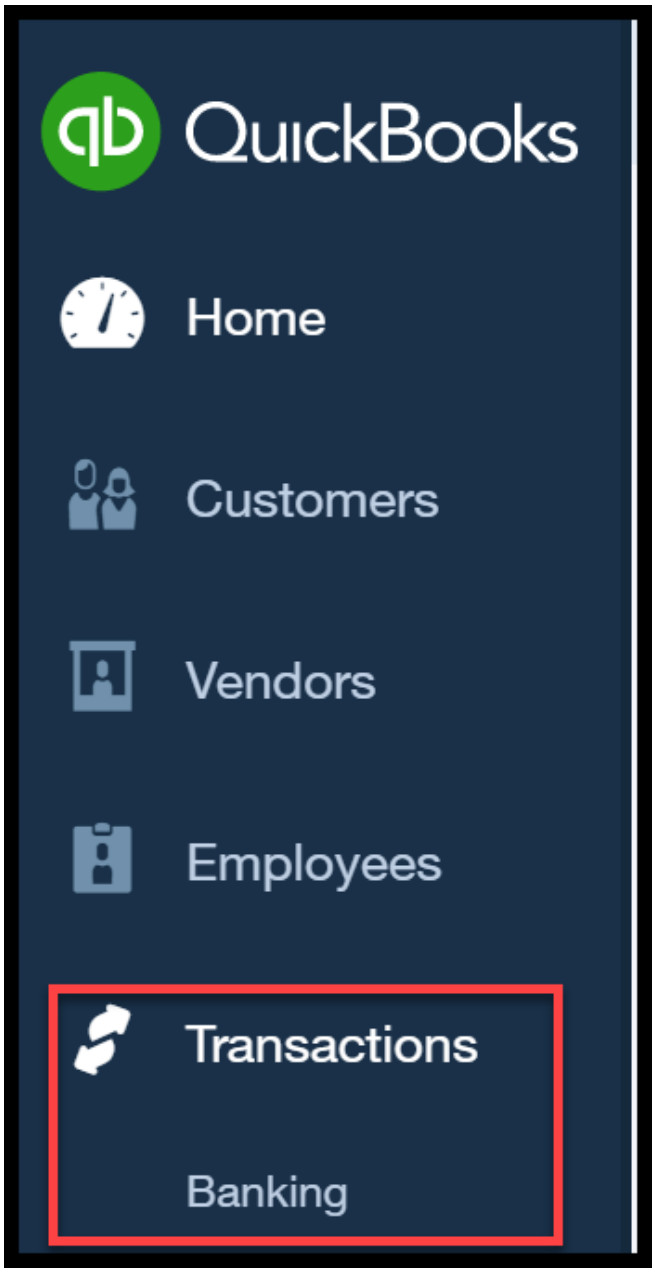
1. **Transfer Funds From** – select the bank account that the funds will be withdrawn from.
2. **Transfer Funds To** – select the bank account where the funds will be deposited.
3. **Transfer Amount** – enter the transfer amount.
4. **Date** – Select the date that you made the transfer with your bank.
5. **Memo** – enter a description here or the transfer confirmation number.
6. **Balance** – this is the balance of the account you selected in item #1 before the transfer.
7. **Balance** – this is the balance of the account you selected in item #2 before the transfer.

Review the Transfer in the Check Register

Once you've completed the transfer, it's time to review it in your check register to make sure everything is accurate.

Step 1 – Navigate to the Check Register

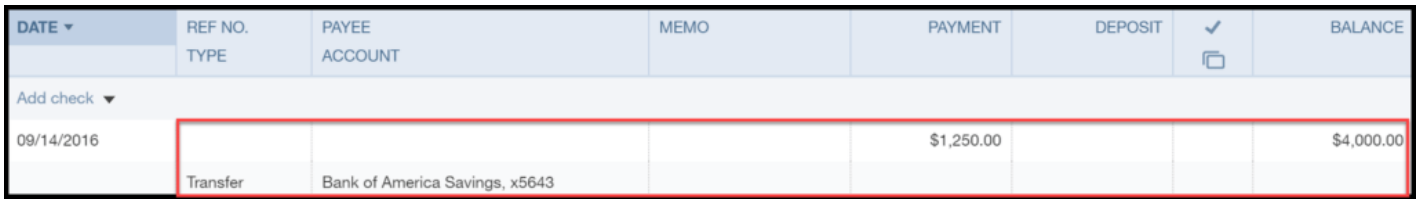
Click on **Transactions** and then **Banking** from the left menu bar as indicated below.



Click on the **Go to Register** link as indicated below.

Step 2 – Review the Transfer

The most recent transactions will always appear at the very top. Review the information to ensure accuracy.



How Do I Edit (Modify) a Bank Transfer?

Step 1 – Find the Transfer

From the Check Register, click on the transfer and click on the edit button as indicated below.

Step 2 – Make Necessary Changes and Save

The Transfer window will display. Make any necessary changes and Save them as indicated below.

What Impact Do Bank Transfers Have on My Financial Statements?

When a transfer is recorded in QuickBooks the accounts and financial statements are affected as follows:

Account Affected	Impact on Account	Financial Statement
Bank account transferring to	Increase	Balance Sheet
Bank account transferring from	Decrease	Balance Sheet

Wrap Up

That wraps up the section on how to record bank transfers in QuickBooks Online. The next lesson in our QuickBooks Online Training Course will be how to record bounced checks. In this lesson, we will walk you through how to record bounced checks from customers.

To access this lesson or any of the others in the series, click here. Or, click here for a free 30-day trial of QuickBooks Online.

How to Handle Bounced Checks in QuickBooks Online

By Crystalynn Shelton on September 27, 2016 | Accounting, How To, Quickbooks |

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to handle bounced checks from customers in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

What is a Bounced Check?

When you deposit a check that you received from a customer and there are not enough funds in their bank account, the check is returned to your bank due to non-sufficient funds to pay the check amount. Sometimes, it can be a real hassle because you are penalized by your bank who will charge you a fee for the bounced check. In addition, you've got to contact your customer and either have them write you another check or provide another form of payment. In this lesson, we will walk thru how to correctly handle bounced checks.

Why Is It Important to Handle Bounced Checks in QuickBooks Online?

When a customer's check bounces, it has the following impact:

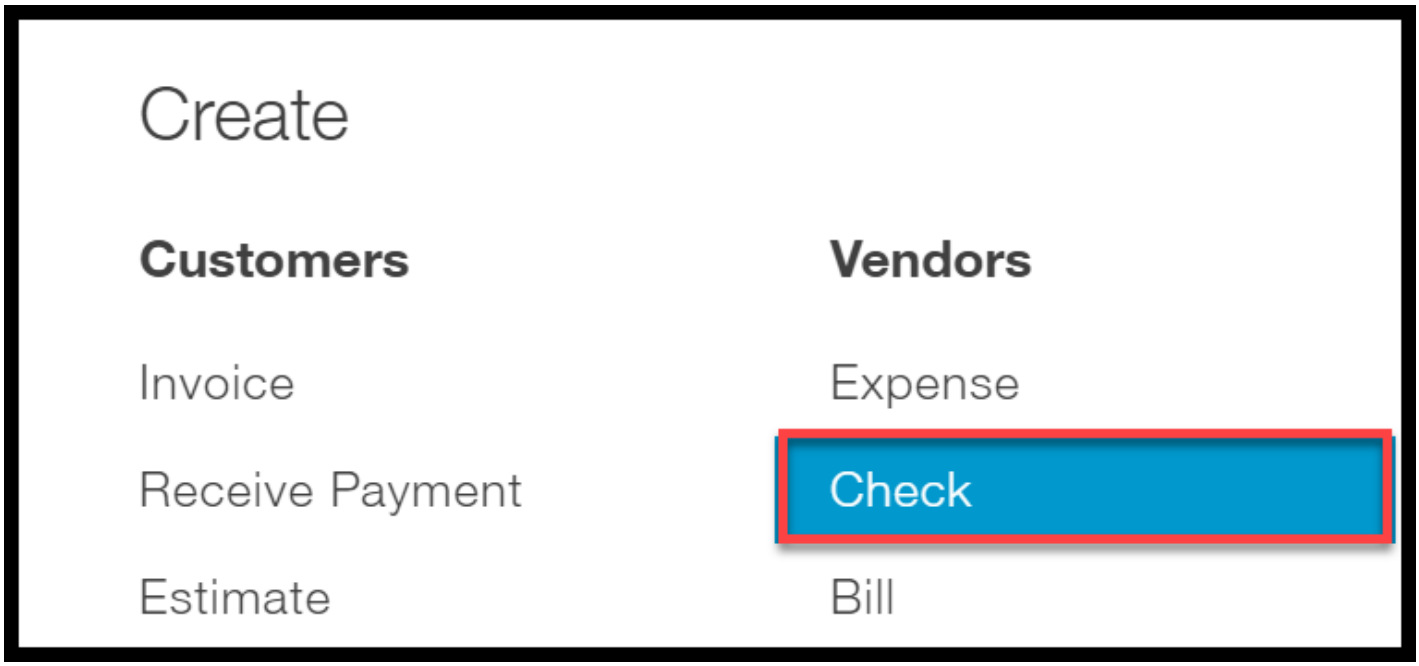
- Your bank account is reduced by the amount of the bounced check.
- Your accounts receivable will increase since the customer's payment did not go through.
- The bank charges you a fee for non-sufficient funds (NSF fee).

In an effort to avoid fees and ensure that your financial statements are accurate, we will walk through step by step in this lesson to show you how to record a transaction in QuickBooks for each of the above items.

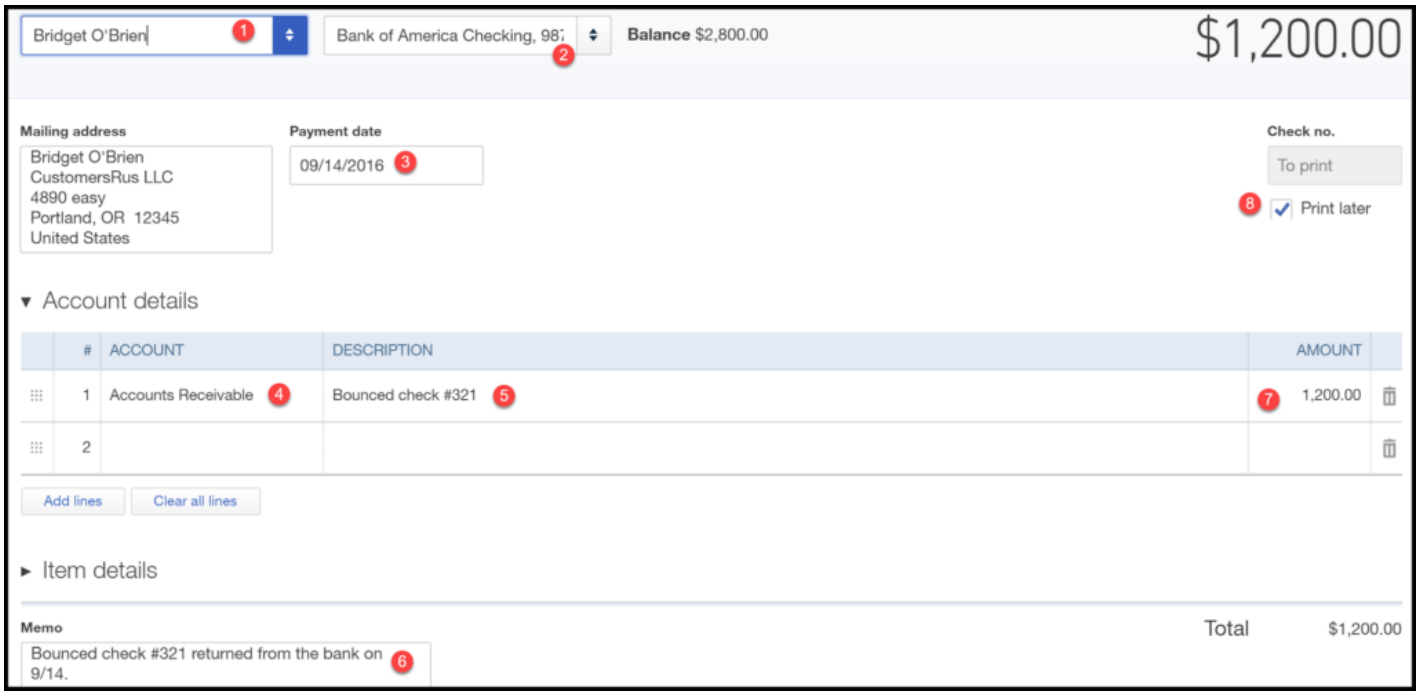
How Do I Handle Bounced Checks in QuickBooks Online?

Step 1 – Record the decrease in the bank balance for the bounced check amount

From the Home page, click on the plus sign at the top, and below the **Vendors** column, select **Check** as indicated below.



The write check window will display as indicated below:



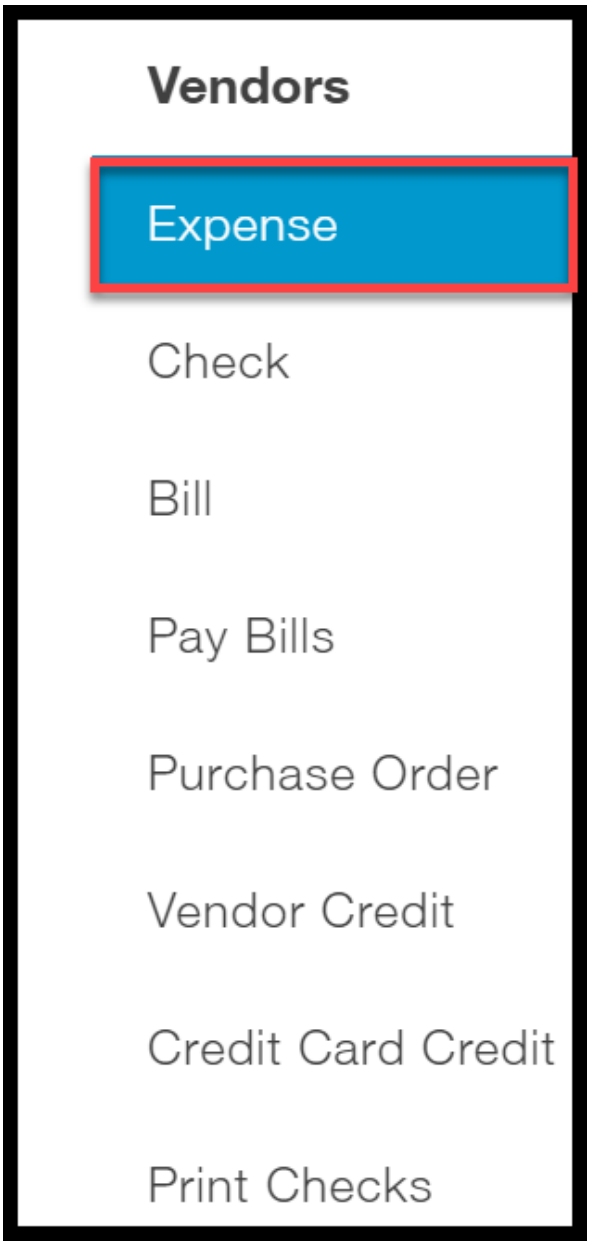
1. **Payee:** from the drop down, select the customer whose check bounced.
2. **Bank Account:** from the drop down, select the bank account where the check bounced.
3. **Payment date:** enter the date the check was returned.
4. **Account:** from the drop down, select Accounts Receivable.

5. **Description:** enter the bounced check info.
6. **Memo:** enter any additional information about the customer's bounced check.
7. **Amount:** enter the amount of the bounced check.
   TIP: Do not include the NSF fee charged by the bank. We will enter that in the next step.
8. **Check no:** enter **NSF** in this field.

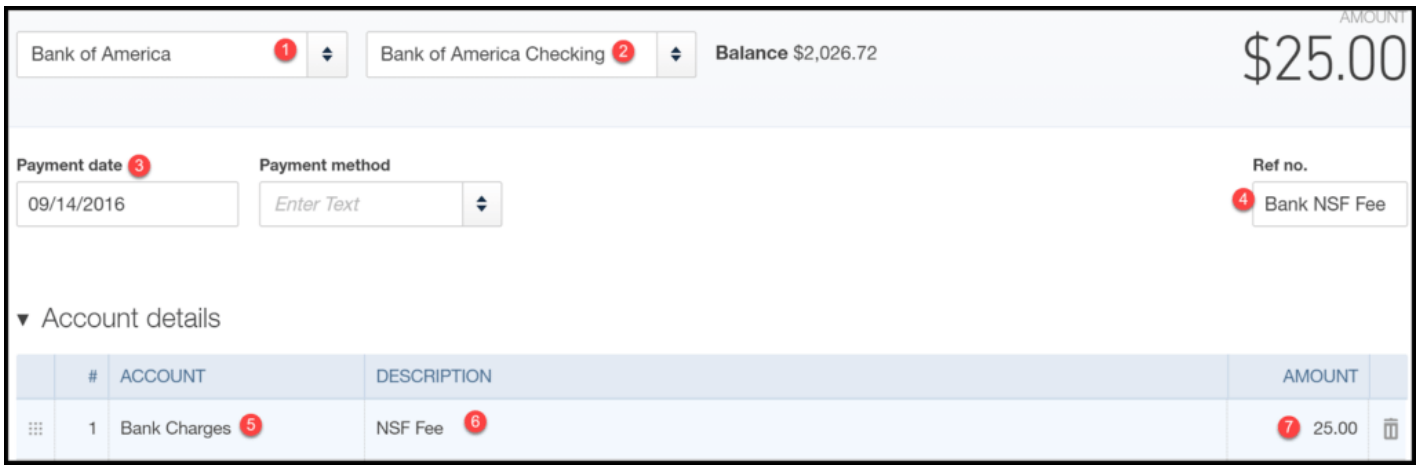
Save and close this check.

Step 2 – Record the NSF fee that the bank charged you

From the Home page, click on the plus sign at the top, and below the **Vendors** column, select **Expense** as indicated below.



The expense window will display. Complete the fields as indicated below.



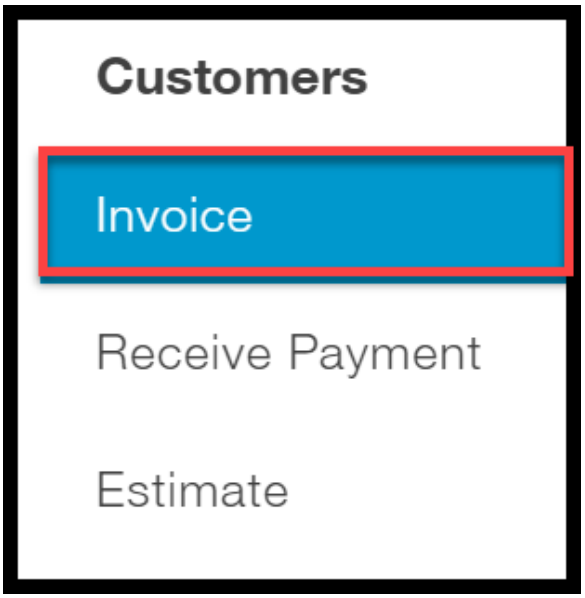
1. **Payee:** from the drop down, select your bank.
2. **Bank account:** from the drop down, select the bank account where the check bounced.
3. **Payment date:** enter the date the check was returned.
4. **Ref no:** enter Bank NSF Fee in this field.
5. **Account:** select the expense account you use to track bank fees.
6. **Description:** enter NSF fee in this field.
7. **Amount:** enter the amount of the bank charge.

Once all fields are completed, you can save and close.

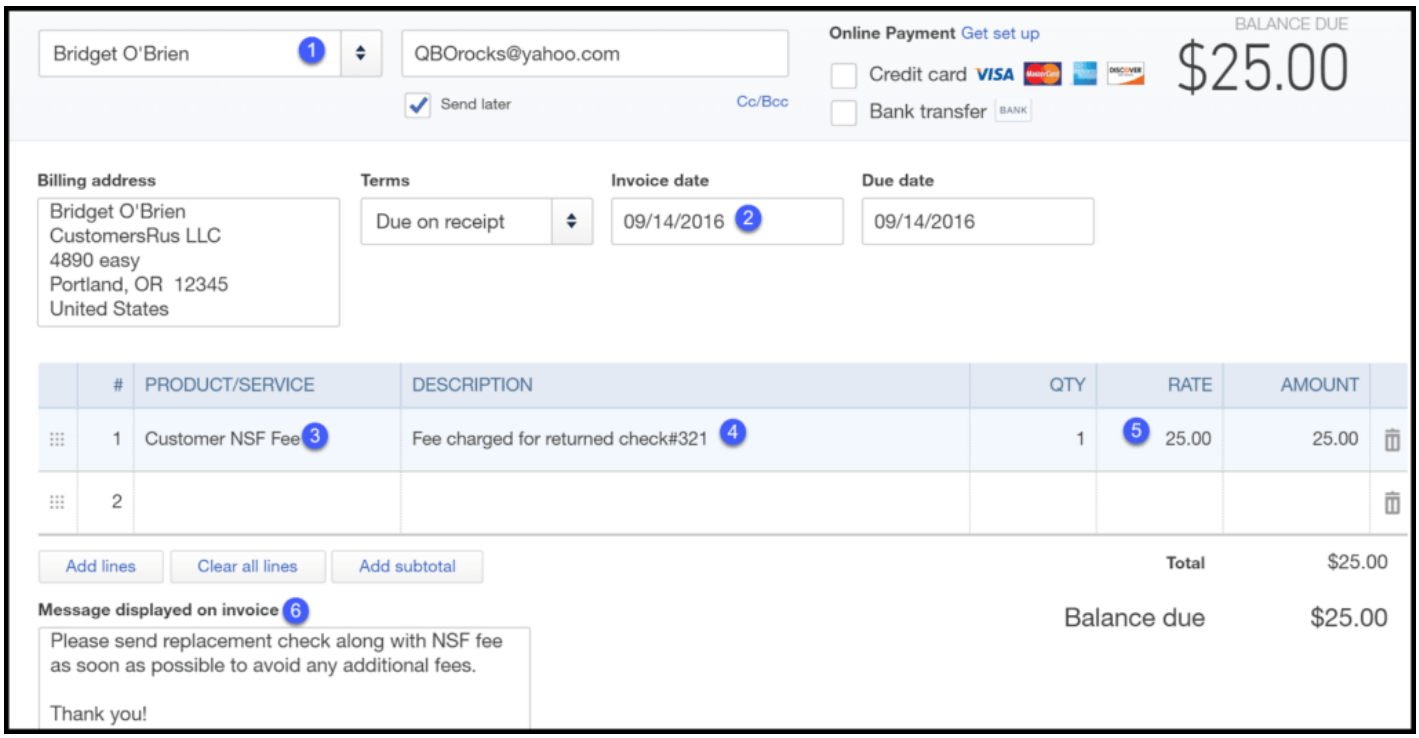
Step 3 – Bill your customer for the NSF fee (Optional)

As indicated above, this step is optional. However, I recommend that you bill your customer for the NSF fee that you were charged by the bank. Some businesses charge a little more just for the inconvenience, but that is up to you.

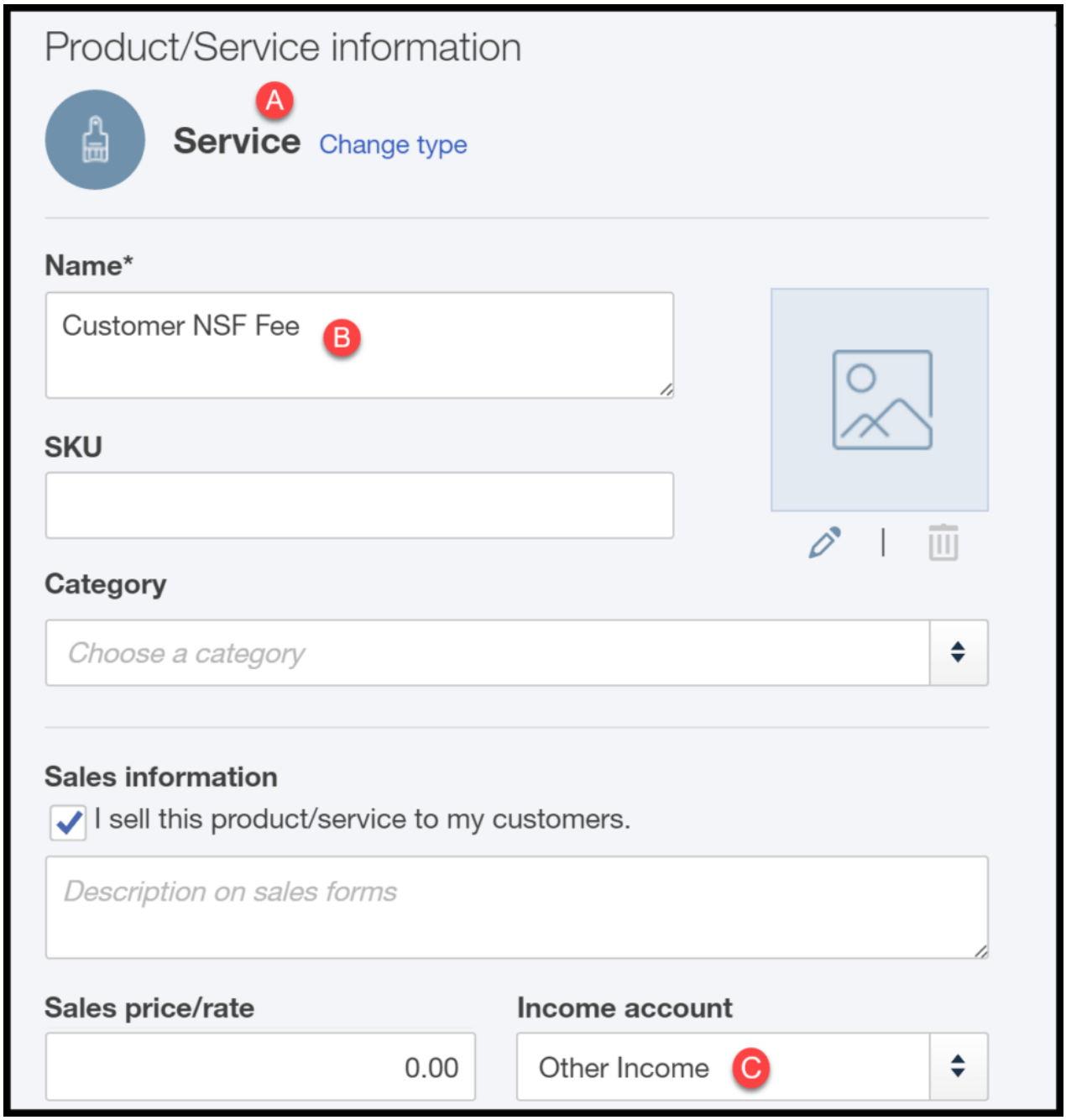
To bill the customer for the NSF Fee, from the Home page, click on the plus sign at the top. Below the Customers column, select Invoice as indicated below.



The create invoice window will display. Complete the fields as indicated below.



1. **Customer:** from the drop down, select the customer who bounced the check.
2. **Invoice date:** select the date you want to bill your customer for this fee.
3. **Product/Service:** In order to track Customer NSF Fees, we want to set up a service called Customer NSF Fee. From the drop down, click on **Add New**. Complete the following fields to set up this fee as indicated below.
    -



A. **Item type:** From the drop down, select Service.

- B. **Item description:** Type in "Customer NSF Fee."
- C. **Income account:** From the drop down, select Other Income. If you do not have an Other income account set up, you can do so by clicking the Add New option. Be sure to watch our video tutorial on how to set up the chart of accounts.

4. **Description:** Include a description of the check that was returned so that the customer is aware of what this fee is for.
5. **Amount:** Enter the amount you are charging your customer for the bounced check (NSF Fee + any additional inconvenience fee).

6. **Message to display on invoice:** Include a message to your customer that will appear on the invoice as to why they are being charged.

Once all of the fields are complete, save and close the invoice.

What Impact Does Recording Bounced Checks Have on My Financial Statements?

When a deposit is recorded in QuickBooks, your accounts and financial statements are affected as follows:

Step	Accounts Affected	Financial Statement
Step 1: Record the decrease in the bank account for the bounced check	**Increase:** Accounts Receivable **Decrease:** Checking Account	Balance Sheet
Step 2: Record the NSF Fee that the bank charged you	**Increase:** Bank Svc Charge **Decrease:** Checking account	Profit & Loss Statement and Balance Sheet
Step 3: Bill your customer for the NSF Fee	**Increase:** Accounts Receivable **Increase:** Other Income	Profit & Loss Statement and Balance Sheet

Wrap Up

That wraps up the section on how to handle QuickBooks bounced checks. The next lesson in our QuickBooks Online Training Course will be how to reconcile bank accounts. In this lesson, we will walk you through how to reconcile your checking and savings accounts in QuickBooks Online.

To access this lesson or any of the others in the series, click here. Or, click here for a free 30-day trial of QuickBooks Online.

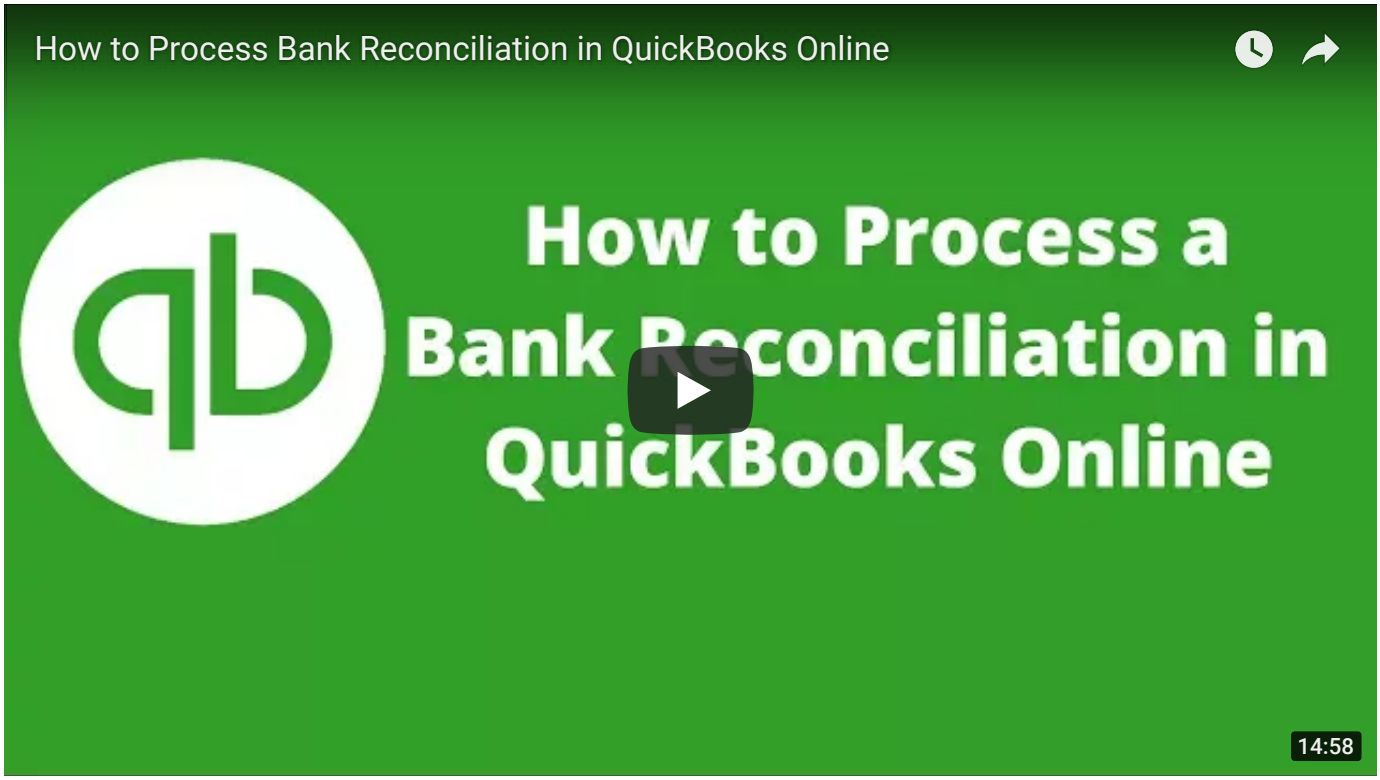
How to Process Bank Reconciliation in QuickBooks

By Crystalynn Shelton on November 1, 2017 | Accounting, Quickbooks | Comments (12)

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to reconcile bank and credit card accounts in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!



Why is it Important to Reconcile your Bank Accounts?

Similar to your personal bank accounts, it is important that you reconcile your business bank accounts on a monthly basis. Reconciling is the process of matching the transactions on your bank statement to what you have recorded in QuickBooks.

Reconciling your bank accounts regularly will help to ensure the following:

- Any discrepancies between your records and the banks are resolved in a timely manner (e.g. a bank deposit that was posted to the wrong amount by the bank).
- Timely notification of any fraudulent transactions. For example, if you notice transactions listed on your bank statement that you did not authorize, you can notify the bank as soon as possible so that they can investigate.

What are the Benefits of Reconciling your Bank/Credit Card Accounts in QuickBooks Online?

Some of the benefits of reconciling your bank account in QuickBooks are:

- All transactions on the bank statement get recorded in QuickBooks.
- Your financial statements such as the Profit & Loss statement and Balance Sheet are up-to-date.
- All of the reconciled transactions are marked in QuickBooks as cleared.
- You are able to run bank reconciliation reports that will provide the details of the items that have cleared the bank and those that remain outstanding (uncleared).

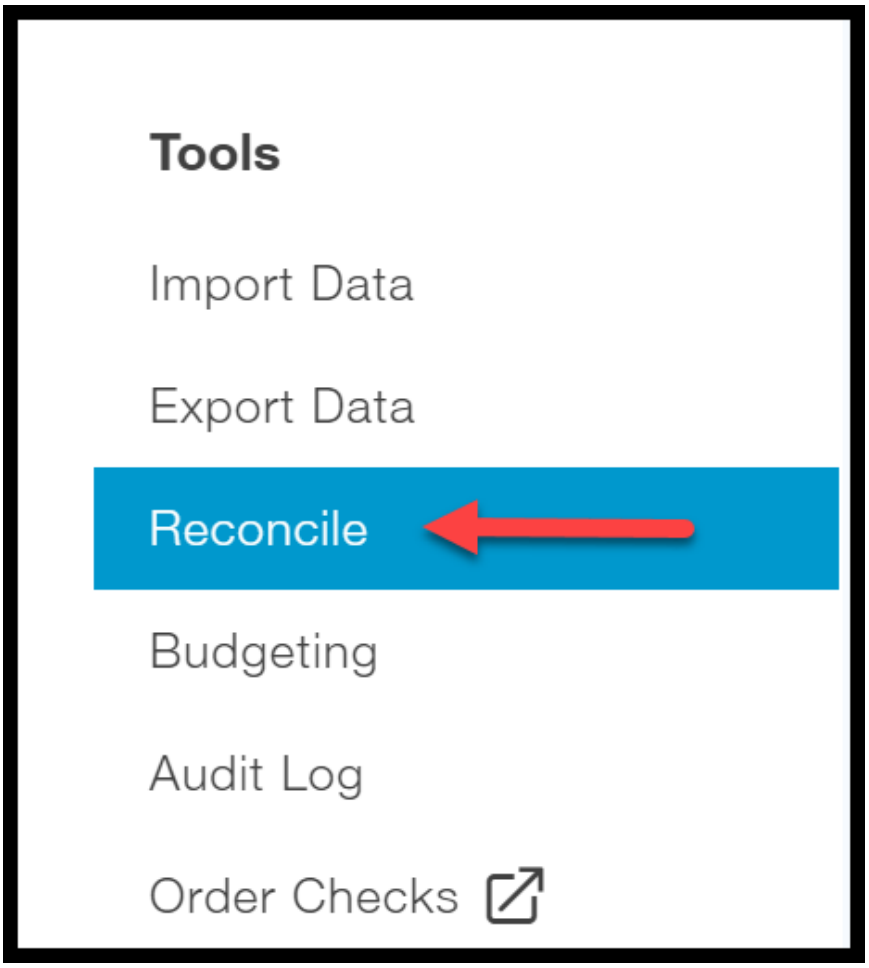
How Do I Reconcile my Bank/Credit Card Account in QuickBooks?

Before you follow the steps to reconcile, be sure that you have your bank/credit card statement handy for the account that you want to reconcile. We will refer to the bank statement often during this process.

Here are the 5 steps to bank reconciliation in Quickbooks Online:

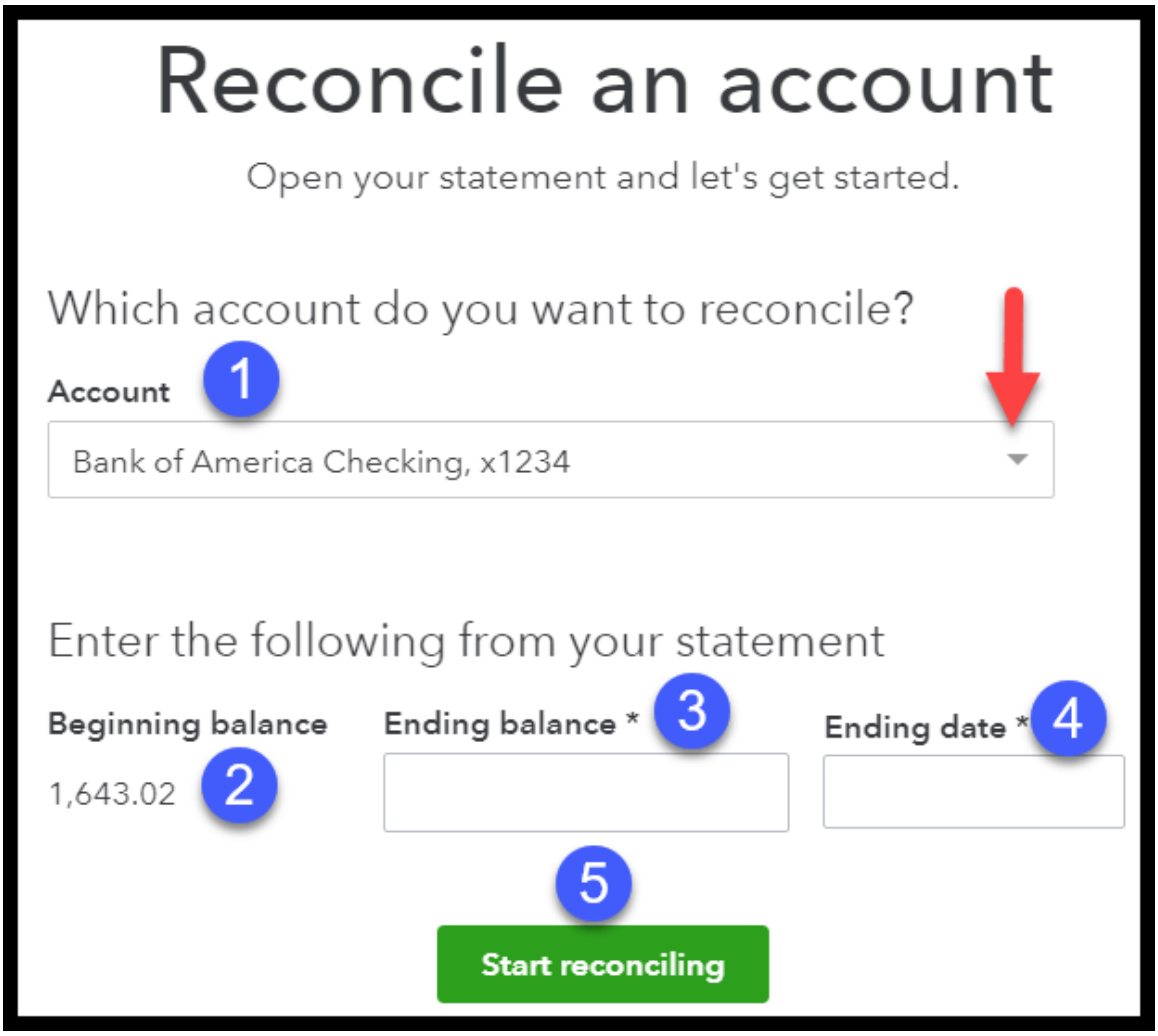
Step 1 – Navigate to the Reconciliation Tool

From the Home page, click on the Gear icon to the left of your company name. Below the **Tools** column, select **Reconcile** as indicated below.

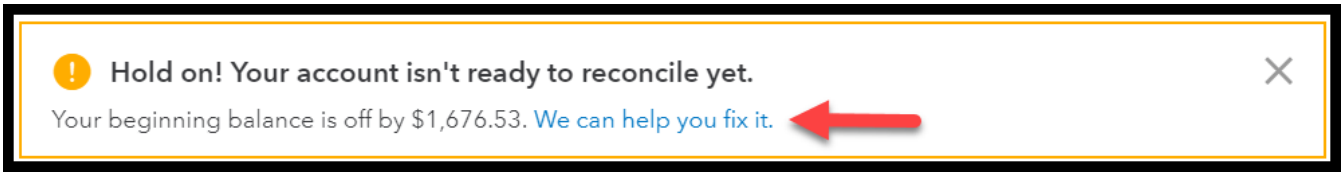


Step 2 – Select the Bank/Credit Card account you would like to reconcile.

Complete the fields as indicated below.



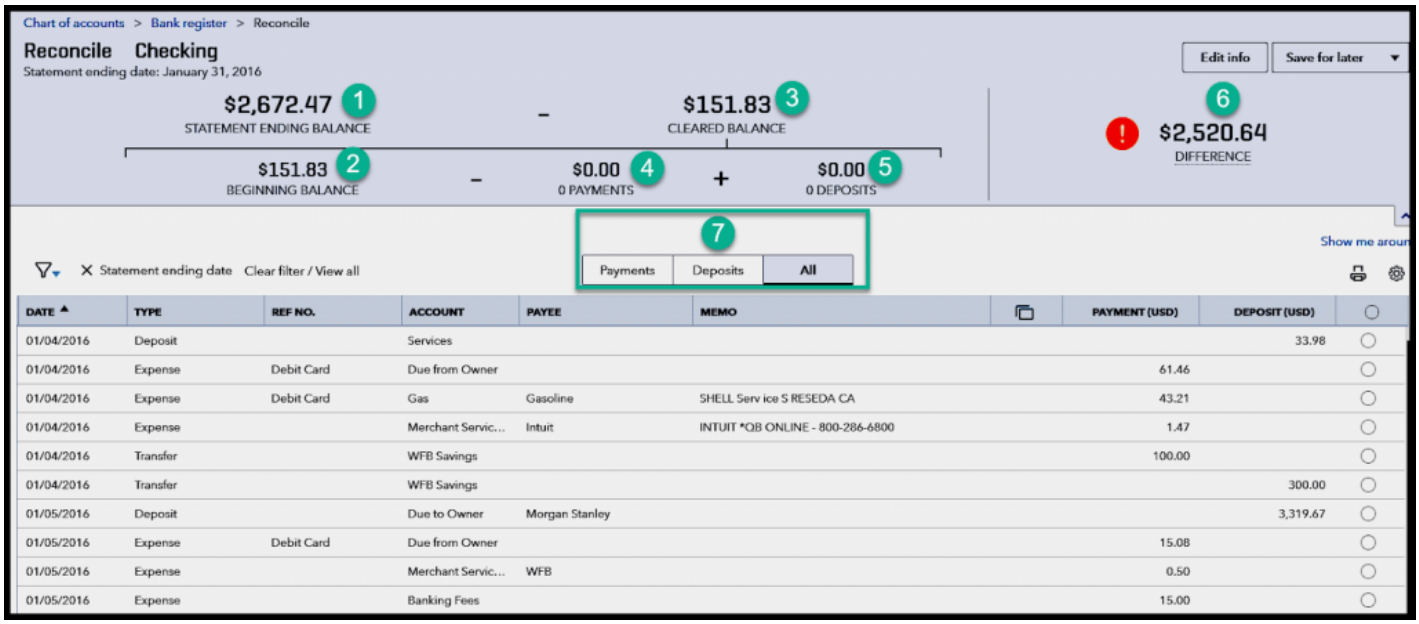
1. **Account** – From the drop-down, select the bank/credit card account you would like to reconcile.
2. **Beginning balance** – This field will be auto-populated with the ending balance from the previous month's statement. Tip: If your beginning balance does not match, you will see a notification similar to the one below. Click on the "We can help you fix it." link and follow the steps to resolve the difference **before** you proceed with the current reconciliation:



3. **Ending balance** – In this field, you will enter the ending balance that appears on your bank statement.
4. **Ending date** – Enter the ending date of your bank statement in this field.
5. **Start reconciling** – click the "**Start reconciling**" button to proceed to the next step.

Step 3 – Begin Matching Transactions

In the next screen, you will see the new & improved reconciliation layout! Below is a screenshot and a brief overview.



1. **Statement Ending Balance** – This is the amount you entered from your bank/credit card statement.
2. **Beginning Balance** – This amount is the ending balance from last month's statement. QuickBooks will populate this field for you.
3. **Cleared Balance** – As you begin to reconcile each item, this amount will change depending on whether you have selected a payment or a deposit transaction.
4. **Payments** – This amount will increase as you select payments to reconcile from the detailed transactions section below.
5. **Deposits** – This amount will increase as you select deposits to reconcile from the detailed transactions section below.
6. **Difference** – This field is calculated by QuickBooks. It is the difference between your statement balance and the cleared balance. Your goal is to get to a difference of zero.
7. **Transactions** – In this section, you will see all of the payments and deposits that have been recorded in QuickBooks as of your statement ending date. As you can see in the screenshot above, you can filter this section to just show Payments, Deposits or all by clicking on each of the tabs.

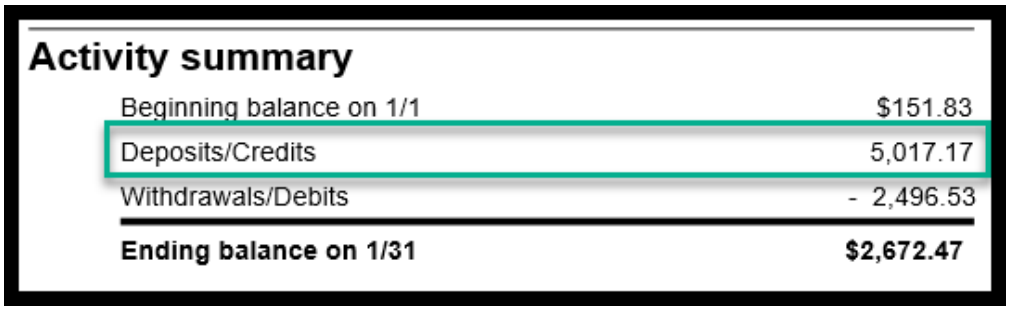
There is no right or wrong way to reconcile. However, I suggest that you reconcile the area with the *least* number of transactions first. Remember that our goal is to make sure that every deposit and withdrawal listed on the bank statement is marked as "cleared" in this reconciliation window.

To mark an item as “cleared”, you simply click the radio button to the right of Deposit as indicated in the screenshot below.

Let’s say that you decide to start with deposits first. Once you have marked all of the deposits in this window that appear on your bank statement, verify that the total deposits cleared matches the total deposit amount on your bank statement.

In the example below, total deposits on our bank statement ($5017.17) match the total deposits we have “cleared” in QuickBooks ($5017.17). If it does, you can move onto payments. However, if your deposits are not in balance, head over to the next section for tips on how to troubleshoot this out of balance.

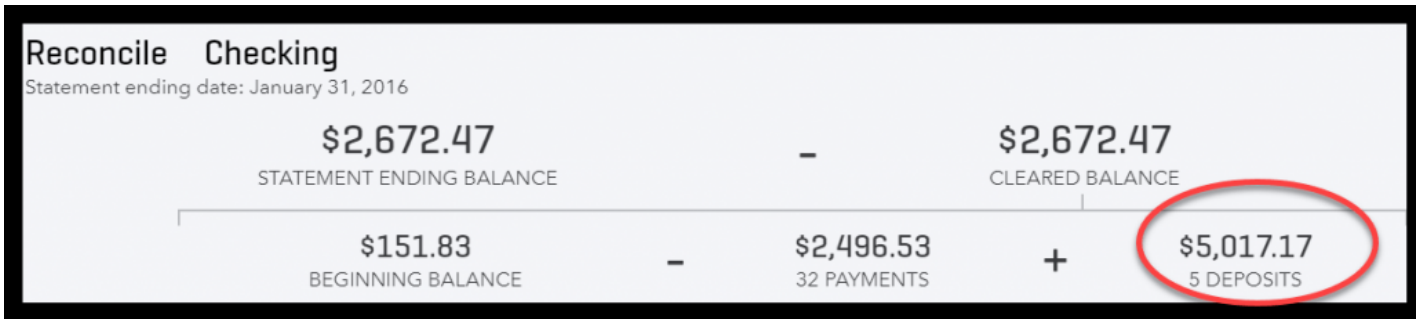
Sample Bank Statement



Activity summary

Beginning balance on 1/1	$151.83
Deposits/Credits	5,017.17
Withdrawals/Debits	- 2,496.53
Ending balance on 1/31	**$2,672.47**

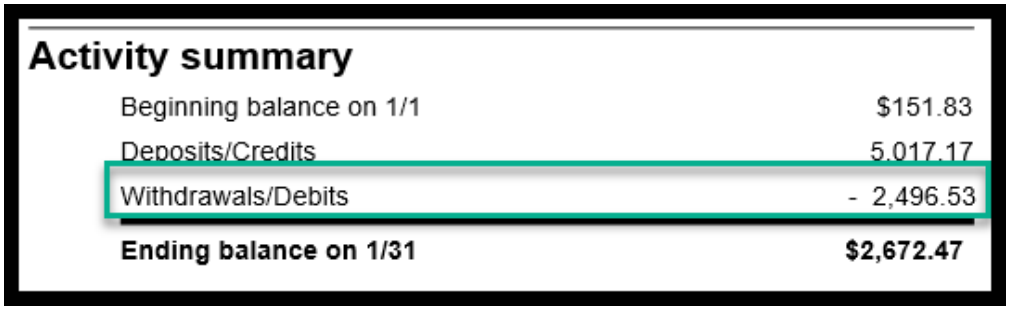
Deposits Cleared in QuickBooks



Repeat the same process of marking items cleared that appear on your bank statement for withdrawals (payments). Make sure that the total payments cleared in QuickBooks matches your bank statement.

In the example below, total withdrawals/payments on our bank statement ($2496.53) match the total withdrawals we have "cleared" in QuickBooks ($2496.53). If it does, you can move onto the next step; however, if your withdrawals/payments are not in balance, head over to our troubleshooting tips section.

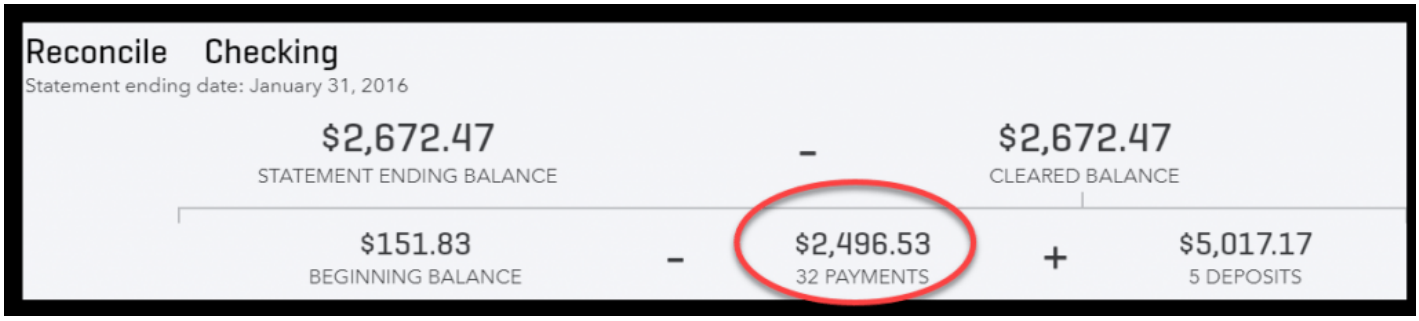
Sample Bank Statement



Activity summary

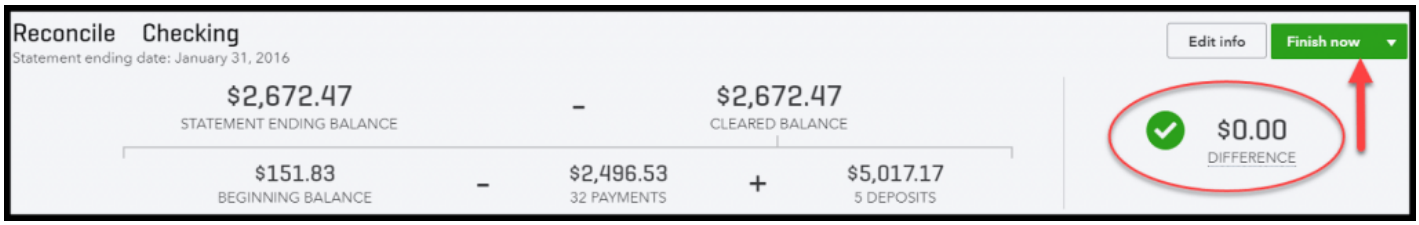
Beginning balance on 1/1	$151.83
Deposits/Credits	5,017.17
Withdrawals/Debits	- 2,496.53
Ending balance on 1/31	**$2,672.47**

Withdrawals/Payments Cleared in QuickBooks



Step 4 – Confirm $0.00 Difference

Once all deposits and withdrawals/payments match the bank statement, you should have a difference of $0.00 as indicated in the screenshot below.



Click the "**Finish now**" button to generate the bank reconciliation reports. Behind the scenes, QuickBooks will mark all of the deposits and credits that have been reconciled as "cleared".

Step 5 – Review & Save Reconciliation Reports

Below is a snapshot of the detailed bank reconciliation report that QuickBooks will generate.

Summary USD

Statement beginning balance	151.83
Checks and payments cleared (32)	-2,496.53
Deposits and other credits cleared (5)	5,017.17
Statement ending balance	2,672.47
Register balance as of 01/31/2016	2,672.47

Details

Checks and payments cleared (32)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
01/04/2016	Expense	ck/35613		-50.00
01/04/2016	Expense		Intuit	-1.47
01/04/2016	Expense	Debit Card		-61.46
01/04/2016	Expense	Debit Card	Gasoline	-43.21
01/04/2016	Transfer			-100.00
01/05/2016	Expense		WFB	-0.50
01/05/2016	Expense	Debit Card	Restaurants	-13.17
01/05/2016	Expense		Josh Brown	-80.00

Tip #1: It is important that you save all bank reconciliation reports for every bank/credit card account. Create a folder for each bank/credit card account to keep these reports in. To learn more about organizing key reports/documents such as this, check out our Small Business Bookkeeping Guide.

Tip #2: Bank reconciliation reports are one of the Top 5 reports that auditors will request. In my experience as an auditor, if you are not able to produce these reports I can promise you that the audit will not go well for you.

8 Troubleshooting Tips for Reconciling Bank/Credit Card Accounts In QuickBooks Online

Try some of these tips if you're having trouble getting a $0.00 difference between what's in QuickBooks and what's on your bank statements:

1. If possible, narrow the search down to the transaction type. Figure out if you are out of balance with the withdrawals and payments or deposits and credits.
2. If you are out of balance for deposits *and* withdrawals, then tackle them separately. In other words, balance withdrawals first and then move onto deposits and credits or vice versa.
3. Look for the exact dollar amount that you are off. For example, if your difference is $21.50 then look for a transaction for this amount on your bank statement and then on both the withdrawals and payments section and the deposits and credits section of the reconcile window.
4. Triple check the information that you entered from the bank statement (ending balance, statement ending date etc;)
5. Check to see if there are any transactions in the reconcile window that you did not select. If the transaction is on your bank statement then the radio button should be marked in the reconcile window.
6. If you do have a transaction on the bank statement that is not in QuickBooks then you will need to add it to QuickBooks. To do so, just select Finish Later from the drop-down to save your work.
    1. If the missing transaction is a withdrawal/payment, enter it as you normally would. In our how to write and print checks lesson, we walk you through step by step on how to create a check in QuickBooks.
    2. If the missing transaction is a deposit/credit, then enter it as you normally would. In our how to make deposits lesson, we walk you through step by step on how to record deposits in QuickBooks.
7. **Take a break**. If you have been at it for a while and you need a break, select the Finish Later option to save the work you have done so that you can easily pick up where you left off. Sometimes, taking a breather and coming back can help you spot what's causing the difference.
8. While it might be tempting, I recommend that you don't click that reconcile button until you have a difference of $0.00. The problem will not go away. The difference will just carry over to the next month until you figure it out.

If you do hit the reconcile button and you have not figured out the difference, QuickBooks will record the out of balance in a miscellaneous expense account called unreconciled discrepancies. Of course, if we are talking a small amount (i.e. $5.00 or less), then it might be worth your while to move on. At the end of the day, you get to determine what amount you are comfortable with.

What Impact does Reconciling Bank Accounts Have on my Financial Statements?

Reconciling your bank/credit card accounts does not change your financial statements. However, behind the scenes in QuickBooks, the items that have been reconciled are flagged as follows:

In the check register, reconciled checks and deposits will be indicated with the letter "R" as indicated below.

01/04/2016	Debit Card	Gasoline	SHELL Serv ice S RE...	$43.21		R
	Expense	Auto Expenses:Gas				
01/04/2016		Intuit	INTUIT *QB ONLIN...	$1.47		R
	Expense	Merchant Services Fees				

TIP: *Typically, once a bank transaction is reconciled, you do not want to make any changes to it. This is primarily due to the fact that you have balanced it with your bank statement. You can edit the account if you need to (i.e. if you categorized something as meals and entertainment, and it should have been office supplies), but you do not want to make any changes to the date or the amount. If you do, it can cause your financial statements to be inaccurate and you will no longer be in balance with your bank.*

Wrap Up

That wraps up the section on How to Reconcile Bank/Credit Card Accounts in QuickBooks Online. The next lesson in our QuickBooks Online Training Course will be How to Manually Enter Business Credit Card Transactions. In this lesson, we will walk you through what to do after you have imported your credit card transactions into QuickBooks.

To access this lesson or any of the others in the series, click here. Or, click here for a free 30-day trial of QuickBooks Online.

How to Manage Downloaded Credit Card Transactions in QuickBooks Online

By Crystalynn Shelton on October 24, 2016 | Accounting, How To, Quickbooks | Comments (0)

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to manage downloaded credit card transactions in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

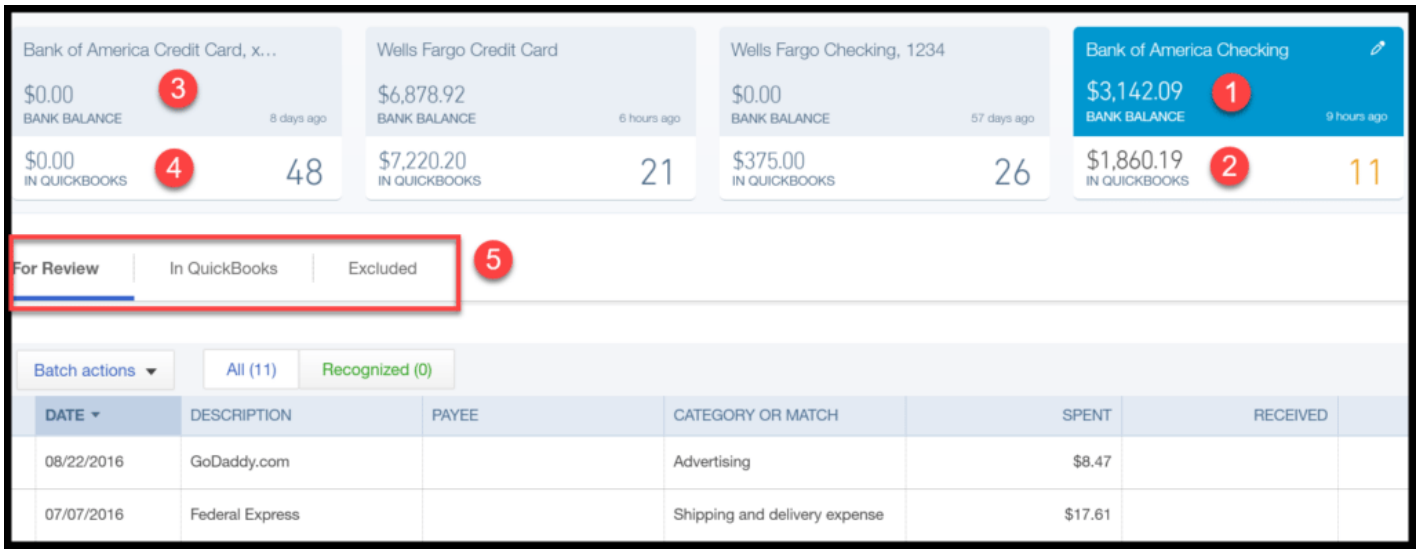
To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Why Is It Important to Manage Downloaded Credit Card Transactions in QuickBooks Online?

When you import transactions from your business credit cards into QuickBooks, they are un-posted. This simply means that you need to review them and provide some additional information before they can be added to your register in QuickBooks. In this lesson, we will show you how to review and categorize your credit card transactions so that they can be added to your register and financial statements.

The Banking Center Layout

At the top of the Banking Center, all of the bank and credit card accounts that you have set up are at the very top of the page as indicated below.



1. If the account is *linked* to your bank account, the top blue portion of the account box will show the credit card balance as of the date of the last sync.

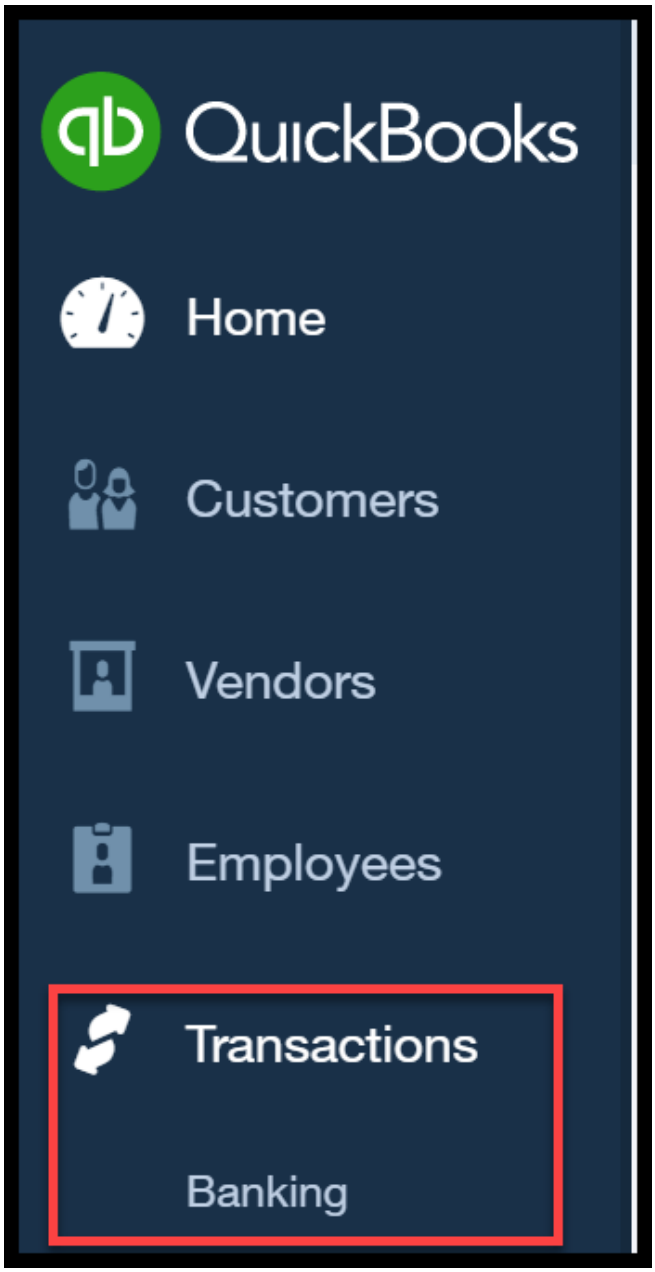
2. The bottom portion of the account box displays the current balance in the QuickBooks register and the number of transactions in the **For Review** tab below.
3. If the account is *not linked*, it will show $0.00 in the top portion of the box.
4. Similar to the *linked account,* the bottom portion of the account box displays the current balance in the QuickBooks register and the number of transactions in the **For Review** tab.
5. Bank feed transactions are organized into the following three tabs:

- **For Review** – this tab will show all of the un-posted transactions. For example, when you import transactions into QuickBooks, this is where they will appear until you review them and take action.
- **In QuickBooks** – this tab will show all of the transactions that have been matched or added to the register in QuickBooks.
- **Excluded** – this tab will show the transactions that have been removed from the For Review tab by you.

How Do I Manage Downloaded Credit Card Transactions in the Banking Center?

Step 1 – Navigate to the Banking Center

From the Home page, click on **Transactions** located on the left hand menu bar and select **Banking** as indicated below.

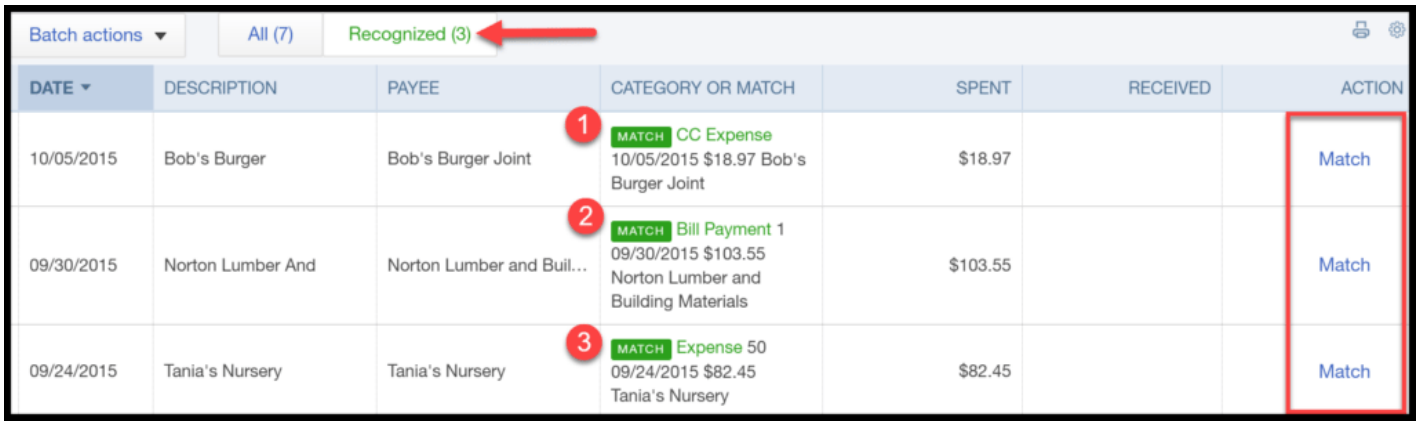


Step 2 – Review Transactions Tab

You should begin with the transactions that are located on the **For Review** tab. Within this tab, transactions are categorized into two additional tabs:

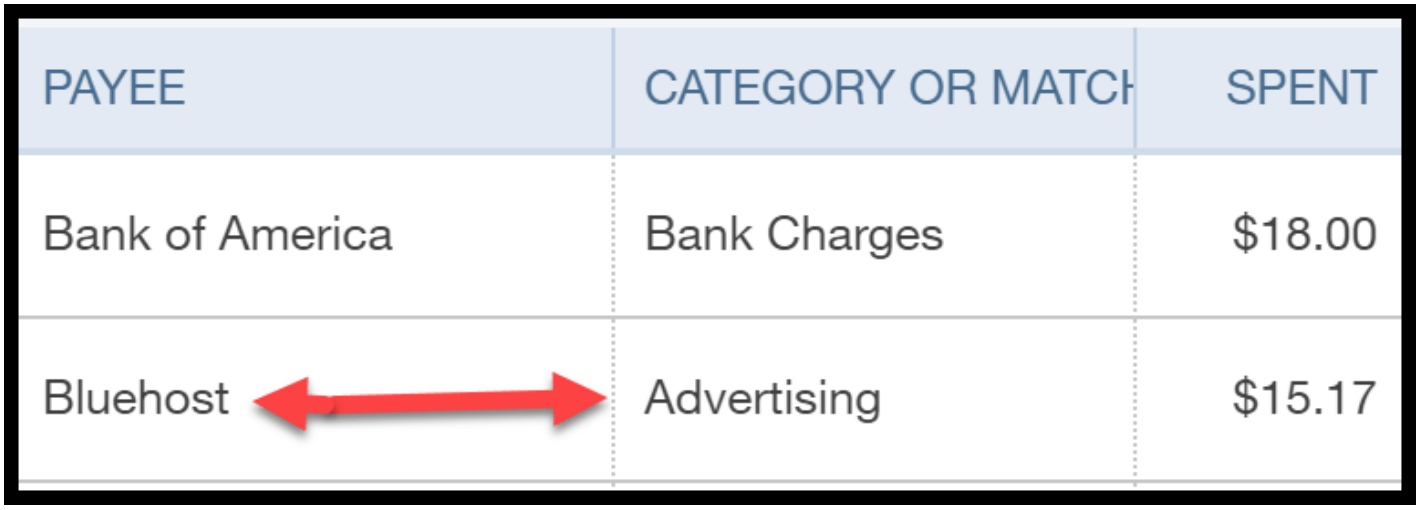
- **All** – this tab will list all transactions (including those on the Recognized tab)
- **Recognized** – If QuickBooks recognizes a transaction that is already recorded in your register, it will display a green **MATCH** tag next to the transaction and add it to the Recognized tab as indicated below.

To add the transaction to the register, just click the **Match** link located in the Action column indicated below. QuickBooks will add the transaction to the QuickBooks register and include it in your financial statements.



Most people tend to be creatures of habit. Whether you are running out to grab lunch or to the office supply store to get ink for the printer, you will most likely purchase these items from the same retailers. QuickBooks will recognize vendor names or descriptions that you have previously downloaded and will make suggestions as to which account transactions should be coded to. If you accept the suggested account, QuickBooks will change the account for all transactions of that same name.

For example, if you have previously coded Bluehost.com transactions to your Advertising account (as indicated below) then the next time a Bluehost.com transaction is downloaded, QuickBooks will suggest coding it to the Advertising account. If you accept the suggestion then QuickBooks will categorize all transactions with the Bluehost.com description to the Advertising account.



Step 3 – Add a New Credit Card Transaction to the Register

Click on the credit card transaction that you want to add to the register.

Complete the following fields as indicated below.

1. Select the vendor from the drop down. If you have not set up the vendor yet, you can do so by clicking Add New from the drop down. Be sure to view our tutorial on **Setting up Vendors.**
2. Select the account that you want to code the transaction to.
3. Put a brief description in this field of what the expense is for.
4. Click Add to add this transaction to your QuickBooks register and financial statements.

Troubleshooting Downloaded Credit Card Transactions

When managing downloaded transactions in the Banking Center, a couple of issues that you may need to troubleshoot are:

- Transactions that have already been matched
- Sign In Error

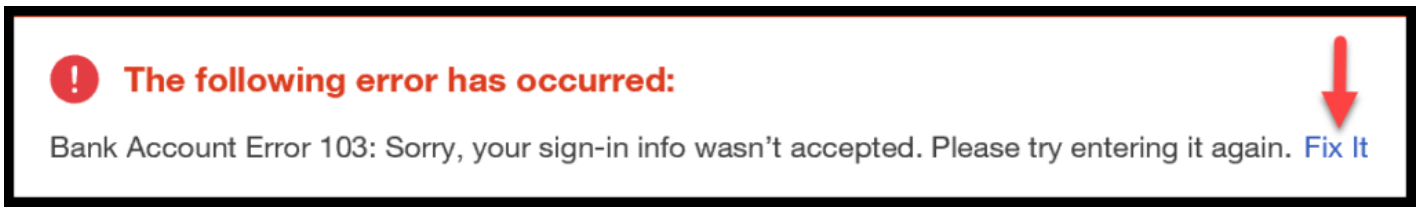
Transactions Already Matched

Sometimes a downloaded transaction has been matched to the wrong transaction in the register. This can happen for a number of reasons, but usually because the register transactions are for the same amount and fall within the same date range. To fix this issue, follow these steps, click the **In QuickBooks tab** in the Banking Center & click Undo next to the transaction as indicated below.

This will flag the transaction as un-posted and return it to the **For Review** tab where you can match it to the correct transaction.

Sign In Information Error

If you see a red error message similar to the one below, more than likely your user id or password for the bank account has changed, and you need to update QuickBooks with this information. Click on the Fix It link as indicated below, and follow the on-screen instructions to update your user id and password.

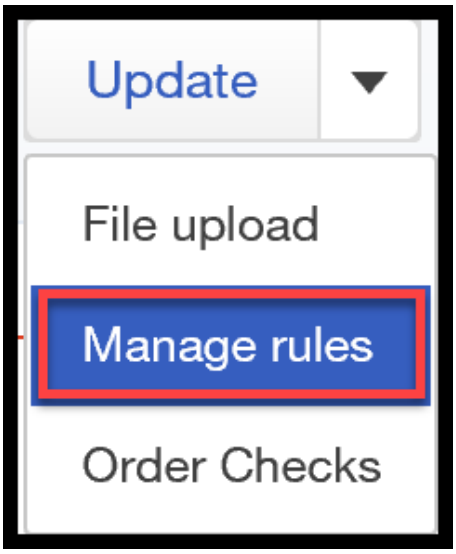


Bank Rules Let You Code Transactions Quickly

You can reduce the amount of time it takes to code and record transactions in the Banking Center by setting up bank rules. QuickBooks will use the bank rules that you set up to automatically code transactions to the right account for you. Let's create a bank rule for the Bluehost transactions. To create bank rules, just follow these steps:

Step 1 – Manage Rules

Click on the drop down arrow to the right of the Update button & select Manage rules, as indicated below.

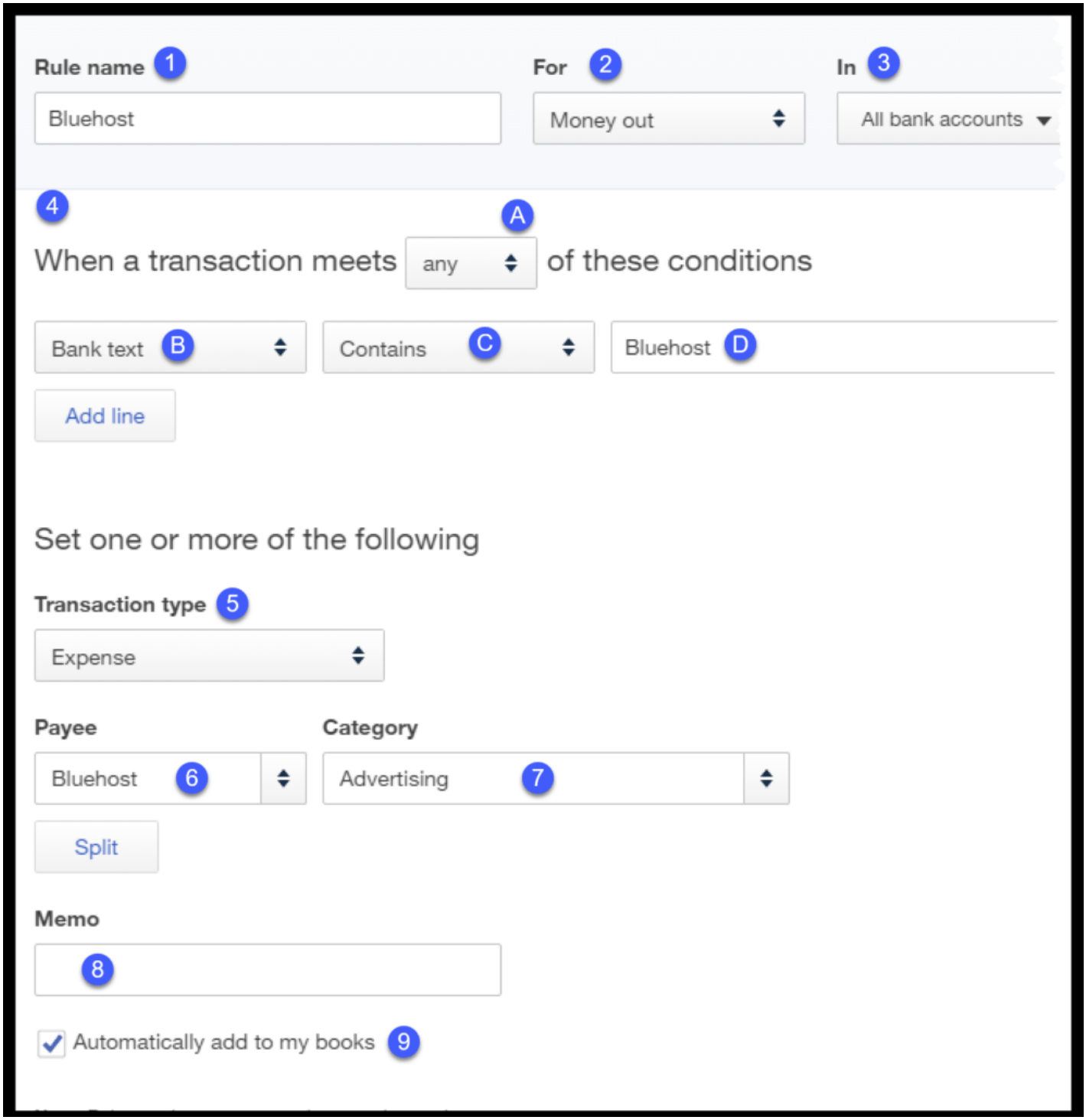


Step 2 – Click New Rule

Click the **New rule** button in the upper right hand corner of the screen as indicated below.

Step 3 – Set Up Conditions for Rule

Complete the following fields to set up a bank rule.



1. **Rule Name** – Give each rule a name.

2. **For** – Select whether the rule applies to Money in (credit card returns) or Money out (credit card charges).
3. **In** – From the drop down, you can select which credit card account this rule applies to. The default is All bank and credit card accounts.
4. **Conditions** – You have the option to determine if the transaction has to meet all or any of the following conditions that you set. When the conditions are met, the rule is triggered.
    - **A.** From the drop down, you can select **an**y or **all**
    - **B.** From the drop down, you can select **bank text**, **description**, or **amount** as a condition.
    - **C.** From the drop down, you can select **contains**, **is exactly**, or **doesn't contain**, depending on how you want your rule to work.
    - **D.** In this field, you can enter the **bank text**, **descriptio**n, or **amount**.

5. **Transaction type** – Select whether the transaction is an expense, transfer, or check.
6. **Payee –** Select the payee (if applicable).
7. **Category** – Select the account the transaction should be categorized to. (i.e. office supplies, meals, and entertainment).
8. **Memo** – Enter any additional information in this field for this transaction.
9. **Automatically add to my books** – By selecting this option, QuickBooks will bypass putting these transactions on the **Recognized** tab, which would then require you to review them before they are added to the register. Instead QuickBooks will automatically add them to the register.
   TIP: *I recommend that you still review these transactions in the register to ensure that the rule is working as you expect it to.*

Wrap Up

That wraps up the section on how to manage downloaded credit card transactions in QuickBooks Online. The next lesson in our QuickBooks Online Training Course will be How to Record a Credit Card Return. In this lesson, we will walk you through when you need to record a credit card return, how to record credit card returns, and the impact this will have on your financial statements.

To access this lesson or any of the others in the series, click here. Or, click here for a free 30-day trial of QuickBooks Online.

How to Manually Enter Business Credit Card Transactions in QuickBooks Online

By Crystalynn Shelton on October 24, 2016 | Accounting, How To, Quickbooks | Comments (0)

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to manually enter business credit card transactions in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

When to Manually Enter Business Credit Card Transactions in QuickBooks Online

The most efficient way to import your credit card transactions into QuickBooks is by using one of the following methods:

- Automatically connect your credit card account to QuickBooks
- Import your credit card transactions from an Excel CSV file

If you are unable to do this because your credit card company does not offer either of these options, you will need to manually enter your credit card transactions into QuickBooks. We will cover how to do this in this lesson.

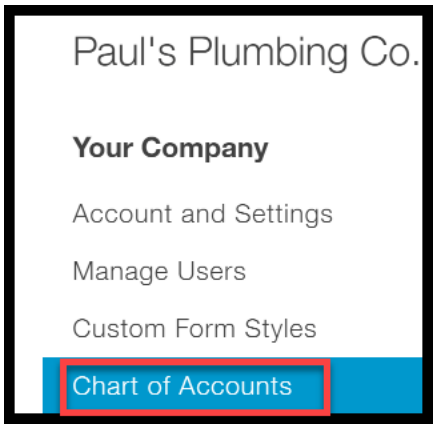
Pro Tip: If your credit card doesn't automatically connect with QuickBooks, take a look at the top business credit cards for small businesses. If you're looking for a card that automatically syncs with QuickBooks and offers great cash back rewards, we recommend the Chase Ink Business Cash Credit Card. There's no annual fee and you can pre-qualify online in minutes.

How Do I Manually Enter My Business Credit Card Transactions?

Before you can manually enter your credit card transactions into QuickBooks, you need to set up the credit card in QuickBooks.

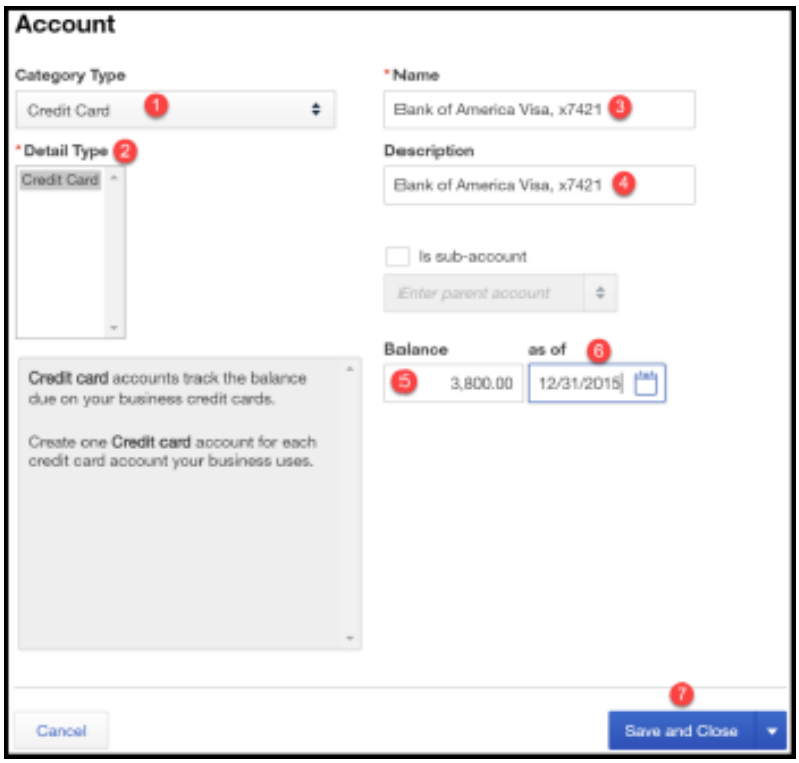
Step 1 – Display the chart of accounts list

To start, navigate to the chart of accounts list by clicking on the gear icon to the left of your company name. Below the **Your Company** column, select **Chart of Accounts** as indicated below.



Step 2 – Create credit card

The chart of accounts will display. Click on the **New** button in the upper right hand corner and complete the fields as indicated below.



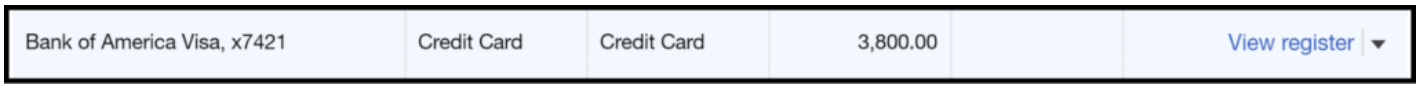
1. **Category Type:** Select the type of account you are downloading transactions for.
2. **Detail Type:** This field automatically populates with **Credit Card** based on the selection made in the Category Type field.
3. **Name:** This is how the account name will show up in QuickBooks.
4. **Description**: Put the name of your credit card and the last 4 digits of the account number.

   TIP: *If you've got more than one business credit card that you plan to connect to QuickBooks, including the name of the card and the last 4 digits of the card number allows you to easily tell one credit card account from another when you are entering transactions and reconciling these accounts.*

5. **Balance:** In order for you to successfully reconcile your credit card accounts, you need to indicate the ending balance on your credit card statement in this field.
   TIP: *The credit card statement that you use will be determined by the date that you start using QuickBooks. For example, if you start using QuickBooks as of January 1 then you want to use the ending balance on your December credit card statements.*
6. **As of Date**: This is going to be the **ending date** on the credit statement. (i.e. 12/31/XX).
7. Double check to make sure that you have made the correct selections in all fields. Click the **Save and Close** button.

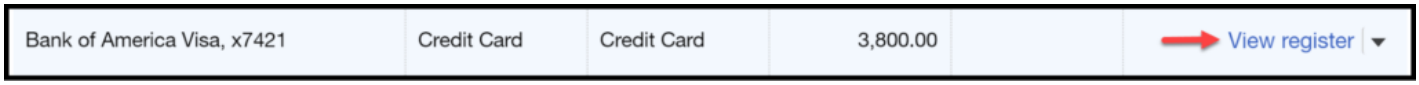
Step 3 – Review updated chart of accounts

The new credit card account will appear on the chart of accounts list, as indicated below.

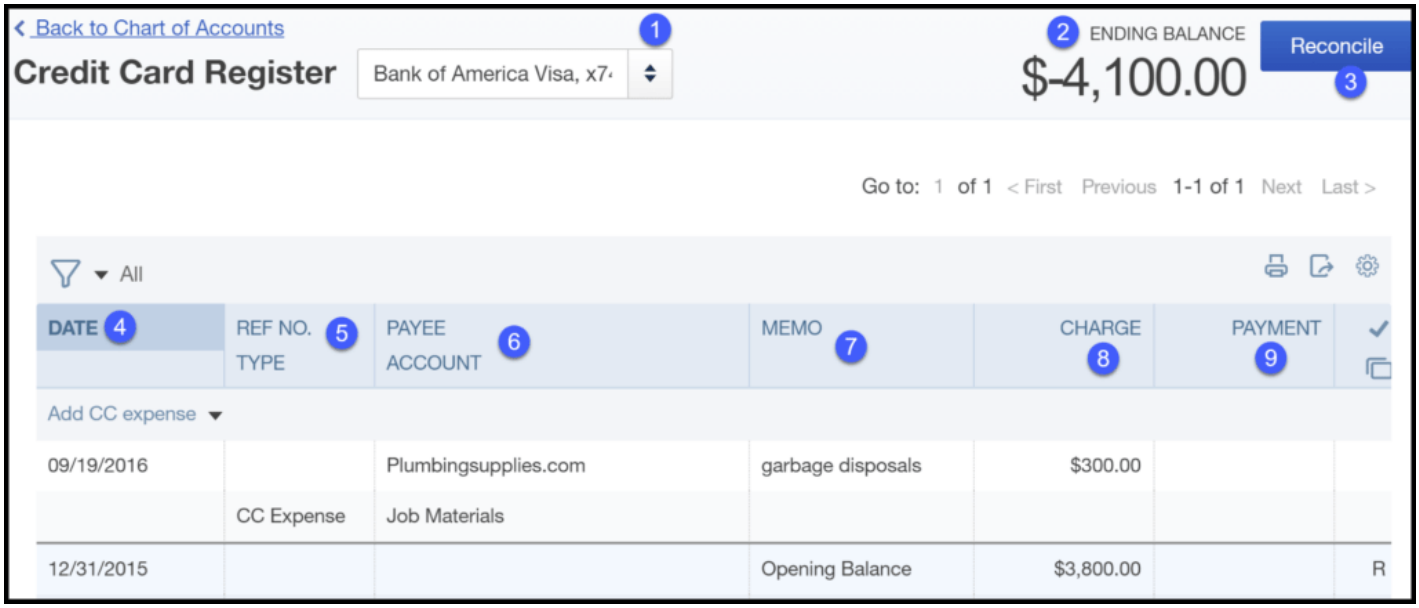


Step 4 – Navigate to credit card register

From the chart of accounts list, click on the **View register** link in the far right column as indicated below.



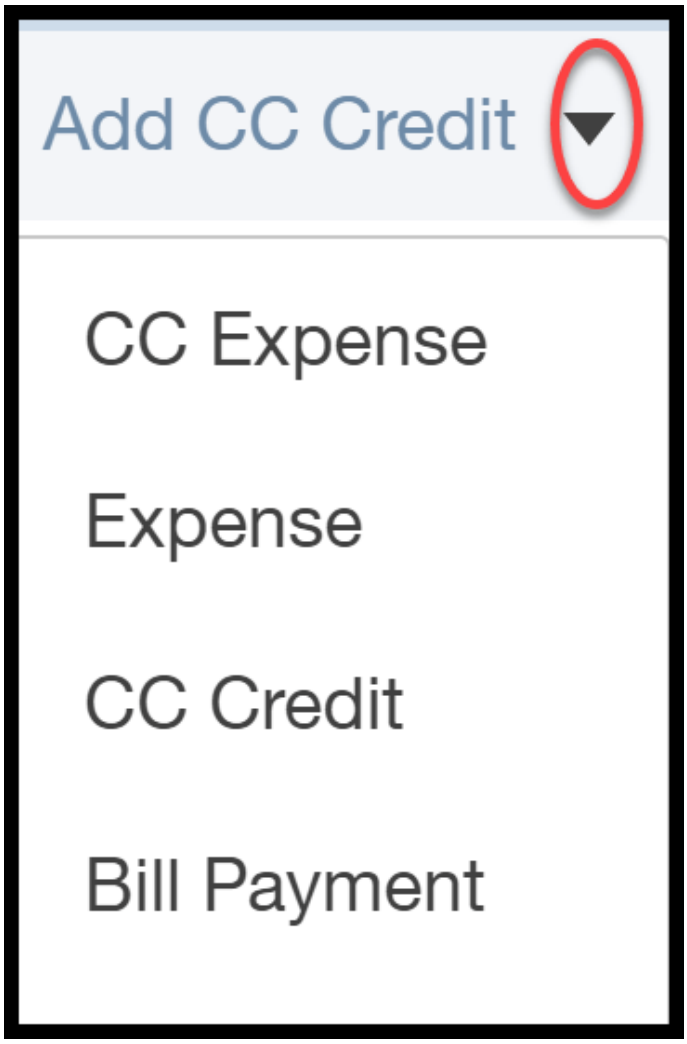
The credit card register should display on your screen as indicated below. Below you will find a brief description of what information appears in each field.



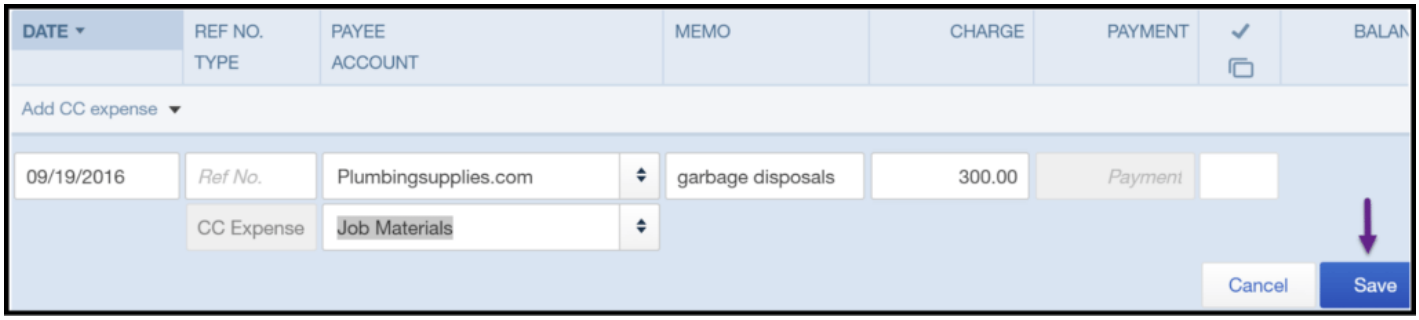
1. **Credit Card Register:** You can determine what credit card register you are in. You can easily switch between credit card registers by clicking the drop down arrow.
2. Ending Balance: This is the current balance of the credit card account.
   TIP: *When you enter credit card transactions in QuickBooks, the credit card balance is immediately updated.*
3. **Reconcile:** In the reconciling credit card accounts lesson, we will walk through step by step how to reconcile credit card accounts. You do not need to click on this right now.
4. **Date:** This will be the transaction date of the credit card charge or credit.
5. **Ref No/Type:** If you have a reference number that will help you to identify this transaction in the future, you can enter that number in this field. The transaction type (i.e. CC expense or CC credit) will appear in this field right below the reference number.
6. **Payee/Account:** For ***charges***, this field will include the payee and the expense account the purchase was categorized to. For ***credits or payments***, this field will include the vendor the credit was received from along with the expense account it was categorized to.
7. **Memo:** Typically, you would include some additional information about the transaction (i.e. the charge was to buy plumbing supplies)
8. **Charge**: Enter the amount charged to your credit card in this field.
9. **Payment:** Enter the payments (or credits) that appear on your credit card statement.

Step 5 – Enter a credit card transaction

To enter a credit card transaction, once you are in the register, click on the drop down arrow and select one of the following transaction types from the list as indicated below.



Complete all of the necessary fields and save the credit card transaction as indicated below. The fields are the same that appeared when you were reviewing your credit card register in the previous step.

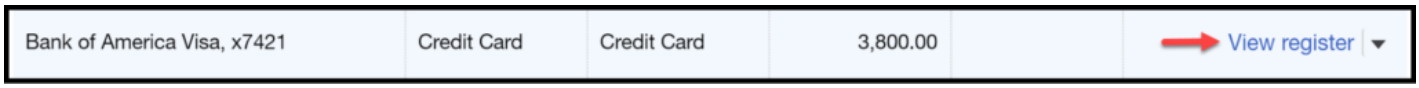


How Do I Modify Credit Card Transactions?

If you need to make changes to a transaction that was previously entered into the credit card register, you can do so by following the steps below:

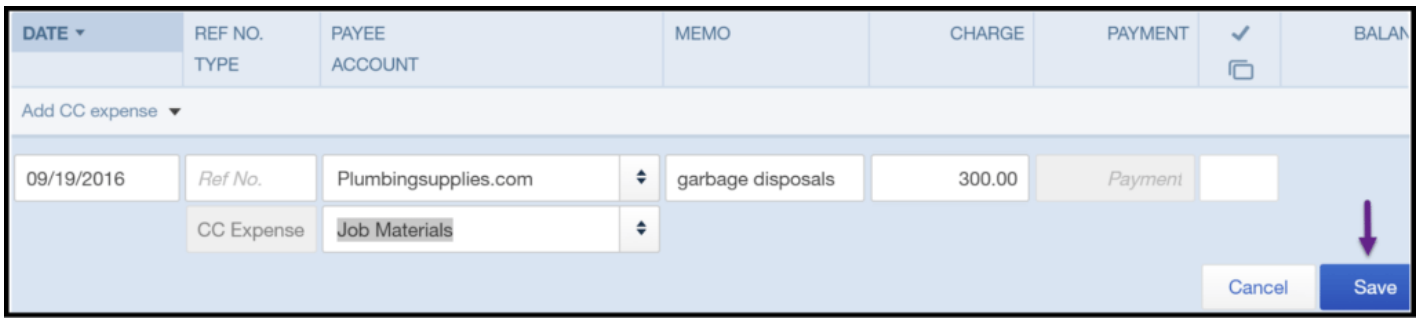
Step 1 – Navigate to the credit card register

From the chart of accounts list, click on the **View register** link in the far right column as indicated below.



Step 2 – Select the credit card transaction that you need to edit

Once you are in the register, click on the transaction that needs editing, and make your changes. Don't forget to save your changes.



Wrap Up

That wraps up the section on How to Manually Enter Business Credit Card Transactions in QuickBooks Online. The next lesson in our QuickBooks Online Training Course will be how to manage downloaded business credit card transactions. In this lesson, we will walk you through what to do after you have imported your credit card transactions into QuickBooks.

To access this lesson or any of the others in the series, click here. Or, click here for a free 30-day trial of QuickBooks Online.

If you want to skip manual entry going forward, we recommend the Chase Ink Business Cash Credit Card. With Chase, you can automatically import your transactions into QuickBooks Online and earn great cash back rewards. Get pre-qualified online in minutes.

How to Enter A Credit Card Refund in QuickBooks Online

By Crystalynn Shelton on October 24, 2016 | Accounting, How To, Quickbooks | Comments (4)

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to enter credit card refunds in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

When to Enter a Business Credit Card Refund in QuickBooks Online

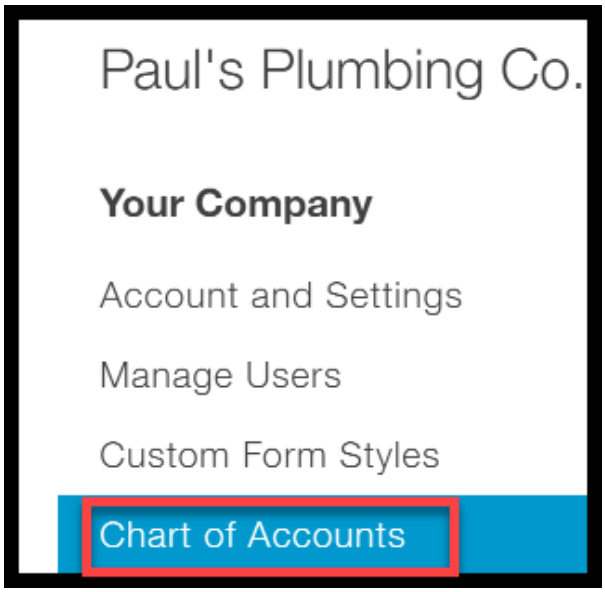
When you purchase items using your business credit card, you may need to return something because it was damaged or it just didn't work out. The vendor will usually process the return using the same credit card that you used to make the purchase. When this credit shows up on your credit card statement, you need to be sure that it is flagged as a credit card refund and that it is coded to the same account you coded the original purchase to.

In this lesson, we will walk through step by step to show you how to correctly enter credit card refunds in QuickBooks.

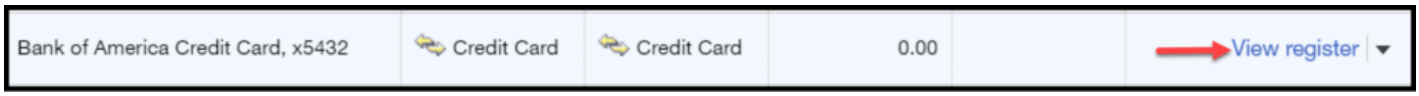
How Do I Enter a Business Credit Card Refund in QuickBooks Online?

Step 1 – Navigate to the Credit Card Register

From the Home page, click on the Gear icon to the left of the company name and select Chart of Accounts, as indicated below.

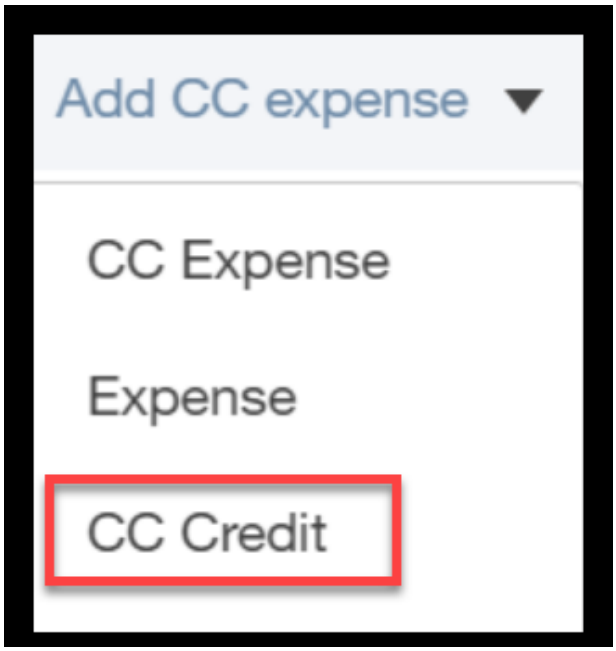


From the chart of accounts list, click on the **View Register** link next to the credit card as indicated below.

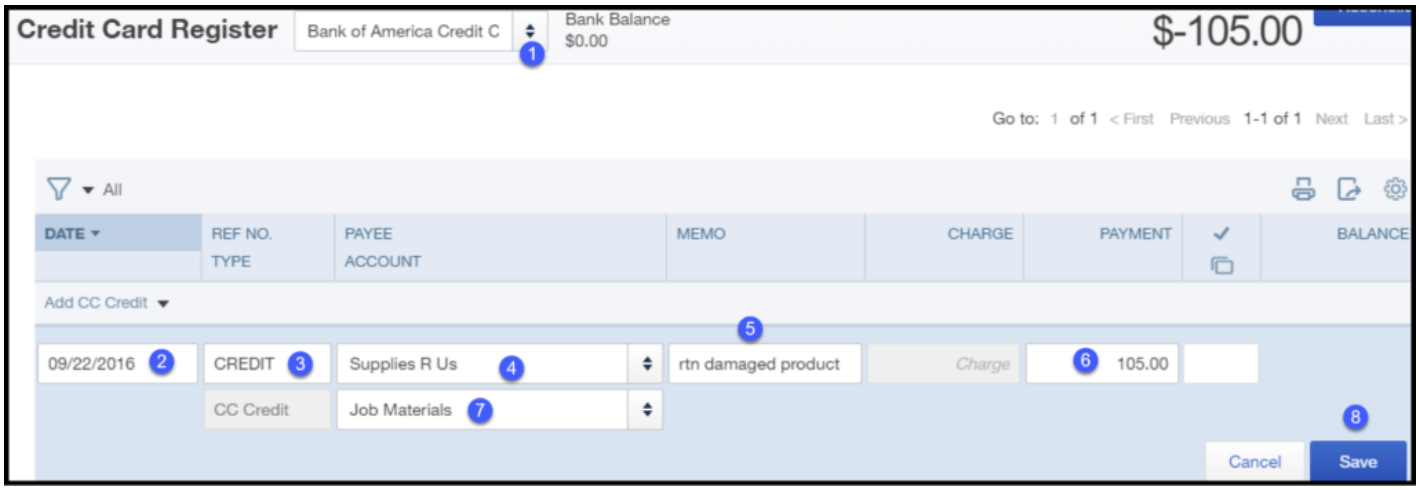


Step 2 – Enter the Credit Card Refund

The Credit Card register will display. From the drop down, select **CC Credit** as indicated below.



Complete the fields as indicated below to record the return.



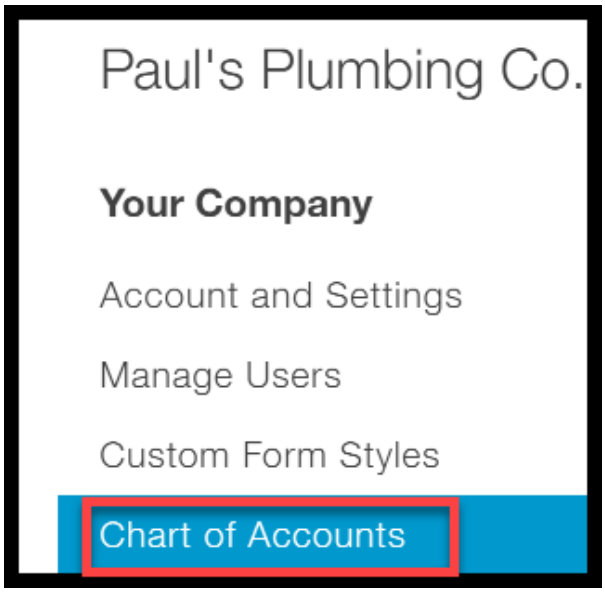
1. **Account** – From the drop down, be sure that you are in the correct register. If not, select the credit card that you need to enter the credit return for. This is the credit card that the vendor credited the purchase to.
2. **Date** – Enter the date that you returned the product.
3. **Ref No./Type** – This field is optional. I recommend that you put CREDIT. Below the ref no. field is the transaction type. QuickBooks will put the transaction type that you selected in the above step.
4. **Payee** – From the drop down, select the vendor that you returned the product to.
5. **Memo** – Include any additional information about the return in this field (e.g. reason for return).
6. **Payment** – Enter the cost of the item that was returned.
7. **Account** – From the drop down, select the account that the credit for the return should be categorized to.
   TIP: *It is best practice to use the same account that you categorized the original purchase to for the credit card refund.*
8. **Save** – once you have completed all of the fields, you can save this transaction.

How Do I Modify (edit) a Credit Card Refund?

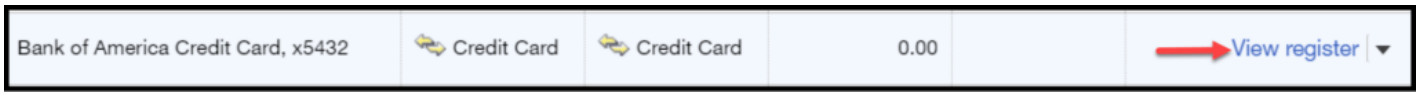
If you need to edit a credit card refund that was previously entered, you can do so by following these steps:

Step 1 – Navigate to the credit card register

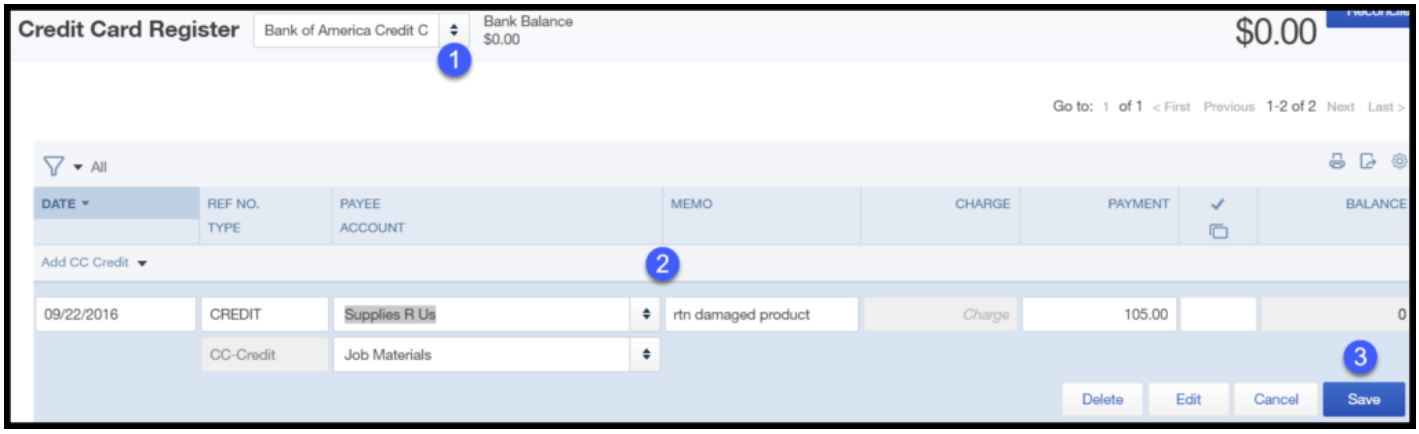
From the Home page, click on the Gear icon to the left of company name, and select Chart of Accounts as indicated below.



From the chart of accounts list, click on the **View Register** link next to the credit card as indicated below.



Step 2 – Locate the credit card refund in the register, and make changes



1. From the drop down, select the credit card that you entered the refund for.
2. Click anywhere within the transaction to activate the fields that you can make changes to.
3. Once you have made your changes, be sure to Save them.

What Impact Do Credit Card Refunds Have on my Financial Statements?

When a credit card refund is entered, it has the following impact on your accounts and financial statements:

Account Affected	Impact on Account	Financial Statement
Asset or Expense account	Decrease	Balance Sheet (Asset) or Profit & Loss (Expense)
Credit Card Liability	Decrease	Balance Sheet

Wrap Up

That wraps up the section on how to enter credit card refunds in QuickBooks Online. The next lesson in our QuickBooks Online Training Course will be How to Reconcile Business Credit Cards. In this lesson, we will explain the importance of reconciling and how to reconcile credit card transactions in QuickBooks Online.

To access this lesson or any of the others in the series, click here. Or, click here for a free 30-day trial of QuickBooks Online.

How to Reconcile Business Credit Card Accounts in QuickBooks Online

By Crystalynn Shelton on October 31, 2017 | Accounting, How To, Quickbooks | Comments (0)

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to reconcile business credit card accounts in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Why is Business Credit Card Reconciliation Important?

Similar to your personal credit card accounts, it is important that you reconcile your business credit card accounts on a monthly basis. Reconciling is the process of matching the transactions on your credit card statement to what you have recorded in QuickBooks.

Preparing Business Credit Card reconciliations on a regular basis will help to ensure the following:

- Any discrepancies between your records and the credit card companies are resolved in a timely manner (e.g. a credit card charge that comes through for a different amount from what you authorized.)
- Timely notification of any fraudulent transactions. For example, if you notice transactions listed on your credit card statement that you did not authorize, you can notify the bank as soon as possible so that they can investigate.

In addition, reconciling your credit card transactions in QuickBooks helps ensure every transaction is noted in your books. This helps keep your financial statements, like profit & loss and balance sheet up-to-date.

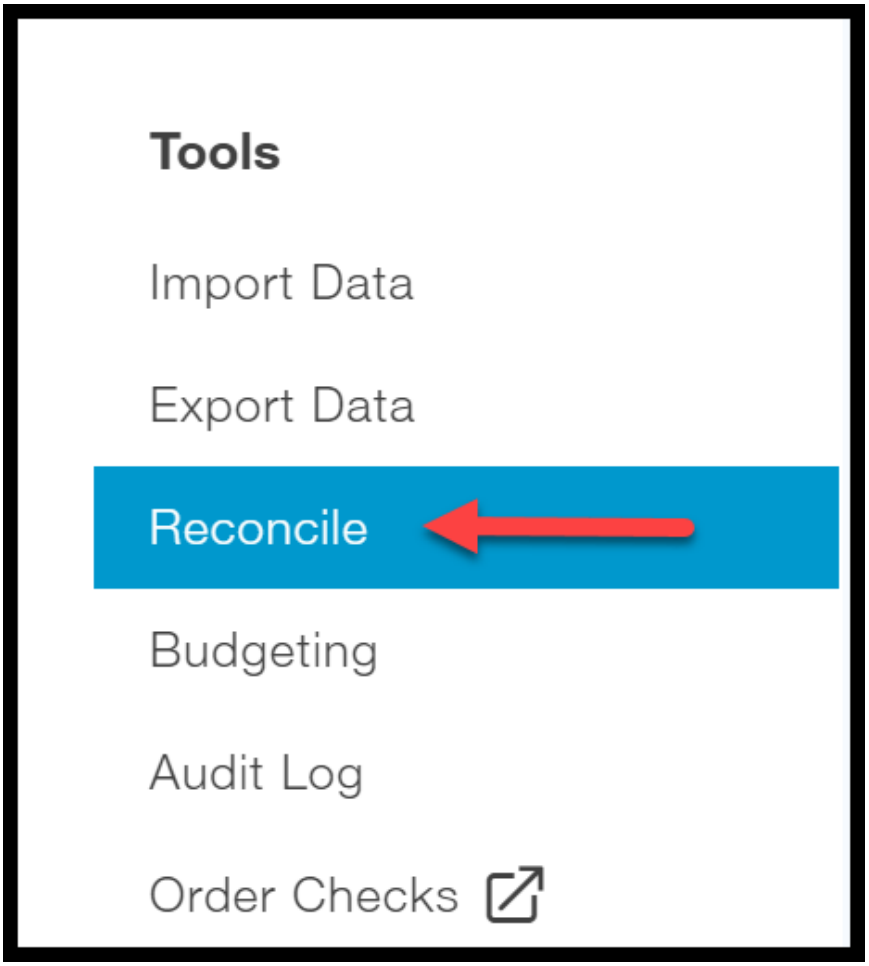
How Do I Reconcile Business Credit Card Accounts in QuickBooks?

Before you follow the steps to reconcile, be sure that you have your credit card statement handy for the credit card that you want to reconcile. We will refer to the credit card statement often during this process.

Here are the steps to reconcile a business credit card account in Quickbooks Online:

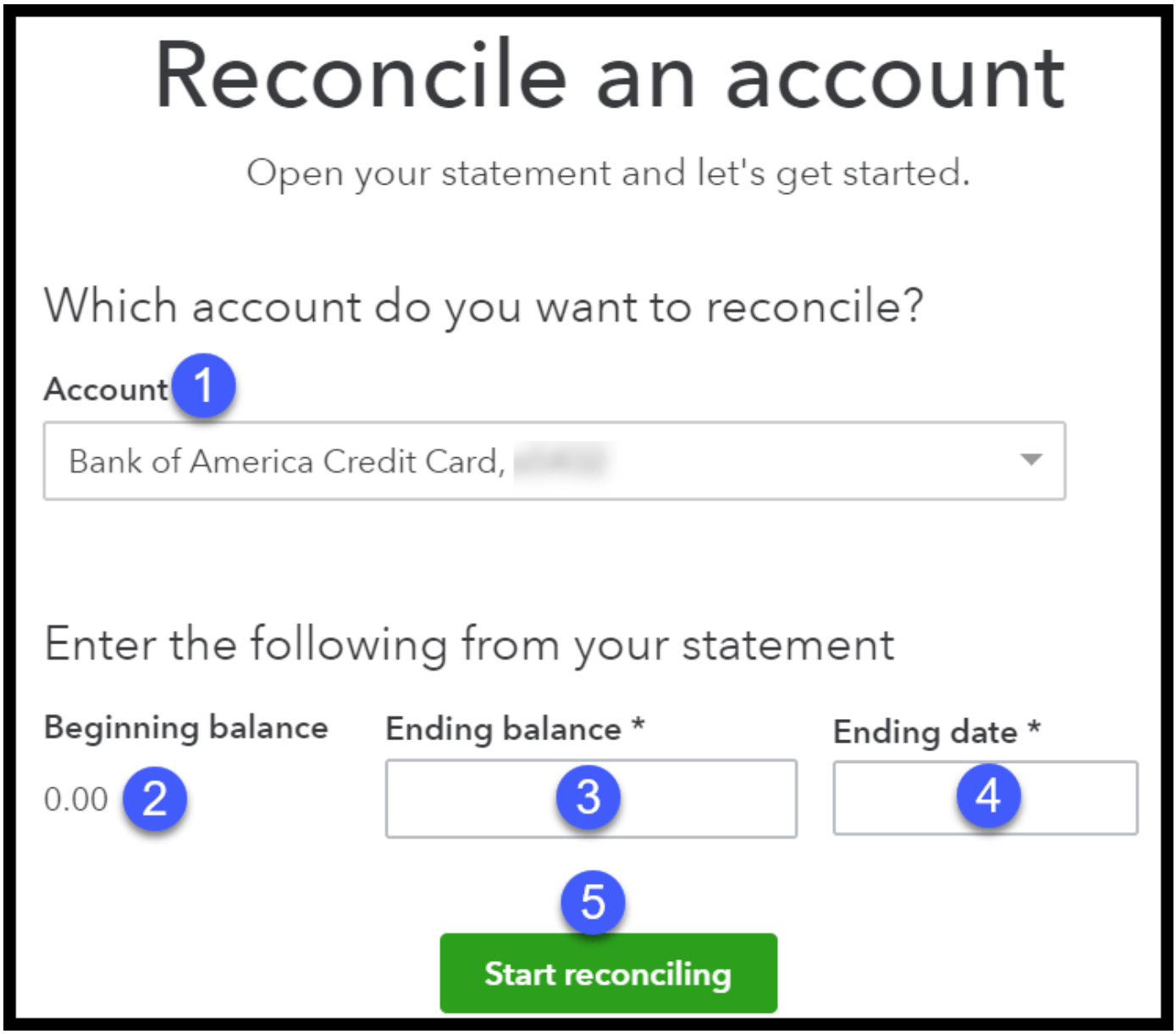
Step 1 – Navigate to the Reconciliation Tool

From the Home page, click on the Gear icon to the left of your company name. Below the Tools column, select **Reconcile** as indicated below.



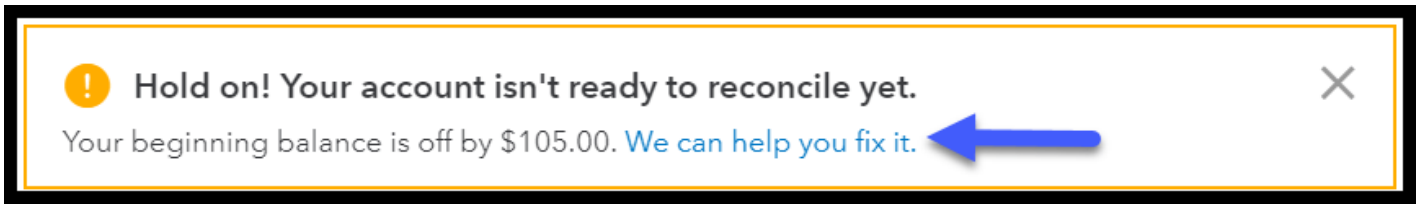
Step 2 – Select the Credit Card account you would like to reconcile.

Complete the fields as indicated below.



1. **Account:** Select the credit card account you would like to reconcile from the drop down.
2. **Beginning balance:** QuickBooks will automatically populate this field with the ending balance from the previous month. Tip: Double check to make sure that the beginning balance here matches the beginning balance on your credit card statement. If it does not, you should see a notification similar to the one below.

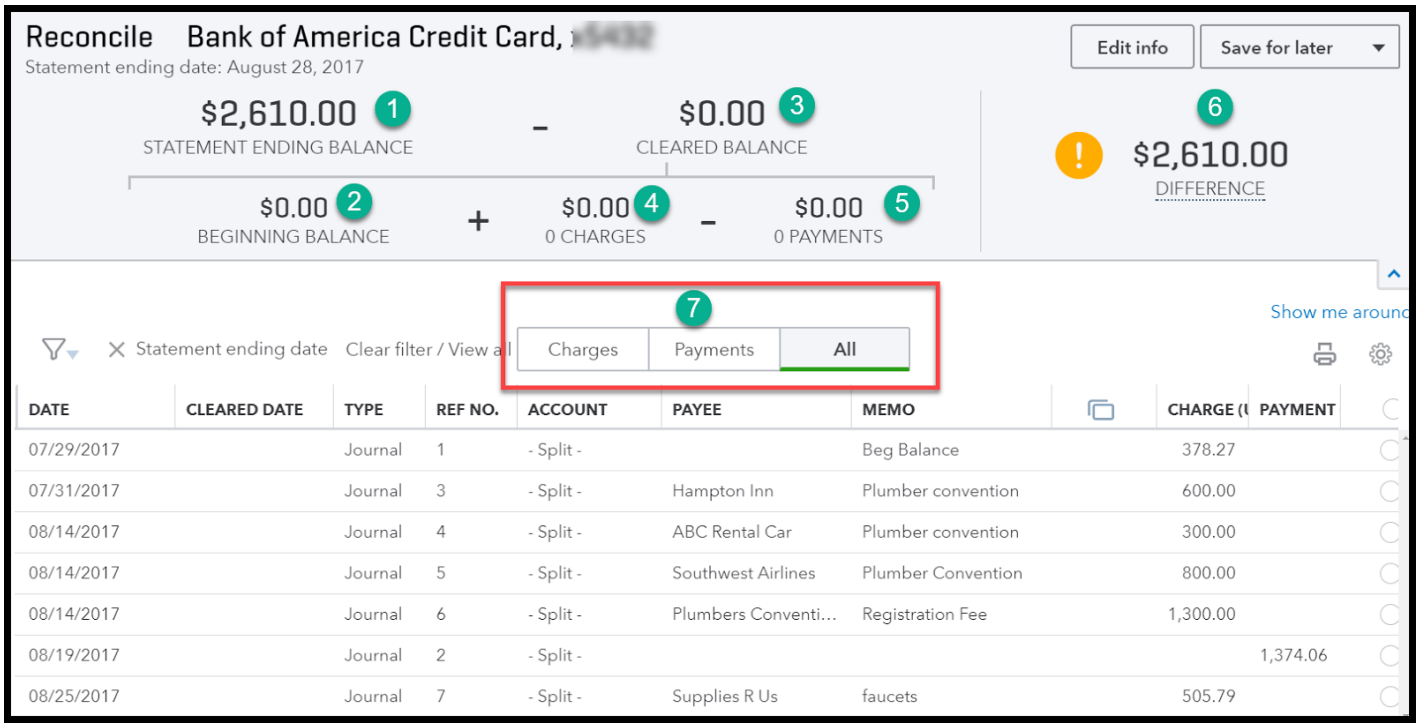
Click on the "**We can help you fix it**" link and follow the instructions to resolve the difference **before** you reconcile the current month.



3. **Ending balance:** Enter the ending balance that appears on your credit card statement in this field.
4. **Ending date**: Enter the ending date of your credit card statement in this field.
5. **Start reconciling:** When you are ready, click the "**Start reconciling**" button to go to the next step.

Step 3 – Start Matching Transactions

Below you will find a screenshot of the new & improved reconciliation tool along with a brief overview.

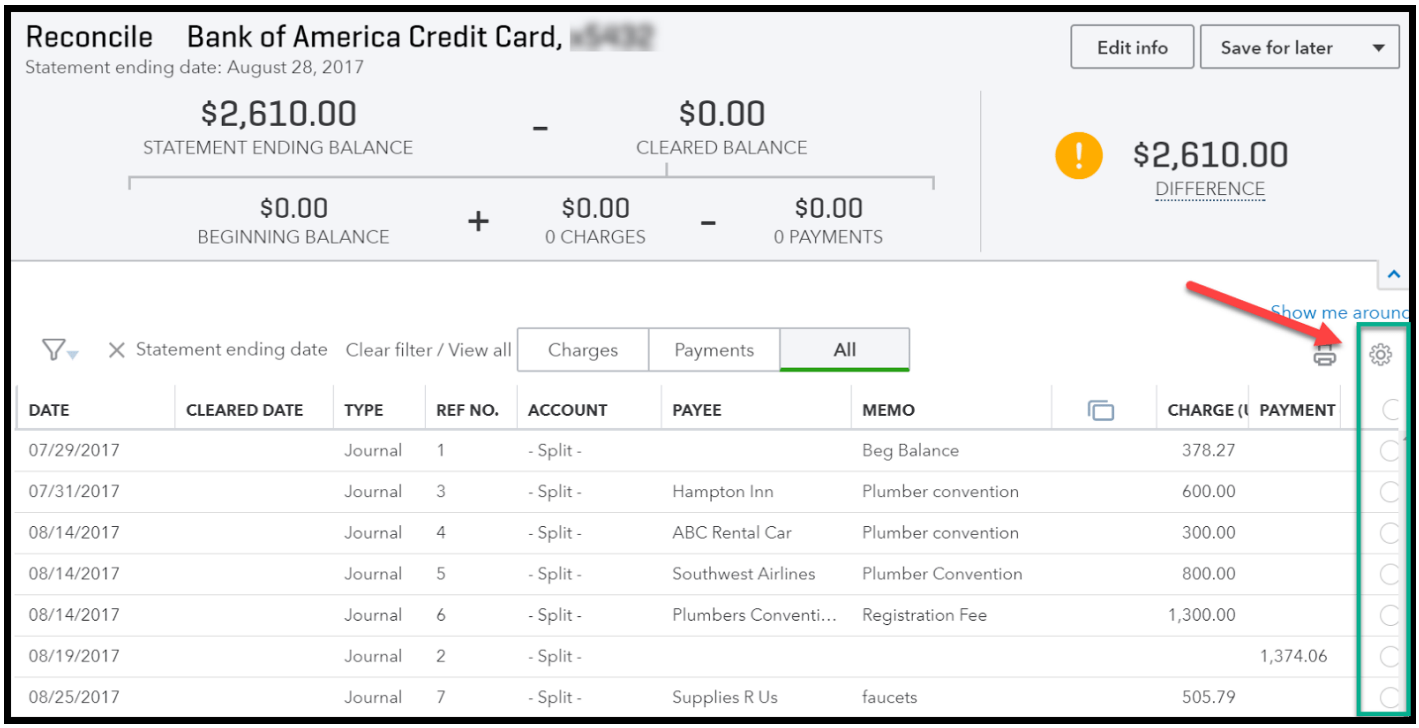


1. **Statement Ending Balance** – The amount that you entered from your credit card statement in Step 2 will appear in this field. Tip: Be sure to doublecheck this because it will cause you to be out of balance if it is incorrect.
2. **Beginning Balance** – As discussed previously, this is the ending balance from last month's statement. QuickBooks will populate this field for you.
3. **Cleared Balance** – As you start to reconcile each item, this amount will change depending on whether you have selected a charge or a payment transaction.

4. **Charges** – This amount will increase as you select charges to reconcile from the detailed section below.
5. **Payments** – This amount will increase as you select payments to reconcile from the detailed section below.
6. **Difference** – This field is automatically calculated. It is the difference between your statement balance and the cleared balance. The goal is to get to a difference of zero.
7. **Transactions** – In this section, you will see all of the charges and payments that have been recorded in QuickBooks as of your statement ending date. You can filter this section to just show Charges, Payments or all by clicking on each of the tabs as indicated in the screenshot above.

If you are new to reconciling, I recommend that you reconcile the area with the *least* number of transactions first. Our goal is to make sure that every charge and payment listed on the credit card statement is marked as "cleared" in the reconciliation window.

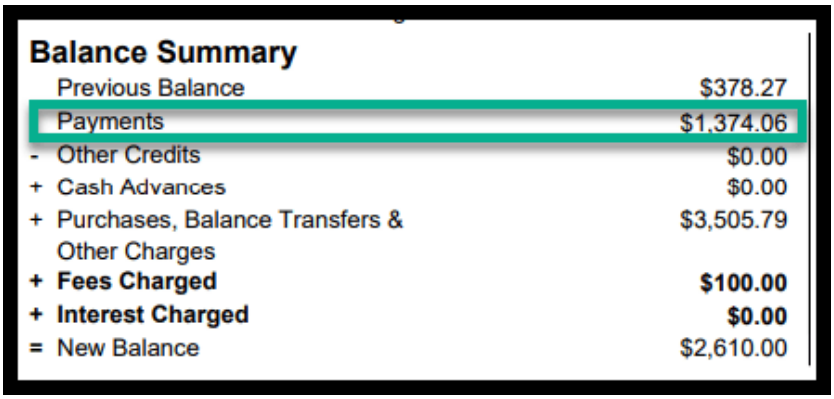
To mark an item as "cleared", click the radio button to the right of the Payments column as indicated in the screenshot below.



Let's start with payments first. Once you have marked all of the payments in this window that appear on your credit card statement, verify that the total payments cleared matches the total payments amount on your credit card statement.

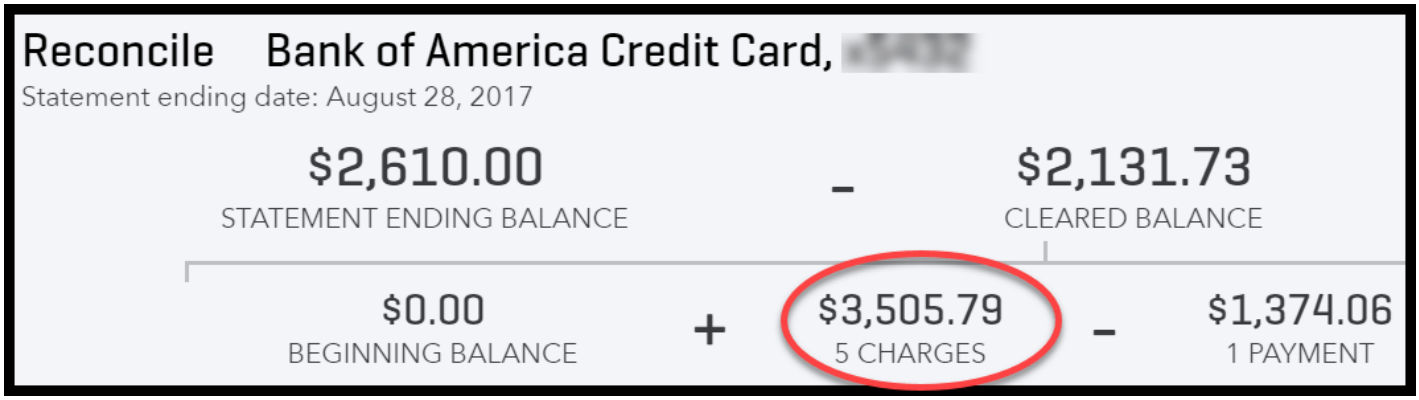
In the example below, total payments on our credit card statement ($1374.06) match the total payments we have "cleared" in QuickBooks ($1374.06). If it does, you can move onto charges. However, if your payments do not match, head over to the section for troubleshooting tips on how to fix the out of balance.

Sample Credit Card Statement



Balance Summary	
Previous Balance	$378.27
Payments	$1,374.06
- Other Credits	$0.00
+ Cash Advances	$0.00
+ Purchases, Balance Transfers & Other Charges	$3,505.79
+ Fees Charged	**$100.00**
+ Interest Charged	**$0.00**
= New Balance	$2,610.00

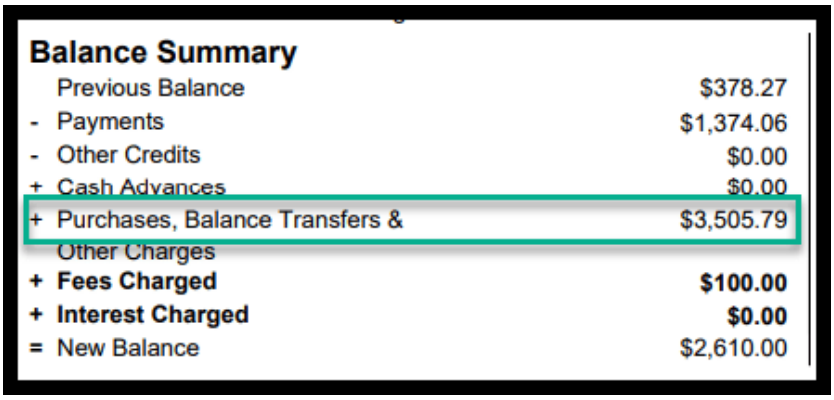
Payments Cleared in QuickBooks



Repeat the same steps for all charges. Make sure that the total charges cleared in QuickBooks matches your credit card statement.

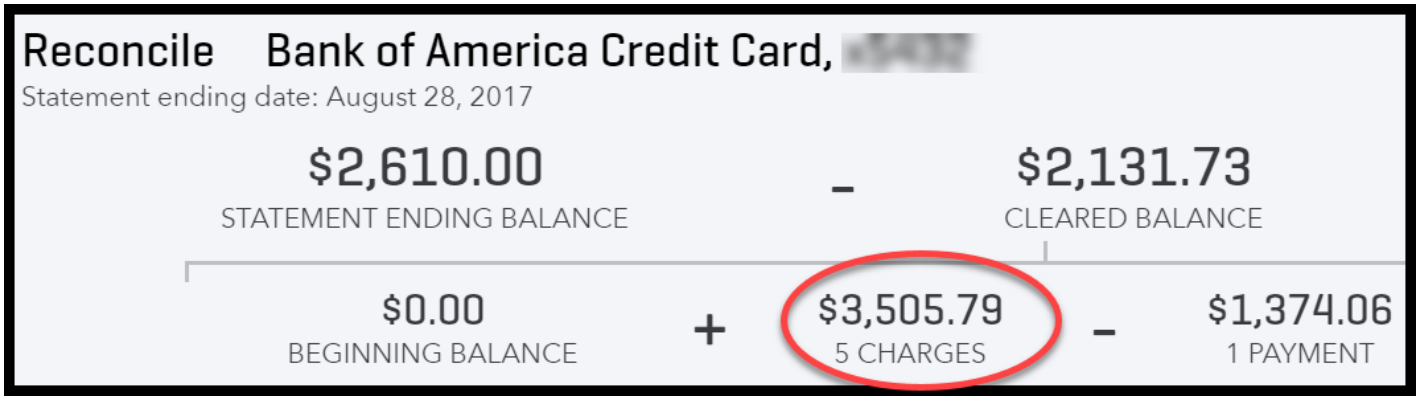
In the example below, total charges on our credit card statement ($3505.79) match the total charges we have "cleared" in QuickBooks ($3505.79). If it does, you can move onto the next step; however, if your charges are not in balance, head over to our troubleshooting section for tips on how to resolve the out of balance.

Sample Credit Card Statement



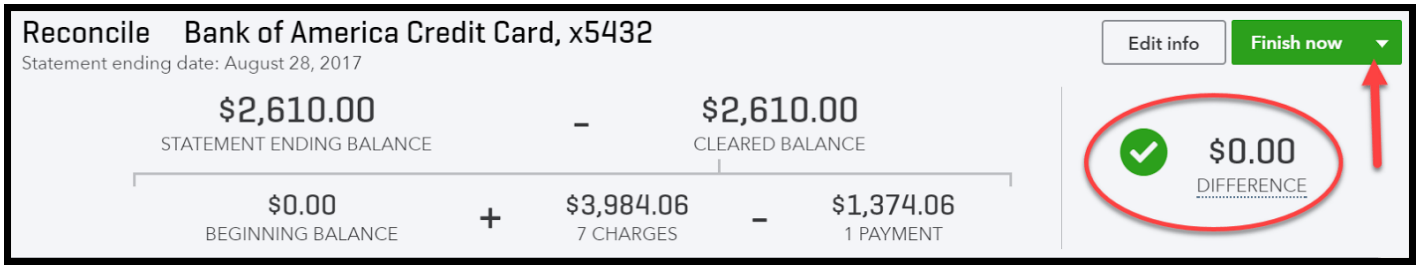
Balance Summary	
Previous Balance	$378.27
- Payments	$1,374.06
- Other Credits	$0.00
+ Cash Advances	$0.00
+ Purchases, Balance Transfers & Other Charges	$3,505.79
+ Fees Charged	**$100.00**
+ Interest Charged	**$0.00**
= New Balance	$2,610.00

Charges Cleared in QuickBooks



Step 4 – Confirm $0.00 Difference

Once all charges and payments match the credit card statement, you should have a difference of $0.00 as indicated in the screenshot below.



Behind the scenes, QuickBooks will mark all of the charges and payments that have been reconciled as cleared. Click the "**Finish now**" button to generate the credit card reconciliation report which we will look at next.

Step 5 – Review & Save Reconciliation Report

Here is a snapshot of the credit card reconciliation report that QuickBooks will generate.

Summary	USD
Statement beginning balance	0.00
Charges and cash advances cleared (7)	3,984.06
Payments and credits cleared (1)	-1,374.06
Statement ending balance	2,610.00
Register balance as of 08/28/2017	2,610.00

Details

Charges and cash advances cleared (7)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
07/29/2017	Journal	1		378.27
07/31/2017	Journal	3		600.00
08/14/2017	Journal	6		1,300.00
08/14/2017	Journal	4		300.00
08/14/2017	Journal	5		800.00

Tip #1: It's important that you save all credit card reconciliation reports for every credit card account. You can create a folder for each credit card account to keep these reports in. For more tips on how to organize key financial reports and documents, check out our Small Business Bookkeeping Guide.

Tip #2: Bank/credit card reconciliation reports are one of the Top 5 reports that auditors will request from you during an audit. In my experience as an auditor, if you are not able to provide these reports the audit may not go well for you.

8 Troubleshooting Tips for Reconciling Credit Card Accounts In QuickBooks Online

Try some of these tips if you're having trouble getting a $0.00 difference between what's in QuickBooks and what's on your credit card statements:

1. If possible, narrow the search down to the transaction type. Figure out if you are out of balance with the charges and payments.
2. If you are out of balance for both charges *and* payments, then tackle them separately. In other words, balance charges/cash advances first and then move onto payments/credits or vice versa.
3. Look for the exact dollar amount that you are off. For example, if your difference is $50.00, then look for a transaction for this amount on your credit card statement and then on both the charges section and payments section of the reconcile window.
4. Triple check the information that you entered from the credit card statement in step 2 above.

5. Check to see if there are any transactions in the reconcile window that you did not select. If the transaction is on your credit card statement, then make sure the radio button next to it is selected.
6. If you do have a transaction on the credit card statement that is not in QuickBooks, then you will need to add it to QuickBooks. To do so, just follow the instructions below:
    1. For a missing charge, enter it as you normally would. In our how to manually enter business credit card transactions lesson, we walk you through step by step on how to enter credit card transactions in QuickBooks.
    2. If the missing transaction is a payment, enter it as you normally would. In our how to enter credit card payments/refunds lesson, we walk you through step by step how to enter credits in QuickBooks.
7. Take a break. If you have been at it for a while and you need a break, clicking the Finish Later button as indicated above will save the work you have done so that you can easily pick up where you left off. Sometimes, taking a breather and coming back can help you spot what's causing the difference.
8. While it might be tempting, I recommend that you don't click that reconcile button until you have a difference of $0.00. The problem will not go away. The difference will just carry over to the next month until you figure it out.

If you do hit the reconcile button and you have not figured out the difference, QuickBooks will record the out of balance amount in a miscellaneous expense account called unreconciled discrepancies. Of course, if we are talking a small amount (i.e. $5.00 or less), then it might be worth your while to move on. At the end of the day, you get to determine what amount you are comfortable with.

What Impact does Reconciling Credit Card Accounts Have on My Financial Statements?

Reconciling your credit card accounts does not change your financial statements. However, in the credit card register, reconciled charges and payments will be indicated with the letter "R" as indicated below.

08/14/2017	6	Plumbers Convention	Registration Fee	$1,300.00		R
	Journal	-Split-				
08/14/2017	5	Southwest Airlines	Plumber Convention	$800.00		R
	Journal	-Split-				

TIP: *Typically, once a credit card transaction is reconciled, you do not want to make any changes to it. This is primarily due to the fact that you have balanced it with your credit card statement. You can edit the account if you need to (i.e. if you categorized something as meals and entertainment, and it should have been office supplies), but you do not want to make any changes to the date or the amount. If you do, it can cause your financial statements to be inaccurate and you will no longer be in balance with your credit card company.*

Wrap Up

That wraps up the section on How to Reconcile Business Credit Card Accounts in QuickBooks Online. The next lesson in our QuickBooks Online Training Course will be How to Manage Credit Card Sales with Intuit Merchant Services. In this lesson, we will walk you through a few options for credit card processors and the most efficient way to accept credit card payments in QuickBooks.

To access this lesson or any of the others in the series, click here. Or, click here for a free 30-day trial of QuickBooks Online.

How to Manage Credit Card Sales with Intuit Merchant Services

By Crystalynn Shelton on October 24, 2016 | Accounting, Bookkeeping, How To, Quickbooks | Comments (2)

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to manage your credit card sales with Intuit Merchant services, which is currently known as Intuit Payment, in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Why Should You Accept Credit Card Sales?

Nowadays most people don't carry cash, and fewer people are writing checks. To make it convenient for your customers, you will most likely need to accept credit cards as a form of payment. Credit card processing companies offer this service, for a fee of course.

The fees charged vary across merchants so you want to do your research before you sign up for an account. Be sure to read our article on best credit card processors for a comparison of top providers. We have done a lot of the leg work for you.

What are the Benefits of using an Intuit Payments Account?

One of the benefits of using QuickBooks Online is the ability to sign up for an Intuit Payments account (also called Intuit Merchant Services). An Intuit merchant services account will allow you to accept credit card payments in QuickBooks Online. Some of the benefits of using an Intuit Payments Account are:

- Since Intuit Payments is integrated into QuickBooks, your accounts and financial statements are always up-to-date.
- By simply clicking a Pay Now button on their emailed invoices, your customers can make payments online.
- You are able to accept payments on the go. By using the QuickBooks Online Mobile App, you can accept a payment from your mobile device.
- Payments are deposited to your bank account on average within 2-3 business days after the transaction date.

How Do I Record Credit Card Payments from Customers in QuickBooks Online?

As we discussed in the **how to receive payments** lesson and **how to record sales receipts** lesson, there are two ways that you can record customer payments in QuickBooks:

1. If a customer pays you immediately, you would record a **sales receipt.**
2. However, if you have a credit sale, which means that your customer pays you sometime in the future, then you want to record an **invoice** in QuickBooks.

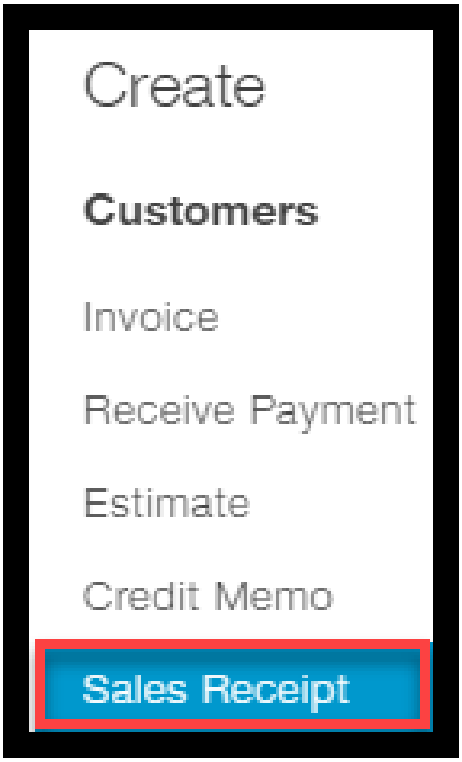
Let's begin with the sales receipt.

Record a Credit Card Payment using a Sales Receipt

Step 1 – Navigate to the Sales Receipt Form

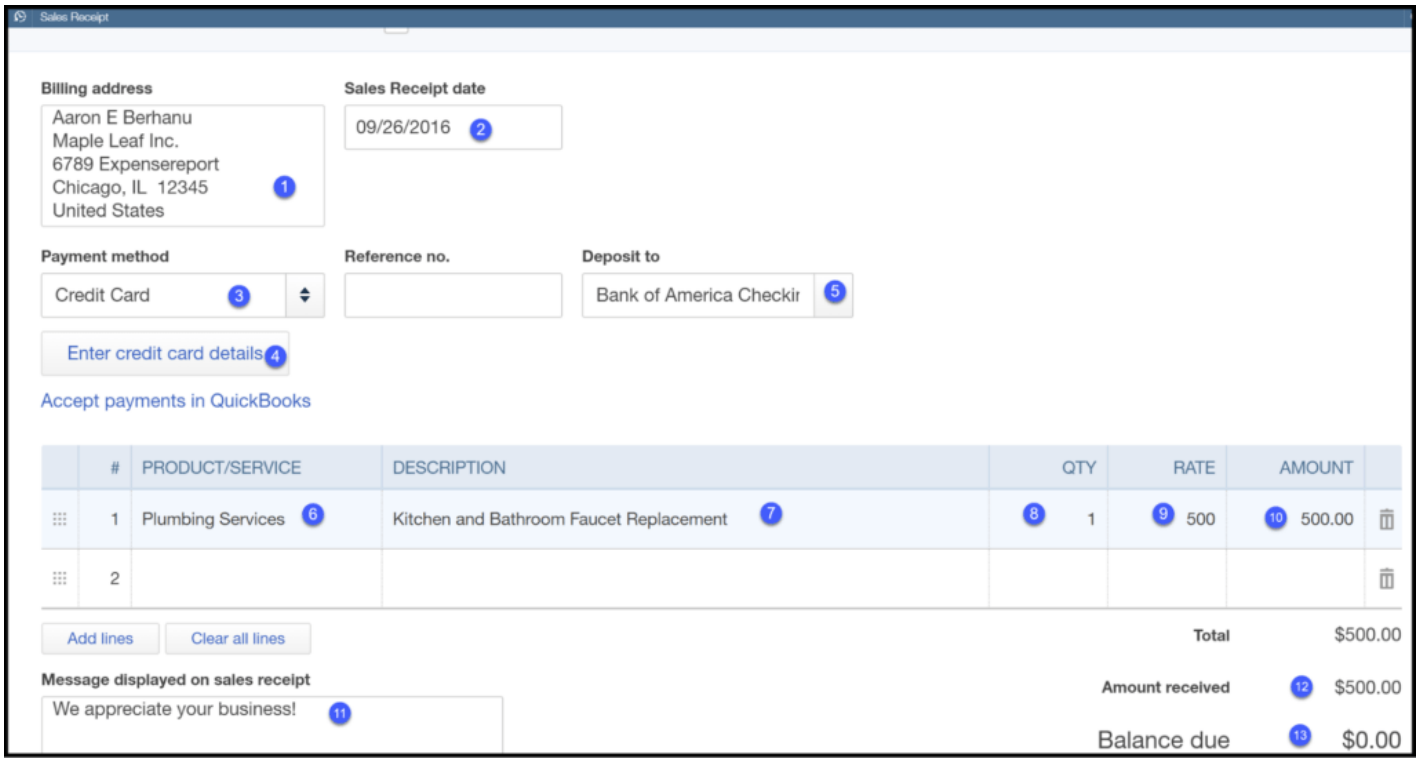
From the Home page, click on the plus sign at the top as indicated below.

Below the **Customers** column, select **Sales Receipt** as indicated below.



Step 2 – Complete Sales Receipt Form with Credit Card Info

The create **sales receipt** window will display. Complete the fields as indicated below.



1. **Billing address:** This field will autopopulate with the information that is in the customer profile. In the how to set up customers lesson, we walk through step by step how to set up your customer info.
2. **Sales Receipt date:** This should be the date that you made the sale.
3. **Payment method:** Select credit card from the drop down.
4. **Enter credit card details:** click 'enter credit card details,' and the following window will display. Complete the fields with your customer's credit card info as indicated below.

- A. **Credit card number:** Enter the 16 digit credit card number. QuickBooks will automatically indicate the type of card (i.e. Visa, Mastercard, American Express) after you enter it.
- B. **Expiration date:** Enter the month and the year that the credit card expires.
- C. **Name on card:** Enter the name as it appears on the customer's card.
- D. **Street address:** Enter the *billing address* for the credit card.
- E. **Zip code:** Enter the *zip code* for the credit card.
- F. Check this box if you want to keep this credit card information on file for future payments.
- G. Once you have entered all of the information, click **OK** to return to the sales receipt form.

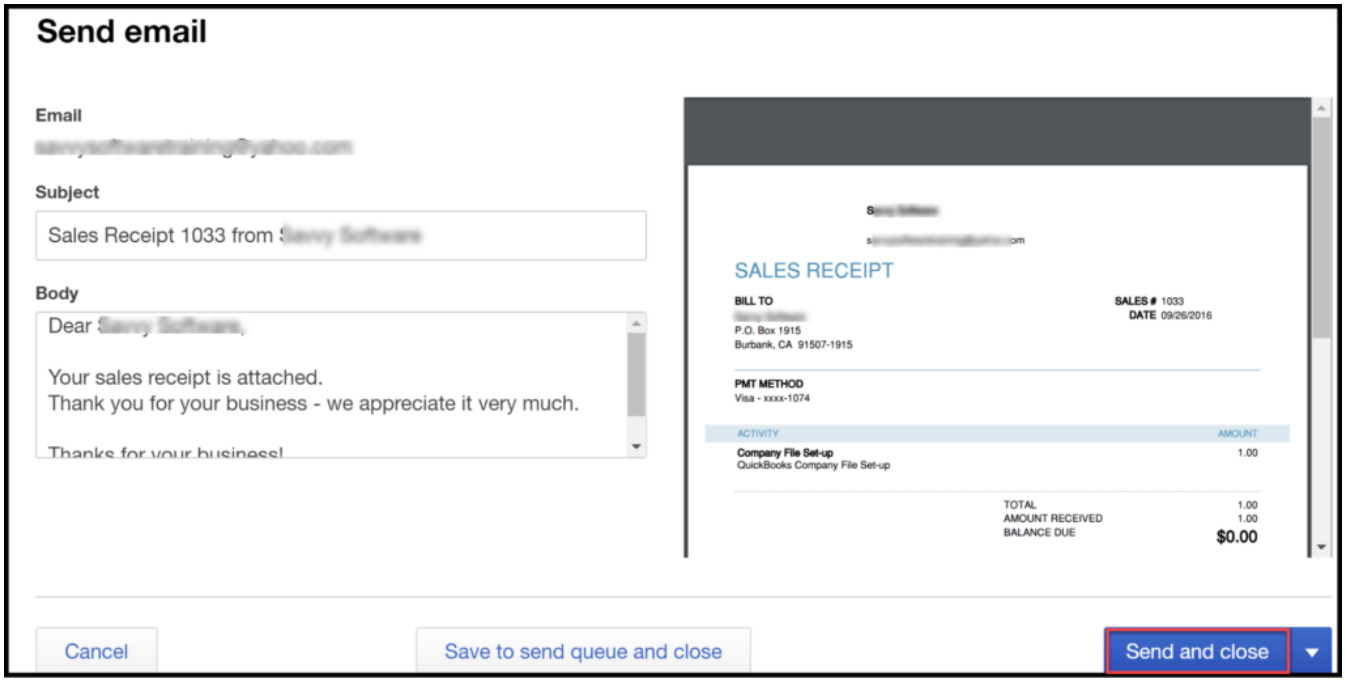
5. **Deposit to:** This is the bank account that you want this credit card payment to be deposited to. If you want to change the account, you can do so in this screen.
   TIP: *To ensure all credit card payments are deposited into the right account, go to the How Do I Record Credit Card Deposits in QuickBooks Online section of this lesson.*
6. **Product/Service:** Select from the drop down the product/service sold to your customer.

7. **Description:** This field will automatically populate based on the info for the product/service. You can also type a custom description directly in this field.
8. **Quantity:** Enter the quantity, if applicable.
9. **Rate:** This is the cost per product or service. This field will automatically populate based on the setup of the product/service. You can also type a rate directly in this field.
10. **Amount:** This field will automatically calculate by multiplying the quantity times the rate.
11. **Message**: You can type a message that will appear on your customer's sales form.
12. **Amount received**: This is the amount that will be charged to your customer's credit card.
13. **Balance Due:** This is the balance that will be due after the credit card payment is processed.

Step 3 – Save Sales Receipt & Process Credit Card Payment

Once you save the sales receipt, there are a couple of things that take place "behind the scenes in QuickBooks:

1. The send email window will open so that you can review the email that your customer will receive along with a PDF copy of the sales receipt as indicated below.



Once you have made any necessary changes, you can click the **Send and Close** button. The credit card payment will be processed and the sales receipt marked as paid in QuickBooks.**TIP:** *If the credit card is declined, you will see a message pop up*

on the screen to indicate this. QuickBooks will allow you to save the sales receipt form. Once you receive another method of payment from your customer, you can come back to the sales form and enter the new credit card information.

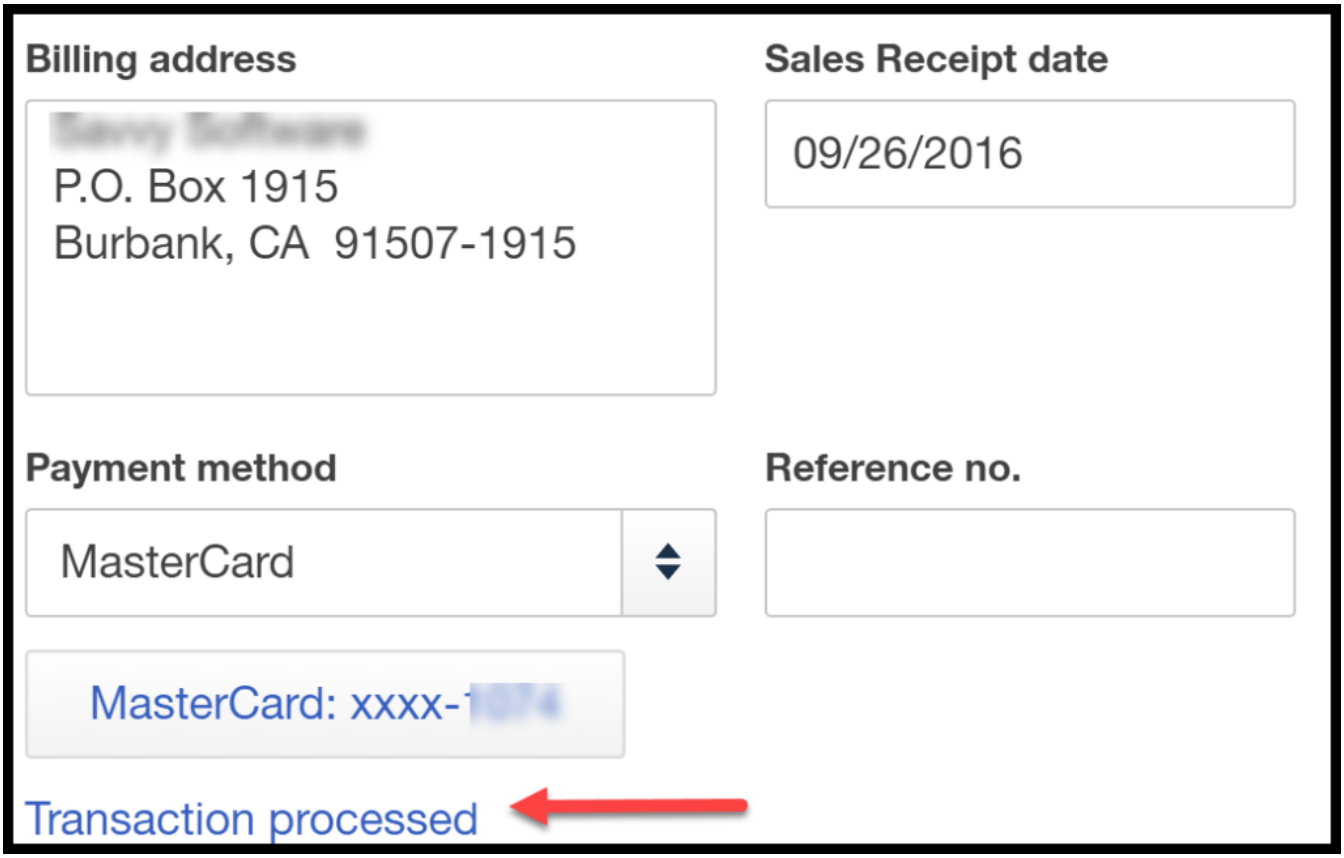
2. The sales receipt and the credit card payment will have the following impact on the financial statements:

Account Affected	Impact on Account	Financial Statement
Sales account	**Increase**	**Profit & Loss**
Undeposited Funds Account	**Increase**	**Balance Sheet**

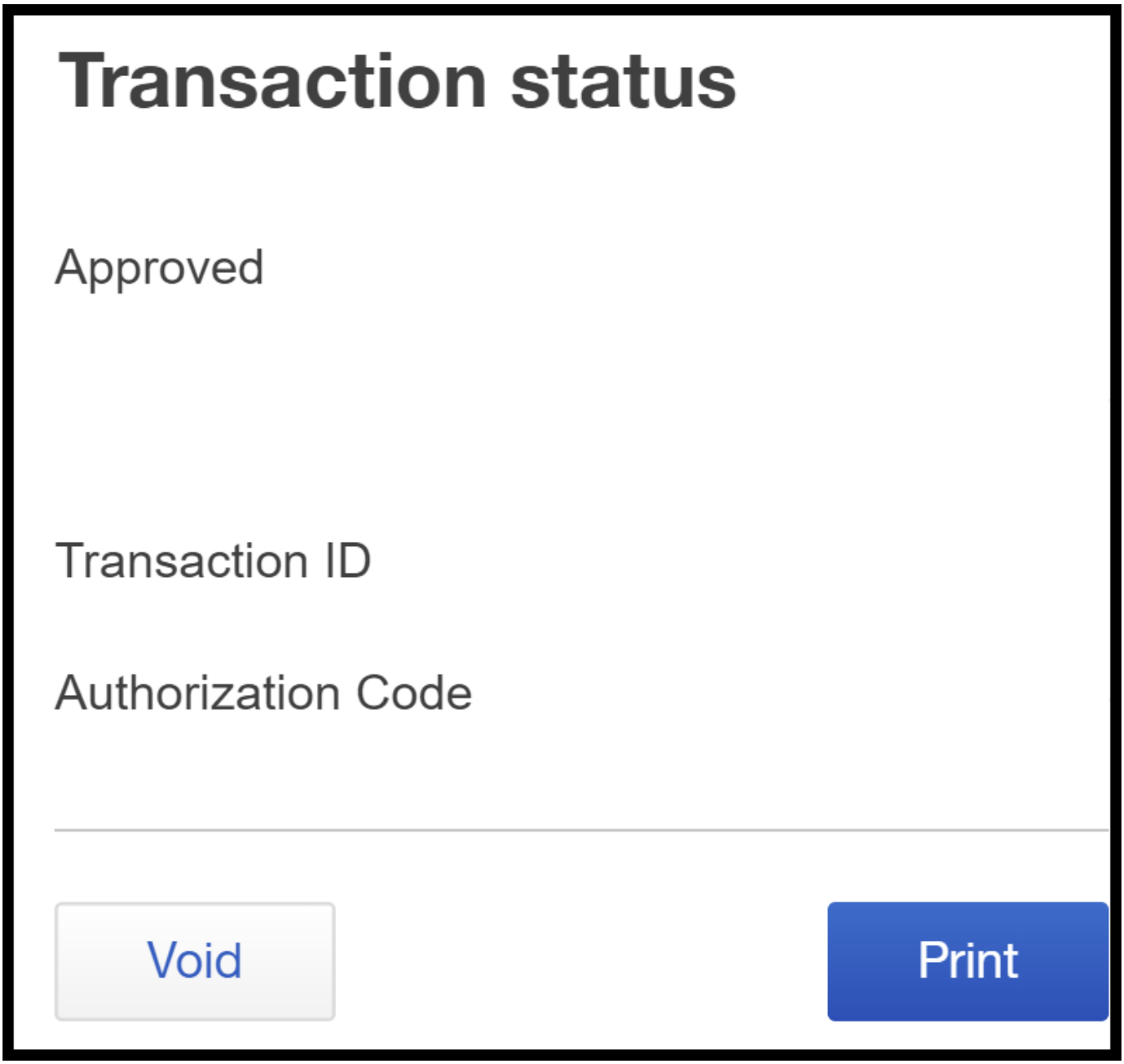
The **Undeposited Funds** account is automatically created by QuickBooks. The purpose of this account is to "hold" funds until they are deposited into a bank account. Once the credit card deposit hits the bank account, QuickBooks will update the accounts and financial statements as follows:

Account Affected	Impact on Account	Financial Statement
Undeposited Funds Account	Decrease	Balance Sheet
Bank Account	Increase	Balance Sheet

3. Navigate back to the Sales receipt, and click on the Transaction processed link as indicated below.



4. Confirmation that the credit card was approved and the option to Void or Print the transaction are indicated below.



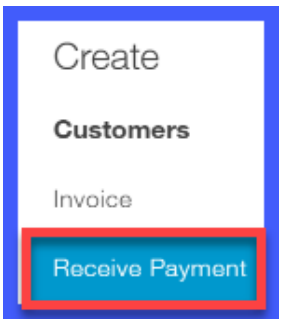
Record a Credit Card Payment on an Invoice

Now, let's go through the steps to record a credit card payment on an invoice. You would use this method if your customer will pay sometime in the future.

Step 1 – Navigate to Receive Payment

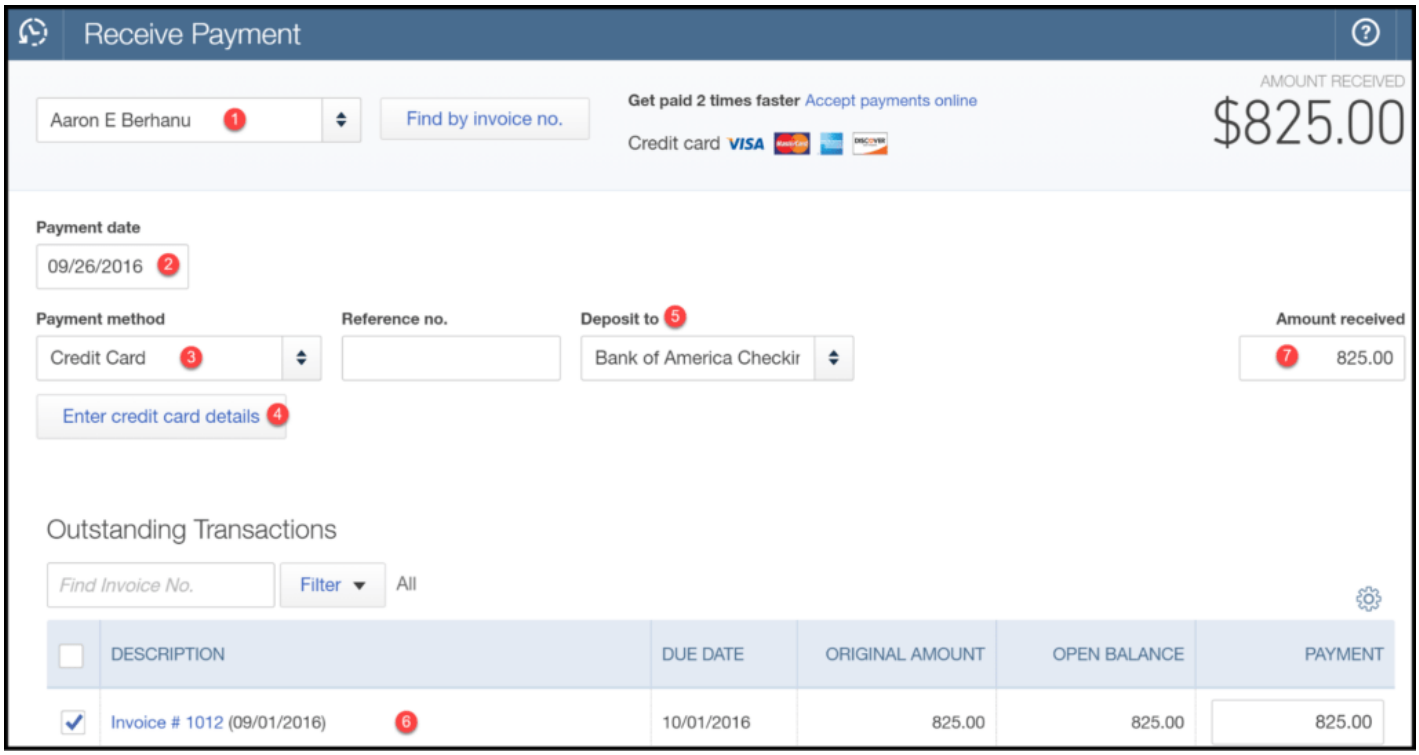
From the Home page, click on the plus sign at the top as indicated below.

Below the **Customers** column, select **Receive Payment** as indicated below.



Step 2 – Process Invoice Payment with Credit Card Info

The receive payment window will display. Complete the fields as indicated below.



1. **Customer Name:** Select the customer from the drop down.
2. **Payment date:** Select the date that your customer is making the payment.
3. **Payment method:** Select credit card from the drop down.
4. **Enter credit card details:** Enter your customer's credit card information.
5. **Deposit to:** Select the bank account that the credit card payment should be deposited to. To change the account, you can do so from the drop down. To set up a default account for all credit card payments, refer to the How do I record credit card deposits section of this lesson.
6. Select the invoice(s) that the customer is paying.
7. Enter the amount to charge the credit card.

Step 3 – Save & Process Credit Card Payment

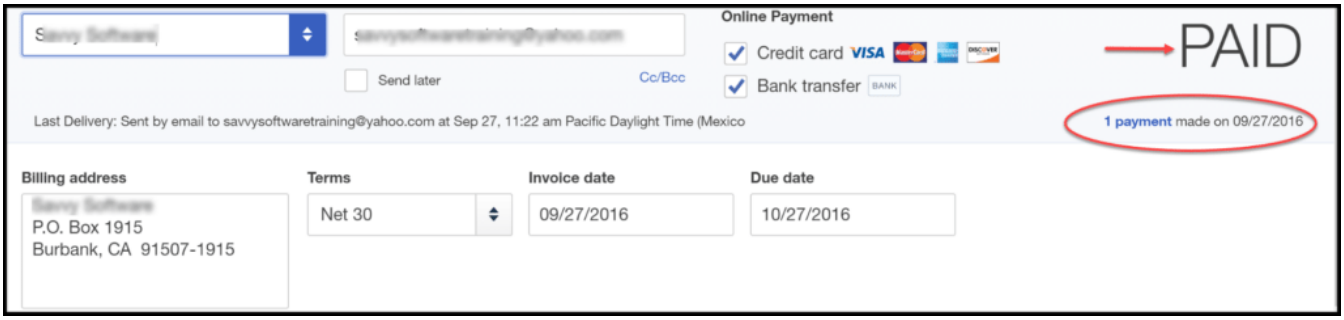
Once you save the transaction, there are a few things that take place "behind the scenes" in QuickBooks:

1. **The payment will be saved, and the credit card payment will be processed.**
   TIP: *If the credit card is declined, you can still save the invoice. Once you receive another method of payment from your customer, you can come back to the invoice and enter the new credit card information to process the payment.*

2. **The credit card payment will have the following impact on the financial statements:**

Account Affected	Impact on Account	Financial Statement
Accounts receivable	Decrease	Balance Sheet
Undeposited Funds Account	Increase	Balance Sheet

3. **Navigate back to the Invoice for confirmation that the credit card payment was approved & applied to the invoice correctly as indicated below.**



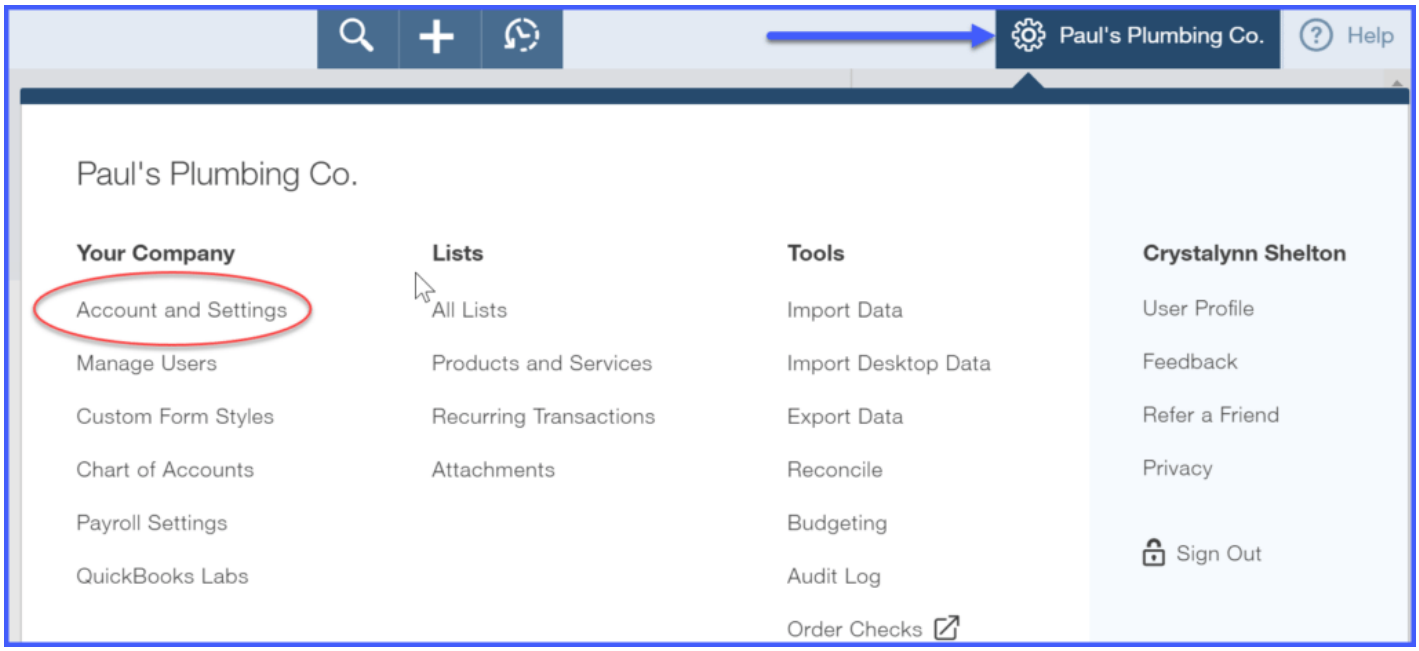
How Do I Record Credit Card Deposits in QuickBooks Online?

Once you have processed credit card payments in QuickBooks, the next step is to record the deposit of those payments into your bank account. Depending on the type of credit card (M/C, Visa, Amex), payment may not show up in your bank account for several days. However, when it does, if you have an Intuit Payments account, it will automatically appear in the account that you selected when you set up your Intuit Payments account.

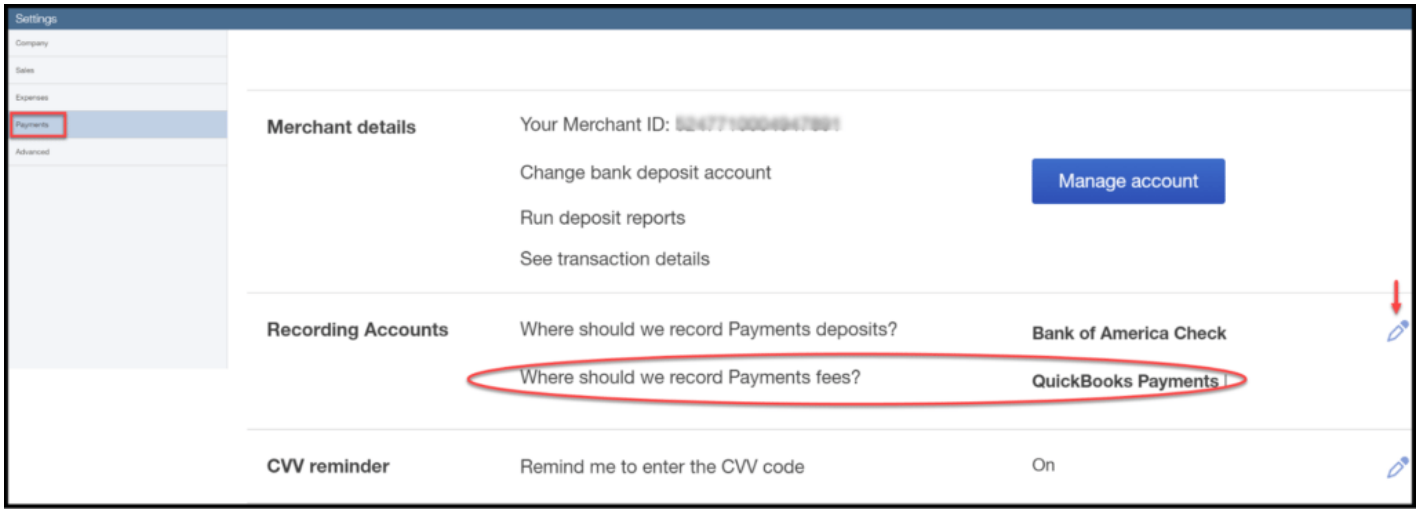
Follow these steps to verify the account that **credit card deposits** will be categorized in.

Step 1 – Navigate to Company Settings

Click on the Gear icon located to the left of your company name, and select **Account and Settings** as indicated below.



Step 2 – Click on the Payments tab on the left as indicated below.



Step 3 – Edit the Recording Accounts field

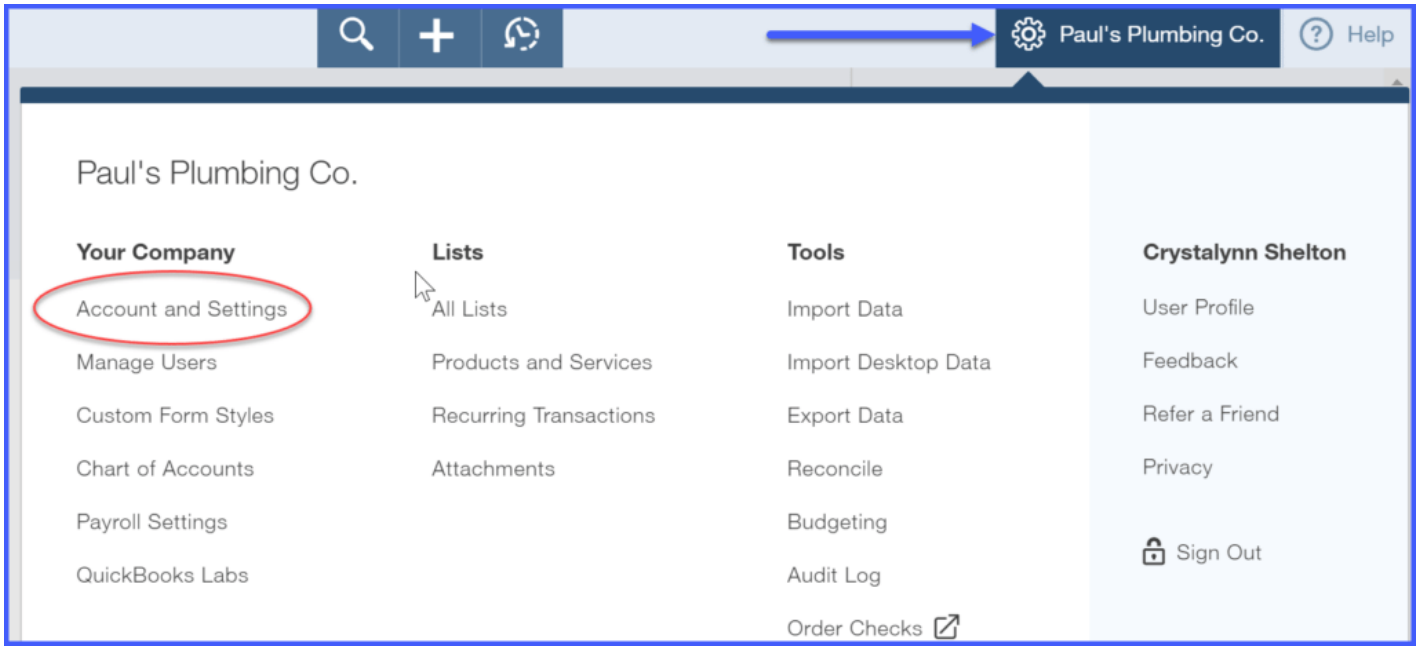
This is where we will record credit card deposits: the bank account that appears in this field is where the credit card deposits will be categorized in QuickBooks once the bank has made the deposit. To change the account, just click the pencil icon to the right of the field (show in the screenshot above). If you have not set up an account to track credit card deposits, we walk through step by step in our chart of accounts lesson how to do this.

How Do I Record Credit Card Processing Fees in QuickBooks Online?

Follow these steps to verify the account that credit card processing fees will appear in. Click here to read our guide to credit card processing fees.

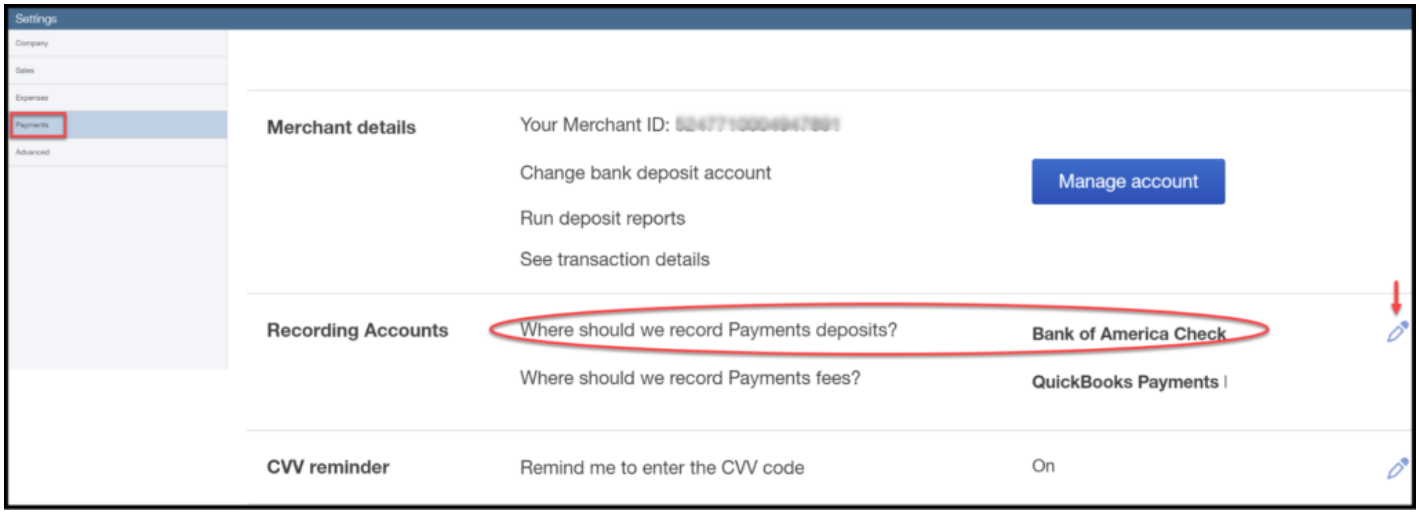
Step 1 – Navigate to the Company Settings

Click on the Gear icon located to the left of your company name, and select **Account and Settings** as indicated below.



Step 2 – Click on Payments Tab

Click on the **Payments** tab on the left as indicated below.



Step 3 – Edit the Recording Accounts field

This is where we will record credit card processing fees: the account that appears in this field is where the credit card processing fees will automatically be categorized in QuickBooks once they have been deducted from your bank account. To change the account, just click the pencil to the right of the field (shown in the screenshot above). If you have not set up an account to track credit card processing fees, we walk through step by step in our chart of accounts lesson how to do this.

Wrap Up

That wraps up the section on How to Manage Credit Card Sales with an Intuit Payments Account in QuickBooks Online. The next lesson in our QuickBooks Online Training Course will be How to Manage Credit Card Sales with a 3rd Party Credit Card Processor in QuickBooks Online. In this course, we will walk through how to record payments, deposits, and credit card fees in QuickBooks Online if you use an outside merchant services provider.

To access this lesson or any of the others in the series, click here. Or, click here for a free 30-day trial of QuickBooks Online.

How to Manage Credit Card Sales with a 3rd Party Credit Card Processor in QuickBooks Online

By Crystalynn Shelton on October 24, 2016 | Accounting, Bookkeeping, How To, Quickbooks | Comments (0)

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover how to manage your credit card sales in QuickBooks Online if you're using a third party credit card processor.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

Intuit Payments vs. 3rd Party Credit Card Processor

Nowadays most people don't carry cash, and fewer still are writing checks. If you want to cater to as many customers as possible, you will need to accept credit cards as a form of payment. Credit card processing companies offer this service for a fee.

Many QuickBooks users decide to go with Intuit Payments as their credit card processor because it's fully integrated with QuickBooks Online, so your accounts and financial statements are always up to date. If you use Intuit Payments, click here to understand how to manage credit card sales in QuickBooks Online.

If you use a different credit card processor, the steps for managing credit card sales are a bit different. That is what this lesson will cover.

For more information on credit card processing, be sure to read our article on best merchant services providers and our guide on credit card fees.

How Do I Record Credit Card Sales from Customers in QuickBooks Online?

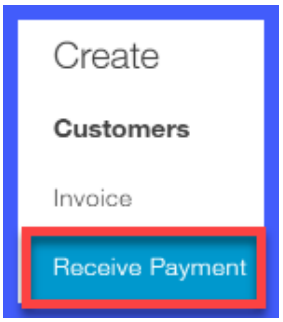
There are two ways that you can record customer payments in QuickBooks. If a customer pays you immediately, you would record a sales receipt. However, if you have a credit sale, which means that your customer pays you sometime in the future, then you want to receive a payment for an invoice in QuickBooks. Let's begin with the sales receipt.

Record a Credit Card Payment using a Sales Receipt

Step 1 – Navigate to the Sales Receipt Form

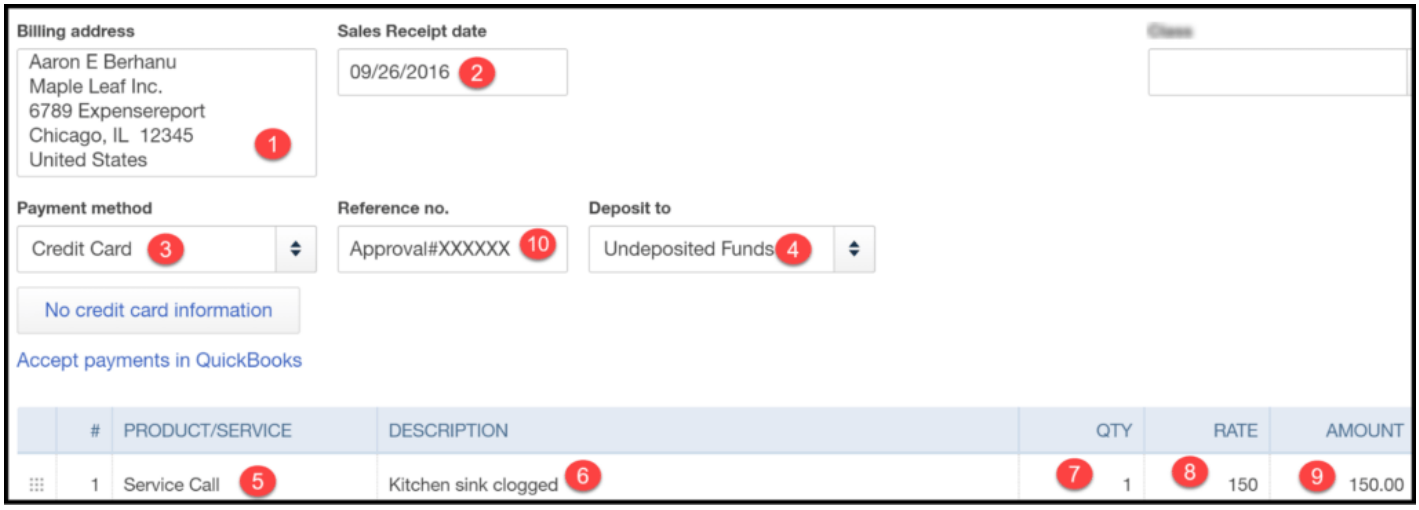
From the Home page, click on the plus sign at the top as indicated below.

Below the **Customers** column select **Sales Receipt** as indicated below.



Step 2 – Complete Sales Receipt Form with Credit Card Info

The create **sales receipt** window will display. Complete the fields as indicated below and click save.



1. **Billing address:** This field will autopopulate with the information that is in the customer profile. In the how to set up customers lesson, we walk through step by step to show you how to set up your customer info.
2. **Sales Receipt date:** This should be the date that you made the sale.
3. **Payment method:** Select credit card from the drop down.
4. **Deposit to:** This is the bank account that your credit card payments will be deposited to. If you want to change the account, you can do so in this screen.
   TIP: *I recommend that you use the* ***Undeposited Funds*** *account to hold all credit card*

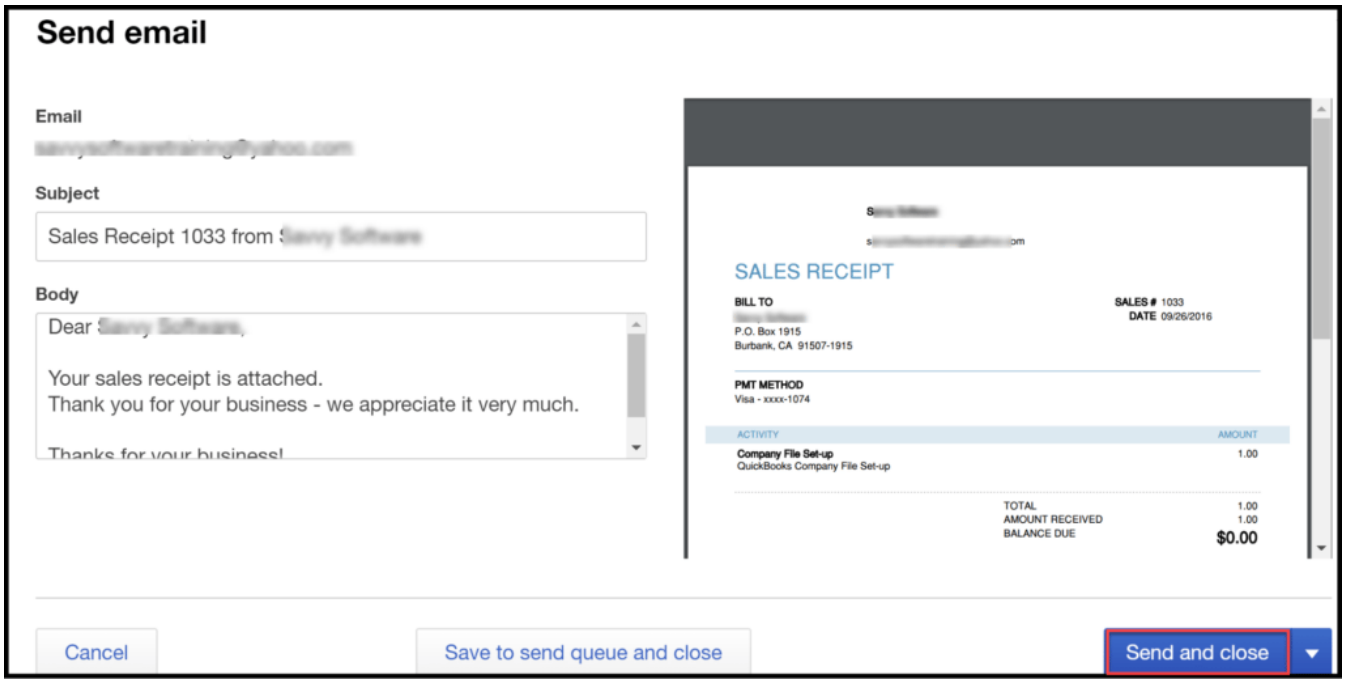
payments. This account is automatically created by QuickBooks. Consolidating all credit card payments into the Undeposited Funds account makes it easier to combine multiple credit card payments (if you need to) in order to match up with the bank deposit amounts. Refer to the How Do I Record Credit Card Deposits section of this lesson for more details.

5. **Product/Service:** Select from the drop down the product/service sold to your customer.
6. **Description:** This field will automatically populate based on the info for the product/service. You can also type a custom description directly in this field.
7. **Quantity:** Enter the quantity, if applicable.
8. **Rate:** This is the cost of the product or service. This field will automatically populate based on the setup of the product/service. You can also type a rate directly in this field.
9. **Amount:** This field will automatically calculate by multiplying the quantity times the rate.
   TIP: *At this point, you should process the credit card payment for the customer how you normally would. Once you have the approval code, enter that code in the Reference No. field on the sales receipt as indicated above.*
10. **Reference No:** Enter the approval code that you received once you process the credit card payment.

Step 3 – Save Sales Receipt & Email to Customer

Once you save the sales receipt there are a couple of things that will take place "behind the scenes" in QuickBooks:

1. The send email window will open so that you can review the email that your customer will receive along with a PDF copy of the sales receipt as indicated below.

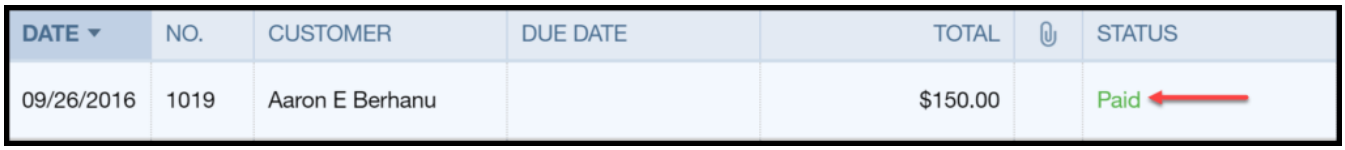


Once you have made any necessary changes, you can click the **Send and Close** button.

2. The sales receipt will have the following impact on the financial statements:

Account Affected	Impact on Account	Financial Statement
Sales account	Increase	Profit & Loss
Bank Account or Undeposited Funds Account	Increase	Balance Sheet

3. Navigate back to the Sales receipt, and notice that the status is now Paid as indicated below.



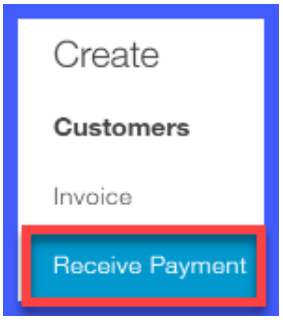
Record a Credit Card Payment on an Invoice

If your customers don't pay you immediately for a product or service, you would record their credit card payment on an invoice instead of a sales receipt. Here are the steps for recording a credit card payment on an invoice.

Step 1 – Navigate to Create Invoice

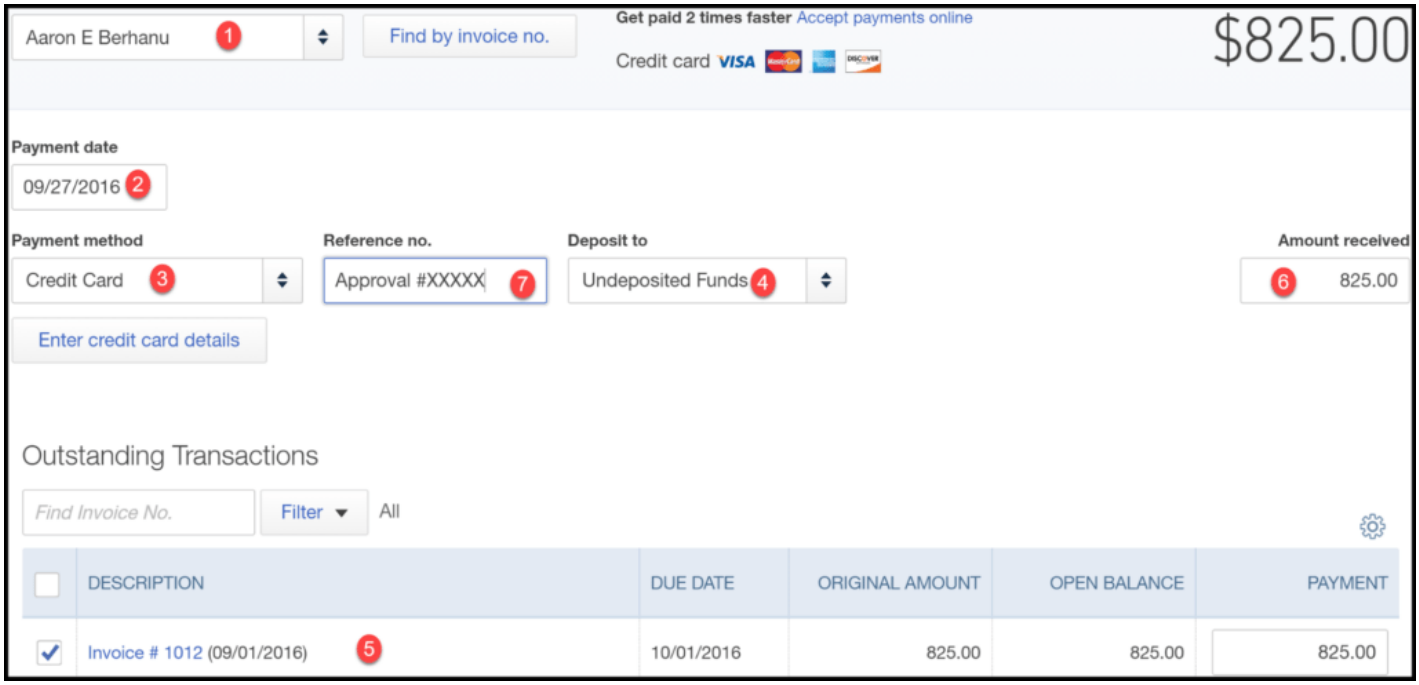
From the Home page, click on the plus sign at the top as indicated below.

Below the **Customers** column, select **Receive Payment** as indicated below.



Step 2 – Complete Invoice

The receive payment window will display. Complete the fields as indicated below.



1. **Customer Name:** Select the customer from the drop down.
2. **Payment date:** Select the date that your customer is making the payment.
3. **Payment method:** Select credit card from the drop down.
4. **Deposit to:** Select the bank account that the credit card payment should be deposited to. To change the account, you can do so from the drop down.
   TIP: *I recommend that you consolidate all credit card payments into the Undeposited Funds Account. This will allow you to easily match the payments in QuickBooks with the amount of the bank deposit. To set up the Undeposited Funds account as a*

default account for all credit card payments, refer to the How do I manage credit card sales with an Intuit Payments account lesson.

5. Select the invoice(s) that the customer is paying.
6. Enter the amount to charge the credit card.
   TIP: *At this point, you should process the credit card payment for the customer how you normally would. Once you have the approval code, enter that code in the Reference No. field on the invoice as indicated above.*
7. **Reference No:** Enter the approval code for the credit card payment.

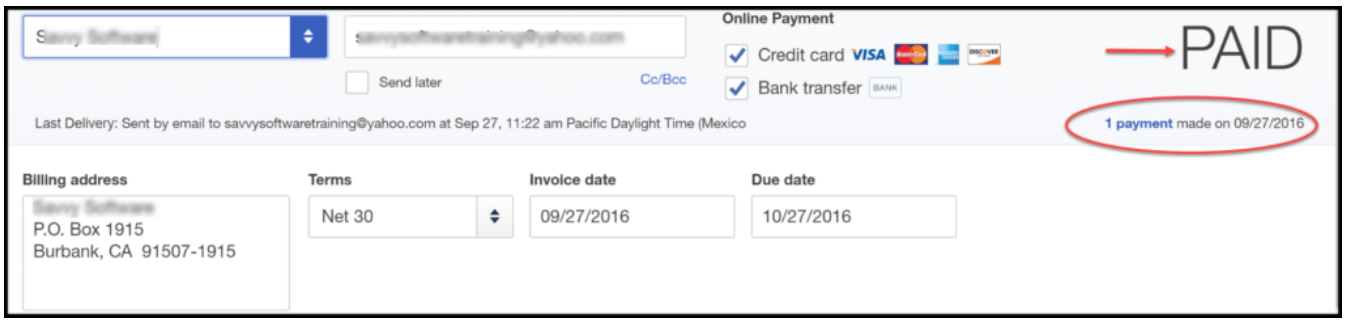
Step 3 – Save Invoice & Send to Customer

Once you save the invoice, there are a few things that take place "behind the scenes" in QuickBooks:

1. The payment will be saved and the credit card payment will be processed.
2. The credit card payment will have the following impact on the financial statements:

Account Affected	Impact on Account	Financial Statement
Accounts receivable	Decrease	Balance Sheet
Bank Account or Undeposited Funds Account	Increase	Balance Sheet

3. Navigate back to the Invoice for confirmation that the payment was applied correctly. The invoice will be marked as Paid as indicated below.



How Do I Record Credit Card Deposits in QuickBooks Online?

Once you have processed credit card payments in QuickBooks, you will need to record the deposit of those payments into your bank account. Credit card deposits may not show up in your bank account for 2-3 days. Once the deposit shows up in your bank account, follow these steps to record the deposit in QuickBooks:

Step 1 – Navigate to Bank Deposits

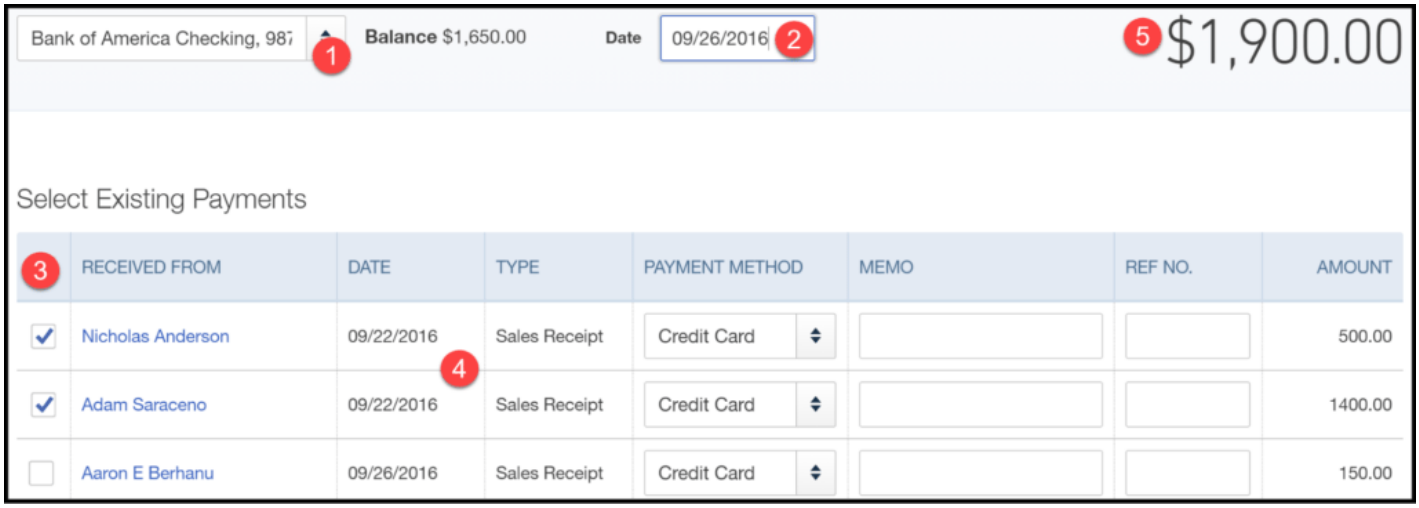
From the Home page, click on the plus sign at the top of the page, and below the **Other column**, select **Bank Deposit** as indicated below.

Step 2 – Create Deposit

If you are using the Undeposited Funds account to hold your credit card payments, then you will need to follow these steps to transfer those funds out of the Undeposited Funds account and to the bank account where the credit card payments were deposited.

TIP: *If you used your bank account to record credit card payments then you **do not** need to complete these steps.*

The following window will display. Complete the fields as indicated below.



1. **Bank Account:** From the drop down, select the bank account where the credit card payments have been deposited.

2. **Deposit Date**: Select the date the credit card payments were deposited to your bank account.
3. Select payments to deposit: Select the credit card payments that were deposited to your bank account.
   TIP: *In general, credit card payments may be combined if they occurred on the same day or the next day. Therefore, you may need to select multiple credit card payments to match up with the amount that was deposited to your bank account. In the example above, the two credit card payments that have been selected were processed in QuickBooks on 9/22. However, the bank deposit for both payments was made 4 days later on 9/26. On the bank statement, the total deposit amount is $1900.00.*
4. **Payment Dates:** This is the date you processed the credit card payment.
5. **Deposit Amount**: This should equal the deposit amount on your bank statement.

Recording the deposit will have the following impact on the accounts and the financial statements:

Account Affected	Impact on Account	Financial Statement
Undeposited Funds	Decrease	Balance Sheet
Bank Account	Increase	Balance Sheet

How Do I Record Credit Card Fees in QuickBooks Online?

You should set up an expense account called Merchant Fees or Credit Card Processing Fees to record all of the fees that you will be charged. In the How to Set Up the Chart of Accounts lesson, we walk you through step by step how to set up new accounts.

Wrap Up

That wraps up the section on How to Manage Credit Card Sales with a 3rd Party Credit Card Processor in QuickBooks Online. The next lesson in our QuickBooks Online Training Course will cover the Profit & Loss Statement in QuickBooks Online. In this course, we will discuss what the Profit & Loss statement will tell you about your business and how to create a P&L report in QuickBooks Online.

To access this lesson or any of the others in the series, click here. Or, click here for a free 30-day trial of QuickBooks Online.

How to Prepare a Profit and Loss Statement in QuickBooks Online

By Crystalynn Shelton on October 24, 2016 | Accounting, Bookkeeping, How To, Quickbooks | Comments (0)

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover the importance of reviewing your profit and loss statement and how to prepare a Profit and Loss statement in QuickBooks Online with samples.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

What is a Profit and Loss Statement?

The Profit and Loss Statement provides a summary of your revenue minus expenses for a specific period of time, such as a month, a quarter, or a year. It tells you your bottom line net profit or net loss.

You may have heard this statement referred to by other names which can make it a bit confusing at times. Some of the other terms used to describe the profit and loss statement are **P&L (Profit and Loss), Income Statement, Statement of Earnings,** and **Statement of Operations**.

Why is the Profit and Loss Statement Important?

It's important to understand if you are making money (profit) or losing money (loss) and why. I don't know anyone who is in business to lose money. However, if you are losing money, then you want to quickly understand why so that you can turn things around.

I recommend reviewing the profit and loss statement at least on a monthly basis, so you can review revenue and expense trends and know where you stand from a profitability standpoint. Before we talk about how to view your profit and loss statement in QuickBooks Online, it's important for you to understand the components of the Profit and Loss Statement.

What are the Components of the Profit and Loss Statement? – Profit and Loss Statement Sample

To help demonstrate the components of the profit and loss Statement, we will use a sample profit and loss statement for a fictitious company, **Paul's Plumbing**. As indicated below, I have identified 4 sections of the profit and loss statement for Paul's Plumbing.

Paul's Plumbing Co.
PROFIT AND LOSS
January 1 - September 29, 2016

	TOTAL
Income	
Sales	2,234.00
Services	4,025.00
Total Income	**$6,259.00**
Cost of Goods Sold	
Cost of Goods Sold	750.00
Supplies & Materials - COGS	1,000.00
Total Cost of Goods Sold	**$1,750.00**
Gross Profit	**$4,509.00**
Expenses	
Advertising	8.47
Bank Charges	50.00
Job Materials	2,750.00
Total Expenses	**$2,808.47**
Net Operating Income	**$1,700.53**
Other Income	
Other Income	500.00
Total Other Income	**$500.00**
Net Other Income	**$500.00**
Net Income	**$2,200.53**

Section 1 – Shows the Revenue (Income) earned from the sale of products and services for the designated time period. Paul's Plumbing had a **total revenue** of **$6,259** for the period January 1 – September 29, 2016.

Section 2 – Shows the cost of producing all the products sold (Cost of Goods Sold) and the Gross Profit, which is the difference between the Revenue (Income) and the Cost of Goods Sold. Paul's Plumbing had a **total cost of goods sold** of **$1,750** for the period January 1 – September 29, 2016. Total Revenue (Section 1) was $6,259. The difference

between these two figures is a **Gross Profit** of **$4,509**. Gross profit represents the profit before operating expenses (Section 3) are subtracted.

TIP: *Typically, if you do not carry an inventory, then you will not have cost of goods sold on your profit and loss statement.*

Section 3 – Shows the Expenses the business has incurred, such as advertising costs. Paul's Plumbing had **total expenses** of **$2,808.47** for the period of January 1- September 29, 2016.

Section 4 – This section shows the business' Net Income, sometimes referred to as the "bottom line." It is the difference between total Revenue (Section 1) and total Expenses (Section 3). Paul's Plumbing has a **Net Income** of **$2,200.53** for the period January 1- September 29, 2016.

If Revenue exceeds Expenses then the "bottom line" will be a positive number which means that the business was profitable for the specified time period. That is the case here for Paul's Plumbing and it is what every business strives for.

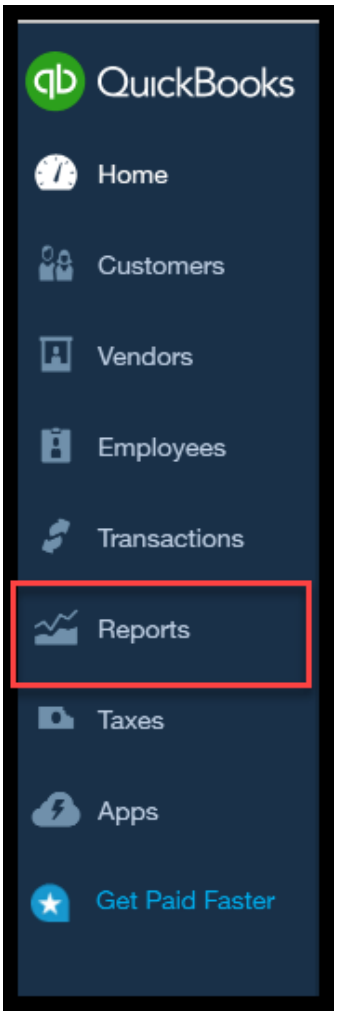
However, if you are in business long enough, you could have a result where your Expenses exceed your Revenue, which would result in a negative bottom line or a Net Loss. If this does occur, be sure to read the section of this lesson where I provide you with some valuable action items to help you further analyze your income and expenses.

How Do I Run a Profit and Loss Report in QuickBooks Online?

You can run a Profit and Loss Statement in QuickBooks Online in under 2 minutes. Just follow these instructions.

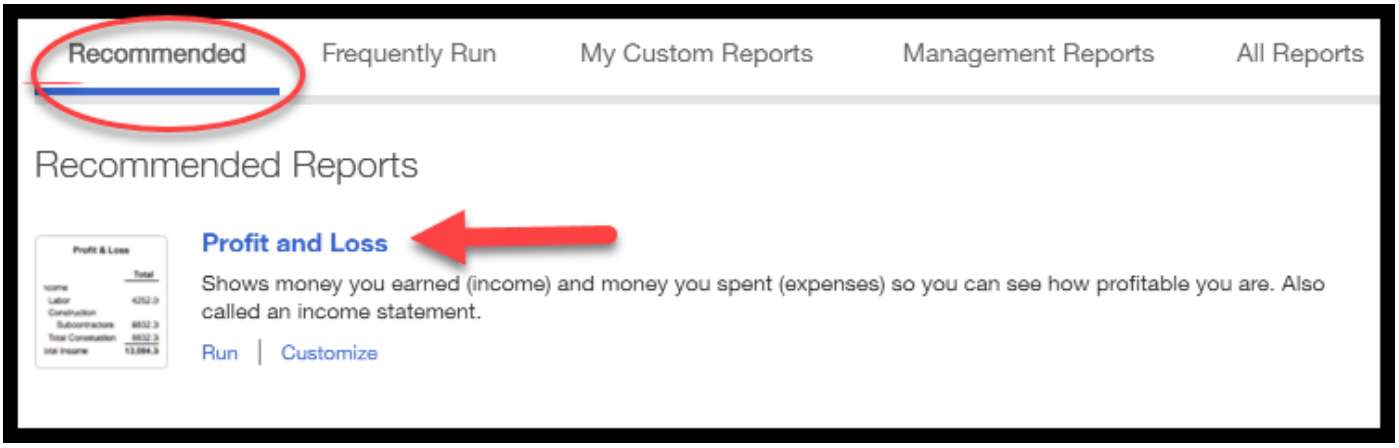
Step 1 – Navigate to the Report Center

From the Home page, click on **Reports** located on the left menu bar as indicated below.



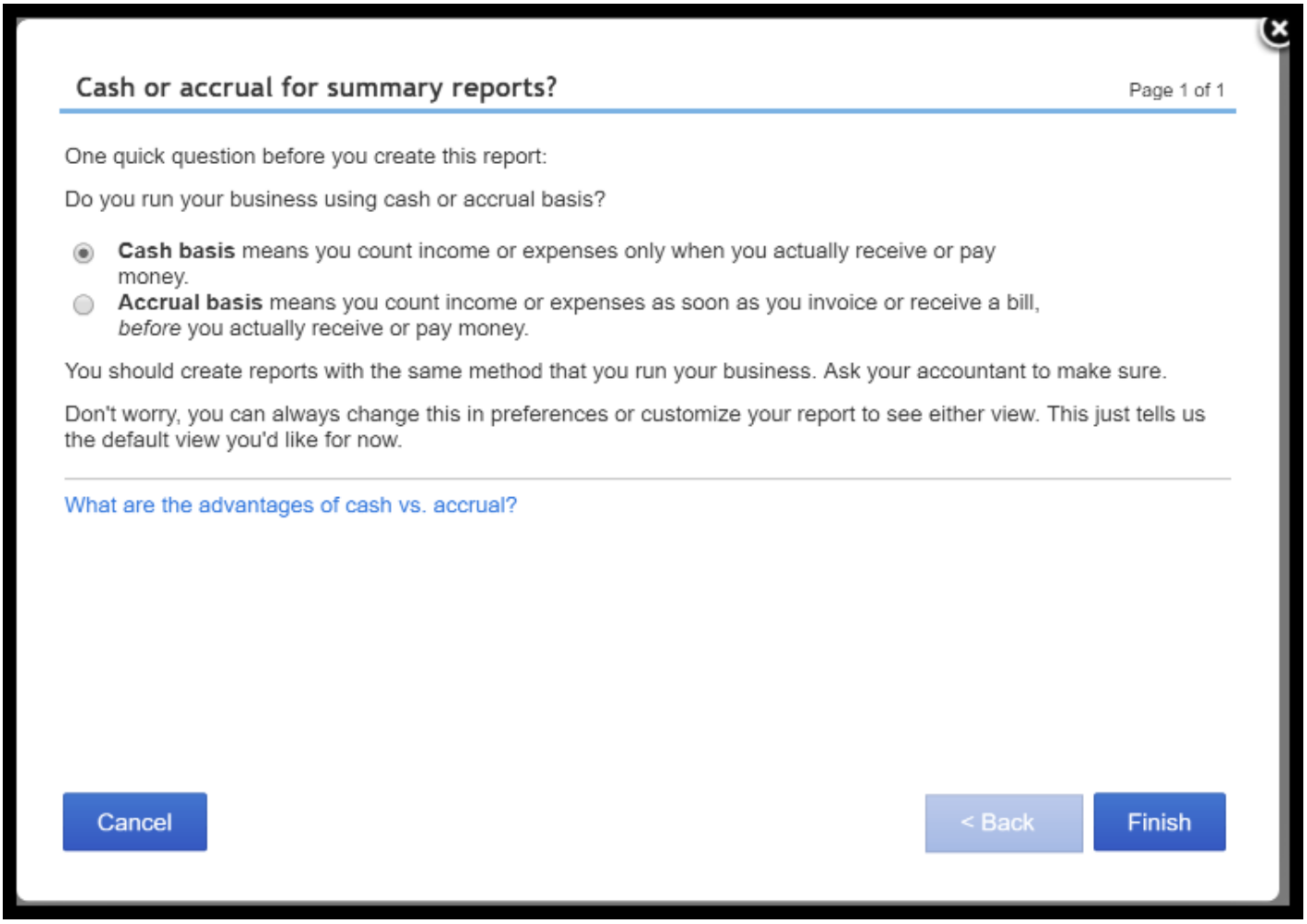
Step 2 – Report Center

The Profit and Loss Statement is the very first report located under the Recommended Reports menu, as indicated below.



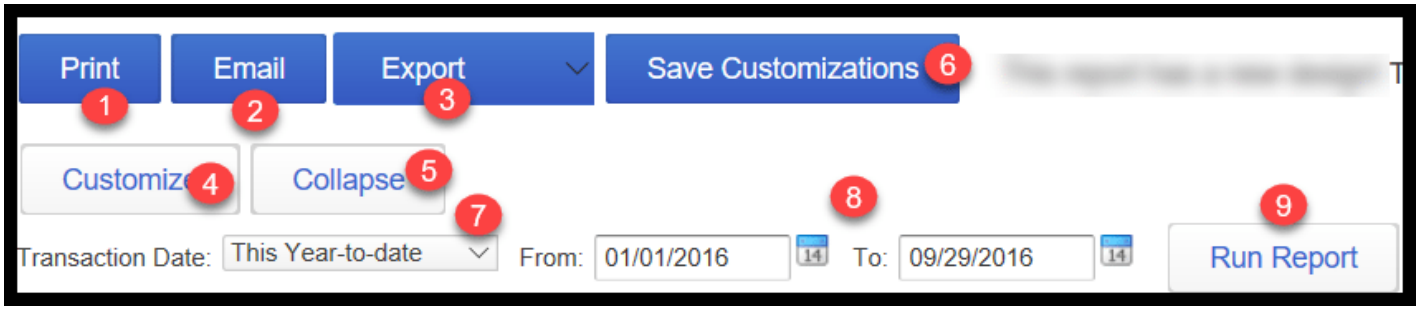
Step 3 – Report Basis

The next screen will only appear the very first time you run a report. In this screen, QuickBooks will allow you to select which report basis you want to use to run your reports. The two options are cash basis or accrual basis accounting. Most small businesses use cash basis accounting because it is simpler than accrual. If you're not sure which method you should use, ask your accountant, and read more about these two accounting methods in our article Small Business Accounting: Accrual vs. Cash.



Step 4 – Report Filters

From this screen, you have several options to choose from as indicated below.



1. **Print** – You have the ability to print this report.
2. **Email** – You can email this report to anyone that you would like to review it (i.e. your accountant or tax professional)
3. **Export** – You can export this report to Excel and make notes or do further analysis.
4. **Customize** – This feature allows you to customize a number of areas of the report, including but not limited to the following:

    - General info: Date range, report basis
    - Level of detail to show: One total column or one column for each month
    - Header/Footer: Change or add title or page #
    - Numbers: Select font for numbers

5. **Collapse** – If you use subaccounts, this button allows you to hide that level of detail.
6. **Save customizations –** Allows you to save any custom changes that you have made to the report so that you can use them again.
7. **Transaction Date** – Select the time period that you would like to run the report for.
8. **Calendar** – You can enter a specific date range that you would like to run the report for.
9. Click **Run Report** button once you have made all of your selections.

Step 5 – Display Report

Click the Finish button, and your Proft and Loss statement will display on the screen like the one below for **Paul's Plumbing.**

Paul's Plumbing Co.
PROFIT AND LOSS
January 1 - September 29, 2016

	TOTAL
Income	
Sales	2,234.00
Services	4,025.00
Total Income	**$6,259.00**
Cost of Goods Sold	
Cost of Goods Sold	750.00
Supplies & Materials - COGS	1,000.00
Total Cost of Goods Sold	**$1,750.00**
Gross Profit	**$4,509.00**
Expenses	
Advertising	8.47
Bank Charges	50.00
Job Materials	2,750.00
Total Expenses	**$2,808.47**
Net Operating Income	**$1,700.53**
Other Income	
Other Income	500.00
Total Other Income	**$500.00**
Net Other Income	**$500.00**
Net Income	**$2,200.53**

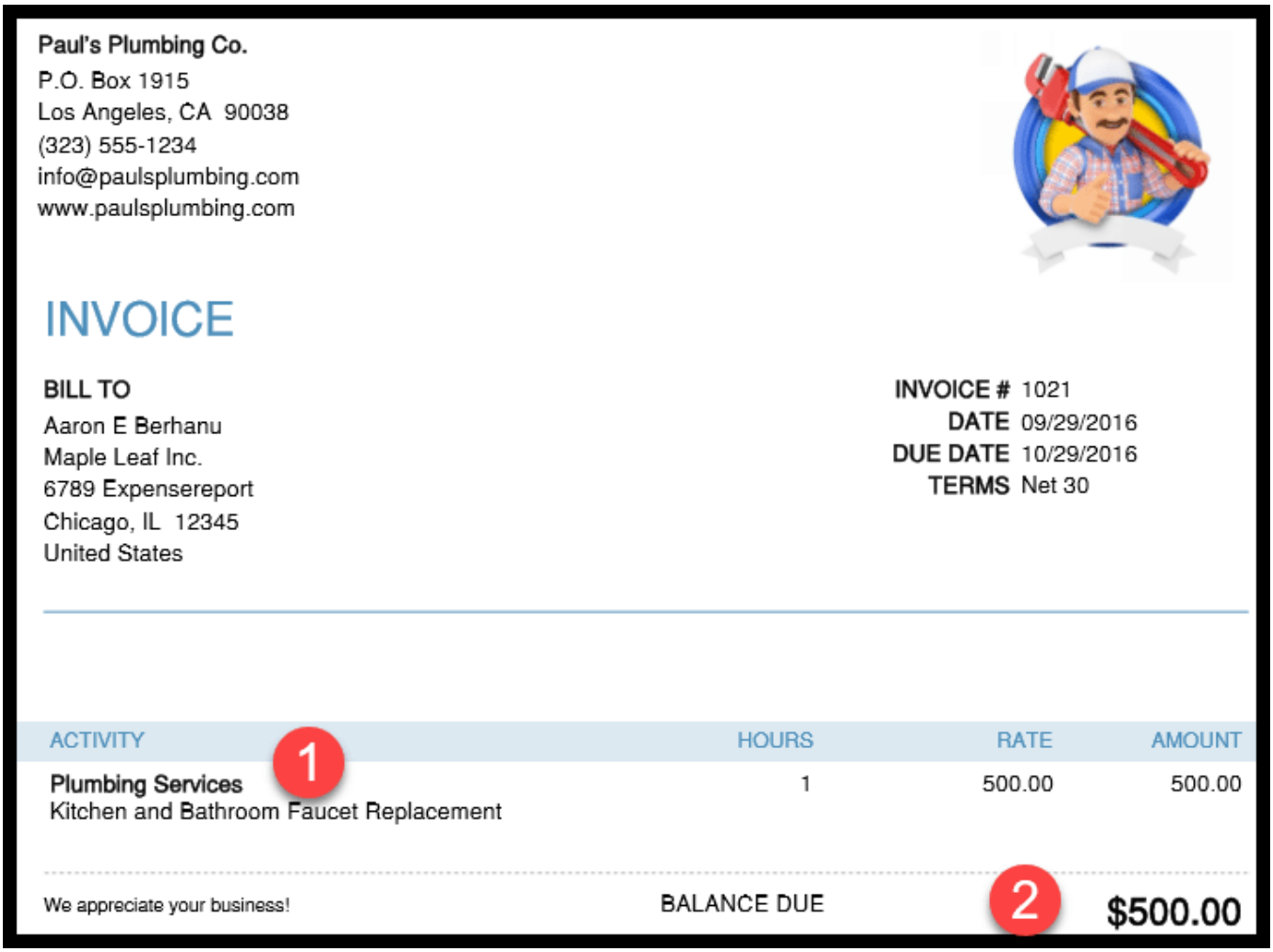
Profit and loss statement sample

How Do My Day to Day Business Transactions Affect the Profit and Loss Statement?

In order to solidify how what you do in QuickBooks will impact your financial statements, let's walk through a common business transaction for Paul's Plumbing to see how it will impact his Profit and Loss Statement.

Below, Paul has created an Invoice for one of his customers. In our lesson on how to create invoices, we walk you through step by step on how to do this.

Create Invoice to Bill Customer



Paul's Plumbing Co.
P.O. Box 1915
Los Angeles, CA 90038
(323) 555-1234
info@paulsplumbing.com
www.paulsplumbing.com

INVOICE

BILL TO
Aaron E Berhanu
Maple Leaf Inc.
6789 Expensereport
Chicago, IL 12345
United States

INVOICE # 1021
DATE 09/29/2016
DUE DATE 10/29/2016
TERMS Net 30

ACTIVITY	HOURS	RATE	AMOUNT
Plumbing Services 1 Kitchen and Bathroom Faucet Replacement	1	500.00	500.00

We appreciate your business! BALANCE DUE 2 **$500.00**

Paul's customer has been billed a total of **$500** for **Plumbing Services**.

Receive Payment from Customer for Open Invoice

Paul has entered a payment for the $500 invoice that was created. In the How to receive payments lesson, we walk through step by step how to receive payments and apply them to open invoices.

Impact on Profit and Loss Statement

Paul's Plumbing Co. PROFIT AND LOSS - BEFORE January 1 - September 29, 2016	TOTAL
Income	
Sales	2,234.00
Services	4,025.00
Total Income	**$6,259.00**
Cost of Goods Sold	
Cost of Goods Sold	750.00
Supplies & Materials - COGS	1,000.00
Total Cost of Goods Sold	**$1,750.00**
Gross Profit	**$4,509.00**
Expenses	
Advertising	8.47
Bank Charges	50.00
Job Materials	2,750.00
Total Expenses	**$2,808.47**
Net Operating Income	**$1,700.53**
Other Income	
Other Income	500.00
Total Other Income	**$500.00**
Net Other Income	**$500.00**
Net Income	**$2,200.53**

Paul's Plumbing Co. PROFIT AND LOSS - AFTER January 1 - September 29, 2016	TOTAL
Income	
Sales	2,234.00
Services	4,525.00
Total Income	**$6,759.00**
Cost of Goods Sold	
Cost of Goods Sold	750.00
Supplies & Materials - COGS	1,000.00
Total Cost of Goods Sold	**$1,750.00**
Gross Profit	**$5,009.00**
Expenses	
Advertising	8.47
Bank Charges	50.00
Job Materials	2,750.00
Total Expenses	**$2,808.47**
Net Operating Income	**$2,200.53**
Other Income	
Other Income	500.00
Total Other Income	**$500.00**
Net Other Income	**$500.00**
Net Income	**$2,700.53**

Profit and loss statement sample

Notice the following accounts on the Profit and Loss Statement have ***increased*** by $500.00, the amount of Paul's invoice.

- **Total Income**
- **Gross Profit**
- **Net Operating Income**
- **Net Income**

TIP: *If you are on the **accrual basis** of accounting, the invoice will show up on the Profit and Loss Statement after you create the invoice. For those on the **cash basis** of accounting, you will have to complete both steps (1) create the invoice and (2) receive the*

payment to see any changes on the Profit and Loss statement. For more info on cash vs. accrual, ask your accountant, and read our article Small Business Accounting: Accrual vs. Cash .

Recommended Action Plan

You should now have a pretty good understanding of what the Profit and Loss Statement is, how to run a Profit and Loss in QuickBooks, and how important it is to the overall success of your business.

Here are a few processes that I recommend you put in place immediately:

- Be sure all income and expenses are entered into QuickBooks Online as often as possible (at a minimum, each month).
- Review your profit and loss statements on a ***monthly*** basis.
- Investigate revenue and expense trends that you notice while reviewing your profit and loss statement. For example, ask yourself these questions:
    - Is your revenue consistently going up or down each month? If so, why?
    - Are there specific times during the year when revenue drops or spikes? If so, what is the reason for this? Is this normal?
    - Are your expenses consistently going up or down each month? If so, why?
    - Are there certain times during the year when your expenses go up or down? If so, why?
- Take action based on your findings. Share your Profit and Loss Statement with your accountant and tax professional for more guidance.

Wrap Up

That wraps up the section on How to Run a Profit and Loss Statement in QuickBooks Online. The next lesson in our QuickBooks Online Training Course will be How to Run a Balance Sheet report in QuickBooks Online. In this course, we will discuss what the Balance Sheet report will tell you about your business and how to create a Balance Sheet report in QuickBooks Online.

To access this lesson or any of the others in the series, click here. Or, click here for a free 30-day trial of QuickBooks Online.

How to Prepare a Balance Sheet Report With Example in QuickBooks Online

By Crystalynn Shelton on October 24, 2016 | Accounting, Bookkeeping, How To, Quickbooks | Comments (0)

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover the importance of reviewing your balance sheet report and how to run a Balance Sheet report in QuickBooks Online. We'll also show you a balance sheet example.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

What is a Balance Sheet?

The Balance Sheet includes the assets, liabilities, and owner's equity for your business. Assets are those items owned by the company. For example, computers, business equipment, and inventory are assets. Liabilities are what you owe to others. For example, a loan on a vehicle that you use for business or a business line of credit that you have with your bank are liabilities. Owner's equity reflects the net amount of money that the owner or other investors have invested in the business, as well as money retained from profits (retained earnings).

Why is the Balance Sheet Important?

It's important to understand the net worth of your business. The Balance Sheet provides you with the value of the assets you have, what you owe to others, and the net worth (i.e. owner's equity) of the business. The numbers on the balance sheet represent a snapshot of the financial position of the business at the exact point in time that the Balance Sheet was prepared.

The Balance Sheet is as of a specific date (i.e. December 31, 2016), whereas the Profit & Loss Statement, covered in the previous lesson, is for a period of time (i.e. January 1 – December 31, 2016). This is one of the primary differences between these two financial statements.

What Are the Components of the Balance Sheet? – Balance Sheet Example

To help demonstrate the components of the Balance Sheet, we will use a fictitious company, **Paul's Plumbing**. As indicated below, I have identified 4 sections of the Balance Sheet for **Paul's Plumbing**.

Paul's Plumbing Co.

BALANCE SHEET

As of September 29, 2016

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Bank of America Checking	3,076.72
Bank of America Checking, 9876	4,050.00
Bank of America Checking, x6789	4,000.00
Bank of America Savings, x5643	2,250.00
Petty Cash	175.00
Wells Fargo Checking, 1234	375.00
Total Bank Accounts	**$13,926.72**
Other current assets	
Inventory Asset	2,000.00
Undeposited Funds	2,050.00
Total Other current assets	**$4,050.00**
Total Current Assets	**$17,976.72**
TOTAL ASSETS	**$17,976.72**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Bank of America Visa, x7421	4,100.00
Wells Fargo Credit Card	7,220.20
Total Credit Cards	**$11,320.20**
Total Current Liabilities	**$11,320.20**
Total Liabilities	**$11,320.20**
Equity	
Opening Balance Equity	3,955.99
Retained Earnings	
Net Income	2,700.53
Total Equity	**$6,656.52**
TOTAL LIABILITIES AND EQUITY	**$17.976.72**

Balance sheet example

1. **Total Assets** – In this section, Paul has the following assets listed:

- **A. Bank Accounts** – The amounts shown here are what the QuickBooks register reflects as the bank account balance as of September 29, 2016. In the How to Reconcile your Bank Accounts, we walk through step by step how to match up your QuickBooks register with your bank statement.
- **B. Inventory** – This is the value of Paul's inventory on-hand as of September 29, 2016. To ensure accuracy, an inventory count should be done on an annual basis, and adjustments should be made in QuickBooks to reflect any differences between inventory that you have on the shelf compared to what is in QuickBooks.
- **C. Undeposited Funds** – The amount that is sitting in this account is typically credit card sales that have not been deposited to your bank account. In the How to Manage Credit Card Sales lesson, we walk through step by step how to use the undeposited funds account.

2. **Total Liabilities** – In this section, Paul has the following liabilities listed:
   - **A. Outstanding Credit Card Balances** – The amounts shown here are what the QuickBooks register reflects as the credit card balance as of September 29, 2016. In the How to Reconcile your Credit Card Accounts we walk you through step by step how to match up your QuickBooks register with your credit card statement.

3. **Total Equity** – In this section, Paul has the following equity items listed:
   - **A. Opening Balance Equity** – This is a default account created by QuickBooks. This account should be used to code beginning balances when setting up QuickBooks for the first time. For example, when you set up a bank account in QuickBooks, you have to enter the opening balance of that account into QuickBooks so that you will be able to reconcile the account later on. The amount that you enter as an opening balance is coded to the Opening Balance Equity account behind the scenes. This account should eventually be closed out to retained earnings once you have finished setting up QuickBooks.
   - **B. Net Income** – This figure comes directly from the "bottom line" of your profit & loss statement (revenue minus expenses). At the end of the year, QuickBooks will automatically transfer this amount to the Retained earnings account. Retained earnings is an accumulation of the net profit(or loss) in your business since you opened your doors.

4. **Total Liabilities and Equity** – This is the total of section 2 and 3. From an accounting perspective, Total Liabilities and Equity will always equal Assets. This holds true for

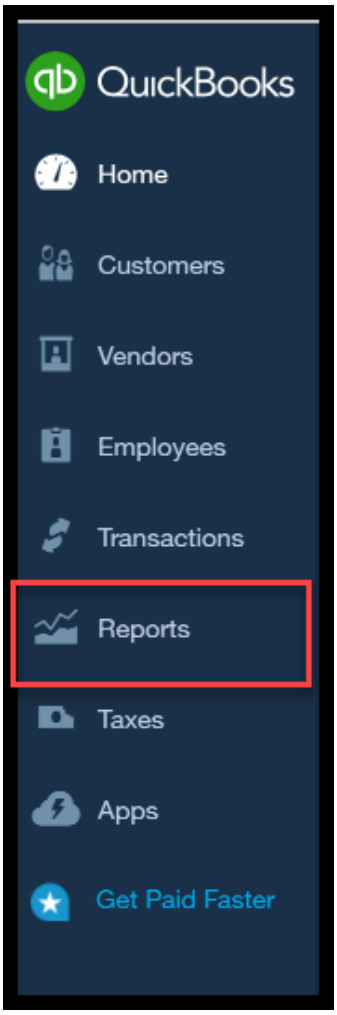
Paul's Balance Sheet report.

Total Assets of $17,976.72 = Total Liabilities and Equity of $17,976.72

How Do I Run a Balance Sheet in QuickBooks Online?

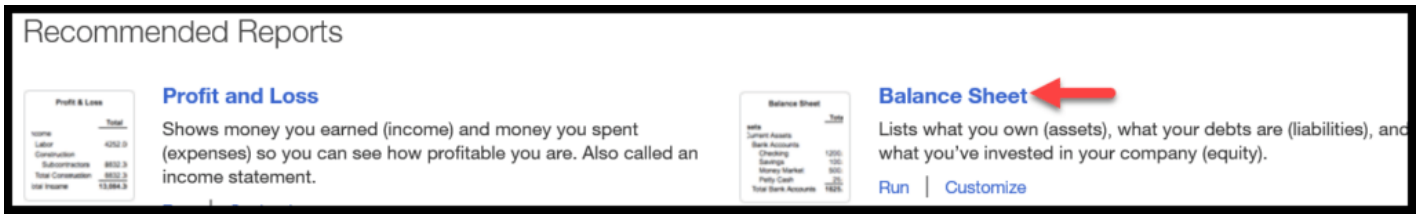
Step 1 – Navigate to the Report Center

From the Home page, click on **Reports** located on the left menu bar as indicated below.



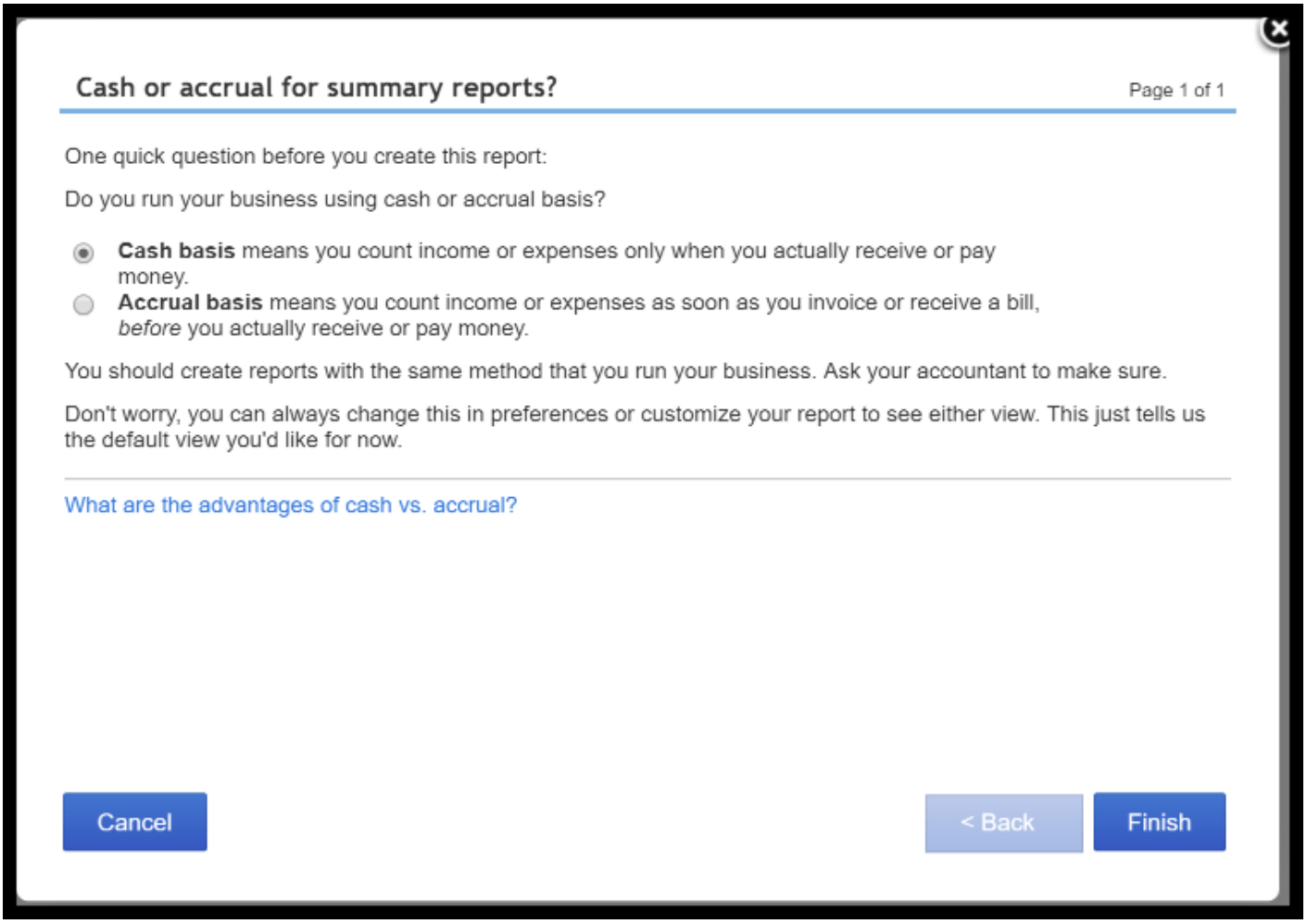
Step 2 – Report Center

The Balance Sheet is located next to the Profit and Loss report under the **Recommended Reports** menu as indicated below.



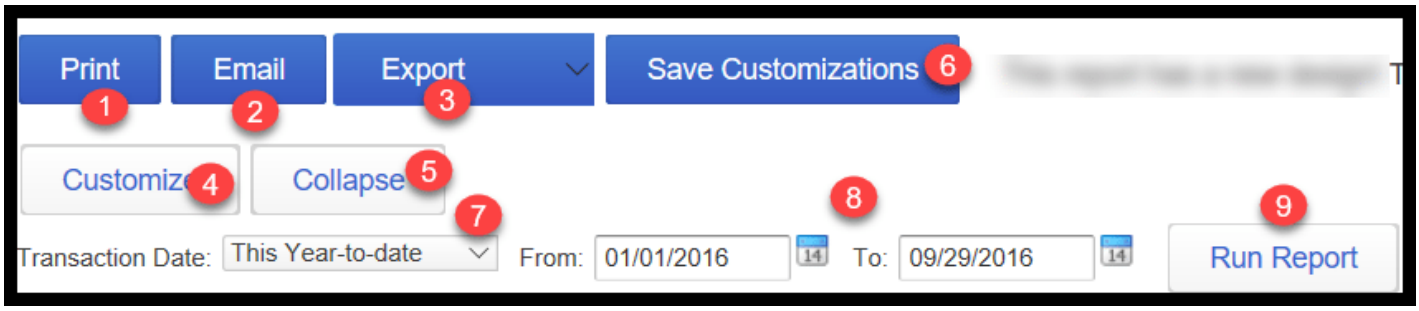
Step 3 – Report Basis

The next screen will only appear the very first time you run a report, such as a balance sheet or P&L Statement. In this screen, QuickBooks will allow you to select which report basis you want to use to run your reports. The two options are cash basis or accrual basis accounting. Most small businesses use cash basis accounting because it is simpler than accrual. If you're not sure which method you should use, consult your accountant and read more about these two accounting methods in our article Small Business Accounting: Accrual vs. Cash .



Step 4 – Report Filters

From this screen, you have several options to choose from as indicated below.



1. **Print** – You have the ability to print this report.
2. **Email** – You can email this report to anyone that you would like to review it (i.e. your accountant or tax professional)
3. **Export** – You can export this report to Excel and make notes or do further analysis.
4. **Customize** – This feature allows you to customize a number of areas of the report, including but not limited to the following:
    - **General Info:** As of Date, report basis
    - **Header/Footer:** Change or add title or page #
    - **Add Sub-columns:** Additional columns to do a prior year comparison

5. **Collapse** – If you use subaccounts, this button allows you to hide that level of detail.
6. **Save customizations –** Allows you to save any custom changes that you have made to the report so that you can use them for future reports.
7. **Transaction Date** – Select the time period that you would like to run the report for.
8. **Calendar** – You can enter a specific date range that you would like to run the report for.
9. Click **Run Report** button once you have made all of your selections.

Step 5 – Display Report

Click the Finish button, and your Balance Sheet report will display on the screen like the example below for **Paul's Plumbing.**

Paul's Plumbing Co.

BALANCE SHEET

As of September 29, 2016

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Bank of America Checking	3,076.72
Bank of America Checking, 9876	4,050.00
Bank of America Checking, x6789	4,000.00
Bank of America Savings, x5643	2,250.00
Petty Cash	175.00
Wells Fargo Checking, 1234	375.00
Total Bank Accounts	**$13,926.72**
Other current assets	
Inventory Asset	2,000.00
Undeposited Funds	2,050.00
Total Other current assets	**$4,050.00**
Total Current Assets	**$17,976.72**
TOTAL ASSETS	**$17,976.72**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Bank of America Visa, x7421	4,100.00
Wells Fargo Credit Card	7,220.20
Total Credit Cards	**$11,320.20**
Total Current Liabilities	**$11,320.20**
Total Liabilities	**$11,320.20**
Equity	
Opening Balance Equity	3,955.99
Retained Earnings	
Net Income	2,700.53
Total Equity	**$6,656.52**
TOTAL LIABILITIES AND EQUITY	**$17,976.72**

Balance sheet example

Recommended Action Plan

You should now have a pretty good understanding of what the Balance Sheet report is, why it's important, and how to run a Balance Sheet report in QuickBooks Online.

Here are a few processes that I recommend you put in place immediately:

- Reconcile all bank and credit card accounts on a ***monthly*** basis.
- Implement regular inventory counts to ensure QuickBooks matches actual inventory that you have on the shelf.
- Review your Balance Sheet report on a ***monthly*** basis.
- Be sure any discrepancies between your balance sheet and bank accounts or credit card accounts are handled in a timely manner.
- Be sure that all outstanding monies owed to others has been accounted for (i.e. line of credit, bank loans, personal loans etc;).
- Share your balance sheet with your accountant and tax professional for further guidance.

Wrap Up

That wraps up the section on How to Run a Balance Sheet report in QuickBooks Online. The next lesson in our QuickBooks Online Training Course will be How to Run a Cash Flow Statement in QuickBooks Online. In this course, we will discuss what the Cash Flow Statement will tell you about your business and how to create a Cash Flow Statement in QuickBooks Online.

To access this lesson or any of the others in the series, click here. Or, click here for a free 30-day trial of QuickBooks Online.

How to Run a Statement of Cash Flows in QuickBooks Online

By Crystalynn Shelton on October 24, 2016 | Accounting, Bookkeeping, How To, Quickbooks | Comments (0)

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover the importance of reviewing your statement of cash flows and how to prepare a statement of cash flows with examples in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

What is a Statement of Cash Flows?

The statement of cash flows shows the flow of cash within the business, including where it came from and how it was spent during a specific time period. Depending on the type of transaction, cash flow is categorized into 3 types of activities:

1. **Operating Activities** – This section shows how much cash was generated from operations which make up the day-to-day running of the business. For example, for our fictitious plumbing company Paul's Plumbing, the cash generated from the sale of plumbing products and services would be considered operating activities.
2. **Investing Activities** – This section shows how much cash was generated from assets purchased for the business. For example, say Paul purchased a truck to use in the business. Regardless of whether the transaction was paid in cash or financed, it would appear under investing activities. In addition, any portion that was financed will also appear under financing activities.
3. **Financing** – This section is the cash that has come in or gone out of the company for the purpose of financing all of the other business activities. For example, any funds invested in the business by the owner would show up here. Also, if a portion of the truck that Paul purchased was financed, then the loan would also be categorized in this section.

Why is the Statement of Cash Flows Important? – Statement of Cash Flow Example

Cash flow is essential to stay in business. If you don't have enough cash to meet your obligations and to reinvest, then you won't be in business very long. In the How to Run a Profit & Loss statement lesson, we discussed the importance of reviewing your income and expenses and looking for trends that can give you insight into the contributing factors to your "bottom line." In the How to Run a Balance Sheet lesson, we discussed how that report will provide you with the net worth of your business as of a point in time. However, these two reports alone cannot tell you everything that you need to know to make good business decisions.

You need all 3 reports–the P&L Statement, the Balance Sheet, and the Statement of Cash Flows–to give you a complete picture of the health of your business. In the next section, we will walk through the components of the Cash Flow Statement. It includes figures that you may also see in both the P&L Statement and the Balance Sheet.

What are the Components of the Statement of Cash Flows?

To help demonstrate the components of the Cash Flow Statement, we will take a look at the Cash Flow statement for our fictitious company, **Paul's Plumbing**. As we discussed previously, there are 3 sections of the Cash Flow Statement, as highlighet below by the three red boxes in the statement of cash flows example. There are also several different terms you need to understand.

Paul's Plumbing Co.

STATEMENT OF CASH FLOWS

January - September, 2016

	TOTAL
OPERATING ACTIVITIES	
Net Income	1 2,091.53
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable	0.00
Inventory Asset	-2,000.00
Accounts Payable	0.00
Bank of America Visa, x7421	300.00
Wells Fargo Credit Card	7,220.20
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	5,520.20
Net cash provided by operating activities	2 $7,611.73
INVESTING ACTIVITIES	
Truck	-10,000.00
Net cash provided by investing activities	3 $ -10,000.00
FINANCING ACTIVITIES	
Loan payable - Truck	10,000.00
Opening Balance Equity	2,255.99
Net cash provided by financing activities	4 $12,255.99
Net cash increase for period	5 $9,867.72
Cash at beginning of period	5,500.00
Cash at end of period	6 $15,367.72

Statement of Cash Flows Example

1. **Net Income** – This figure will come directly from the "bottom line" of your Profit & Loss statement.
2. Net cash provided by **operating activities** – This section is comprised of the net cash inflow and outflow of day-to-day business operations.
3. Net cash provided by **investing activities** – This section is comprised of the net cash inflow and outflow of any investments made in the business. Paul purchased a truck to use in his business, so that purchase is listed here as a cash outflow item.
4. Net cash provided by **financing activities** – This section is comprised of the net cash inflow and outflow of any type of financing that supports the business operations. In this example, Paul financed his truck, so the amount of the loan that he took to purchase the truck is listed in this section as a cash inflow item.
5. **Net Cash Increase** for the period of **$9,867.72** is the total of all 3 activities as follows:

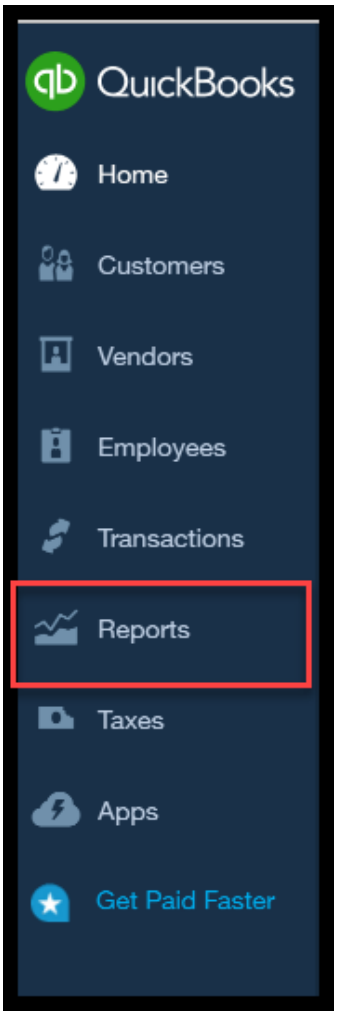
- **Operating** Activities: $7,611.73
- **Investing** Activities: (-$10,000.00)
- **Financing** Activities: $12.255.99

6. **Cash at the end of the period** – This total is cash at the beginning of the period, which is **$5,500** in this example, plus the net cash increase of **$9,867.72**. That gives a total of **$15,367.72**.

How Do I Run a Statement of Cash Flows in QuickBooks Online?

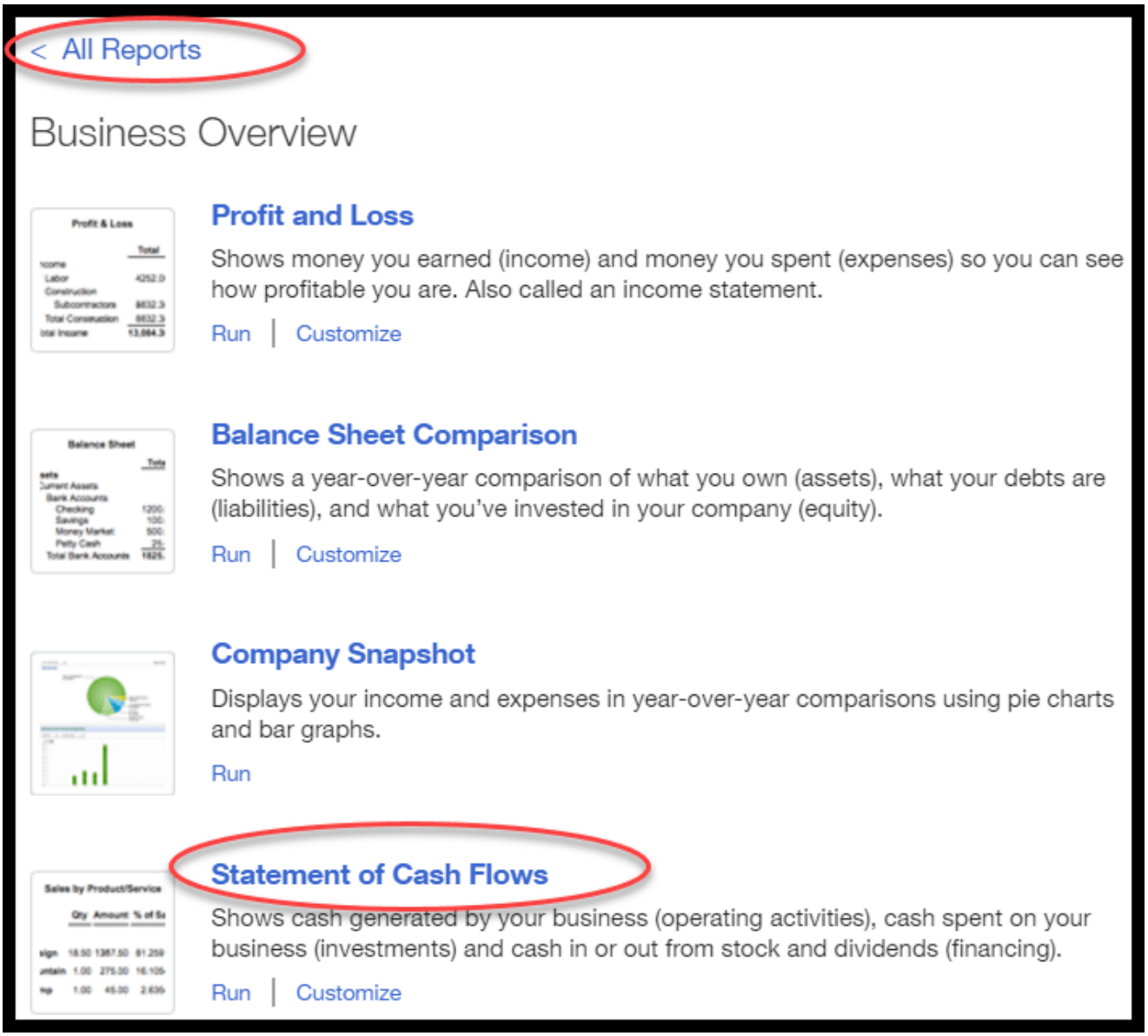
Step 1 – Navigate to the Report Center

From the Home page, click on **Reports** located on the left menu bar as indicated below.



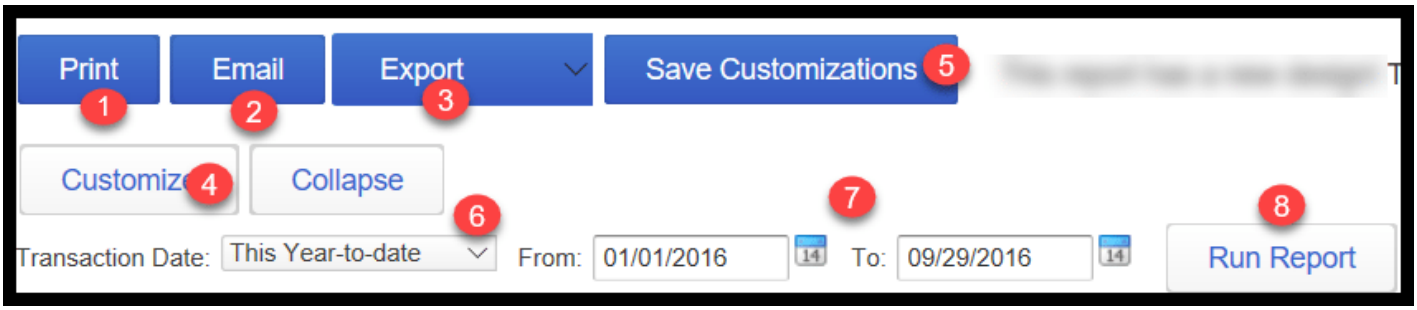
Step 2 – Report Center

Click on the **All Reports** tab. Statement of Cash Flows is the fourth report listed as indicated below.



Step 3 – Report Filters

From this screen, you have several options to choose from as indicated below:



1. **Print** – You have the ability to print this report.
2. **Email** – You can email this report to anyone that you would like to review it (i.e. CPA or tax professional)
3. **Export** – You can export this report to Excel and make notes or do further analysis.
4. **Customize** – This feature allows you to customize a number of areas of the report, including but not limited to the following:

    - **General info:** Date range
    - **Level of detail to show:** One total column or one column for each month
    - **Header/Footer:** Change or add title or page #
    - **Numbers:** Select font for numbers

5. **Save customizations –** Allows you to save any custom changes that you have made to the report so that you can use them again.
6. **Transaction Date** – Select the time period that you would like to run the report for.
7. **Calendar** – You can enter a specific date range that you would like to run the report for.
8. Click **Run Report** button once you have made all of your selections.

Step 4 – Display Report

Click the Finish button, and your Statement of Cash Flows will display on the screen like the one below for **Paul's Plumbing.**

Paul's Plumbing Co.
STATEMENT OF CASH FLOWS
January - September, 2016

	TOTAL
OPERATING ACTIVITIES	
Net Income	2,091.53
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable	0.00
Inventory Asset	-2,000.00
Accounts Payable	0.00
Bank of America Visa, x7421	300.00
Wells Fargo Credit Card	7,220.20
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	**5,520.20**
Net cash provided by operating activities	**$7,611.73**
INVESTING ACTIVITIES	
Truck	-10,000.00
Net cash provided by investing activities	**$ -10,000.00**
FINANCING ACTIVITIES	
Loan payable - Truck	10,000.00
Opening Balance Equity	2,255.99
Net cash provided by financing activities	**$12,255.99**
Net cash increase for period	**$9,867.72**
Cash at beginning of period	5,500.00
Cash at end of period	**$15,367.72**

Statement of Cash Flows Example

Recommended Action Plan

Now that you have a better understanding of what the Statement of Cash Flows will tell you about your business and how to create one in QuickBooks Online, there are a few things you should implement as soon as possible.

As you now know, the Statement of Cash Flows pulls several key numbers from both the Profit and Loss Statement and the Balance Sheet. Therefore, it is very important that the following have taken place **before** you prepare a Statement of Cash Flows:

- Be sure QuickBooks is up-to-date with all income and expenses.
- Reconcile all bank and credit card accounts.

- Resolve any discrepancies found in your review of the P&L statement and the Balance Sheet report.
- Make sure all assets and liabilities have been recorded in QuickBooks
- Review your Statement of Cash Flows on a **monthly** basis.

Wrap Up

That wraps up the section on How to Run a Statement of Cash Flows in QuickBooks Online. The next lesson in our QuickBooks Online Training Course will be How to Run an Accounts Receivable Aging report in QuickBooks Online. In this course, we will discuss what the Accounts Receivable Aging report will tell you about your business and how to create an A/R Aging report in QuickBooks Online.

To access this lesson or any of the others in the series, click here. Or, click here for a free 30-day trial of QuickBooks Online.

How to Run an Accounts Receivable Aging Report in QuickBooks Online

By Crystalynn Shelton on October 24, 2016 | Accounting, How To, Quickbooks | Comments (0)

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover the importance of reviewing your Accounts Receivable report and how to prepare an A/R Aging Report, with accounts receivable aging report examples, in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

What is an Accounts Receivable Aging Report?

The A/R Aging report provides a list of all of the open (unpaid) customer invoices and the number of days they have been outstanding. In order for this report to be useful, you must set invoice terms for all of your customers. If you have not set up invoice terms in the customer profile, then QuickBooks will not be able to provide you with a reminder when your customer's invoices are coming due. In addition, the A/R Aging report will not be able to track the number of days the invoices have been outstanding.

There are a couple of ways to set up invoice terms. The simplest option is to set up default invoice terms for all customers. This option works best if the majority of your customers have the same invoice terms (i.e. Net 30). In the How to Set Up Invoices, Sales Receipts & Estimates lesson, we walk you through step by step how to set this up. If you offer different terms to many of your customers, then refer to our How to Set Up Customers lesson.

Why is the Accounts Receivable Aging Report Important?

The A/R Aging Report can help you to stay on top of customer invoices that are past due so you can follow up with your customers about payment. The longer an invoice remains past due, the higher the likelihood that you may not get paid without some type of follow up with your customers. Not getting paid can impact your business' cash flow, so it's important to keep on top of your unpaid invoices using an A/R Aging Report.

What are the Components of the A/R Aging Report? – Accounts Receivable Aging Report Example

To help demonstrate the components of the A/R Aging report, we will take a look at the A/R Aging report for our fictitious company, **Paul's Plumbing**.

Below you will find the **A/R Aging summary report as of September 30, 2016** for Paul's Plumbing, along with a brief explanation of the different components.

Paul's Plumbing

A/R AGING SUMMARY

As of September 30, 2016 (1)

(2)	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
Amy's Bird Sanctuary		239.00				$239.00
Bill's Windsurf Shop			85.00			$85.00
Freeman Sporting Goods	477.50	4.00	81.00			$562.50
Geeta Kalapatapu	629.10					$629.10
Jeff's Jalopies		81.00				$81.00
John Melton		450.00				$450.00
Kookies by Kathy			75.00			$75.00
Mark Cho	314.28					$314.28
Paulsen Medical Supplies	954.75					$954.75
Red Rock Diner	70.00			156.00		$226.00
Rondonuwu Fruit and Vegi	78.60					$78.60
Shara Barnett		274.50				$274.50
Sonnenschein Family Store	362.07					$362.07
Sushi by Katsuyuki	80.00	80.00				$160.00
Travis Waldron	414.72					$414.72
Weiskopf Consulting	375.00					$375.00
TOTAL (3)	$3,756.02	$1,128.50	$241.00	$156.00	$0.00	$5,281.52

Accounts Receivable Aging Report Example

1. **Date:** Similar to the Balance Sheet report, this report is as of a specific date. In this example, it is as of September 30, 2016.
2. **Aging categories:** This report is organized by customer and then by 5 different aging buckets (e.g. 1-30 days late, 31-60 days late, etc.).
    - **Current column** – Indicates invoices that are not yet due. No action is required for invoices that appear in this column.
    - **1-30 column:** Indicates invoices that are 1-30 days past due. Certainly you don't want to contact a customer who is just a couple days past due. However, for any invoices that are 7 days past due, I would recommend that you send the

customer a friendly reminder either by telephone or email. If you send an email, I would include a copy of the invoice as well.

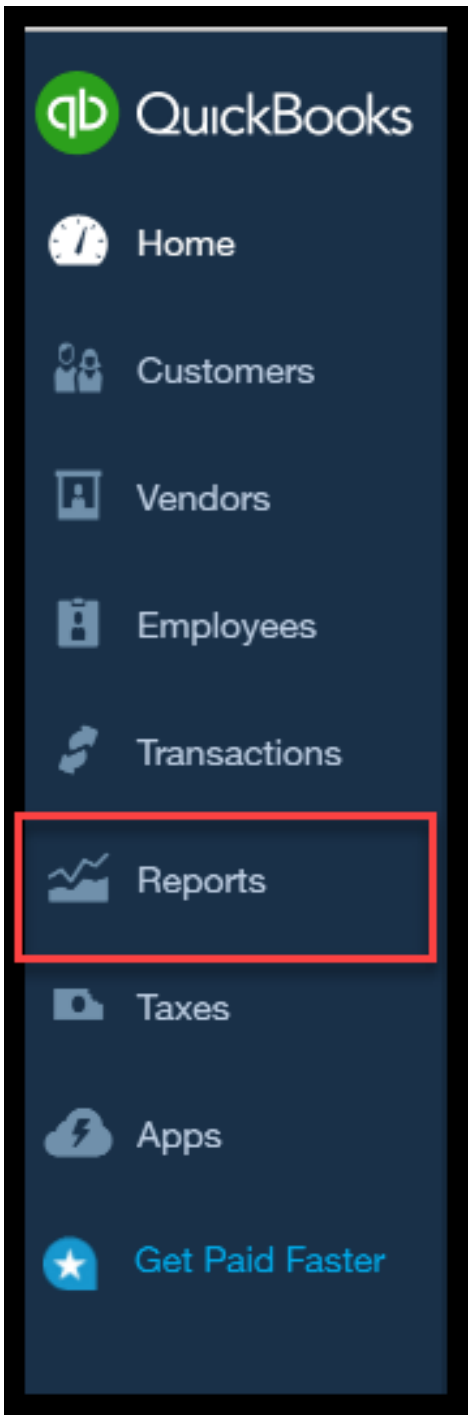
- **31-60 column:** Indicates invoices that are 31-60 days past due. By this point, you should have sent at least 1 or more reminders to your customer to pay their outstanding balance. If you still have not received a response, then I suggest that you send them a letter on letterhead that includes verbiage like “in order to avoid any additional late fees or penalties, please remit payment immediately”.
- **61-90 column:** Indicates invoices that are 61-90 days overdue. Unless you have spoken with your customer and provided them with additional time to pay their outstanding balance, more than likely you will not be getting paid. At this point, you may want to look into sending this to a collection agency or possibly writing it off as bad debt.
- **91 and Over:** Indicates invoices that are 91 days past due. Similar to what I mentioned for anything in the 61-90 days column, you should likely be sending this to a collection agency or writing it off as bad debt expense.

3. **Totals by group:** a good rule of thumb is to make sure that the majority of your outstanding receivables is within the first 3 columns. It should be a rare occasion that you have something creep into the 61 and over categories. If you do, be sure to address it quickly.

How Do I Run an Accounts Receivable Aging Report in QuickBooks Online?

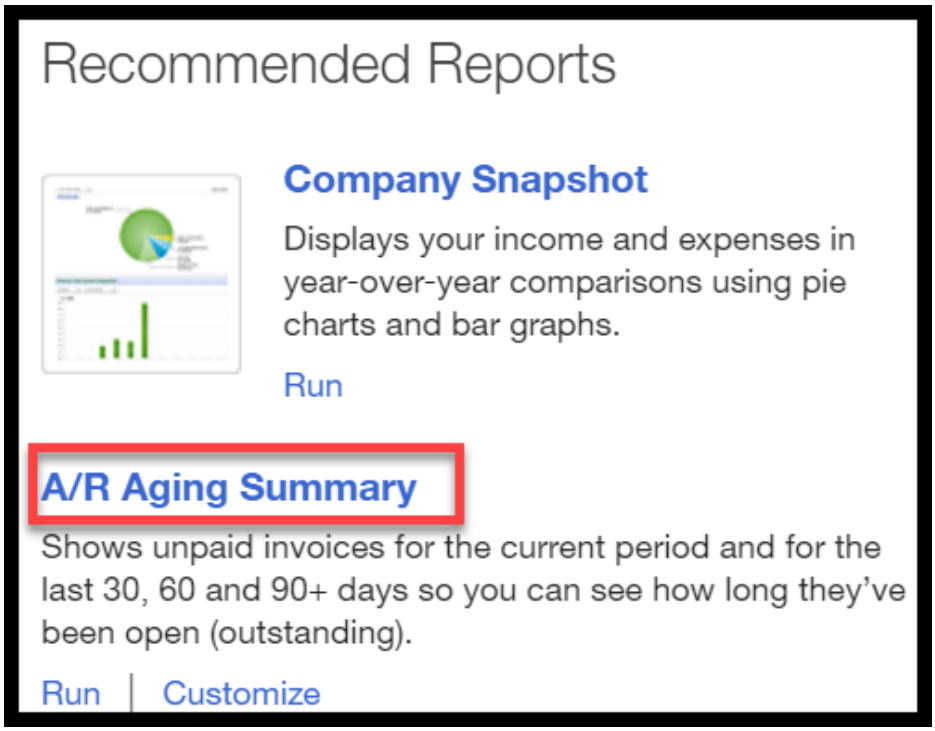
Step 1 – Navigate to the Report Center

From the Home page, click on **Reports** located on the left menu bar as indicated below.



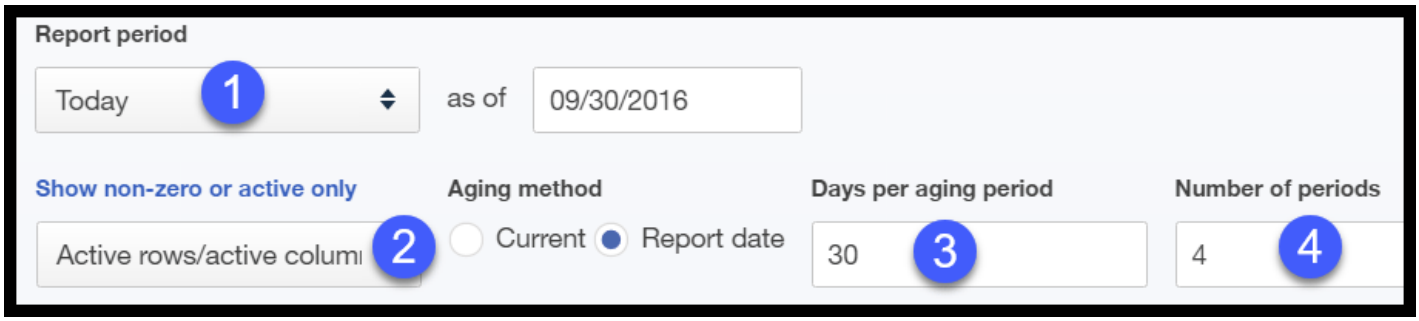
Step 2 – Report Center

Click on the **Recommended Reports** tab. The A/R Aging Summary report is right below the Company Snapshot as shown below.



Step 3 – Report Filters

From this screen, you have several options to choose from as indicated below.



1. **Reporting period** – Select the report period you would like to run the report for (i.e. today, this week, this month, etc;)
2. **Show non-zero or active only** – Display only active customers that have an outstanding balance.
3. **Days per aging period** – Select the # of days you would like for each aging category. In Paul's report, we have each category set to 30 days (i.e. 1-30, 31-60 etc;) Typically this is the most common option but if you have terms shorter than that (i.e. Net 15 days) then you may want to go with 15 day increments (i.e. 1-15 days late, 16-30, etc.).
4. **Number of periods** – Select the # of categories you want to age invoices. In Paul's report we have a total of 4 periods (1-30, 31-60, 61-90, 91 & Over)

Step 4 – Display Report

Click the Finish button, and your A/R Aging Summary Report will display on screen like the accounts receivable aging report example for **Paul's Plumbing** below**.**

Paul's Plumbing

A/R AGING SUMMARY

As of September 30, 2016

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
Amy's Bird Sanctuary		239.00				$239.00
Bill's Windsurf Shop			85.00			$85.00
Freeman Sporting Goods	477.50	4.00	81.00			$562.50
Geeta Kalapatapu	629.10					$629.10
Jeff's Jalopies		81.00				$81.00
John Melton		450.00				$450.00
Kookies by Kathy			75.00			$75.00
Mark Cho	314.28					$314.28
Paulsen Medical Supplies	954.75					$954.75
Red Rock Diner	70.00			156.00		$226.00
Rondonuwu Fruit and Vegi	78.60					$78.60
Shara Barnett		274.50				$274.50
Sonnenschein Family Store	362.07					$362.07
Sushi by Katsuyuki	80.00	80.00				$160.00
Travis Waldron	414.72					$414.72
Weiskopf Consulting	375.00					$375.00
TOTAL	**$3,756.02**	**$1,128.50**	**$241.00**	**$156.00**	**$0.00**	**$5,281.52**

Account Receivable Aging Report Example

Step 5 – Display the Invoice Detail for a Customer

In order to get to the invoice details for the summary report, you simply click on the customer that you want to see the invoice details for. When you do so, QuickBooks will provide you with details of the invoice(s) that make up the outstanding balance for that customer, as indicated below.

DATE	TRANSACTION TYPE	NUM	CLIENT	DUE DATE	AMOUNT	OPEN BALANCE
Current						
09/03/2016	Invoice	1033	Geeta Kalapatapu	10/03/2016	629.10	629.10
Total for Current					**$629.10**	**$629.10**

Recommended Action Plan

By now you should have a good idea of how the A/R Aging Summary report can help you to stay on top of unpaid invoices, so that you can get paid from your customers in a timely manner. Here are a few things that you should implement as soon as possible:

- Be sure you create an invoice for all credit sales as they occur.
- Make sure that you set up payment terms for all customers.
- Establish a follow-up plan for invoices that become past due. For example, what action will you take when they are in each of the buckets (1-30, 31-60, etc.)?
- Review the A/R Aging Report on a weekly basis if possible.
- For more tips, check out our articles on Setting the Best Invoice Terms for Your Customers and Getting Paid Faster.

Wrap Up

That wraps up the section on How to Run an A/R Aging Report in QuickBooks Online. The next lesson in our QuickBooks Online Training Course will be How to Run an Accounts Payable Aging report in QuickBooks Online. In this course, we will discuss what the Accounts Payable Aging report will tell you about your business and how to create an A/P Aging report in QuickBooks Online.

To access this lesson or any of the others in the series, click here. Or, click here for a free 30-day trial of QuickBooks Online.

How to Run an Accounts Payable Aging Report in QuickBooks Online

By Crystalynn Shelton on October 24, 2016 | Accounting, Bookkeeping, How To, Quickbooks | Comments (0)

Welcome to the Fit Small Business QuickBooks Online training course! In this lesson, we're going to cover the importance of reviewing your Accounts Payable Aging report and how to run an A/P Aging Report with samples, in QuickBooks Online.

You can follow along on your own QuickBooks Online account. If you don't have one already, click here to sign up for a free 30-day trial and follow along below.

To complete this lesson, you can either watch the video below, read through the step-by-step instructions, or do both. Let's begin!

What is an Accounts Payable Aging Report?

The A/P Aging report is the exact opposite of the A/R Aging report, which we covered in the previous lesson. The A/P Aging report provides a list of unpaid vendors that you owe. In order for this report to work, you must set up the payment terms your suppliers have extended to you in QuickBooks. In the setting up your vendors lesson, we walked through step by step how to set up payment terms.

Why is the Accounts Payable Aging Report Important?

Similar to the A/R Aging report, the A/P Aging report provides you with the payments that you have coming up. With this information, you can determine how much cash you will need to meet your obligations. It is important to pay the suppliers who extend you credit on time, so that you can maintain a good payment history. Doing so can also open the door for you to increase the current credit amount they have extended to you. Maintaining a positive payment history can also improve your business credit rating.

What are the Components of the Accounts Payable Aging Report?

Below you will find the A/P Aging Report for a fictitious company, Paul's Plumbing. We will look at this accounts payable aging report example to help demonstrate the components of the A/P Aging report.

Paul's Plumbing

A/P AGING SUMMARY

As of September 30, 2016 (1)

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
Brosnahan Insurance Agency		241.23				$241.23
Diego's Road Warrior Bodyshop	755.00					$755.00
Norton Lumber and Building Mat...		205.00				$205.00
PG&E			86.44			$86.44
Robertson & Associates		315.00				$315.00
TOTAL	$755.00	$761.23	$86.44	$0.00	$0.00	$1,602.67

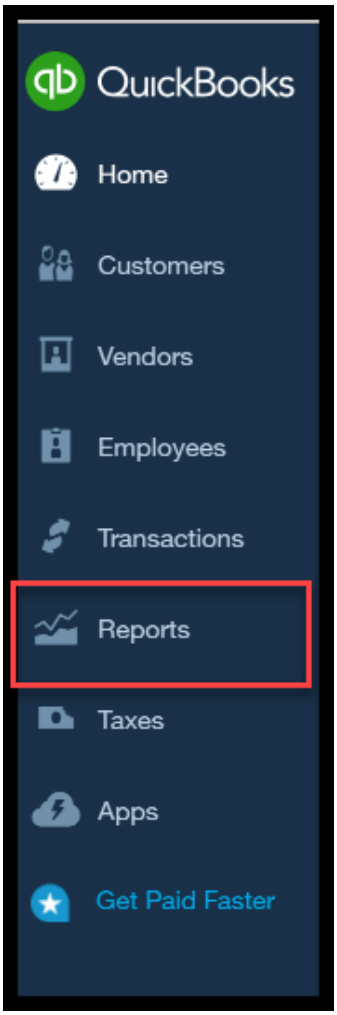
Accounts Payable Aging Report Sample

1. **Date:** Similar to the Balance Sheet, the A/P report is as of a specific date. In this example, it is as of September 30, 2016.
2. **Aging categories:** This report is organized by vendor and then by 5 different aging buckets similar to the A/R Aging report. The **Current column** indicates invoices that are not yet due. Beginning with the 1-30 day column, each category represents the number of days your invoices are past due.
   TIP: *If you are having difficulty meeting your obligations in a timely manner, pick up the phone and call your supplier. Chances are, they will be happy to extend you some additional time to pay your bills. In addition, most of them will take a partial payment or set up some type of payment plan for you. The worst thing that you can do is not communicate with them.*
3. **Totals by group:** A good rule of thumb is to make sure that the majority of your outstanding payables stays within the first 3 columns. It should be a rare occasion that you have something creep into the 61 and over categories. If you do, be sure to address it as quickly as you can with your supplier.

How Do I Run an Accounts Payable Aging Report in QuickBooks Online?

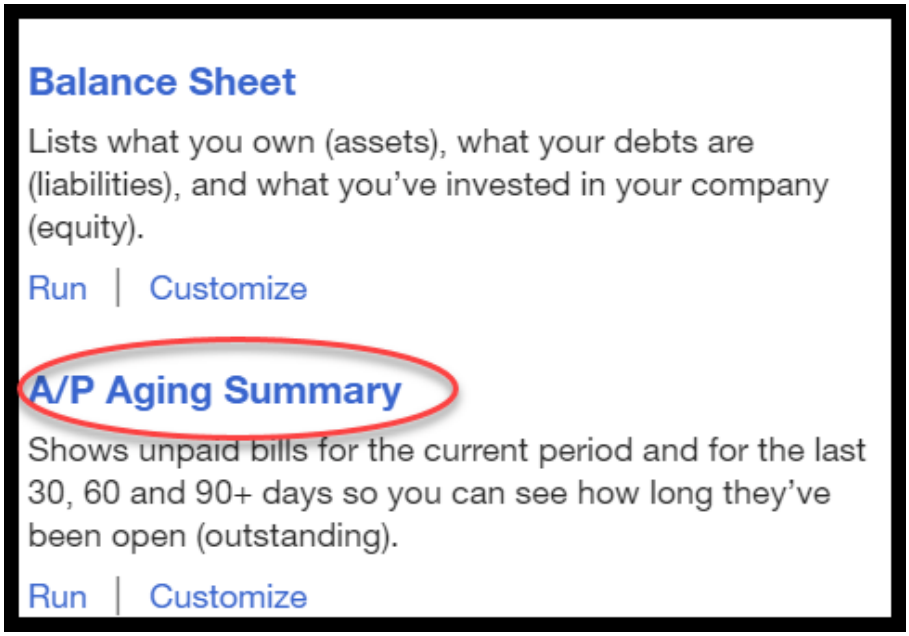
Step 1 – Navigate to the Report Center

From the Home page, click on **Reports** located on the left menu bar as indicated below.



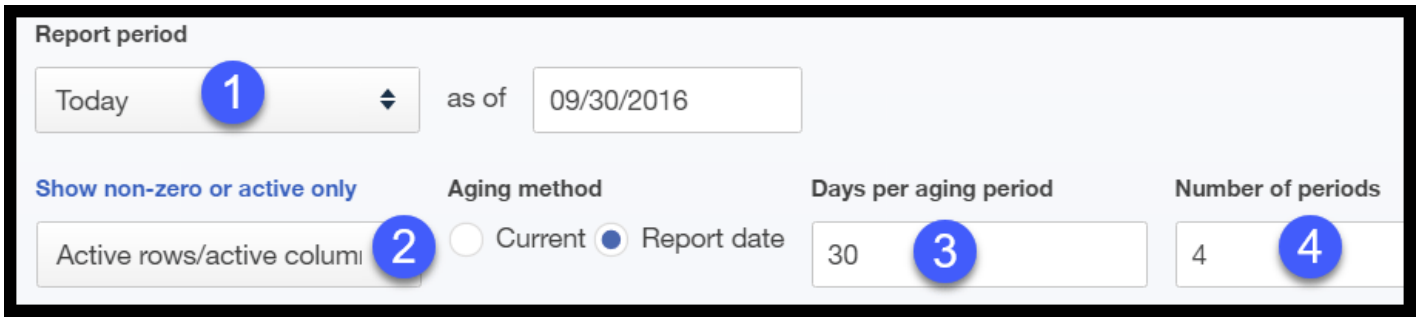
Step 2 – Report Center

Click on the **Recommended Reports** tab. The **A/P Aging Summary** report is right below the Balance Sheet report as indicated below.



Step 3 – Report Filters

From this screen, you have several options to choose from, as shown below.



1. **Reporting period** – Select the report period you would like to run the report for (i.e. today, this month, this week, etc;)
2. **Show non-zero or active only** – This will display only active vendors that you have an outstanding balance with.
3. **Days per aging period** – Select the number of days you would like for each aging category. In Paul's report, we have each category set to 30 days (i.e. 1-30, 31-60 days, etc.) Typically this is the most common option, but if you have terms shorter than that (i.e. Net 15 days), then you may want to go with 15 day increments (i.e. 1-15, 15-30 days, etc.).
4. **Number of Periods** – Select the number of categories you want to age invoices. In Paul's report we have a total of 4 (i.e. 1-30, 31-60, 61-90, 91 & Over).

Step 4 – Display Report

Click the Finish button, and your A/P Aging Summary Report will display on screen like the one below for Paul's Plumbing.

Paul's Plumbing

A/P AGING SUMMARY

As of September 30, 2016

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
Brosnahan Insurance Agency		241.23				$241.23
Diego's Road Warrior Bodyshop	755.00					$755.00
Norton Lumber and Building Mat...		205.00				$205.00
PG&E			86.44			$86.44
Robertson & Associates		315.00				$315.00
TOTAL	**$755.00**	**$761.23**	**$86.44**	**$0.00**	**$0.00**	**$1,602.67**

Accounts Payable Aging Report Sample

Step 5 – Display the Invoice Detail for a Vendor

In order to view invoice details from the summary report, you simply click on the vendor that you want to see the details for. When you do so, QuickBooks will provide you with details of the invoice(s) that make up the outstanding balance for that vendor, as indicated below.

TRANSACTION TYPE	NUM	VENDOR	DUE DATE	PAST DUE	AMOUNT	OPEN BALANCE
Bill		Diego's Road Warrior Bodyshop	10/02/2016	-2	755.00	755.00
					$755.00	**$755.00**

Recommended Action Plan

By now you should have a better understanding of how the A/P Aging Summary report can help you stay on top of unpaid vendor invoices, so that you can be sure to pay your suppliers in a timely manner.

Here are a few things that you should implement at your earliest convenience:

- Be sure to enter all vendor bills into QuickBooks Online as soon as possible
- Make sure that payment terms are set up in QuickBooks for all vendors
- Be sure to communicate to your vendor is you are going to be late with payment

- Review the A/P Aging Report on a weekly basis to stay on top of your bills

Wrap Up

That wraps up our lesson on How to Run an A/P Aging Report in QuickBooks Online.

To access this lesson or any of the others in the series, click here. Or, click here for a free 30-day trial of QuickBooks Online.