LEARNING MADE EASY

2026 Edition

QuickBooks® Online

for dummies®

A Wiley Brand

Securely manage your business finances online

Take care of invoices, payroll, and bills from anywhere

Create powerful reports in Excel

David H. Ringstrom, CPA

Author of *Microsoft Excel 365 For Dummies*

QuickBooks® Online

for dummies®
A Wiley Brand

QuickBooks® Online

2026 Edition

by David H. Ringstrom, CPA

for dummies®
A Wiley Brand

QuickBooks® Online For Dummies®, 2026 Edition

Published by: **John Wiley & Sons, Inc.,** 111 River Street, Hoboken, NJ 07030-5774, www.wiley.com

Published simultaneously in Canada

For general information on our other products and services, please contact our Customer Care Department within the U.S. at 877-762-2974, outside the U.S. at 317-572-3993, or fax 317-572-4002. For technical support, please visit https://hub.wiley.com/community/support/dummies.

Wiley publishes in a variety of print and electronic formats and by print-on-demand. Some material included with standard print versions of this book may not be included in e-books or in print-on-demand. If this book refers to media that is not included in the version you purchased, you may download this material at http://booksupport.wiley.com. For more information about Wiley products, visit www.wiley.com.

Library of Congress Control Number: 2025947880

ISBN 978-1-394-36717-7 (pbk); ISBN 978-1-394-36719-1 (ebk); ISBN 978-1-394-36718-4 (ebk)

Contents at a Glance

Table of Contents

Introduction

Welcome aboard! Whether you're brand new to QuickBooks or have a few accounting scars to show for past attempts, this book is here to help you tame QuickBooks Online and get things done — without pulling your hair out. I'll guide you through the features, pitfalls, shortcuts, and smart strategies so you can spend less time wrestling with your books and more time running your business.

QuickBooks Online is *cloud-based*, meaning your accounting files live in the great digital beyond, accessible from just about anywhere with an internet connection. This book focuses solely on QuickBooks Online. If you're looking for help with QuickBooks Desktop, you've wandered into the wrong neighborhood. For that, check out Stephen L. Nelson's *QuickBooks All-in-One For Dummies 2026* (John Wiley & Sons, Inc.), where the Desktop edition gets its due.

TIP

QuickBooks Online means well. It's built to take the sting out of accounting, and on a good day, it actually does. But like most software, it has its quirks and occasionally may cause you to gnash your teeth. I've done my best to point out common pitfalls and explain things clearly, but if you have a question that this book doesn't answer, feel free to reach out. You can email me at `ask@davidringstrom.com`, and I'll do my best to help you get unstuck.

Some of the tasks in QuickBooks are delightfully simple. For instance, you can kick-start your recordkeeping by forwarding purchase receipts to a special address tied to your company — no paper cuts required. You can also lean on generative AI (artificial intelligence) to turn that chaotic jumble of notes about a project you just wrapped up into a polished invoice — because yes, even QuickBooks is getting in on the robot magic.

Other tasks, like setting up bank feeds to download transactions from your bank accounts and credit cards, become easier once you've done a little groundwork. And then there are the more intimidating chores, like entering journal entries, which might look like accounting wizardry if you're not a numbers nerd. Don't worry. I walk you through just about everything you may want to do in your accounting records and even a few power moves you can pull off in Microsoft Excel when QuickBooks doesn't quite cut it.

About This Book

In the past, QuickBooks Online changed at a gentle, predictable pace. New features appeared gradually, and the interface stayed largely consistent. But now? These are uncharted waters. While writing this book, I watched features vanish and then mysteriously return — sometimes all in the same week — without so much as a heads-up. My editors and I have done our best to document a moving target. If something doesn't look quite like it does in this book, it's not you. It's QuickBooks. For example, one day the sidebar sported a button called My Apps; the next, the same command was relabeled All Apps.

Before you dive into the inner workings of your accounting software, let me get a few technical conventions out of the way:

- Text that you're meant to type as it appears in the book is **bold**. The exception is when you're working through a list of steps. Because each step is bold, the text to type is *not* bold. Tricky, eh?
- Web addresses and programming code appear in `monofont`. If you're reading a digital version of this book on a device connected to the internet, note that you can tap or click a web address to visit that website, like this: `https://www.dummies.com`.
- Search keywords are *italic*. For example: Enter the keywords *IE allow scripted windows* in your favorite search engine.
- Everyone can use QuickBooks Online in either a web browser or the mobile app:

  On a desktop, Intuit recommends one of the following browsers:

  - Google Chrome version 78 or higher
  - Mozilla Firefox version 76 or higher (macOS users also need the Firefox PDF plugin)
  - Microsoft Edge version 75 or higher
  - Safari version 12 or higher (macOS only)

  Advanced and Accountant subscribers also have access to a downloadable desktop app, which offers features that aren't unavailable within the web browser version.

  On a mobile device, you'll need to be running iOS 11.1 or higher with the Safari browser or Android Nougat 7.1.1 or higher with the Chrome browser.

TIP

Most modern computers should easily exceed the minimum requirements for QuickBooks Online, but you can get the nitty-gritty computer specification details here: `https://intuit.me/3yEaSJL`.

- When I discuss a command to choose, I separate the elements of the sequence with a command arrow that looks like this: ➪. For example, when you see Sales ➪ Invoices, you should click Sales in the left bar and then click Invoices in the dropdown menu that appears.

Foolish Assumptions

I had to assume some things about you to write this book, so here are the educated guesses I made:

- You know that you need to manage a set of accounting records for one or more businesses, and you might even have some sort of setup in place already. I *did not* assume that you know how to do all those things on a computer.
- You may want to analyze some of your accounting data outside QuickBooks, which is why I include chapters on using Microsoft Excel. Some of that information translates to Google Sheets as well.
- You have a personal computer running Windows 11 (like me) or a Mac running macOS 10.11 or later.
- You have a copy of Microsoft Excel on your computer, or you plan to use the free Google Sheets at `https://sheets.google.com` — because sometimes QuickBooks needs a little spreadsheet sidekick.

Icons Used in This Book

Throughout the book, I use icons to draw your attention to various concepts that I want to make sure you don't skip in the main part of the text. Sometimes I share information to help you save time; in other cases, the goal is to keep your accounting records safe.

TIP

This icon highlights time-saving tricks and quirky shortcuts you might stumble across in QuickBooks. Who doesn't love getting more done with less effort?

REMEMBER

This icon flags the trickier bits of QuickBooks — things that might trip you up if you're not paying attention. Keep it in mind before QuickBooks throws you a curveball.

WARNING

This product can burn your eyes. Oops! Wrong type of warning! Your eyeballs are safe with me. That said, do pay close attention to warnings you come across. They're here to help you steer clear of problems that could wreak havoc in your accounting records, or, more commonly, just drive you up the wall.

TECHNICAL STUFF

At times, I may wander into some geeky territory — esoteric stuff about QuickBooks, your web browser, or your computer. If that's not your cup of tea (or double-shot espresso), feel free to skip those parts without guilt. Trust me, I won't judge.

Beyond the Book

In addition to the book content, this product comes with a free, access-anywhere Cheat Sheet that lists keyboard shortcuts and toolbar buttons. The Cheat Sheet also covers how to convert a company from QuickBooks Desktop or Sage 50 to QuickBooks Online, and enter payroll history. To get this Cheat Sheet, go to `https://www.dummies.com` and search for *QuickBooks Online For Dummies Cheat Sheet*.

My technical editor extraordinaire, Dan DeLong, has two ways to help you learn more about QuickBooks:

- **QuickBooks Chooser Chatbot:** This interactive tool will ask you questions to help you determine the right subscription level for your business.
- **School of Bookkeeping:** Dan and his team offer up-to-date information and tutorials at `https://schoolofbookkeeping.com/` that break down every version of QuickBooks Online, QuickBooks services (Payments and Payroll), and other tasks into bite-sized lessons that you can watch and help you get back to business. Use promo code QBO4DUMMIES to save 20 percent on any membership.

If you're looking for video-based Excel training, please visit my site at `www.professionalsexcel.com`. The same QBO4DUMMIES promo code enables you to save 20 percent on any individual videos or subscriptions here as well.

Where to Go from Here

You'll find a breakdown of the QuickBooks Online subscription tiers, along with what each one includes and what it might cost you, in Chapter 1. Once you've picked a plan (or are still weighing your options), the rest of the book helps you get the most out of that choice. I've organized the chapters to align with the subscription ladder, so you don't have to wade through features you'll never use. Here's how to chart your course through the chapters ahead.

- **Part 1, "Core Functionality":** Covers the features available to all QuickBooks Online users, regardless of subscription level.
- **Part 2, "QuickBooks Online Essentials Features":** Covers additional features that upgrading to an Essentials subscription adds, such as multi-currency functionality, product bundles, time tracking, applying billable time to invoices, and billable expenses to expense entries.
- **Part 3, "QuickBooks Online Plus Features":** Covers what you get when you level up to a Plus subscription. Topics include inventory management, purchase orders, classes and locations, project profitability tracking, and budgets.
- **Part 4, "QuickBooks Online Advanced Features":** This is the deep end. An Advanced subscription provides a desktop app, backups, customizable security, and enhanced reporting and charting tools, including PivotTable reports, tasks, workflows, revenue recognition, and depreciation. You'll also see how Spreadsheet Sync lets you create self-updating reports, consolidate data, manage lists, create or edit transactions, and work with budgets — all within Excel.
- **Part 5, "QuickBooks Online Accountant Features":** Walks through accountant-specific features, such as client and team management, accountant tools and screens, and practice management screens.
- **Part 6, "Microsoft Excel Analysis":** Discusses ways that you can analyze your data in Microsoft Excel, including disabling the pesky Protected View feature, filtering your data, and creating summary reports with PivotTables. You also see how to automate repetitive analytical tasks with Power Query.
- **Part 7, "The Part of Tens":** Covers ten common journal entries and ten-plus shortcuts for the Chrome browser to help you optimize your use of QuickBooks. Plus, a list of ten things QuickBooks won't tell you.

1

Core Functionality

IN THIS PART . . .

Tailor the software to fit your company's unique needs.

Record sales, handle estimates, and process customer payments.

Write checks, manage accounts payable, and record credit card transactions.

Run payroll and make payments to contractors.

Record bank deposits and reconcile bank accounts.

Review and utilize various reporting features.

Implement apps and automation to increase efficiency.

IN THIS CHAPTER

» Picking the right subscription plan

» Tailoring the QuickBooks interface to mimic the way you work

» Tackling chart of accounts and custom fields

» Attaching supporting documents to records and transactions

» Making a change to your subscription

Chapter 1

Setting the Stage in QuickBooks

Buying a new pair of shoes can feel great — at least until you try walking in them. Maybe the fit's a little off, or the insoles aren't quite right. Fortunately, most shoes can be broken in or adjusted to suit your stride. The same goes for QuickBooks Online. While the platform comes ready to use, a few thoughtful tweaks can make your accounting experience far more comfortable. In this chapter, I walk you through picking the right subscription plan and key setup steps — like reviewing your chart of accounts and tailoring system settings — so QuickBooks fits your business (or your clients') just right. With a few tweaks, QuickBooks can be like a well-worn pair of sneakers — ready to go the distance.

Establishing Your Subscription

A journey of 1,000 miles begins with a single step — or in QuickBooks Online, with picking a subscription level and setting up your Intuit account. Whether you're starting fresh or coming from another system, you can jump into a plan right away or test-drive a Plus or Advanced sample company first.

Comparing subscription tiers

Cue up "For the Love of Money" by the O'Jays. Intuit wants more of yours, and you'd prefer to keep it for yourself. This section breaks down what each subscription level includes, what it costs, and how many users you can bring along for the ride. Every plan includes at least one accountant user who doesn't count toward your limit; Simple Start and above include two. From there, the details start to diverge:

- **Solopreneur** ($20/month, $240/year): Formerly known as QuickBooks Online Self-Employed, this plan is aimed at folks running a side hustle or solo gig.

  REMEMBER

  While there's some feature overlap, Solopreneur uses a separate version of QuickBooks Online not covered in this book.

- **Simple Start** ($38/month, $456/year): You get one full-access user. (That's you!) Ideal for those who just need the basics — sending invoices, receiving payments, paying bills, and tracking bank transactions.

- **Essentials** ($75/month, $900/year): Allows one full-access user and two additional users, plus extra time-tracking only users who can log their hours without touching the rest of your books (which stay walled off like Fort Knox).

  TIP

  In QuickBooks lingo, the lone full-access user is known as the primary admin — aka the big cheese, the super user, the Dude (or Dudette). Additional users can be set up as company admins (deputy cheeses, if you will) or limited to just certain areas of your books, depending on how much power you want to give them or how much trouble you're trying to avoid.

- **Plus** ($115/month, $1,380/year): This version pumps up the volume, er, price but allows one full-access user plus four additional users (for a total of five) plus unlimited "track time only" users. But wait, there's more! You also get unlimited "view company reports" users who can peek at the numbers but not change a thing. This is the level that you need to buy in at if you track inventory, use purchase orders, track transactions by project or class, and create budgets.

- **Advanced** ($275/month, $3,300/year): This is it — the whole enchilada when it comes to price and power. This buffet spread allows one full-access user plus 24 additional users (for a total of 25), along with unlimited "track time only" and "view company reports" users. Is it Taco Tuesday yet? Because this plan is fully loaded. At this level, a desktop app makes for more efficient company access. You can back up and restore your data, create custom reports and charts, sync data with Excel, shepherd transactions with workflows, and much more.

  TIP

  If you're the type who says, "I'm not gonna pay a lot for this software," I have good news: An annual subscription knocks 10 percent off your fees at any subscription level. Frugality for the win!

» **Accountant** (free for QuickBooks Pro Advisors): This special version is designed for accountants and bookkeepers and includes a free Advanced subscription to manage your own firm's books. You also get practice management tools and single sign-on access to your client's books so that you can hop between companies without playing login roulette.

TIP

Visit `https://quickbooks.intuit.com/accountants/proadvisor` to sign up for the QuickBooks ProAdvisor program. No secret handshakes, passwords, credentials, or even credit cards required — just show up and you're in.

Here's how to start a QuickBooks subscription:

1. **Go to `https://quickbooks.intuit.com`, and then click Plans & Pricing.**
2. **Choose between a 30-day free trial or a discounted rate for the first three months.**

   TIP

   Intuit typically offers 50 percent off for the first three months, but you may be able to score a steeper discount during promotional events — such as a 90 percent Memorial Day Sale offer. Even better, if your accountant is part of Intuit's ProAdvisor program, they can hook you up with a 30 percent discount — either for the first year or indefinitely. Not bad, right? Flip to Chapter 17 for the full scoop on how the magic happens.

   REMEMBER

   If you go the free trial route, you'll need to circle back in 30 days to officially start your subscription. Choose the discount instead, and your subscription kicks in right away and keeps rolling until you say otherwise.
3. **Click Choose Plan for the subscription level of your choice.**

TEST-DRIVING THE GOODS

Not quite ready to commit? QuickBooks offers sample companies you can explore — no signup, no credit card, no strings attached. These demo environments are fully loaded with sample data, so you can click around, test features, and see how each version feels before you sign the dotted line. It's like taking a car for a spin, minus the sales pitch and air freshener:

- **Plus:** `https://qbo.intuit.com/redir/testdrive`
- **Advanced:** `https://quickbooks.intuit.com/accountants/products-solutions/accounting/online`

4. **If you'd like to include payroll, select a payroll plan. Otherwise, click Continue without Payroll.**

   Chapter 4 delves into processing payroll in QuickBooks.

5. **Create a new Intuit account, or sign in to an existing one.**
6. **Provide your payment information, and then click Subscribe.**
7. **Click Get Started to launch the onboarding wizard, which entails the following steps:**

   a. Enter your company name.

   b. Indicate how you previously kept your accounting records.

   TECHNICAL STUFF

   QuickBooks Online can import accounting records from QuickBooks Desktop or Sage 50.

   c. Choose your industry, business type, and last year's revenue range.

   d. Identify your role and the number of employees.

   e. Optionally schedule a setup call with a live expert.

   f. Pick a setup task, such as personalizing invoices or linking a bank or credit card account.

REMEMBER

Intuit automatically opts in new subscribers to QuickBooks Payments, which explains the pop-ups urging you to finish setup. QuickBooks Payments lets customers pay you online, while QuickBooks Online Bill Pay (see Chapter 3) lets you pay vendors. Both are optional and carry extra fees, so activate them only if they fit your business needs.

8. **When you see the Let's Go button, congratulations — you've made it through the initial gauntlet, er, setup.**

   Click it to launch your QuickBooks dashboard.

Seeing Double, Triple, or Not?

When you log in to your company, you'll see either the new QuickBooks sidebar (Figure 1-1) or the classic sidebar (Figure 1-2). The two look different, but they share the same core features. The new version breaks up the classic sidebar into smaller chunks — now shown as **All Apps** icons on the left and duplicated as buttons across the top. I refer to this throughout the book as *the new sidebar* to distinguish it from the old sidebar.

MANAGING PASSWORDS WITHOUT LOSING YOUR MIND

If you're logging into QuickBooks regularly, a password manager can make life easier. Tools like 1Password and Dashlane help you create strong, unique passwords for each site and store them behind one master passphrase. Many also store authenticator codes for your Intuit account, which can eliminate the need for QuickBooks to email or text you verification codes every time you log in. I no longer recommend LastPass due to multiple security breaches, including storing user data in unencrypted form. I was a holdout on managing passwords myself until one day a colleague mentioned how much time a password manager saved. That was all it took.

QuickBooks also supports passkeys, which is a newer, more secure way to sign in without typing a password. Instead, you use something like Face ID, a fingerprint, or your device passcode. Passkeys are stored securely, can't be reused or phished, and work well alongside password managers. If your browser or password manager offers to save one, it's worth clicking yes.

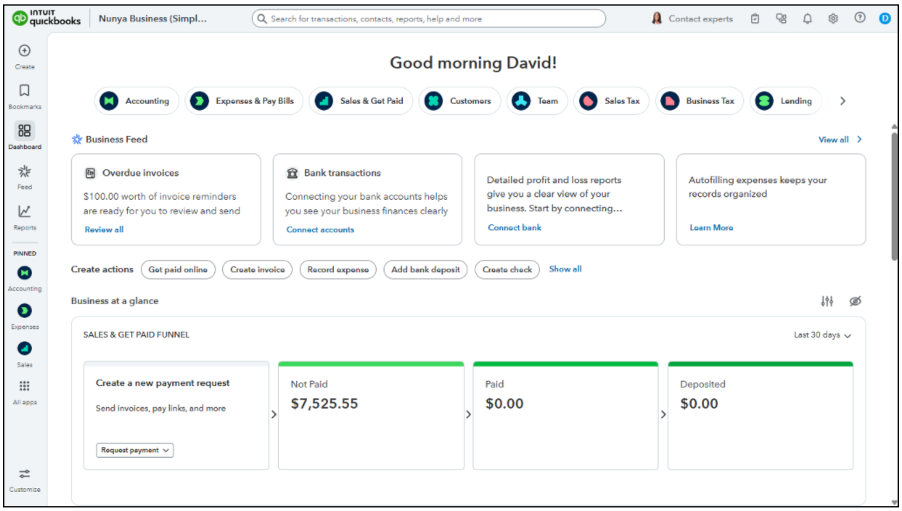


FIGURE 1-1: The new sidebar interface for QuickBooks Online.

Here's where things get blurry: Features like **Sales**, **Banking**, and **Reports** — once simple menu items — are now called *apps*. That's a big shift from the way QuickBooks used to treat apps as third-party add-ons. Just to be clear: I'm talking about built-in tools, not the marketplace extensions. (Those are still around — see Chapter 7.)

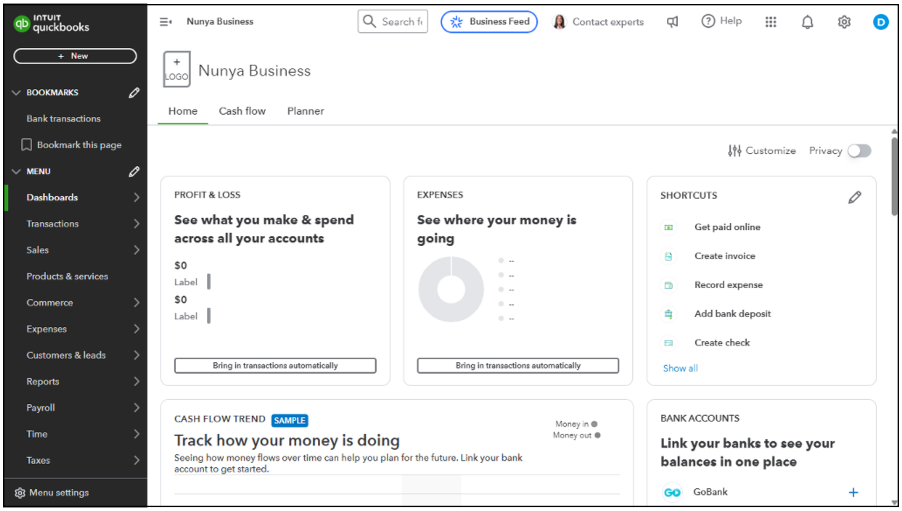


FIGURE 1-2: The classic sidebar interface in QuickBooks Online.

The result? Two sets of navigation that lead to the same places. If you feel like you're seeing double, you're not imagining things.

Switching between the interfaces

If you're a seasoned QuickBooks user and feel like you've been dropped into a video game level you never asked to play, relief may be just a couple of clicks away. To try to restore the classic interface, click Settings ➪ Switch (not Switch Company). Keep in mind that Intuit is threatening to remove this option, although they often miss their own deadlines.

If the switch is available, an optional survey may appear. Just scroll to the bottom and click Skip if you'd rather keep your opinions between you and your beverage of choice. Either way, you'll return to the familiar left-hand navigation panel and the classic QuickBooks layout. And if you ever want to step back into the future, just choose Settings ➪ Switch again.

REMEMBER

The view you choose doesn't affect your data. It just changes how QuickBooks presents it.

Working in multiple windows

If you've ever wished you could look at a report while entering a transaction or compare two customers or invoices side by side, you're not alone. The good news: You *can* open multiple browser windows for the same company.

To do so, just navigate to `https://qbo.intuit.com` in a new browser tab or window, and then sign in as usual. You can work in as many windows as your brain and bandwidth can handle. Want to see the Accounts Receivable Aging Detail report while sending out invoices? No problem. Running a report while reconciling a bank account? Go for it.

REMEMBER

You're still working in a single company file. Any change you make in one window is immediately reflected in the others, so if you're testing something, tread carefully.

TIP

If you're using Chrome, you can right-click a tab and choose Duplicate to quickly spin off a second copy of your session without needing to sign in again.

Banking on bookmarks

They may not earn interest, but bookmarks — both in QuickBooks *and* in your browser — can save you time every time you log in. Think of them as shortcuts to your favorite corners of QuickBooks, whether you're already signed in or just getting started.

Creating QuickBooks bookmarks

Here's how to customize your bookmarks:

1. **Click Edit after you click Bookmarks.**

   The Bookmarks dialog box opens.

2. **Search for and select the pages you want quick access to.**
3. **Optionally rearrange your list using the drag handles to put your go-to commands at the top.**
4. **Click Save to apply your changes, or Cancel if you change your mind.**

   You can also add bookmarks on the fly — just click + Bookmark This Page. Click Bookmarks to display the option.

TIP

To edit a bookmark, hover over the bookmark and click Edit. An Edit Bookmark dialog box opens, where you can rename or remove the bookmark as needed.

Adding browser bookmarks

Before you even reach your dashboard, a simple browser bookmark can shave precious clicks off your routine. Bookmarking the QuickBooks login page or, better yet, your company's direct URL, makes it easy to jump in.

To bookmark your QuickBooks company directly:

1. **Sign in to QuickBooks Online at `https//qbo.intuit.com` and wait until your company file is fully open.**
2. **Click the star icon in your browser's address bar:**
   - **Chrome:** It's on the far right of the address bar.
   - **Safari:** Choose Bookmarks ➪ Add Bookmark.
   - **Firefox:** Click the star and then choose a folder or rename the bookmark.
3. **Rename the bookmark to something clear, like *QuickBooks — [Your Company Name]*.**
4. **Choose a folder — like Bookmarks Bar or Favorites — for quick access.**
5. **Click Done (or Add), and you're set.**

TIP

If you're working in multiple companies, save a separate browser bookmark for each one. It's faster than switching between them manually by choosing Settings ➪ Switch Company, waiting for the company list to load, and then finally making a selection.

REMEMBER

To be logged into two companies at the same time, open one in your regular browser window and the other in an incognito or private browsing window. Otherwise, QuickBooks will just switch you back and forth instead of keeping both open. If you're using an Advanced or Accountant subscription, the QuickBooks Online desktop app (see Chapter 13) makes this even easier. You can open windows in multiple companies at once without juggling browser sessions.

Slimming the sidebar down

If you're sticking with the classic sidebar, you don't have to settle for as-is. QuickBooks lets you tidy things up by hiding what you don't need and bringing your favorite tools to the top. (Users of the new sidebar? Sorry — customization isn't on the menu there. Yet.)

Here's how to customize the sidebar:

1. **Click Edit on the classic sidebar menu.**

   The Customize Your Menu dialog box opens.
2. **To rearrange the menu, use the drag handles on the Sections and Menu tabs.**
3. Click Save to apply your changes — or Cancel if you change your mind.

REMEMBER

Turning commands off doesn't remove any functionality from QuickBooks. It just tucks them into the More section at the bottom of the classic sidebar.

Dolling up your dashboard

Your QuickBooks dashboard is made up of a collection of widgets — small, interactive panels that display key financial info at a glance. Think of them as mini status boards for your money in, money out, bank balances, sales trends, and more. Depending on your subscription and setup, the exact lineup may vary, but commonly available widgets include these:

- **Invoices:** See which invoices are open, paid, or overdue.
- **Expenses:** Track recent spending activity.
- **Bank Accounts:** View balances and reconciliation status.
- **Profit and Loss:** Get a snapshot of income versus expenses.
- **Sales:** Monitor recent sales performance.
- **Tasks:** Stay on top of setup steps or QuickBooks nudges.

To rearrange or hide widgets, click Customize on the dashboard to open a task pane or dialog box, where you can toggle widgets on or off and drag them into the order that best suits your workflow. And if someone's peeking over your shoulder, flip the Privacy toggle to blur out your financial stats — QuickBooks won't spill your tea unless you say so.

Silencing the setup task pane

QuickBooks loves to help you get your ducks in a row — sometimes a little *too* eagerly. If your dashboard feels cluttered with onboarding prompts you've already handled (or never plan to), here's how to hush them:

1. **Click Tasks.**

   The Setup task pane appears.

2. **For each category — such as Business Basics or Sales & Get Paid — click the See Tasks dropdown.**
3. **Click Hide Task for any item you don't want to see again.**

   Repeat this step for as many items as you like.

4. **Click Yes on the "Seriously?" prompt that appears.**

   (It's technically an "Are you sure?" message, but still . . .)

5. **When you're done, close the task pane.**

   Your dashboard will breathe easier — and so will you.

TIP

To restore hidden tasks, click Tasks, expand the Hidden section, and then scroll down and choose Unhide Task from the See Tasks dropdown.

Refining QuickBooks to Fit Your Workflow

Once you've chosen a subscription and worked through the setup wizard, QuickBooks is ready to go, but a few small adjustments can make it feel more tailored to the way you work. You can even speed things up with keyboard shortcuts for common tasks, giving your mouse a well-earned break.

For even more ways to streamline your workflow, Chapter 7 introduces automation features available to all users, and Chapter 9 dives into recurring transactions and bundles for those using Essentials, Plus, or Advanced.

Adjusting company settings

To access global options that you can customize, choose Settings ➪ Account and Settings. The screen that appears is organized into categories on the left side. Select a category, click Edit within any section to make changes, click Save, and then click Done when you're finished. Here are some settings worth reviewing:

- **Company:** Add your logo, or adjust the company name and contact details.
- **Usage:** See how close you are to limits like the number of users or accounts.
- **QuickBooks Checking:** Explore QuickBooks's integrated business bank account.
- **Sales:** Customize invoices, enable features like progress invoicing or late fees, and set default messages. (See Chapter 2.)
- **Expenses:** All users can set default bill payment terms. Additional options — available only in Essentials, Plus, and Advanced — are covered in their respective sections later in the book.
- **Payments:** Activate QuickBooks Payments or link an existing account so you can accept credit cards or bank transfers.

» **Time:** Set up basic timesheet options, including billable time and service fields. This feature requires the Essentials plan or higher. See Chapter 9 for details.

» **Advanced:** This is where the more technical settings live — fiscal year start, accounting method (cash or accrual), and your business's tax form.

Let's drill in a little deeper on a few of the Advanced settings that particularly deserve special consideration:

» **Fiscal Year:** This is the 12-month period your business uses to track income and expenses. In QuickBooks, the fiscal year helps organize your reports and tax documents. It starts in January by default, but you can change it to match your business's reporting cycle — for example, July to June if that's what your accountant uses.

» **Accounting Method:** This setting in QuickBooks determines *when* your income and expenses appear on reports — not when you're allowed to enter transactions. You can enter invoices, bills, payments, and expenses at any time. QuickBooks uses your accounting method to decide when those entries show up on financial reports:

  - **Cash method:** Income appears when you receive payment, and expenses appear when you pay bills.
  - **Accrual method:** Income appears when you send an invoice, and expenses appear when you record a bill — even if no money has changed hands yet.

  You can choose the way reports display your data (cash or accrual) and work with your accountant to select the right method for your business's tax filings.

» **Sign Me Out if Inactive:** This setting controls how long QuickBooks waits before signing you out automatically. It defaults to one hour, but you can extend it to two or three hours — handy if you step away for a coffee break or lunch. If you're inactive too long, QuickBooks signs you out and tosses whatever you were working on, so adjusting this setting can help you avoid losing work.

  TIP

  If you're using an Advanced or Accountant subscription, consider switching to the QuickBooks Online desktop app. (See Chapter 13.) It only requires you to sign in once every six months — unless you manually log out.

» **Communications with Intuit:** Cut down on inbox clutter by adjusting your marketing preferences. Nobody needs more email they didn't sign up for. Now, if only they'd add an option to block pop-up ads in QuickBooks, we might actually get some work done.

Customizing sales forms

Sales forms in QuickBooks are the documents you send to customers to show what you're billing them for — things like invoices, estimates, and sales receipts. Each type of form serves a different purpose, but all follow a similar format and can be customized to reflect your brand, communication style, and level of detail you want to include.

Tailoring sales forms

QuickBooks gives you multiple ways to preview these forms depending on your needs:

- **Edit:** The form you use to enter or update the transaction.
- **Email View:** A preview of what your customer will see in their email.
- **PDF View:** A downloadable, printable version of the form.
- **Payor View:** What the customer sees after clicking View Details from the email. It's a more interactive summary that they can review online.

To personalize a sales form, follow these steps:

1. **Choose Create ➪ Invoice, Estimate, or Sales Receipt.**

   The corresponding form opens onscreen.

2. **Click Manage to display a design task pane that contains four sections:**
   - **Customization:** Use this section to turn fields and columns on or off, as well as modify column headings in the body of the transaction form.
   - **Payment Options:** Manage your subscription to the QuickBooks Payment service, and configure fields to handle deposits, discounts, and shipping fees.
   - **Design:** Choose from existing templates, including the default Modern format, or click Add/Edit to display the Custom Forms Style screen, which enables you to add or edit sales form templates.
   - **Scheduling:** Activate the Recurring Invoice setting to schedule an invoice to generate automatically, mark an invoice as Print Later or Send Later, and manage invoice reminders.

Simplifying your invoicing process

QuickBooks offers a limited ability to add subtotals to invoices for time activities only.

To add a subtotal, follow these steps:

1. **Choose Settings ➪ Custom Form Styles.** The Custom Form Styles screen displays any form styles you've set up.
2. **Select a form to customize, and then click Edit in the Action column.**

   The Customize Form Style screen contains three buttons in the top-left corner: Design, Content, and Emails.
3. **Click Content.**

   The Content screen opens, with all sections disabled.
4. **Click Edit within the Table section.**

   The Table section is where you see column titles such as Date, Product/Service, and Description.
5. **Scroll down the screen and click Show More Activity Options in the bottom-left corner.**

   Additional options for the Table section are displayed.
6. **Click the Group Activity By checkbox and make a choice from the dropdown menu.**

   You can group items by day, week, month, or type. For this example, choose Type.
7. **Click Subtotal Groups.**
8. **Click Done in the bottom-right corner of the window to save the settings.**

   Although you can click Preview PDF, there's not much point in this context because QuickBooks doesn't show you the subtotals in use until you actually create an invoice.

REMEMBER

You must repeat the preceding steps to include subtotals for estimates and sales receipts if you want to have a consistent look and feel across all the forms you use.

Customizing list columns

You can tailor the appearance of QuickBooks lists — including customers, vendors, products and services, accounts, and more — to show just the information you need:

1. **Click List Settings above the Action column.**
2. **Use the checkboxes to show or hide columns, include inactive records, or adjust how many rows display per page.**
3. **Click List Settings again to close the menu.**

Your choices remain in place the next time you open the list, so you can focus on the details that matter most.

Speeding things up with keyboard shortcuts

One of the fastest ways to make QuickBooks feel like your own is to cultivate a go-to set of keyboard shortcuts. I hear you grumbling — you can't even remember to pick up milk from the grocery store, so how are you supposed to remember a bunch of keyboard combos?

Easy: by using a cheatsheet. Press Ctrl+Alt+/ (Windows) or Cmd+Options+/ (macOS) to summon the Additional Options dialog box, which is rife with shortcuts tailored specifically to QuickBooks.

TIP

Chapter 23 takes your keyboard shortcut game even further with ten cool Chrome shortcuts.

Exploring Your Chart of Accounts

When you create a new company, QuickBooks automatically builds a chart of accounts tailored to the industry you selected. Think of this as your business's financial filing cabinet — it helps you track everything from income and expenses to assets and liabilities. You have a few options from here:

- Keep QuickBooks's default setup.
- Tweak it manually (I'll walk you through how).

  REMEMBER

  You're limited to 250 active accounts unless you're using an Advanced subscription.
- Swap it out entirely by importing from your own list from Excel, CSV, or Google Sheets, or, if you're using QuickBooks Online Accountant, by applying a standardized chart. Both approaches are covered in Chapter 18.

Reviewing and customizing the chart of accounts

It's a good idea to review the chart of accounts that QuickBooks created for you. To do so, choose Settings ➪ Chart of Accounts. You'll land on the screen shown in Figure 1-3, where you can do all sorts of things:

- Click Run Report to generate a clean, printable list of your accounts.

  TIP

  Chapter 6 walks you through several ways to customize your QuickBooks reports so they show exactly what you need.

- Click New to add an account manually.
- Click Batch Edit to rename multiple accounts at once.
- Click Print to generate a clunky printout of the Chart of Accounts screen.
- Click Settings (adjacent to Print) to choose which columns you want to see, manage account type badges (BAL for balance sheet accounts and P&L for profit and loss accounts), and determine whether inactive accounts are visible.

  TECHNICAL STUFF

  Accountants often use the terms *profit and loss* (P&L) and *income and expense* interchangeably. They both refer to the same thing: accounts that flow into the Profit and Loss report, as opposed to balance sheet accounts.

  REMEMBER

  Account type badges only appear on the Chart of Accounts screen. They don't show up on any reports.

- Select one or more accounts using the checkboxes, and then choose Batch Actions dropdown ➪ Make Inactive to hide accounts you don't need anymore.
- Click View Register for balance sheet accounts or Run Report for profit and loss accounts to see their transaction history.
- Click the View Register or Run Report dropdown to reveal additional options, such as these:
  - **Connect Bank:** Sync the account with your bank or credit card.
  - **Edit:** Update the account's name, type, or other details.
  - **Make Inactive:** Hide the account from use in future transactions.

    WARNING

    Making an account inactive zeroes out its balance. Before you do this, move any balances using a journal entry (see Chapter 22) or another type of transaction.

  - **Run Report:** View a report showing all activity for a balance sheet account.

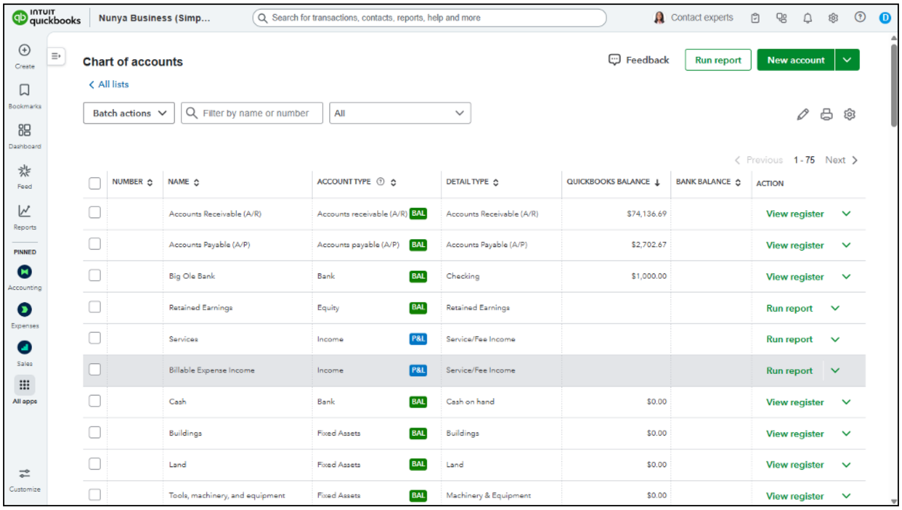


FIGURE 1-3: The Chart of Accounts screen.

Adding new accounts

Need to create an account that isn't already in your chart of accounts? Here's how to add one:

1. **Choose Settings ➪ Chart of Accounts ➪ New.**

   The New Account task pane shown in Figure 1-4 appears.

2. **Fill in the Account Name field.**

   Stick to words here — no numbers yet. (You'll learn how to turn on account numbers later in the chapter.)

3. **Choose an option from the Account Type field.**

   This list includes the major categories found on balance sheet and profit-and-loss reports.

4. **Select a Detail Type.**

   Depending upon the account type you chose, you may see just one Detail Type to choose from — or several.

5. **Optional: Check the Make This a Subaccount box to roll the account up into a parent account on your reports.**

   If you do check this, make sure to select the parent account as well.

6. **Optional: Specify an opening balance and an as-of date if you're creating a balance account (like an asset, liability, or equity account).**

   If you're unsure about this, check with your accountant or bookkeeper.

7. **Optional: Enter a description for the account.**
8. **Click Save to add the new addition to your chart of accounts.**

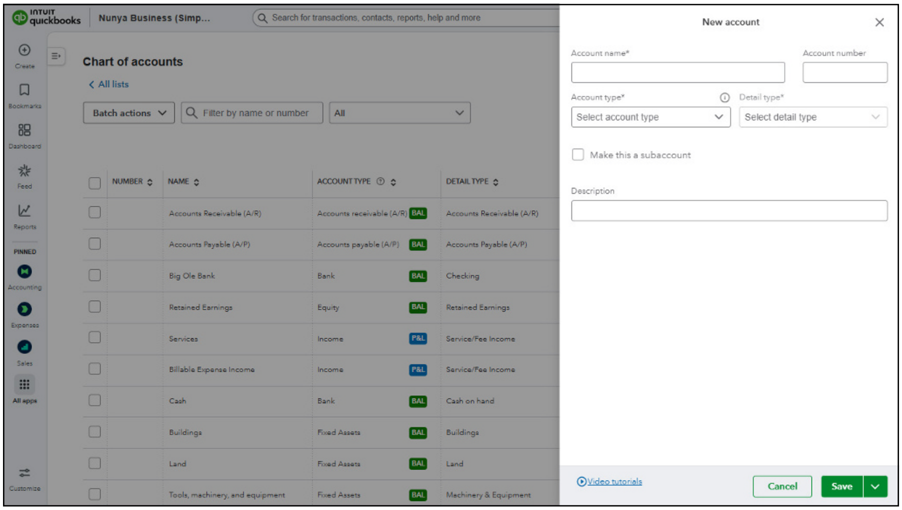


FIGURE 1-4: The task pane you use to create an account.

Implementing account numbers

Using account numbers can help keep your chart of accounts organized — especially as your list gets longer. They make it easier to group similar accounts and can be helpful when working with an accountant or importing data from another system.

By default, QuickBooks doesn't use or display account numbers, but you can turn the feature on with just a few clicks:

1. **Choose Settings ➪ Account & Settings ➪ Advanced.**
2. **In the Chart of Accounts section, click Edit.**
3. **Turn on the Enable Account Numbers toggle.**
4. **Check the Show Account Numbers box so they appear in your Chart of Accounts and on forms.**
5. **Choose Save ➪ Done.**
6. **To assign numbers to your accounts, choose Settings ➪ Chart of Accounts ➪ Batch Edit.**

REMEMBER

Click Save periodically as you enter account numbers — just in case you get pulled away. This prevents QuickBooks from signing you out and losing your progress.

7. **Once you've added numbers, click the Number heading in the Chart of Accounts to sort your list in account-number order.**

Removing accounts

With apologies to the Eagles, adding new accounts to QuickBooks is like checking in to the Hotel California: You can add them any time you like, but they can never leave. In most cases, QuickBooks doesn't let you delete accounts (or other list items) outright. Instead, you must mark them as inactive. Here are more things to keep in mind when deactivating accounts:

- The only way to permanently delete an account is to merge it into another account.
- You can't mark a parent account inactive if it still has subaccounts — reassign or remove the subaccounts first.
- Transactions remain in inactive accounts. That means they'll still show up on your reports. If you need to edit any of these transactions, you'll have to reactivate the account first.
- Before deactivating a balance sheet account, make sure its balance is zero; otherwise, QuickBooks creates an offsetting entry in Opening Balance Equity, which might affect your tax return. If you're unsure how to handle the adjustment, check with your accountant.

WARNING

Here's how to mark an account as inactive:

1. **Choose Settings ➪ Chart of Accounts.**

   The Chart of Accounts screen opens.

2. **Click the Run Register or View Report dropdown ➪ Mark Inactive (Reduces Usage).**

   In companies with an Advanced subscription, the option is simply labeled Mark Inactive since there's no account limit.

3. **Choose Yes, Make Inactive.**

   The account remains in your chart of accounts but only appears when the Include Inactive setting is turned on.

If you prefer to burn any evidence that an account ever existed, you can merge it into another account:

1. **Choose Settings ➪ Chart of Accounts.**

   The Chart of Accounts screen opens.

2. **Click the Run Register or View Report dropdown ➪ Edit for the account you want to merge into.**
3. **Make note of the account name and detail type, and then click Cancel.**
4. **Click the Run Register or View Report dropdown ➪ Edit for the account you want to make vanish.**
5. **Edit the Account Name and Detail Type accounts to exactly match the account you want to keep.**

   REMEMBER

   You can't merge parent accounts that have subaccounts. And if you're merging subaccounts, make sure they share the same parent account.

6. **Click So It Is Written, So It Shall Be Done, er, I mean Save ➪ Yes, Merge Accounts.**

   All transactions from the account you're retiring are automatically moved into the account you kept.

Enabling Custom Fields

Custom fields in QuickBooks Online let you capture information beyond the standard fields found on forms like invoices, sales receipts, estimates, and purchase orders. Whether you're tracking project IDs, salesperson names, delivery instructions, or internal notes, custom fields help tailor QuickBooks to your business.

However, Simple Start has a couple of caveats:

- You can add up to 30 custom fields to your customer profile screen.
- You can add one additional custom field, which can appear on up to ten transaction forms.

All custom fields you create can also appear on reports — Chapter 6 shows you how.

TECHNICAL STUFF

As you'll see in Chapter 8, Essentials and Plus users gain some expanded custom field capabilities. Then in Chapter 15, you'll see the capabilities for Advanced users.

With those limits in mind, here's how to create custom field:

1. **Choose Settings ➪ Custom Fields.**

   The Custom Fields screen opens.

2. **Click Add Field.**

   The Add Custom Field task pane opens.

3. **Fill in the Name field.**
4. **Select either Text and Number or Dropdown from the Data Type field.**

   Dropdown lists can contain up to 100 options.

5. **Select the form(s) where the custom field should appear onscreen.**
6. **Click Save to close the Add Custom Field task pane.**

   Your new field appears on the Custom Fields list.

REMEMBER

Like most list records in QuickBooks, custom fields cannot be deleted, only made inactive. You can still edit a custom field to change its name and adjust what appears in its dropdown list.

Starting Your Attachment Journey

If the word *attachment* has you thinking about emotional bonds and relationship patterns, you're in the wrong book again. For that, see *Emotionally Focused Couple Therapy For Dummies* — and if that topic hits close to home, here's to finding the clarity and support you deserve.

In QuickBooks, attachments are supporting documents, like receipts, invoices, contracts, and photos. You can upload as many as you like as long as each one is 20MB or smaller and in an accepted format.

Recognizing acceptable file types

QuickBooks plays nicely with common file types — as long as your filenames stick to valid characters: letters (A–Z, a–z), numbers (0–9), and these symbols: , . ? @ & ! # ' ~ * (space) _ - ; +. Using anything outside that list may trigger server errors.

And this list of valid characters isn't just for attachment names — it applies across the entire QuickBooks platform.

You can attach the following document types:

- **PDF:** Great for sharing formatted documents like scanned bills or signed agreements.

  REMEMBER

  QuickBooks doesn't currently allow PDFs to be included with customer statements you email.

- **JPG, JPEG, GIF, and TIFF:** Common image formats, perfect for snapshots, scans, or even simple graphics.
- **DOC and DOCX:** Microsoft Word documents.
- **XLS and XLSX:** Microsoft Excel spreadsheets.
- **CSV:** Not to be confused with CVS (the drugstore chain), CVS is a plain-text format used for data, like transaction lists exported from banks or other programs.

  TECHNICAL STUFF

  Each line represents a row, and commas separate the values — hence, *Comma-Separated Values* (CSV).

- **XML:** Used by some systems to share structured data. I could explain more, but I feel like I'd bore you to sleep — and neither of us needs that.

  REMEMBER

  If you try to upload an unsupported file type — like a ZIP file or an Excel binary workbook (XLSB) — QuickBooks responds with a polite but firm: "We were unable to upload this type of file." Or, to put it another way: "I'm afraid I can't upload that, Dave."

Adding attachments

You can link attachments in QuickBooks Online to customer profiles, vendor profiles, and certain individual transactions:

1. **Navigate to the screen you want to link the attachment to:**
   - **Customer Profile:** Choose All Apps ➪ Customer Hub ➪ Customers, or Customers & Leads ➪ Customers. Select a customer, and then click the Customer Details tab.
   - **Vendor Profile:** Choose All Apps ➪ Expenses ➪ Vendors, or Expenses ➪ Vendors. Select a vendor, and then click the Vendor Details tab.

- **Transaction:** Open the transaction, such as an invoice, bill, or expense. If you don't see an Attachments section, that transaction type doesn't support attachments.

2. **Choose an option:**

   - **Add Attachment:** The Open dialog box, where you can select a file, then click Open.
   - **Show Existing:** The Add To task pane appears, where you can toggle between All Attachments and Unlinked Attachments. Click Add to link the file to the record.

TECHNICAL STUFF

In the classic interface you'll see a Show Existing link, but it's gone walkabout in the modern one. So, your only option may be to re-attach the file, which can create duplicates in your Attachment list. Let's hope Intuit restores that wayward button.

TIP

Chapter 7 shows how to create invoices or bills by emailing documents to your QuickBooks company.

Managing attachments

The Attachments list, which appears when you choose Settings ➪ Attachments, has the following columns:

- **Thumbnail:** A small preview image for GIF, JPG, JPEG, and TIFF files.
- **Type:** A one-word description, such as Document, Image, PDF, Spreadsheet, and so on.
- **Name:** The uploaded file's name. You can change it by selecting Edit from the Action column dropdown menu.
- **Size:** The file size.
- **Note:** Describes the chord — oops, wrong kind of note. Choose Edit from the Download dropdown to enter or update this file's raison d'être — that's a fancy way of saying "reason for being." Would you like a croissant with that?
- **Uploaded:** The date and time the file was uploaded.
- **Links:** Shows which list items or transactions the file is attached to. It's blank if the file isn't linked to anything (or if it's having a moment of social anxiety).
- **Download:** Enables you to save a copy of the attachment to your computer.

TIP

The Attachment Settings button lets you hide the Size, Note, and Uploaded columns and adjust how many attachments appear per page.

The Download dropdown menu offers these additional choices:

- **Edit:** As noted previously, displays a dialog box from which you can rename a file or add a descriptive note.
- **Delete:** A prompt asks to confirm that you want to delete the upload, which removes the attachment from your QuickBooks company. The link to the upload is also removed from any corresponding list or record pages.

  REMEMBER

  You can only delete attachments one at a time; batch deletion isn't an option. Think of this as QuickBooks's version of the La Brea tar pits.
- **Create Invoice:** Opens a new invoice with the file already attached.
- **Create Expense:** Opens a new expense with the file already attached.

If you select one or more attachments, the following options become available on the Batch Actions dropdown:

- **Export:** Creates a compressed file named Archive.ZIP that contains a copy of the selected file(s)
- **Create Invoice:** Opens a new invoice with the file(s) already attached
- **Create Expense:** Opens a new expense with the file(s) already attached

Changing or Ending Your Subscription

With your subscription set, your settings dialed in, and a few shortcuts at your fingertips, QuickBooks is now dressed to perform — no breaking in required. But if your needs shift down the road, you can upgrade, downgrade, or cancel your subscription at any time. Here's how:

1. **Choose Settings ➪ Subscriptions & Billing.**

   If you don't see this option, your accountant may be managing your subscription, or your user role may not include billing access.
2. **From here, you have a few directions you can go:**
   - Click Upgrade Plan to move up to a higher-tier subscription. You're greeted with a triumphant "Let's find the best fit for your business" screen.
   - Click Switch to Annual Billing to swap monthly charges for a once-a-year payment — usually with a 10% discount.

- Click Cancel Subscription to start the downgrade or cancellation process. The screen shifts its tone — channeling KC and the Sunshine Band with a desperate plea: "Please don't go, don't go away . . . I need your love, I need your fees." Not quite, but you get the idea.

3. **On the Cancel screen is the option Downgrade Plan instead. Click it to drop to a lower-tier subscription. QuickBooks lets you know the features to go dark; otherwise, click Cancel Plan and power through the remaining prompts.**

REMEMBER

Cancelled subscriptions stay active until the end of the current billing period. No partial refunds for you! After that, you have read-only access to your data for one year. Then, unless you restart your subscription, *poof*, it's gone. Print or download anything important before that curtain drops.

IN THIS CHAPTER

- Cueing up your customers and managing their records
- Enabling and understanding automated sales tax
- Creating noninventory products and services
- Rolling out invoices, sales receipts, and estimates
- Handling credit memos, refunds, and other special cases
- Finding out how to write off bad debt

Chapter 2

Billing Like a Star, Collecting Like a Pro

Hooray for Hollywood! Have you ever thought about how much managing customers in QuickBooks resembles putting on a show? There's casting, staging, scripting, and plenty of prep work before the spotlight hits. The same goes for recording sales: Before the revenue takes the stage, you need to get everything ready behind the scenes.

The first three sections of this chapter cover groundwork you need to complete before recording transactions. I start by showing you how to create customer records in QuickBooks, and then I move on to enabling sales tax. You can skip this part if it doesn't apply to your business. But don't miss the section on creating noninventory items and services, which play a key supporting role in your workflow. Guidance for handling inventory items appears in Chapter 10.

I wrap up the chapter by focusing on the main event: recording your sales. I also explain how to write off bad debt when a customer doesn't pay and how to create estimates when you want to preview your offering before finalizing the sale.

Managing Customers

Your customers are the stars of your show. Without them, the curtain doesn't rise. Managing their records well keeps the production running smoothly. The spotlight starts on adding a new customer to your cast list.

Creating customer records

No one appears on the billing screen without first having a customer record. But there's no need to deliver a perfect performance on the first take. Only the customer display name is required.

REMEMBER

Once a customer is saved, you can't delete them. However, you can mark them inactive as long as their balance is zero.

Adding a customer quickly

For a quick setup:

1. **Choose Create ➪ Add Customer or choose Add New from the Customer dropdown on any related transaction screen.**
2. **Fill in the Customer Display Name field.**
3. **Click Save.**

That's enough to get your customer on the cast list and into the production pipeline. You can always fill in more blanks when you get a break in the action.

Broadening a customer's profile

When you're ready to go beyond the basics, choose a method that suits the performance:

» **Casting call:** Enter a company name to search the QuickBooks Business Network. If your connection request is accepted, your transactions post directly to your customer's books.

» **Establishing the full character:** Include Customer Display Name, along with any additional fields in the following sections:

- **Name and Contact:** These are the usual suspects: names, email, phone numbers, titles, and the option to establish a sub-customer.
- **Addresses:** QuickBooks verifies billing and shipping addresses in real time — so imaginary locations don't fly.

  REMEMBER

  Sales tax calculations are based on your customer's shipping address — or your company's address if no shipping address is provided.
- **Notes and Attachments:** Jot down background details or upload contracts, approvals, and other files. (Chapter 1 goes deep on this.)
- **Payments:** This concerns the payment terms, preferred delivery method, and language for invoices.

  TECHNICAL STUFF

  Plus and Advanced users can establish a credit limit for each customer. If a transaction exceeds that limit, QuickBooks displays a warning and offers the option to adjust the transaction.
- **Additional Info:** Tax-exempt status, sales tax handling (when enabled), and any opening balances.
- **Custom Fields:** Chapter 1 covers what's possible based upon subscription level.

CASTING SUB-CUSTOMERS

Think of sub-customers as supporting roles in a bigger production. If you do work for multiple departments within the same company — or different projects for the same client — you can nest those jobs under a single "parent" customer.

When creating or editing a customer, check Is a Sub-Customer and choose the parent customer from the dropdown list. You can then decide whether to bill the sub-customer independently or roll their charges up to the parent.

Sub-customers keep your records organized without creating separate invoices for each division or team. And when tax season rolls around, your reporting stays as tight as a final cut.

Accessing customer information

QuickBooks Online is full of twists and turns that rival into a Tom Cruise thriller. Take something simple, like trying to access the customer list:

1. **Choose Settings ➪ All Lists.**

   Nope! Most other lists live here, but not customers.

2. **Choose All Apps ➪ Sales & Get Paid.**

   Still no dice. Maybe the third time's the charm.

   TECHNICAL STUFF

   If you're thinking, "Wait a minute — I can choose All Apps ➪ Expenses & Bills ➪ Vendors to get to my vendor list" well, yes, you can. Just don't expect the same courtesy for customers.

3. **Try All Apps ➪ Customer Hub ➪ Customers.**

   Glory be! This one actually works.

TIP

You finally made it. I walked you through those detours to highlight a key truth about QuickBooks: Logic and reason don't always have a seat at the QuickBooks design table. That's why it's good to keep this escape hatch in mind:

1. **Type** Customers **in the search field at the top of the screen.**
2. Choose Customers from the Jump To list. (You may have to wait for this to materialize.)

You can locate just about any QuickBooks feature this way, so keep this trick in your back pocket as you move through the book. Otherwise, you might find yourself lost in a hall of mirrors worthy of a low-rent carnival funhouse.

Exploring customer records

The Customers screen combines a sales transaction dashboard with a customer list. The amounts on the dashboard aren't clickable, but the colored bands are. Drilling down into a customer's screen opens the Split View pane shown in Figure 2-1. This quick reference panel offers two views:

- **Recently Viewed Customers:** Click the Recent icon to return to this default view.
- **Alphabetical Customer Listing:** Click Name to activate this view.

The customer list itself defaults to alphabetical order, though you can sort it differently. In the Classic View, you have two main ways to navigate:

TIP

- **Sorting:** Click the arrow or double-caret icon next to most column headings.

  The Name column contains the Company Display Name entries.

- **Searching:** Enter as little as a single character in the Search field to filter the list.

A new beta view offers more choices:

- **Customer Status:** Choose between active and inactive customers.
- **Company Name:** Enter one or more characters.
- **Billing City:** Enter one or more characters.
- **Filters:** Opens a submenu for additional address fields and Customer Display Name.
- **Search:** Supports a freeform search.

Once your protagonist appears on the screen, click anywhere in their row — except the Action column. Unlike most lists, there's no Edit option here. As shown in Figure 2-1, a customer record opens with several tabs:

- **Transaction List:** Displays all transactions for the customer.
- **Statements:** Lists any generated statements.
- **Recurring Transactions:** Shows scheduled sales entries, like recurring invoices or receipts. (See Chapter 9.)

TECHNICAL STUFF

  If you're using Simple Start, the Recurring Transactions tab might be a sneak preview, as opposed to a working option. With that said, Intuit is making more features available to this lowest tier, so just know that your mileage may vary.

- **Customer Details:** A bird's-eye summary of the customer, though not all fields are shown and none are editable. In true QuickBooks fashion, the field name oversells what you actually get.
- **Late Fees:** Displays any late fees (if you've enabled that feature).
- **Notes:** Add notes by clicking + Add Note. Just know that notes entered in the Customer task pane don't carry over here. You can comment on notes here, though, and so can others.
- **Tasks:** Tracking to-dos and follow-ups tied to this customer.

TECHNICAL STUFF

Projects appear for Plus and Advanced users. Advanced users also get an Activity Feed for customer survey responses, and an Opportunities tab for tracking potential sales.

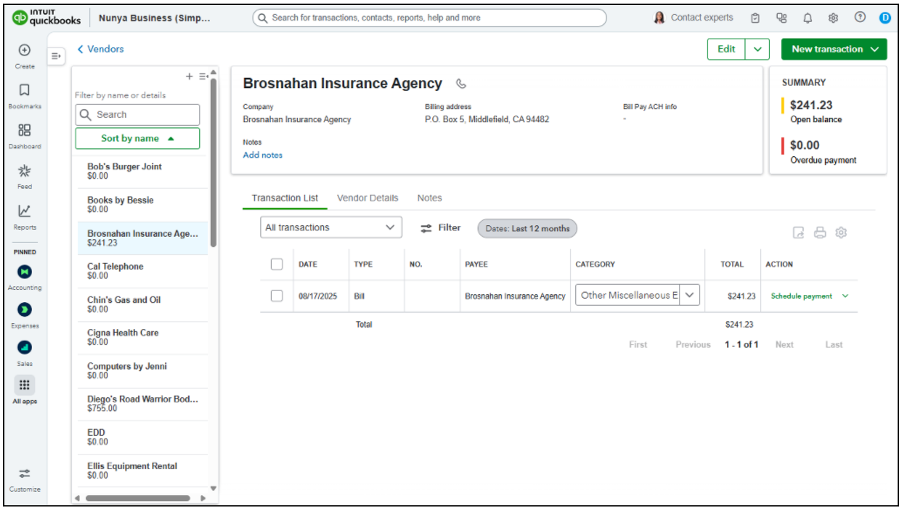


FIGURE 2-1: A typical customer record page.

Editing, inactivating, or merging customers

The Edit button, visible on every tab of the customer's page, allows three actions:

- **Edit:** Opens the Customer task pane, as discussed in the "Creating customer records" section of this chapter
- **Make Inactive:** Deactivates a customer if their balance is zero
- **Merge Contacts:** Combines transactions from two different customer records

WARNING

All customer-specific details from the first customer, such as addresses and phone numbers, are discarded during the merge. Be sure to read the instructions in the Merge Contacts dialog box carefully to avoid unexpected data loss.

Batching actions for customers

A Create Statements command appears when you click the checkbox for one or more customers. Use this command to generate the following types of statements:

- **Balance Forward:** Shows an open balance as of the start date you choose and reflects activity through the specified end date
- **Open Item:** Lists only unpaid invoices and unapplied credits for a selected period
- **Transaction Statement:** Reflects all transactions for a specified period

In Essentials and above, a Batch Actions button appears instead, offering Create Statements along with these additional options:

- **Email:** Creates a blank message in your email software or platform, with the selected customers listed in the BCC field
- **Make Inactive:** Marks one or more customers without an open balance as inactive

TECHNICAL STUFF

Select Customer Type is an option in Plus and Advanced, allowing you to assign a new type to the selected customers.

When working within the Transactions tab of a customer's record, the Batch Actions command includes:

- **Send:** Emails a copy of the selected transaction(s)
- **Send Reminder:** Emails payment reminder(s)
- **Print:** Prints the selected transaction(s)
- **Print Packing Slip:** Print packing slip(s)
- **Delete:** Deletes the transaction(s)

TECHNICAL STUFF

Convert to Invoice enables users of Essentials and above to convert estimates to invoices. Edit is exclusive to Advanced users and launches the Batch Transactions feature. (See Chapter 15.)

Putting Sales Tax in the Spotlight

Sales tax might not walk the red carpet, but behind the scenes, it plays a starring role. Call it the producer's cut. QuickBooks Online automates most of the heavy lifting when it comes to calculating and tracking sales tax. In brand-new companies, all it takes is a short setup wizard before the automated system starts calculating sales tax based on your customers' shipping or billing addresses.

Let me be clear, though: QuickBooks keeps its tax vision tightly focused. The Sales Tax feature is built specifically for state and local sales taxes. If you're dealing with tariffs, excise taxes, import duties, customs fees, or any other government-imposed charges, you're on your own. See the "Entering Percentage-Based Charges by Hand" sidebar later in this chapter for a workaround.

REMEMBER

QuickBooks can cue the payment, but physically filing the sales tax return is still your job — or your accountant's. In the inimitable words of Meat Loaf, QuickBooks "would do anything for love, but it won't do that."

Enabling automated sales tax

The sales tax feature in QuickBooks waits in the wings until you cue it:

1. **Choose All Apps ➪ Sales Tax ➪ Overview ➪ Get Started.**
2. **The Getting Started wizard prompts you to have your accurate business address and the tax agencies you file with handy — click Close if you need to end the scene, or Next to keep the cameras rolling.**
3. **The next screen allows you to edit your business address and shows your estimated sales tax rate. Click Next to continue.**
4. **Choose the filing frequency for each tax agency shown, and then click Next.**
5. **Indicate whether you have registered for sales tax with any other agencies, and then click Next.**
6. **Click Finish and Turn On Sales Tax.**

Automated sales tax collection is now enabled, but don't forget to mark any tax-exempt customers as such.

TIP

Trying to figure out whether you need to collect sales tax in other states? The Economic Nexus feature can help. Choose All Apps ➪ Sales Tax ➪ Economic Nexus to analyze your sales (from as far back as January 2022) and identify states where you may have a potential sales tax liability.

Flagging tax-exempt customers

Here's how to prevent certain customers from being charged sales tax:

1. **Navigate to the customer record.**

   See the "Accessing customer Information" section earlier in this chapter if you need a refresher.

2. **In the Additional Info section, click This Customer Is Tax Exempt.**
3. **(Required) Pick a Reason for Exemption.**
4. **Optionally, add notes or upload exemption certificates.**
5. **Click Save.**

Understanding and paying sales tax liabilities

Sales tax filings follow a cadence, like a studio's release schedule — monthly blockbusters, quarterly prestige flicks, or the occasional annual epic. Sooner or later, someone has to tally the box office — or the sales tax. When you pay sales tax in QuickBooks, you can choose between two reporting methods:

- **Accrual:** Sales tax becomes reportable when the invoice is created even if the customer hasn't paid yet. The actual payment to the tax agency is due at the end of your filing period. If the invoice flops and gets written off, QuickBooks gives you credit for the tax you previously reported.
- **Cash:** Sales tax becomes reportable only when the customer pays. This method keeps things simpler when customers pay in full, but partial payments, discounts, and nontaxable items can complicate the plot.

Here's how to confirm your reporting method and adjust your filing frequency if needed:

1. **Choose All Apps ➪ Sales Tax ➪ Sales Tax Settings.**
2. **Click Edit next to the agency in question.**
3. **Update the Filing Frequency and adjust the start of your tax period if needed.**
4. **Update the Reporting Method field if needed.**
5. **Click Save.**

You're now ready to pay your sales taxes (or slough the task off onto your accountant):

1. **Choose All Apps ➪ Sales Tax ➪ Overview.**
2. **Scroll down to where you see all sales tax returns that are due and any that are overdue.**
3. **Click Review Sales Tax for a return you want to file.**

4. **Click View Tax Liability Report and then fill out your sales tax return on paper or online with the corresponding agency.**
5. **Click Record Payment.**
6. **Fill in the Payment Date and Bank Account fields.**

   WARNING

   Overriding the Tax Amount field will create a discrepancy in your accounting records. Read on to see how to record an adjustment instead.
7. **(Optional) Click Print Check if you're still living like it's 1999 or filming a period piece.**
8. **Click Record Payment.**

If there's a gap between what QuickBooks says you owe and what you think you owe, click Add an Adjustment or Prepayment on the Review Your Sales Tax screen. You'll then need to do the following:

1. **Choose a reason for the adjustment.**
2. **Specify an adjustment date.**
3. **Select an account. The listing changes based upon the reason you choose.**
4. **Enter an amount.**
5. **Click Add.**
6. **Continue with the previous steps to pay and then file your sales taxes.**

Handling plot twists

Not every business follows the standard script. Whether you're reviewing customers who slipped through the cracks, adding your own tax rates, expanding into new states, switching from manual tax tracking, or importing from QuickBooks Desktop, this section covers the alternate takes. Think of it as your director's cut — ready when real life throws in a rewrite.

Auditing your customers' sales tax settings

Even the best productions need a continuity check. In QuickBooks, customer records require only a Company Name or Customer Display Name, but if you don't fill in both the name and the address fields, your sales tax setup could have some plot holes.

For example, when you enter a company name, QuickBooks fills in the address fields automatically from the information they have on file. But if you enter only a customer display name, the address fields remain blank — and that means QuickBooks can't calculate sales tax for the customer. You might also have customers with outdated or mismatched tax rates. Here's how to review and tighten things up:

1. **Type** Taxable Customer Report **in the global Search field at the top of the QuickBooks Online screen, and then choose Standard | Taxable Customer Report from the Reports list that appears.**

   If you're more drawn to sagas than shortcuts, try this: All Apps ➪ Sales Tax ➪ Overview ➪ Reports ➪ Taxable Customer Report.

   Don't look for that report on the Reports screen in QuickBooks because it's not there. But you can click Save Customization to add the report to your Custom Reports list. Then you'll be able to search for it like any other.

2. **A modified Customer Contact List report displays the following columns:**
   - **Customer:** Displays the customer's name.
   - **Billing Address:** If this field is blank and you're relying on billing addresses for tax, fill it in.
   - **Shipping Address:** Used to calculate sales tax. If it's missing, QuickBooks defaults to the billing address.
   - **Taxable:** Displays Yes if the customer is subject to sales tax. If they're marked exempt or located outside your taxing jurisdiction, the field is blank. How's that for a vote of confidence in your recordkeeping?
   - **Tax Rate:** Shows the applicable tax rate — even for exempt customers.

   TIP

   If you're trying to verify tax-exempt customers, click Customize ➪ Change Columns, select Resale #, and then click Run Report. The Resale # column displays exemption certificate IDs, if entered, which is handy for confirming that tax-exempt customers have documentation on file.

3. **Click any customer name or address to open their record and make changes.**
4. **(Optional) Click Export ➪ Export to Excel to download the report.**

TECHNICAL STUFF

Chapter 20 shows how to use the Filter feature in Excel to spotlight customers with blank address fields or identical tax rates.

Creating custom sales tax rates

You can set up custom sales tax rates that QuickBooks doesn't provide by default or to override the default location-based tax rates. Start on the Sales Tax Settings screen and add an agency if needed:

1. **Click Add Agency.**
2. **Select the agency name.**

   REMEMBER

   The Agency list is limited to state and local taxing authorities. You'll need to manually track any other levies. See the "Entering Percentage-Based Charges by Hand" sidebar later in this chapter for a workaround.

3. **Choose your filing frequency.**
4. **Enter a start date.**
5. **Choose a reporting method.**
6. **Click Save.**

To create a custom rate:

1. **Click the Add Agency dropdown ➪ Add Custom Rate.**
2. **Choose the type of rate:**
   - **Single:** Assign a name, select an agency, and enter a rate.
   - **Combined:** Assign a name, and then for each component of the tax fill in the nickname, agency, and rate.
3. **Click Save.**

Finally, assign the custom sales tax rate to specific customers. Open each customer record, scroll to the Additional Info section, and choose the rate from the Select Tax Rate dropdown.

Converting sales tax from QuickBooks Desktop

Setting up sales tax is a little different if you've imported your books from QuickBooks Desktop:

1. **Choose All Apps ➪ Sales Tax ➪ Overview ➪ Get Started.**
2. **Confirm your business address on the first screen of the wizard and then click Next.**
3. **A Bulk Matching screen asks you to link your tax rates from QuickBooks Desktop to the tax agencies that QuickBooks Online recognizes.**

Click the checkbox to the left of the Tax Rate Name column heading if all your tax rates relate to a single tax agency. Choose from the Official Agency dropdown list, and then click Apply.

4. **Click Next to display a Review Your Rates screen.**

   Click Change next to any tax rates you want to modify.

5. **Click Save to finalize your changes.**
6. **Click Continue when prompted.**

   A two-screen help wizard appears to give you background about the Sales Tax Center. You can click through this wizard or close it without reviewing it.

7. **Specify your filing frequency for each agency when the How Often Do You File Sales Tax screen appears, and then click Save.**

   You can continue forward with your custom sales tax rates from QuickBooks Desktop, or you can enable automated sales tax.

Switching from manual to automated sales tax calculation

You can easily switch to the Automated Sales Tax feature, whether you've just converted from QuickBooks Desktop or you've been continuing with the traditional manual sales tax method as a long-term QuickBooks Online user:

1. **Choose All Apps ➪ Sales Tax ➪ Sales Tax Settings.**
2. **Click Turn Off Sales Tax, and then click Yes when prompted to confirm.**

   In effect, this puts all your sales tax in a deep freeze, meaning the sales tax fields and settings vanish from QuickBooks, but you're just a few clicks away from restoring them again.

3. **Carry out the techniques listed in the "Enabling automated sales tax" section earlier in this chapter.**

   REMEMBER

   The automation here only covers calculating sales tax on transactions. You're still responsible for manually filing and remitting the sales tax you collect.

Setting Up Your Goods and Services

QuickBooks expects you to set up each product or service you offer in advance so that it appears properly and consistently on sales forms and in reports. *Products* refer to tangible things you sell, while *services* refer to tasks or labor you perform for a customer. In QuickBooks, both are tracked using *items* — records that carry descriptions, prices, and other details for what you sell.

REMEMBER

If you leave the Product/Service field blank on a sales transaction, QuickBooks fills in a generic item called Service.

You can create the following item types in any QuickBooks company:

- **Non-inventory:** Items you don't physically stock or track in inventory, such as drop-ship products, consumables of immaterial value (like nuts and bolts), and digital goods. These are typically things you either never touch or can't reasonably track or charge for individually.
- **Services:** Tasks or labor you provide to customers, such as consulting, landscaping, or hourly tech support. These items help you track and charge for work performed without involving physical goods.

TECHNICAL STUFF

To create bundles — combinations of two or more items — you need an Essentials subscription or higher. (See Chapter 9.) To track physical inventory, upgrade to a Plus or Advanced subscription. (See Chapter 10.)

Creating new items in a minimal fashion

To create a basic item record:

1. **Choose Settings ➪ Products and Services.**

   The Products & Services screen opens.

2. **Click New (or Add an Item).**
3. **In the Item Type field, choose Non-Inventory Item or Service.**
4. **(Required): Enter a name.**
5. **(Optional): Fill in the Price/Rate, Description, and Income Account fields.**
6. **Click Save and Close.**

That's a wrap on creating a new item. You're ready to start using it on transaction forms.

ENTERING PERCENTAGE-BASED CHARGES BY HAND

If you need to apply a percentage-based charge — like a 15% tariff — you can work around QuickBooks's limitations by creating a custom service item. Set up a new item named something like `Country X Tariff`, with a description such as `15% Country X Tariff` and a Price/Rate of 0.15. When adding the item to an invoice, enter the total price of the taxable products in the Quantity field. QuickBooks multiplies the quantity by the rate to calculate the tariff amount.

Enhancing your product and service details

Once you've created a basic item (see the previous section), you can return and enrich the record with optional info:

- **SKU and picture:** Use the SKU field for internal reference and add an image to identify the item visually.

  TECHNICAL STUFF

  A SKU, short for stock-keeping unit, typically applies to physical goods, which I cover in Chapter 10. You can enter SKUs for noninventory items or services if you like, but they're optional in most cases.

- **Category and class:** *Categories* group items for easier reporting. To add sub-categories, see "Creating categories" later in this chapter. *Classes* let you track income and expenses by department, location, fund, or any other dimension you define. This feature requires a Plus or Advanced subscription. (See Chapter 11.)

  REMEMBER

  QuickBooks loves a good double entendre, so be warned: The word *category* here refers to product categories. That's different from the *Category* field you'll see on transaction forms, which actually means *account*, as in *chart of accounts*. Yes, that sound you hear is me shaking my fist futilely at the sky. I just can't help myself.

- **Sales Tax Category:** You have three options:
  - **Taxable-Standard Rate:** Sales tax is calculated based upon the customer's location.
  - **Nontaxable:** No sales tax is applied.
  - **Sales Tax Category:** Choose a specific category (like Clothing – Adult or Software as a Service) to help QuickBooks apply the correct rate based on state and local tax rules. To assign one, click View All Sales Tax Categories, make a selection, and then click Select.

- **Purchasing Info:** If you buy the item from a vendor, select I Purchase This From a Vendor to enter cost, preferred vendor, and an expense account.

REMEMBER

Setting a preferred vendor doesn't limit you in any way from purchasing this item elsewhere.

To edit an existing item, go to the Products & Services screen and click Edit in the Action column. The Edit dropdown also includes options to:

- **Make Inactive:** Hide items you no longer use.
- **Run Report:** View a Quick Report for the item.

TECHNICAL STUFF

A Quick Report in QuickBooks is a fast, prebuilt report that shows recent transactions for a specific list entry, such as a customer, vendor, product, or account. You can run one by clicking Run Report from the Action menu or dropdown next to the item in question. Quick Reports typically cover the last 90 days but can be customized once opened.

- **Duplicate:** Prefill a new item based on the current one.

Managing product/service categories

Categories help you organize what you sell by grouping similar products and services. This makes your Products & Services screen easier to navigate and lets you filter or summarize items more effectively in inventory and sales reports. Categories don't affect your accounting or financial reports, and you can't assign categories to transactions — that's what classes and locations are for. (See Chapter 11.)

REMEMBER

You can't use existing item names as a category name. For instance, if you have a product called Skyhook, you can't name a category Skyhook, but you can be clever and use the plural *Skyhooks* instead.

Creating categories

You can add categories on the fly from the Category field when creating or editing an item, or you can manage them centrally using the Product Categories screen:

1. **Click Settings ➪ All Lists ➪ Product Categories ➪ Create New Category.**

   The Create Category task pane opens.

2. **Enter a category name.**
3. **(Optional): Check This Category Is a Sub-category, and then choose a parent category.**

TIP

You can create sub-categories up to four levels deep, such as Shoes ➪ Women's ➪ Athletic ➪ Running. You can't create Road or Trail categories under Running because that would be a fifth level, but you can create Road Running and Trail Running sub-categories under Athletic.

4. **Click Save.**

Assigning categories

You can assign categories on a one-by-one basis as you add new items, or you can assign categories in bulk:

1. **Choose Settings ➪ Products and Services.**
2. **Click the checkbox for one or more items, and then click Assign Category.**

   The Assign Category dialog box opens.
3. **Select a category from the list, and then click Save.**

Maintaining categories

You can carry out two maintenance tasks by way of the Categories screen:

- **Modify:** Click Edit next to a category's name.
- **Delete:** Click the Edit dropdown ➪ Remove. If you remove a sub-category, any items assigned move one level up. Any items assigned to a top-level category that you remove become uncategorized.

WARNING

When you remove a category, it's permanently deleted with no undo option. Yes, this is an exception. Elsewhere in QuickBooks, commands like Delete or Remove usually mean "make inactive."

Handling Customer Transactions

QuickBooks offers several types of sales forms to match the way you do business. Whether you get paid right away or send an invoice to be paid later, you can find a form for that:

- **Sales Receipt:** Used when you receive payment at the time of the sale.
- **Invoice:** Used when you bill a customer and expect payment later.

» **Estimate:** A quote you send to a customer before any work is done or products are delivered.

» **Credit Memo:** Used to reduce a customer's balance when returning goods or issuing a discount.

» **Packing Slip:** A printable document generated from a sales receipt or invoice that shows the contents of an order but omits prices. This form is useful when shipping products.

TECHNICAL STUFF

Refund Receipts are used to return money to a customer who already paid, while Delayed Credits and Delayed Charges are used to track potential future activity. They don't affect balances until you convert them into a real transaction.

All these forms share a similar layout: customer information at the top, followed by line item rows, then any relevant sales taxes, terms, and memos. You'll find them all by choosing Create from the sidebar. For design and formatting tweaks, such as logos, columns, and messages, see Chapter 1.

WARNING

QuickBooks really wants you to use its QuickBooks Payments service. Like, really, *really* wants you to. So be prepared to be hectored six ways to Sunday. I'm not saying the service is good or bad. Just know that it comes with fees based on a percentage of each invoice. Do what works best for you, and don't get roped into using a service you don't actually need. The surefire way to say no? Don't provide your bank account on any Payments-related screen.

Creating a sales receipt

It's a double-feature: With a sales receipt, you record the customer charge *and* the payment all in one go. Here's how to post one before the opening credits roll:

1. **Choose Create ➪ Sales Receipt.**

   The Sales Receipt screen opens.

2. **Choose a customer from the Customer field, or click Add New to create one on the spot.**

   Their mailing address, the sales receipt date, and Deposit To account appear automatically. Update these fields as needed.

   TIP

   The Deposit To field controls which bank account the money is recorded in, so be sure to select the right bank account, especially if you use multiple accounts for incoming payments.

3. **In the Product/Service field, select an item to include on the sales receipt.**

   You can click Add New to create a new item if needed.

4. **Fill in the Amount field.**
5. **Choose Save and Close to exit the screen, or choose Save and Send if you need to email a copy of the transaction.**

And that's it! You've posted the income and the payment, and no follow-up steps are required. As you may have noticed, I blew past a number of fields and commands on the screen, most of which will get explained as this section rolls on. I just didn't want your lunch to get cold.

Creating an invoice

Invoices are how you ask to get paid after the fact for goods delivered, services performed, or miracles worked. A well-crafted invoice spells out exactly what the customer is being charged for. Skip the details now, and you might end up fielding emails (or payment delays) later when your customer needs clarification.

REMEMBER

Customers often look at Due Date, Amount, and Payment Instructions first. Make sure those fields are accurate and clear to help you get paid faster.

Follow these steps to create an invoice:

1. **Choose Create ➪ Invoice.**

   The Invoice screen opens.

2. **Choose a customer from the Customer field, or click Add New to create one on the spot.**

   Their mailing address, payment terms, invoice date, and due date appear automatically.

3. **Confirm the invoice number, terms, invoice date, and due date.**

   TIP

   If you're feeling like a stranger in a strange land, hang in there. The next section will translate any unfamiliar field names.

4. **In the Product/Service field, select an item to include on the invoice.**

   You can click Add New to create a new item if needed.

5. **Fill in at least two of the following fields: Quantity, Rate, or Amount.**

   QuickBooks calculates the missing value based on the other two.

6. **Choose one of these options. (They all save, so I'll just explain what else they do.)**

   - **Save and Close:** Exits the screen
   - **Save and New:** Starts a new transaction
   - **Review and Send:** Emails a copy to the customer
   - **Print or Download:** Opens a print preview window

Decoding invoicing lingo

Here's a quick rundown of field names you may have seen when creating an invoice:

- **Invoice Number:** A unique identifier for the invoice that's used for tracking and audit trails.
- **Terms:** The number of days your customer has to pay. For example, Net 30 means payment is due 30 days from the invoice date.
- **Invoice Date:** The day the invoice is issued.
- **Due Date:** The date payment is expected. It's calculated based on the terms.
- **Product/Service:** The item or service being billed, pulled from your Products and Services list.
- **Description:** An explanation of what was provided, typically pulled from the product/service item that you select.
- **Quantity:** How many units of the product or service you're charging for.
- **Rate:** The price per unit.
- **Amount:** The total for that line item (Quantity × Rate).
- **Payment Instructions:** An optional note that tells if you prefer paper or plastic, meaning checks or credit cards, for instance.

Adding more details

Once you're comfortable with the basics, you can personalize your invoices and sales forms even further. The following fields appear onscreen by default:

- **Sales Tax:** If it's enabled, check or uncheck the Tax box for each line item as needed, and choose between Automatic Calculation or a custom sales tax rate.
- **Customer Messaging:** You can fill in any of the following:

    - **Tell Your Customer How You Want to Get Paid:** Include payment instructions here.
    - **Note to Customer:** Add a personal message, or accept the default of "Thank you for your business."
    - **Memo on Statement:** Leave a note that shows only on customer statements, not the invoice itself. For example, you might add "Please promptly settle any past due balances." or "Thank you for being a loyal customer."
- **Attachments:** Drag and drop files into the Attachments box to include supporting documents. (See Chapter 1.)

You typically must enable the following fields by way of the Payment Options section of the Manage task pane. (Click Manage if you don't see the task pane.)

- **Tips:** "Plant your corn early" and "Be prepared." Oh, wrong type of tips. Toggle the Tips setting on, and then fill out the Manage Tips dialog box. A Tips field won't appear on your invoice, but it will appear on Sales Receipts and Customer Payment screens.
- **Deposit:** Click Manage to specify a deposit amount, payment method, reference number, and bank account. Toggle Deposit on to show the field on your invoice.
- **Discount:** Toggle this option on, and then click the % or $ button to apply a discount.
- **Shipping Fee:** Toggle this option on to add a Shipping field to the bottom of your invoice.

At the bottom of the window, you can choose from the following options (some options are hidden under dropdowns) or appear after you save:

- **Cancel:** Discards the transaction and closes the window.
- **Clear:** Erases the transaction form.
- **Print or Preview:** Controls printing options, including printing later, or now — on paper or to PDF. Both invoices and sales receipts offer a Packing Slip option here as well.

  REMEMBER

  Packing slips are basically invoices that don't show prices. They're similar to menus in some upscale restaurants.
- **Make Recurring:** Schedules the transaction as a recurring invoice.
- **Save:** Assigns an invoice number and saves the transaction.

- **Review and Send:** Assigns an invoice number, saves the invoice, and then allows you to preview the invoice and the accompanying email.

TIP

The email time- and date-stamp information appears in the header of invoices you send.

- **Share link:** Displays a unique URL for the invoice for inclusion in an email you want to send outside of QuickBooks.

A second prompt asks if you want to update the Sales Receipt template to include the Tips field. Click Save and Done. You can now record tips when applicable during your invoicing process.

Exploring more actions

Once you've saved an invoice, click More Actions to open a handy toolbox of follow-up options:

- **Make a Copy:** Duplicate the invoice for a similar job or customer.
- **Create a Credit Memo:** Reverse all or part of the invoice amount.
- **Delete:** Remove the invoice entirely. Use this option only for errors caught early.
- **Void:** Retain a record of the invoice while removing its financial impact.

TIP

If you've already sent the invoice, use Void rather than Delete to preserve the audit trail.

- **Transaction Journal:** View the behind-the-scenes accounting entries.
- **Audit History:** Track changes made to the invoice over time.

TECHNICAL STUFF

Create Shipping Label is a come-on for QuickBooks Shipping. Click it, and you'll be nudged to sign up. Not all More Actions options appear on other transaction types.

Recording invoice payments

And now, the moment you've been waiting for: instructions for how to post a customer payment:

1. **Choose Create ➪ Receive Payment.**
2. **Select a customer.**

   Any open invoices appear in the Outstanding Transactions section.

3. **Confirm the Deposit To account.**

   Choose your bank account if the money was deposited directly (like with an ACH). Otherwise, select Payments to Deposit.

   TECHNICAL STUFF

   Payments to Deposit acts as a holding account when you need to combine multiple payments into a single deposit or account for processor fees. See Chapter 5 for more details. In older companies, you may see Undeposited Funds instead.

4. **Select the invoice(s) being paid by clicking the checkbox for individual invoices or the checkbox at the top of the column to select all invoices.**

   If your customer makes a partial payment, you can adjust the Payment field as needed for each invoice.

   REMEMBER

   QuickBooks keeps track of any remaining balance. You'll still see the invoice on your list until it's paid in full.

5. **Save the transaction.**

   TIP

   Use Save and Send to email a copy of the payment receipt to your customer.

REMEMBER

Recording a customer payment isn't the final step. QuickBooks holds the funds in a temporary account called Payments to Deposit until you record the actual deposit. To learn how to complete that step and move the money into your bank register, head to Chapter 5.

Working with Estimates

Estimates, also referred to as *quotes* or *bids,* are nonposting transactions that forecast the charges a customer might incur for a project. They don't affect your financial reports, but they help you track proposals and turn them into real transactions — invoice and purchase orders — once accepted.

TIP

A purchase order is a document you send to a vendor to request items or services. It's nonposting like an estimate, but when matched with a bill or expense later, it helps verify that you received what you ordered — and at the right price.

TECHNICAL STUFF

You must have a Plus or Advanced subscription to use purchase orders in QuickBooks Online. (See Chapter 10.) Converting an estimate to an invoice closes it, so if you need to create both a purchase order and an invoice, convert to the purchase order first.

Preparing an estimate

Creating an estimate follows the same steps as creating an invoice. (See the "Creating an invoice" section earlier in this chapter.) To get started, choose Create ➪ Estimate.

Estimates can have one of four statuses:

- **Pending:** You've sent the estimate but haven't heard back.
- **Accepted:** The customer gave you the green light. You're ready to invoice or, for Plus/Advanced users, generate a purchase order.
- **Rejected:** The customer passed.
- **Closed:** You've invoiced the customer, and the estimate is no longer active.

REMEMBER

Sales tax, discounts, and shipping fields only appear on estimates if they're enabled for invoices. See "Creating an invoice" and "Putting Sales Tax in the Spotlight" earlier in this chapter.

TIP

Want to track all the proposals you've made? Run the Estimates by Customer report and filter it by status to see where things stand.

Converting an estimate to an invoice

Once the work is done, it's time to bill your customer. If you've already created an estimate, you're just a few clicks away from turning it into an invoice:

1. **Choose Create ➪ Estimate.**

   The Estimates screen opens.

2. **Click Recent Transactions and select the estimate that you want to accept.**
3. **Change the status from Pending to Accepted, and then click Convert to Invoice.**

   If you don't see the status field in the upper-right corner, click Manage to open the task pane.

QuickBooks creates a draft invoice with the estimate's line items. You can tweak the contents as needed before saving. Now I'll review a few caveats:

- **Create purchase orders first:** Converting an estimate to an invoice marks it Closed, so make sure to generate any necessary purchase orders beforehand.
- **Beware of closed estimates:** Reopening a closed estimate reactivates all line items for invoicing, which risks a double charge. For partial billing, copy the invoice and leave the estimate closed.
- **Use progress invoicing for multistage projects:** Bill in phases by converting a portion of the estimate at a time. You don't need to reopen the original.

  TECHNICAL STUFF

  To turn this option on, choose Settings ➪ Account and Settings ➪ Sales, and then enable Create Multiple Partial Invoices from a Single Estimate. Going forward, QuickBooks prompts you to choose how much of the estimate you want to invoice each time you convert one.
- **Shortcut alert:** You don't have to convert from the Estimate screen. You can start from the Invoice screen or the customer's Sales Transactions list. QuickBooks prompts you to pull in the open estimate.

Handling Special Cases and Follow-Ups

QuickBooks gives you several tools for dealing with the twists and turns of real-world customer transactions. This section covers what to do when things don't go according to plan, like when a customer pays too much, asks for a refund, or needs a dozen invoices printed in one go.

Viewing recent transactions

Most transaction screens include a Recent Transactions button to reopen something you were just working on. You can also:

- Use the Search field at the top of most QuickBooks screens (but not windows).
- Visit a customer page to view recent activity.
- Choose All Apps ➪ Sales & Get Paid ➪ Sales Transactions to browse all sales forms.

Managing transaction line items

You can rearrange, remove, or add rows to the Product or Service section of a sales form using these controls:

- **Reorder Rows:** Use the drag handle at the start of each row.
- **Remove a Row:** Click the Remove icon.
- **Insert a Row:** Click anywhere within a row, and then choose Insert Row ➪ Add Product/Service.
- **Insert Subtotal:** Click anywhere within a row, and then choose Insert Row ➪ Add Product/Service.

Handling overpayments

Sometimes customers overpay, either on purpose (a tip) or by mistake. QuickBooks can help you manage the surplus.

TIP

To apply overpayments automatically, go to Settings ➪ Account and Settings ➪ Advanced, and toggle on Automatically Apply Credits under Automation.

Once this is enabled, QuickBooks automatically creates a credit transaction for any overpayment. You can then:

- **Apply to an existing invoice:** Offset the extra amount against another open invoice when applying a payment.
- **Apply to a future invoice:** QuickBooks holds the credit and applies it to the next invoice you create for the customer.
- **Keep it as income:** Add a Gratuity income account and service item, and then create an invoice for the overpaid amount. QuickBooks marks it paid using the available credit.

WARNING

Don't use a credit memo or refund receipt for overpayments because it can cause confusion and inaccurate balances.

Issuing refunds and credits

Need to give money back or reduce what a customer owes? You have two tools:

- **Credit memos:** To reduce a customer's balance:
  1. **Choose Create ➪ Credit Memo.**
  2. **Fill it out just like an invoice, entering positive amounts (even though you're giving money back).**
  3. **Save the credit memo.**

     QuickBooks applies the money to future or open invoices automatically unless you've disabled that in Settings.

     TIP

     To prevent automatic application, go to Settings ➪ Account ➪ Advanced, and toggle Automatically Apply Credits off.
- **Refund receipts:** To return money outright, typically for something already paid:
  1. **Choose Create ➪ Refund Receipt.**
  2. **Complete the form (including payment method and bank account).**
  3. **Click Print or Preview, or mark it Print Later to generate a check.**

  REMEMBER

  Refunds for credit card payments can only be processed if they were handled via QuickBooks Payments. ACH refunds must be done outside of QuickBooks.

  TECHNICAL STUFF

  ACH stands for Automated Clearing House, the US network banks use to move money electronically between accounts. In QuickBooks Payments, ACH transfers let customers pay you directly from their bank account. The same system also powers familiar processes like direct deposit, online bill pay, and other bank-to-bank transfers.

  TIP

  To track refunds that don't involve returned items, create a Returns and Allowances income account and link it to a Customer Refunds service item. Don't make it taxable.

Printing or sending in bulk

Need to send a bunch of invoices or print a pile of packing slips? QuickBooks lets you batch actions:

1. **Choose All Apps ➪ Sales & Get Paid ➪ Sales Transactions.**
2. **Filter by type, date, or customer.**

3. **Select one or more transactions, and then choose Batch Actions to:**

   - **Send:** Email the form to the customer.
   - **Send Reminder:** Email reminders for unpaid invoices.
   - **Print:** Print multiple sales forms at once.
   - **Print Packing Slip:** Generate packing slips for the invoices or sales receipts that you select.
   - **Delete:** Physically remove transactions from your books, which you can't undo.

REMEMBER

You can't select multiple transaction types or customers at once, but you can still knock out a lot of work in a few clicks.

Writing Off Bad Debt

At some point, you may not get paid for products delivered or services rendered. It's a frustrating reality, but it's part of the hard-earned wisdom that comes with running a business.

Before you can write off an invoice, a little setup is required. But once that's done, the process is straightforward: Create a credit memo and apply it to the unpaid invoice.

Setting up a bad debt account and item

First add a Bad Debt account to your chart of accounts:

1. **Choose Settings ➪ Chart of Accounts ➪ New.**
2. **Enter** Bad Debt **in the Account Name field.**
3. **Choose Expenses as the account type.**
4. **Choose Other Business Expense as the detail type.**
5. **(Optional) Add a description, such as $#@%!*.**

   That jumble of punctuation favored by grumpy comic strip characters is known as a *grawlix*, a term coined by cartoonist Mort Walker.

TECHNICAL STUFF

6. **Click Save.**

Now create a Bad Debt non-inventory item:

1. **Choose Settings ➪ Products and Services.**
2. **Enter** Bad Debt **as the name.**
3. **Turn on the I Sell This Product/Service to Customers checkbox.**
4. **Add another grawlix, or perhaps just** `Bad Debt Write-Off`.
5. **Leave the Sales Price/Rate field blank.**
6. **Choose Bad Debt as the income account.**
7. **Clear the I Purchase This Product/Service from a Vendor.**
8. **Click Save.**

Writing off invoices

To write off an uncollectible invoice, you must first create a credit memo:

1. **Choose Create ➪ Credit Memo.**
2. **Select the customer (no judgment if they're now your nemesis or frenemy).**
3. **Add Bad Debt as the products/service.**
4. **Grit your teeth, and then enter the amount that you're writing off.**

   You can total multiple invoices into one memo if needed.
5. **Click Save and Close.**

The final step is to apply the credit memo against the invoice(s):

1. **Choose Create ➪ Receive Payment.**
2. **Choose the customer.**
3. **Check the unpaid invoice(s) in Outstanding Transactions.**
4. **Check the credit memo in the Credits section.**
5. **Click Save and Close.**

Now go outside for some fresh air. You deserve it.

REMEMBER

If you file income taxes on the accrual basis, bad debt is typically deductible. If you're on a cash basis, there's no deduction because the income was never recognized.

Viewing the Sequels

Want more details on the tools introduced in this chapter? Check out these other chapters for a closer look:

- **Custom fields, customizing forms, attachments:** Chapter 1 shows how to put these to work so your sales forms match your brand and include the right level of detail.
- **Automation tools:** Chapter 9 explores automation features, such as recurring transactions and overdue invoice reminders, that can streamline your sales workflow (Plus and Advanced only).
- **Inventory tracking:** Chapter 10 dives into setting up and managing inventory items (Plus and Advanced only).
- **Tracking by project or class:** Chapter 11 shows how to use customer projects, classes, and locations to break down income and expenses more precisely within your reports (Plus and Advanced only).
- **Excel analysis:** Chapter 20 shows how to use Excel tools to delve into the details QuickBooks reports further.

IN THIS CHAPTER

» Managing your go-to vendors

» Recording bills and vendor credits

Chapter 3

Bagging Expenses, Chilling Bills, and Paying the Tabs

Running a business has a lot in common with a trip to the grocery store. You have your regular stops (vendors), hot foods that need to be dealt with right away (expenses, checks, and credit card charges), refrigerated items you can put on ice for later (bills), and the occasional return or refund when something doesn't work out. This chapter walks you through how QuickBooks tracks all these transactions so that nothing spoils and your books stay fresh.

REMEMBER

Accounts payable — A/P for short — refers to both a balance sheet account and a process. As an account, it tracks what you owe vendors for goods and services you've received but haven't paid for yet. As a process, it's how you enter those bills and later record the payments. Tracking payables helps you stay on top of what you owe and keeps your financial reports accurate, especially if you use accrual accounting.

Managing Vendors

John Donne famously said, "No man is an island," and the same holds true for businesses. Every business relies on outside providers. In grocery store terms, vendors are your go-to shops: the internet provider that keeps you connected, the utility company that keeps the lights on, the software subscriptions that keep your business running. QuickBooks gives you a place to track these vendors so that you know who you're buying from, how much you owe them, and how to log payments when it's time to check out.

REMEMBER

If you have quasi-employees for whom you wish to track time, set them up as a contractor (Chapter 4) instead of a vendor. From an IRS standpoint, employees are subject to payroll taxes and withholding, while contractors are self-employed non-employees who receive 1099s (instead of W-2s). Vendors in QuickBooks are simply payees, but using the contractor setup lets you track time in addition to payments.

Creating vendor records

You can't record a transaction that involves paying money without first creating a vendor record. Whether you're cutting checks, logging expenses, or entering bills, QuickBooks needs a vendor attached. At the simplest level, you only need to fill in one field: Vendor Display Name.

REMEMBER

Once you've saved a vendor, you can't delete them, but you can mark them inactive as long as their balance is zero.

TECHNICAL STUFF

In the spirit of "where there's a will, there's a way," you could use journal entries instead (see Chapter 22), but that's brute-force bookkeeping. Vendor records are the proper way to go.

Adding a vendor quickly

For a quick setup:

1. **Choose Create ➪ Add Vendor or choose Add New from the Vendor dropdown on any related transaction screen.**
2. **Fill in the Vendor Display Name field.**
3. **Click Save.**

That's all it takes to get a vendor into QuickBooks. You can always add more details later.

Broadening a vendor's profile

When you're ready to go beyond a trip for bread and milk, you can expand your vendor's profile to take fuller advantage of what QuickBooks can do:

- **Name and Contact:** (Optional) Fill in the Company Name field to connect via the QuickBooks Business Network to receive vendor bills directly (with their approval).

  REMEMBER

  If you change your mind or select the wrong match, click Reset in the Company Name field to cancel the pending request.

- **Address:** This ensures checks or bill-pay services go to the right place. Click Preview Address to locate the address on Google Maps so that you know where your "store" is located.

- **Notes and Attachments:** Keep track of recipes, receipts, contracts — all the extras you don't want to lose. I've heard that your electrician makes a mean apple pie.

- **Bill Pay ACH Info:** An optional QuickBooks Payment subscription enables you to automate paying vendors electronically, or you can store the ACH information here for use with an external service.

  TECHNICAL STUFF

  ACH stands for Automated Clearing House, the US network that banks use to move money electronically between accounts. It's the backbone for things like direct deposit, online bill payments, and bank-to-bank transfers.

- **Additional Info:** This section includes several fields worth checking out:
  - **Business ID No/Social Security No.:** In shorthand, this is the tax ID field, meaning you'll enter the employer ID number for a business or the Social Security number for an individual.
  - **Track Payments for 1099:** Chapter 4 gives the lowdown on paying contractors.

    TECHNICAL STUFF
  - **Billing Rate/Hr:** For vendors whose work you pass through to your customers, this field prefills an hourly rate when marking expenses as billable (Essentials, Plus, and Advanced only — see Chapter 9)
  - **Terms:** Payment terms define the conditions under which a buyer is required to make payment to a seller, including the due date and any discounts for early payment.

TIP

To set up a new payment term, choose Settings ➪ All Lists ➪ Terms ➪ New.

- **Account No.:** If your vendor assigns an account number to you, enter it here to be included on checks and bill pay service payments.
- **Default Expense Category:** Choose an expense account from your chart of accounts.
- **Opening Balance:** If you already owe someone money when you start using QuickBooks, this is where you record it. (Think of it as starting the month with an IOU on the fridge.)
- **Custom Fields:** Chapter 1 covers what's possible based upon subscription level.

Exploring vendor records

Unlike the customer list, which practically requires you to solve a puzzle before revealing itself, accessing the vendor list is straightforward. From the sidebar, choose All Apps ➪ Expenses & Bills ➪ Vendors.

The Vendors screen combines an accounts payable dashboard with a vendor list. Click any colored band to display the underlying transactions. Drilling down into a vendor's screen opens the Split View pane, which works the same way it does for customers (see Chapter 2 for details).

Once your provider appears on the screen, click anywhere in their row except the Action column. Unlike most lists, an Edit option isn't available here. A vendor record opens with a set of tabs:

- **Transaction List:** Displays all transactions for the vendor.
- **Vendor Details:** A bird's-eye summary of the vendor, though not all fields are shown and none are editable. In true QuickBooks fashion, the field name oversells what you actually get.
- **Notes:** Add notes by clicking + Add Note. Just know that notes entered in the Vendor task pane don't carry over here. You can comment on notes here, though, and so can others.

TECHNICAL STUFF

Essentials, Plus, and Advanced users also have a Recurring Transactions tab that shows scheduled checks or expenses. (See Chapter 9.)

Editing, inactivating, or merging vendors

The Edit button, visible on every tab of the vendor's page, allows three actions:

- **Edit:** Opens the Vendor task pane, as discussed in the "Creating vendor records" section earlier in this chapter.
- **Make Inactive:** Deactivates a vendor if their balance is zero.
- **Merge Contacts:** Combines transactions from two different vendor records.

WARNING

All vendor-specific details from the first vendor, such as addresses and phone numbers, are discarded during the merge. Be sure to read the instructions in the Merge Contacts dialog box carefully to avoid unexpected data loss.

The New Transactions button, visible on each screen of the Vendors tab within the Expenses screen, enables you to create a variety of vendor-related transactions as well as statements. Each transaction type is discussed later in this chapter.

Batching actions for vendors

A Batch Actions command appears when you click the checkbox for one or more vendors. Use this command to carry out these actions on the vendor list:

- **Email:** This command creates a blank message in your email software or platform and lists the email addresses for the vendor(s) that you selected in the BCC field.
- **Make Inactive:** Choose this option to mark as inactive one or more vendors that don't have an open balance.

When working within the Transactions tab of a vendor's record, checking one or more checkboxes will cause up to three buttons to appear:

- **Categorize:** Enables you to choose a single account to be applied to all the selected transactions (only applicable to unpaid bills).
- **Schedule Payment:** Requires a QuickBooks Bill Pay subscription.
- **Delete:** Deletes the transaction(s).

TIP

I discuss how to customize lists such as vendors in Chapter 1.

Handling Vendor Transactions

Some costs are like hot foods from the deli: You want to dive into them the moment you bring them home. Others can sit for a bit, but you still need to track them. QuickBooks offers a variety of transaction types for recording payments and tracking what you owe:

- **Checks:** Payments you make with a physical check (printed now or later).
- **Expenses:** Payments made electronically or by debit/credit card, including ACH transfers, wires, or online bill payments.
- **Credit Card Charges:** Technically just another type of expense, but listed separately because users often go looking for them.
- **Credit Card Credit:** Records a refund posted to your credit card.
- **Bills:** Used to record a vendor charge that you plan to pay later. Think of these as refrigerated items you're keeping on ice.

  REMEMBER

  You don't always need to enter a bill. Sometimes it's simpler to just record the payment directly. But if the bill's going to sit for a while, it's smart to record it so you can see the full picture of what your business needs to shell out.
- **Vendor Credit:** Record a credit memo that you intend to apply against an existing or future bill.

  TECHNICAL STUFF

  A credit memo (*it's pronounced credit memorandum if you're wearing a green eyeshade*) is a document from a vendor that reduces the amount you owe. The reduction is usually because you returned items, received a discount, or were overcharged.
- **Pay Down Credit Card:** A special screen that helps you record a payment to your credit card company, assuming you paid via bank transfer.
- **Purchase Order:** (Plus and Advanced only) Used to request goods or services before receiving or being billed for them. (See Chapter 10.) This is like putting in a special order at the deli counter.

All these transactions live under the Create button on the QuickBooks sidebar. Most follow a similar layout: vendor info at the top, followed by line item rows for accounts or items, then payment details, memos, and attachments. You'll also see familiar controls like Save and Close, Save and New, and, if you're using checks, Print Check.

WARNING

QuickBooks really wants you to use its QuickBooks Bill Pay service — just in a more low-key way than the in-your-face tactics used to promote QuickBooks Payments (probably because the fees are lower). I'm not passing judgment on the service itself. Just know that you get a handful of free transactions each month, after which QuickBooks starts charging per ACH or check. Weigh your options before committing, and until then, don't click any buttons related to scheduling payment.

Recording checks, expenses, and credit card charges

No matter what's in your cart, the checkout process works pretty much the same.

1. **Scan your first item:**
   - **Checks:** Choose Create ⇨ Check to record checks that you've handwritten or intend to print.
   - **Expenses:** Choose Create ⇨ Expense to record electronic payments that post directly to your bank account.
   - **Credit card charges:** These are just types of electronic payment, so choose Create ⇨ Expense for these as well.

     REMEMBER

     If you're looking for the accounting equivalent of tap to pay, Chapter 5 shows how to download credit card transactions directly into your books and how to pay your credit card bill.
   - **Credit card Credit:** Choose Create ⇨ Credit Card Credit to record a reversal of a credit card charge.
2. **In Payee, select a vendor or contractor, or choose Add New and enter at least a vendor display name.**
3. **Select a payment account.** Always use a bank account for checks; use a bank or credit card for expenses and credit card transactions.
4. **Enter the payment date.**
5. **For checks, enter the check number. For expenses and credit card transactions, you can optionally enter a reference number.**

   REMEMBER

   For handwritten checks, use the actual check number to make reconciliation easier.

   For checks you plan to print later, select Print Later.
6. **(Optional) Use the Permit No. field to record a specific permit or reference number associated with a sales tax payment.**

TIP

7. **In the Category Details section, fill in the following columns:**

   - **(Required) Category:** Choose an account from your chart of accounts.
   - **(Optional) Description:** Add details about the charge.
   - **(Required) Amount:** Enter the dollar amount.

   TECHNICAL STUFF

   An Item Details section may appear in Plus and Advanced companies. Chapter 10 delves into receiving physical inventory items.

8. **Close out the transaction:**

   - **Print Check:** Enables you to print the check immediately.
   - **Save and Close:** Posts the transaction to your books and closes the transaction screen.
   - **Save and New:** Posts the transaction to your books and clears the transaction screen.

Printing and voiding checks

If you've fully embraced electronic commerce, you can skip this section. Otherwise, grab your paper bags (er, paper checks) and prepare to print.

Printing checks

Here's how to print checks that you marked Print Later:

1. **Choose Create ➪ Print Checks.**

   One of two screens opens:

   - **Print Checks Setup:** Follow the onscreen prompts to get your "checkout lane" ready. When finished, click Yes, I'm Finished With Setup. Then return to Step 1 to reenter the lane.
   - **Print Checks:** Review the list of checks waiting to be "bagged" (printed).

2. **Choose a bank account from the Account field.**
3. **Accept the default of All in the Transaction Type field, or choose Check or Bill Payment (check).**
4. **(Optional) Change the sort order.**
5. **Enter or confirm the starting check number.**
6. **Select the checks that you want to print, and then click Preview and Print.**

If all goes smoothly, every item scans on the first try. Your payee receives the check, cashes it, and you reconcile it once it clears the bank. (See Chapter 5.) If things don't go smoothly — say the check has the wrong amount, the wrong payee, or gets lost — you'll need to void it and issue a replacement. The next section shows you how to handle voids in QuickBooks.

Voiding checks

Of course, not everything goes as planned. Maybe you dropped the eggs, jammed up the printer, or sent a check to the wrong address. Whatever the cause, it's time for a cleanup on Aisle 3. Here's how to void a check while keeping your records intact:

1. **Choose an item from the shelf:** Use your preferred method to find the check that needs voiding:
   - **Browse the recent displays:** Choose Create ➪ Checks ➪ Recent Checks, and then click on the transaction.
   - **Check the store's app:** Enter the check number in the Search field.
   - **Dig into the vendor's shelf:** Open the vendor's transaction list and locate the check.
2. **Go to checkout:** Choose More ➪ Void at the bottom of the screen.
3. **Dunk your mop:** Click Void Transaction to mark the check as voided. It stays in your books for audit purposes.
4. **Restock if needed:** If the funds still need to be remitted, create a new check or bill payment with a new check number.

REMEMBER

Always void checks instead of deleting them. Delete removes all trace of the transaction, which might leave you feeling shoplifted later.

Bagging the extras

Once you've mastered the essentials, you can shop for features that make your transactions cleaner, faster, or more detailed. Think of these as the impulse buys or helpful extras you toss in before heading to checkout. They're not required, but they're often worth it.

In the body of the transaction screens, you'll find:

» **Add Lines:** Add more items to your cart, er, transaction, by expanding the Category or Item Details sections.

- **Clear All Lines:** Wipe the detail section clean, like abandoning your cart mid-aisle.

WARNING

  QuickBooks won't ask if you're sure, and Clear All Lines has no undo option. Handle this button with as much care as you do a dozen eggs.

- **Memo:** Document details you don't want to forget. This is kind of like jotting down a recipe for the next time.
- **Attachments:** Upload receipts, invoices, or supporting files. (See Chapter 1.)

Extra commands also appear at the bottom of the screen:

- **Print Check:** Reprint a check. This is handy if you forgot to load check stock or your printer jammed mid-run.
- **More:** This appears after saving, and includes:
  - **Copy:** Creates a duplicate, like grabbing a second item off the shelf when you realize you'll need more later.
  - **Void:** Marks the transaction as void without affecting your books — ideal for spoiled goods (er, misprinted checks) that you still want to track.
  - **Delete:** Removes the transaction completely. This is best saved for errors like ringing up the same item twice.
  - **Transaction Journal:** View the behind-the-scenes accounting entries, like checking your receipt line by line.
  - **Audit History:** See who created or edited the transaction and when. This is your paper trail for who had their hand in the till.

TECHNICAL STUFF

- **Make Recurring:** This is available to Essentials, Plus, and Advanced users. It turns checks or expenses into repeat transactions, like scheduling the milkman, or in modern terms, setting up auto-ship. (See Chapter 9.)

Recording bills and vendor credits

Whether you're entering a bill you plan to pay later or logging a vendor credit for a returned item, the process is nearly identical:

1. **Put your first item on the conveyor belt:**
   - **Bills:** Choose Create ➪ Bill to record bills that you intend to pay later.
   - **Vendor Credit:** Choose Create ➪ Vendor Credit to log a refund or price reduction from a vendor, usually applied to a future bill.

2. **In Payee, select a vendor or contractor — much like scanning a loyalty card — or choose Add New, fill in Vendor Display Name (at a minimum), and then click Save.**

3. **Choose prepackaged or fresh dates:**

   - **Bills:** Select the payment terms and then the bill date. QuickBooks stamps the transaction with a canned due date, which you can override if needed.
   - **Credits:** Enter the credit memo date in the Payment Date field. You say *to-may-to*, QuickBooks says *to-mah-to*.

4. **Enter the UPC code — I mean, the invoice or credit memo number.**

   Type the bill number or reference number to help identify this transaction down the line.

5. **Roll your cart down the Category Details aisle, and fill in these fields:**

   - **(Required) Category:** Choose an account from your chart of accounts.
   - **(Optional) Description:** Add details about the charge or credit.
   - **(Required) Amount:** Enter the dollar amount.

   REMEMBER

   It's counterintuitive, but record vendor credits as *positive* amounts. Entering a negative here is like scanning a return as a purchase: It increases your expenses instead of reducing them.

   TECHNICAL STUFF

   An Item Details section may appear in Plus and Advanced companies. See Chapter 10 for how to receive inventory items and track purchase orders.

6. **Click Save and New to start checking out the next bill. I'm not even going to pretend you have only one bill.**

   Other choices include:

   - **Save and Close:** Posts the transaction to your books and closes the transaction screen.
   - **Save and Schedule Payment:** Requires QuickBooks Bill Pay to be enabled.

   TIP

   The "Bagging the extras" section earlier in this chapter describes the extra fields and menu commands that also appear on the Bill and Vendor Credit screens. The one extra option you'll see on Bills is More ➪ Copy to Vendor Credit, which is useful when you need to offset a bill in full.

   TECHNICAL STUFF

   Want to see what's due and when? Run the Accounts Payable Aging Summary report (Reports ➪ Who You Owe ➪ A/P Aging Summary). It sorts your unpaid bills into buckets by vendor based on how long they've been sitting out. Want the gory details? Run the A/P Aging Detail report instead.

Paying bills

Like rolling into the store with a full grocery list, this approach lets you knock out multiple payments in one go — and QuickBooks will automatically apply any open vendor credits to your tab.

When it's time to pour one out for your bank balance, here's how to begin:

1. **Choose Create ➪ Pay Bills.**

   The Pay Bills screen opens. It's your one-stop checkout lane for settling up with multiple vendors.

2. **Pick your poison, I mean a payment account.**

   This is the wallet you're pulling from. It's usually your checking account. Just opened a new one? Choose Add New to drop it into QuickBooks on the fly.

3. **Adjust the payment date if you're living in the future — or perhaps the past.**

   This is the date you're *checking out* of these bills. QuickBooks treats it as the official payment date in your books.

4. **Choose your aisle:**

   - **Paper checks:** Head to the register. Confirm the starting check number, and then click Print Later if you're setting things up to print later.
   - **Electronic payments:** Skip the line. Whether you're using QuickBooks Bill Pay or another service, adjust or ignore the check number. In this context, it's just a transaction ID.

5. **Choose one or more bills to pay, and then override the payment amounts if needed.**

   Partially paid bills will remain open on your books until you settle them in full.

   TIP

   Check the box in the first column to add a bill to your "cart." Use the Filter button to narrow your list by vendor or due date or to show only overdue items — perfect for sniffing out what's about to make you say, "What's that smell?"

6. **Mark the bills as paid by choosing an option:**

   - **Schedule Payments:** Arranges payment via the QuickBooks Bill Pay service.
   - **Save and Print:** Generate paper checks.
   - **Save and Close:** Records your payments and closes the screen.

- **Save:** Keeps the screen open so you can keep working. This option is like parking your cart mid-aisle while you dash back for the one item you came for.

TIP

Prefer to start from a check or expense? That works too. Choose Create ➪ Check or Create ➪ Expense, and then pick a vendor. If the vendor has any unpaid bills, QuickBooks slides in the Add to Check pane so you can link the payment right there. Once you do, the Pay Bills screen opens, showing the bills you selected. You're going to end up here one way or another. Alas, even grocery store owners can't fight city hall.

Recording vendor refunds

Sometimes you have to tell a vendor, "Your credit memos are no good to me. Show me the money." This section walks you through how to swap out that Monopoly money — meaning vendor credits you've already recorded — for actual cash in your books.

REMEMBER

If you're trying to post an unexpected check, such as that $1.32 class-action lawsuit settlement, you're in the wrong aisle. Head over to Chapter 5 instead.

Before you begin, buckle the strap on your shopping cart. This is a two-screen process. Think of it as a reverse BOGO because in QuickBooks, even refunds come with a few extra steps. You'll need to:

- Record the incoming check using a bank deposit
- Clear the vendor credit using Pay Bills

Here's the workflow:

1. **Choose Create ➪ Bank Deposit.**
2. **In the Received From column, select your vendor.**
3. **In the Account column, choose Accounts Payable (A/P).**

   REMEMBER

   Make sure to use Accounts Payable (A/P) in the bank deposit — not an expense account — or the credit won't clear properly.
4. **Fill in the amount, payment method, and any other relevant details.**
5. **Click Save and Close.**
6. **Choose Create ➪ Pay Bills.**

7. **Select the bank deposit you just recorded.**

   You'll see the vendor credit applied automatically, bringing the total to $0.

8. **Click Save and Close.**

Restocking Your Knowledge

Need to explore a topic further? Here's where to find more in this book:

- **Attachments:** Chapter 1 shows how to upload receipts, contracts, and other files to transactions.
- **Customizing lists:** Learn how to tweak list columns, such as for the vendor list and elsewhere, in Chapter 1.
- **Contractors and 1099s:** Chapter 4 walks through how to pay contractors and prep for tax season.
- **Bank feeds and refunds:** Chapter 5 explains how to download transactions and post unexpected checks.
- **Reports:** Chapter 6 shows how to run, customize, and interpret your reports, including A/P aging.
- **Recurring transactions:** Chapter 9 covers how to automate checks and expenses for repeat bills.
- **Purchase orders and inventory:** Chapter 10 walks through requesting goods and tracking what you receive.
- **Journal entries:** Chapter 22 shows some appropriate uses of journal entries.

IN THIS CHAPTER

» Exploring payroll options, from doing it yourself to using QuickBooks Payroll

» Understanding how to pay owners, employees, and contractors

» Getting familiar with key payroll tax forms and deadlines

» Setting up, running, and troubleshooting payroll

» Preparing and filing 1099s for your contractors

Chapter 4

Tackling Payroll Chores

Have you ever noticed how much payroll has in common with household chores? Like mowing the lawn, payroll isn't glamorous, but if you let it slide, you end up in the weeds fast. And few things attract unwanted attention faster than forgetting to pay an employee, a contractor, or the tax authorities.

Just as you can cut your own grass or hire a landscaper, you have a choice when it comes to payroll: Do it yourself or subscribe to a service like QuickBooks Payroll. Each option gets the job done, but the workload and level of automation are very different. If you're comfortable handling calculations, tax filings, and deadlines on your own, QuickBooks gives you the tools to go the DIY route. If you'd rather hand off the heavy lifting, the QuickBooks Payroll service can calculate paychecks, handle taxes, and even make direct deposits for you.

This chapter offers a sense of the two workflows, along with the three big "pay" categories most small businesses face:

» **Owners and partners:** This category is for those who don't actually go through payroll.

- **Employees:** This category is for those who do go through payroll, with paychecks and taxes.
- **Contractors:** This category is for those who get paid as vendors but come with their own year-end reporting.

By the end, you'll know how to keep each category neat, accounted for, and up to date.

TIP

I cover time tracking in Chapter 9. QuickBooks Time syncs seamlessly with QuickBooks Payroll if you're on Essentials, Plus, or Advanced. Think of it as setting the timer on the washer so payroll and timesheets finish together.

Choosing Your Approach

Just as you can periodically either spend some quality time with your lawnmower or outsource that task, you have options when it comes to payroll. QuickBooks gives you tools to do payroll in-house with QuickBooks Payroll, or you can use a third-party payroll service that handles the process outside of QuickBooks. Each approach gets the job done, but the level of automation, setup, and bookkeeping effort varies.

Automating payroll with QuickBooks Payroll

Subscribing to QuickBooks Payroll automates many of the chores involved in paying employees and contractors. Once you've set up your team and preferences, QuickBooks handles the heavy lifting.

QuickBooks Payroll Core and above plans cover:

- Calculating gross pay from salary, hourly rates, or commissions
- Withholding and tracking federal and state payroll taxes
- Making employer-side tax payments
- Paying workers via next-day direct deposit
- Filing payroll forms like 941s, W-2s, and 1099s
- Giving employees access to paystubs and tax forms through QuickBooks Workforce
- Offering retirement benefits through integrated 401(k) plans with Guideline

QuickBooks Payroll Premium and above covers:

- Integration with QuickBooks Time to track hours and sync them with payroll
- Same-day direct deposit (instead of next-day with Core)
- Additional HR support tools

QuickBooks Payroll Elite adds:

- Support for local payroll taxes in addition to federal and state
- Expert setup review and tax penalty protection
- Premium support and advisory tools

Because QuickBooks Payroll is integrated with QuickBooks Online, all these actions post directly to your books. No double entry is required.

REMEMBER

Even with automation, you're responsible for recording hours and processing payroll each pay period. QuickBooks doesn't run payroll on its own unless you specifically set up Auto Payroll, and even then, it only works for salaried employees with fixed pay.

Using third-party payroll services

Many businesses choose third-party payroll providers like Gusto, ADP, and Paychex. These services can also calculate paychecks, remit taxes, and file payroll forms.

The tradeoff? These services typically don't sync directly with QuickBooks Online, so you need to record payroll using journal entries — typically once per pay run, based on a summary report from your provider.

Handling payroll yourself

You can also do payroll manually. That involves calculating gross pay, taxes, and deductions on your own, cutting checks, making tax deposits, and filing the tax forms yourself. This approach requires:

- Understanding federal and state payroll tax rules
- Calculating each paycheck manually

- Depositing federal, state, and possibly local payroll taxes within specified windows
- Preparing and submitting tax forms and payments by their deadlines
- Creating journal entries in QuickBooks to record payroll activity

DIY payroll may work for small teams with predictable pay, but it comes with more risk and responsibility. If you choose this path, consider using Excel or another system to track payroll outside of QuickBooks and consult a tax pro to stay compliant.

REMEMBER

You can't run payroll natively in QuickBooks Online without a QuickBooks Payroll subscription.

Paying Owners and Partners

Before diving into paying employees and contractors, it helps to address a common point of confusion: How are business owners paid?

The answer depends on the role an owner plays and how the business is structured:

- **Employee:** Some owners pay themselves a salary through payroll, just like any other employee. In QuickBooks, that means setting up the owner as an employee and processing regular paychecks, complete with taxes withheld. This arrangement is required for certain business structures, such as S corporations, where the Internal Revenue Service (IRS) expects owners who perform services to take "reasonable compensation" through payroll.
- **Owner:** Even if an owner takes a salary, they may also take *draws* — extra money pulled out of the business — or put money back in through contributions. These movements are recorded in equity accounts, not in expense accounts like Salaries and Payroll.

In short, payroll, draws, and contributions are basically scheduled and unscheduled maintenance tasks:

- **Employee compensation:** This is routine upkeep, like changing air filters or inspecting the fire extinguisher.
- **Owner's draws:** Periodic withdrawals, like taking supplies off the shelf when you need them. Depending upon the business, these may be scheduled, or ad hoc.

» **Owner's contributions:** Occasional infusions, like replacing worn-out equipment when needed. Owners usually prefer taking money out over putting money back in.

At year's end, it's time to "clean up the workbench" by moving all Draw and Contribution balances into Retained Earnings. Why? Because these equity accounts track the ins and outs for the current year — and starting fresh with a clear workbench (a zero balance) keeps things organized and easy to follow.

Not sure how to make that journal entry? Let the tax advisor handle it. They'll grab the right tools and get it done, especially since these numbers show up on both the business's and the owner(s)' tax returns.

TECHNICAL STUFF

Owner pay is often a mix of salary and draws. Their salary runs through payroll like any employee's and is subject to Social Security and Medicare taxes, while draws and contributions remain in equity accounts and aren't taxed the same way. They can be paid out separately or added to a paycheck. Because the rules depend on the business's structure and tax setup — and especially because owners may need to pay estimated taxes on the business's income — it's best to consult the company's tax advisor.

Tackling Tax Forms

Payroll means paperwork, and while QuickBooks Payroll handles much of the heavy lifting, it's still helpful to understand the major forms involved. Here's a breakdown based on who's responsible and when they're due:

» **Federal Forms Your Employees or Contractors Complete:** These are forms that your team members fill out. You just keep them on file:

- **Form W-4 (Employee's Withholding Certificate):** Completed by employees when they're hired. This tells you how much federal income tax to withhold from employees' paychecks. Each state may have its own version, too.

  REMEMBER

  Employees need to complete a Form W-4 before their first paycheck. You can download the latest version at `https://www.irs.gov/pub/irs-pdf/fw4.pdf`. Check with your state for any additional forms or requirements.

- **Form W-9 (Request for Taxpayer Identification Number):** Used to collect a contractor's name, address, and taxpayer identification number (usually a Social Security number or EIN). You keep this form on file. It's not submitted to the IRS.

TECHNICAL STUFF

An employer identification number (EIN) is a unique nine-digit number the IRS issues to identify your business for tax purposes. It's kind of like a Social Security number for your company. You need an EIN to hire employees, file payroll taxes, open a business bank account, and more.

TIP

If you don't already have one, you can apply for an EIN for free at `irs.gov/ein`. Most businesses can complete the process online in just a few minutes.

- **Federal Forms You Must File Quarterly:** This form reports payroll activity and taxes every three months:
  - **Form 941 (Employer's Quarterly Federal Tax Return):** Filed quarterly to report payroll taxes withheld from employees' paychecks (like federal income tax and the employer/employee portions of Social Security and Medicare).

    QuickBooks Payroll prepares and files this form for you if everything is set up properly.
- **Federal Forms You Must File Annually:** These show yearly totals for wages, taxes, and other payroll-related expenses:
  - **Form W-2 (Wage and Tax Statement):** The year-end summary you give to each employee (and send to the IRS and Social Security Administration). It reports wages, withholdings, and taxes paid.
  - **Form 940 (Employer's Annual Federal Unemployment Tax Return):** Filed annually to report and pay Federal Unemployment Tax Act (FUTA) taxes. Only employers pay this tax, not employees.

    REMEMBER

    QuickBooks Payroll generates these forms automatically if you use the service. It files them for you, too, if you've completed your tax setup. Employees can view their W-2s through QuickBooks Workforce or receive paper copies if you choose to print and distribute them.
  - **Form 1099-NEC (Nonemployee Compensation):** The year-end summary you give to each 1099-eligible contractor you paid $600 or more. It shows total compensation but no tax withholdings — because contractors handle their own taxes.
- **State and Local Forms:** Every state and some cities have their own payroll tax rules. You may be required to:
  - Register for a state employer identification number.
  - File state income tax withholding forms.
  - File state unemployment tax reports.

- Provide state W-2 equivalents or 1099 copies.
- Remit local payroll or business taxes.

And this mountain of forms is exactly why payroll belongs on the chore chart.

Setting Up QuickBooks Payroll

If you've already subscribed to QuickBooks Payroll — or clicked Get Started on any payroll screen — you're likely halfway into the setup. If not, you can check your subscription status by selecting Settings ➪ Subscriptions and Billing. Look for QuickBooks Payroll under either Billed to You or Billed to Accountant. If it's not listed, scroll to the Discover More section and sign up for a plan — often at a short-term discount.

Once you're subscribed, go to All Apps ➪ Payroll ➪ Overview and click Get Started to launch the setup wizard. From there, QuickBooks walks you through three main tasks:

- **Getting ready to pay your team:** You'll confirm your next payday, add your business and contact details, connect your bank account (for direct deposit), and start adding employees — either manually or by inviting them to self-onboard through QuickBooks Workforce.
- **Handling your taxes:** Enter your federal and state tax IDs, connect your bank (again, for tax payments), and set up your tax preferences.
- **Taking care of your team:** If you're interested, QuickBooks can help you set up workers' comp, health insurance, or a 401(k). You can skip this for now. Just be sure to complete the first two tasks before your first payroll run.

TIP

It's best to start using QuickBooks Payroll on January 1, if you can. That way, you don't have to enter detailed historical payroll data. If that's not possible, aim for the first day of a quarter. Before that "start date," you can summarize prior pay runs; after it, you'll need to enter them in detail.

REMEMBER

Even with QuickBooks Payroll, you still need to record hours and process payroll each pay period. You can enter hours manually or use QuickBooks Time (covered in Chapter 9) to sync tracked time directly. Unless you enable Auto Payroll, which only works for salaried employees with fixed pay, QuickBooks doesn't run payroll on its own.

Adding employees

You can't run payroll in QuickBooks until your employees are in the system. Thankfully, QuickBooks makes it easy — and even lets you ask employees to fill in their own details through QuickBooks Workforce, which helps you skip a lot of the typing. To add someone, go to All Apps ➪ Payroll ➪ Employees, and then click Add an Employee and follow the prompts.

QuickBooks walks you through entering:

- **Personal Info:** This includes name, address, Social Security number, and date of birth.
- **Tax Details:** This entails the federal filing status and any state withholding info (based on Form W-4).
- **Payment Method:** Options are paper check or direct deposit. (You'll need their banking info for the latter.)

  TIP

  If you choose direct deposit, you can split the paycheck across multiple accounts or combine it with a paper check for part of the total.
- **Employment Details:** Enter the hire date, pay schedule, work location, and job title.
- **Pay Types:** Enter your preferences for hourly, salary, commissions, bonuses, time-off policies, and so on.

  REMEMBER

  When setting up pay types, scroll down to enable anything beyond base pay, such as overtime, holiday pay, and bonuses. If it's not enabled here, you won't be able to enter those amounts when running payroll.
- **Deductions and Contributions:** Enter the employee benefits, retirement plans, and other withholdings.

Once you've finished entering the details (or your employee finishes through Workforce), you're ready to include them in your next payroll run.

Maintaining employee records

Employee details can change over time. And sometimes, employees move on. Here's how to keep your employee list up to date in QuickBooks Payroll:

- **Editing employee details:** To update pay rates, bank accounts, or addresses, from the Employees list, click the employee's name, and then use the Edit buttons in each section to make changes. Be sure to save before leaving the screen.

- **Inactivating employees:** When someone leaves your business (amicably or not), you'll usually mark them Inactive. This keeps their payroll history intact for reporting but removes them from future pay runs. To do this, open the employee record, click Actions, and then select Make Inactive.
- **Deleting employees:** In rare cases, such as if you added someone by mistake and never paid them, you can fully delete an employee. Go to All Apps ➪ Payroll ➪ Employees, and then click Actions ➪ Delete Employee.

REMEMBER

If you've already run payroll for someone, QuickBooks only lets you inactivate them, not delete them. That's by design. Payroll history needs to stick around for reports, tax filings, and year-end forms.

Reviewing your payroll settings

Once you've added your employees, it's worth taking a quick tour of the Payroll Settings screen. You'll find this by choosing Settings ➪ Payroll Settings. Think of this as your payroll control panel, where you can review and tweak the key preferences that keep everything running smoothly. Some highlights:

- **General and Federal Tax:** Confirm your EIN, business type, and filing frequency, and make sure your federal tax info is accurate. If any special federal programs apply, like deferrals or relief options, they'll show up here too.
- **State Tax:** Enter your state tax account numbers, unemployment rates, and deposit schedules. If you process payroll in multiple states, each one will have its own section.
- **Bank Accounts and Printing:** Connect your bank to enable direct deposit and e-payments. You can also decide how you want to print checks: on blank stock or preprinted forms.
- **Preferences and Notifications:** This is where you can enable features like Auto Payroll, manage email alerts, and decide whether to let employees share W-2s with TurboTax or access early pay options.
- **Accounting:** Here's where you map your payroll expenses and liabilities to the correct accounts in your chart of accounts. This is a key step for accurate books.

TIP

Take a few minutes to explore this screen before your first payroll run. You'll avoid last-minute surprises when it's time to pay taxes or file a return.

You can also set tax exemptions for employees if special circumstances apply, such as if a worker qualifies as exempt from federal or state withholding due to their status or earnings.

To adjust exemptions:

1. **Go to All Apps ➪ Payroll ➪ Employees and click the employee's name.**
2. **Click Edit in the Tax Withholding section.**
3. **On the What Are [Employee's] Withholding screen, scroll down and expand Tax Exemptions.**
4. **Check the boxes as needed, and then click Done.**

REMEMBER

Most employees won't be exempt from payroll taxes. Only use these settings if you're sure the employee qualifies. When in doubt, confirm with your tax advisor.

Preparing and Running Payroll

Processing payroll in QuickBooks Online is a straightforward, three-step process:

1. **Record paycheck information.**
2. **Review the details.**
3. **Generate paychecks or direct deposits.**

Read on to walk through it.

Recording payroll

Start by choosing All Apps ➪ Payroll ➪ Employees ➪ Run Payroll. This opens the Run Payroll screen, where you'll:

- Confirm the bank account, pay period, and pay date.
- Select the employees you want to pay.
- Enter hours worked for hourly employees.
- Optionally add memos, bonuses, or additional pay types.

TIP

REMEMBER

Click the arrow next to Run Payroll for a Bonus Only option. You can enter a bonus as net pay (QuickBooks calculates gross) or as gross pay (QuickBooks calculates net).

The Run Payroll option doesn't appear until you've finished tax setup and connected your bank. If it's missing, check the setup checklist at the bottom of the Payroll ➪ Overview screen.

Reviewing and generating payroll checks

Once hours and pay info are in:

1. **Click Preview Payroll.**
2. **Use the Review screen to:**
   - Compare each check to the employee's last paycheck.

     WARNING

     If you use the Compare to Last Payroll view, close it using the Close (X) icon, not the Escape key, or you may cancel the payroll run by accident.
   - Edit fields as needed.
   - Click the employee's name if you need to enable additional pay types, like holiday pay or bonuses. You must enable these before you can enter values.

     TIP
   - Review employer costs like taxes and contributions.
3. **Click Submit Payroll when ready.**

   If you're paying by direct deposit, QuickBooks handles the rest.

   REMEMBER

   If you use QuickBooks Payroll Core, direct deposit typically lands the next business day. With Premium or Elite, same-day deposits are available for pay runs submitted before 7 a.m. Pacific.

If you're using paper checks, you can:

- Click Auto-Fill to assign check numbers.
- Click Print Pay Stubs to generate printable copies.

Avoiding payroll pitfalls

Even though QuickBooks Payroll handles the heavy lifting, it still needs a few things from you to keep everything running smoothly:

- **Bank connection required:** You must connect a verified bank account with enough funds to cover both payroll and taxes. If there's not enough money in the account on withdrawal day, payments can fail, and that may trigger penalties or frustration from employees.
- **Check upcoming tax withdrawals:** To stay ahead of surprises, go to All Apps ➪ Payroll ➪ Taxes ➪ Payments. This screen shows scheduled tax payments, amounts, and due dates so you can confirm funds are available.
- **Access past tax forms anytime:** Need to reprint or review a W-2, 941, or 940 later? Just head to Taxes ➪ Filings. You'll find copies of submitted forms ready to download or print.

Wrapping up and reporting

After running payroll, you can view and export:

- Payroll summaries
- Check detail reports
- Tax liability reports

Go to Reports ➪ Business Overview ➪ Payroll Reports to view and print what you need. You can also export reports to Excel or Google Sheets.

Voiding or deleting a paycheck

Mistakes happen, and when they do, QuickBooks gives you two options: void or delete. The one you use depends on whether the paycheck has already been processed.

- **Void:** The paycheck has already been submitted for direct deposit or included in tax filings. This keeps the transaction in your records but zeros out the amounts.
- **Delete:** The paycheck hasn't been submitted yet and was created in error. This might be necessary, for example, if you accidentally ran payroll for the wrong person or the wrong date.

To take action:

1. **Go to All Apps ➪ Payroll ➪ Employees.**
2. **Click the employee's name.**
3. **In the top-right, click Paycheck List.**
4. **Find the paycheck, and then choose Void or Delete above the list.**
5. **Follow the prompts to confirm.**

REMEMBER

If you're unsure which option to use, especially if taxes were involved, check with your accountant or QuickBooks Payroll support before making changes.

Compensating Contractors

Working with independent contractors can simplify your business — until it's time to pay them or file 1099s. Fortunately, QuickBooks gives you several ways to keep things neat, whether you're writing checks, paying by direct deposit, or preparing year-end forms.

TECHNICAL STUFF

When a business classifies someone as an independent contractor rather than an employee, it avoids a big chunk of payroll costs. Contractors are responsible for the full amount of Social Security and Medicare taxes (known as self-employment tax), whereas employers normally split those costs with employees. Employers also sidestep expenses like workers' compensation insurance, unemployment insurance, and benefits.

WARNING

Misclassifying a worker can trigger fines, back taxes, and audits. The IRS pays close attention to this distinction. If you're unsure, consult your tax advisor or use the IRS's contractor versus employee guidelines.

Identifying 1099-eligible contractors

In QuickBooks, any vendor who gets paid for services and meets the $600 threshold for the year is considered a 1099-eligible contractor. You'll want to flag them accordingly so QuickBooks can track their payments and help you prepare 1099s later.

REMEMBER

Contractors are people who work for you but aren't your employees. They're gig workers in modern parlance. The Internal Revenue Service says you control *what* gets done, but not *how* they do it. If you control the methods and means, that person probably belongs on payroll instead. When in doubt, ask your accountant or visit `https://quickbooks.intuit.com/find-an-accountant`.

Setting up contractors

You can set up a contractor one of two ways:

- Use the Vendors screen and check Track Payments for 1099.
- Go to Payroll ➪ Contractors and click Add a Contractor.

TIP

Enter the contractor's email to invite them to complete their W-9 online. Intuit grabs the tax ID, generates a W-9 PDF for your records, and helps fill in the contractor's profile automatically.

Paying contractors

Paying contractors works much like paying any vendor:

- **Simple Start:** Create checks or expense transactions.
- **Essentials, Plus, or Advanced:** Enter and pay bills in addition to the above options.
- **Contractor Payments or QuickBooks Payroll subscribers:** Pay by direct deposit for a monthly fee.

TIP

You can pay up to 20 contractors via direct deposit for $15/month with the Contractor Payments plan. Each additional contractor costs $2/month, and the plan includes 1099 e-filing.

To pay contractors via direct deposit:

1. **Choose All Apps ➪ Payroll ➪ Contractors.**
2. **Click Pay Contractor.**
3. **Select the contractor, enter the payment amount, and submit.**

Reviewing contractor records

As the year wraps up, audit your vendor list for completeness:

TIP

1. **Use the Vendor Contact List report.**

   Chapter 6 covers running and customizing reports.

2. **Add Track 1099 and Tax ID columns.**
3. **Confirm that all contractors have complete info.**

TIP

In Chapter 20, I explain how to export this list to Excel and filter it to find missing info quickly.

Preparing and filing 1099s

QuickBooks makes it easy to file 1099s. Here's the basic process:

1. **Go to All Apps ➪ Taxes ➪ 1099 Filings.**

   If you have a QuickBooks Payroll subscription, 1099 filing is included at no extra cost. Otherwise, you may be prompted to sign up for the QuickBooks stand-alone 1099 filing service that offers per-form pricing.

2. **Click Start or Continue.**
3. **Review your company info and click Next.**
4. **Map your expense categories to 1099 boxes, like Nonemployee Compensation.**
5. **Review the list of contractors paid $600 or more.**
6. **Finish and either e-file or print your 1099s.**

WARNING

Penalties for late or missing 1099s can add up fast — from $60 to $630 per form. It's worth reviewing this list early in January.

Connecting the Payroll Dots

Payroll reaches into lots of corners of your books, and this chapter isn't the only place it shows up. Here are some other chapters that help you keep things neat behind the scenes:

- **Chart of accounts:** Chapter 1 shows how to review and organize your accounts so payroll expenses and liabilities land in the right spots.

- **Paying contractors:** Chapter 3 explains how to record payments to 1099-eligible folks just like other vendor expenses.
- **Customizing reports:** Chapter 6 walks you through tailoring payroll and contractor reports so you can see what matters.
- **Entering and paying bills:** Chapter 8 covers how Essentials, Plus, and Advanced users can record and track contractor bills.
- **Tracking time:** Chapter 9 shows how to enter hours manually or use QuickBooks Time to feed hours into payroll.
- **Reviewing 1099 info in Excel:** Chapter 20 explains how to export reports and spot missing contractor tax details before filing.

IN THIS CHAPTER

» Getting your bank and credit card accounts set up

» Tackling transactions

» Making sure your accounts reconcile

Chapter 5

Handling Bank Accounts, Deposits, and Transfers

Before banking went digital, many branches had (and some still have) drive-thru lanes with vacuum tubes. You'd slide your check into a canister, push it into the tube, and — whoosh! — it zipped off to the teller. A minute later it came back with your receipt, your cash, and maybe even a lollipop for the road.

QuickBooks banking tasks work a lot like those tubes. Deposits need to be bundled before they go through, transactions arrive in a holding canister before you accept them, and reconciliation is like making sure the teller's totals match what you sent. In this chapter, you'll learn how to keep your tubes clear so money information whooshes smoothly between QuickBooks and your bank.

In this chapter, you set up your accounts, learn how to load deposits, connect QuickBooks to your financial institutions, review what comes whooshing back, and finally reconcile your accounts so your records balance with the bank's.

Setting Up Bank and Credit Card Accounts

Before your tubes can carry anything, they have to be connected to the right stations. In QuickBooks, that means creating bank and credit card accounts in your chart of accounts.

Adding accounts to the chart of accounts

If you've already flipped through Chapter 1, you know how to add new accounts in general. The process for bank and credit card accounts is much the same, with one extra step: You'll need to enter an opening balance so QuickBooks knows where things stand when you first connect.

Here's how to add a bank or credit card account to your chart of accounts:

1. **Choose Settings ➪ Chart of Accounts ➪ New Account.**

   The New Account task pane opens.

2. **In the Account Name field, enter a name for the account.**

   You can enter something simple like **Checking**, or something more fun, like **Debt Defying Credit Card.**

   TIP

   If you have multiple accounts at the same bank, consider including the last four digits of the account number to tell them apart.

3. **Select Bank or Credit Card from the Account Type list.**
4. **Make a selection from the Detail Type dropdown:**
   - **Bank accounts:** Cash on Hand, Checking, Money Market, Rents Held in Trust, Savings, or Trust Account
   - **Credit card:** Credit Card
5. **Record the starting bank balance:**
   - **Opening Balance:** This is typically the ending balance from your most recent bank or credit card statement.
   - **As of:** Use the date of the statement that you derived the opening balance from.

     REMEMBER

     You won't be able to reconcile your account with your bank if you leave the Opening Balance field empty.

     TECHNICAL STUFF

     When you enter an opening balance, QuickBooks quietly creates a journal entry behind the scenes to get your books in sync. That entry uses a special account called Opening Balance Equity as the offset. Don't worry about the accounting mechanics unless your accountant tells you otherwise.

6. **Click Save to close the task pane, or Save and New if you have more accounts to add.**

If you want to fine-tune your setup, QuickBooks gives you a few optional fields and features:

- **Account Number:** Assign an account number that aligns with your chart of accounts, as opposed to your bank account number.

  TECHNICAL STUFF

  You won't see the Account Number field by default. This is an advanced setting that you must enable in QuickBooks. It's most useful for users who prefer to record transactions by typing account numbers instead of selecting names from a list.

- **Description:** Use up to 100 characters to explain the account's purpose or to document the bank or credit card number (or the last few digits).
- **Make This a Subaccount:** Group two or more accounts under a single parent account.

  REMEMBER

  Subaccounts are especially useful when tracking individual credit cards that roll up to a single master account. For example, if your business credit card issuer assigns separate cards to multiple employees, you can create a subaccount in QuickBooks for each card under a parent account like AmEx – Corporate, which represents the primary credit card number. This setup lets you monitor spending by cardholder while reconciling just the parent account instead of juggling a blizzard of individual subaccounts.

Once your accounts are set up, you're ready to post deposits and perform reconciliations. But hold up: You can't download transactions just yet. First, you'll need to connect a virtual version of that pneumatic tube.

Connecting QuickBooks with your financial institution

Back in the day, when you got back to the office from the bank, you had to manually record the transaction in your books. Today, QuickBooks can hook directly into your bank's system — no car, no tube, no teller window required. Transactions whoosh straight into your books automatically — freeing you up to pick up your own bag of lollipops.

REMEMBER

Automatic transaction downloads are incredibly convenient, but they come with a catch: Just like a real tube can jam if you stuff it with rolls of coins, your accounting records can jam if you ignore downloaded transactions.

STEPHANIE'S JAMMED TUBE

A friend of mine, Stephanie, once connected her bank to QuickBooks and let a pile of transactions download. Life got busy, and she didn't review them. Later, a bookkeeper reconnected the account, downloaded the same transactions again, and — worse — accepted everything in bulk. Suddenly, Stephanie had duplicate transactions everywhere. Fixing it was like trying to clear a canister stuck halfway down the tube: tedious, frustrating, and messy.

The moral? Once you connect, you have to stay on top of the downloads. Don't let them pile up if you want to keep your books flowing smoothly.

TECHNICAL STUFF

If your bank doesn't support direct connections, or if you'd rather not link accounts, you can import transactions manually using a spreadsheet or Web Connect file. Chapter 18 shows you how to prep and upload those files the accountant-approved way.

Here's how to connect QuickBooks directly with your bank or credit card:

1. **Choose All Apps ➪ Accounting ➪ Bank Transactions ➪ Link Account.**
2. **Select your bank from the list or search for it.**

   TIP

   If you search, try dropping the word *Bank* from your query to narrow results.
3. **Follow the onscreen prompts.**

   You may be prompted to log into your bank's website, or you may be asked to authorize the connection through a service like Plaid.
4. **Choose which accounts to connect. For each one, tell QuickBooks whether it's a checking, savings, or credit card account and how far back to pull transactions.**
5. **Click Connect and wait for the initial download.**

   Depending on your bank, this can take a few minutes.

TIP

QuickBooks typically downloads activity from your financial institution nightly, but the timing of updates depends on your bank. If you don't see expected transactions, try updating your bank feed manually to pull the latest data.

REMEMBER

Think of it as a one-way tube: Transactions flow from your bank into QuickBooks, not the other way around. Nothing you enter in QuickBooks affects your actual bank account *unless* you use optional services like QuickBooks Payroll, Bill Pay, or Payments, which can trigger real-world withdrawals or transfers.

CONNECTING PAYPAL, VENMO, AND BRAINTREE

QuickBooks can connect to PayPal, Venmo, and Braintree, but they don't behave like traditional bank feeds. If you use these platforms for customer payments, here's what to expect:

- **PayPal:** Syncs in pieces. You might see a gross payment, a separate transaction for the fee, and a third for the transfer to your bank. That's normal, but it can look cluttered until you get the hang of it.

  REMEMBER

  Don't delete the separate PayPal fee line even if it seems redundant. That fee needs to be categorized as an expense.
- **Venmo:** Syncs customer names directly from the app, which may not match your customer list in QuickBooks. That can cause confusion when you're trying to match or report transactions.
- **Braintree:** Often delays transfers and batches payments differently than you might expect, especially if you're syncing both deposits and fee data.

These feeds work, but they take a little more oversight than standard bank accounts. If you're using them regularly, plan to check transaction details closely and watch for duplicates.

Creating Banking Transactions

Whether or not you connect your accounts, you'll still need to move money around and tell QuickBooks what happened. This section walks through how to record bank deposits, transfers, credit card payments, and more. Some transactions might download automatically; others you'll enter by hand. Either way, QuickBooks needs your input to keep the books accurate. Think of yourself as the one loading the canisters into the tube: You control what goes in and where it ends up.

Recording bank deposits

When you record customer payments (as covered in Chapter 2), QuickBooks holds them in an account called Payments to Deposit. It's like a sealed canister waiting in the hopper. At this point, one of two things will occur:

- **You post the deposit:** QuickBooks moves the money from Payments to Deposit to your bank account.

TECHNICAL STUFF

If you've used QuickBooks for a while, you might still see Undeposited Funds. It's now called Payments to Deposit, which makes more sense anyway. This holding account is handy when you batch multiple payments or need to account for fees. But if you always deposit single payments with no deductions, you can skip this step and send the payment straight to your bank account instead.

» **You don't post the deposit:** The money stays in Payments to Deposit, and your bank balance in QuickBooks looks off. It's like loading the canister into the tube and then sitting there thinking, "Wow, the bank is really slow today," when, in fact, the teller inside is wondering "Is that person ever going to hit Send?"

REMEMBER

If the Payments to Deposit account has a nonzero balance, it means at least one deposit still needs to be posted.

Depositing customer payments

Here's how to post those customer payments that you recorded in Chapter 2:

1. **Choose Create ➪ Bank Deposit.**

   The Bank Deposit screen opens.

2. **From the Account field, select the bank account the money is going into.**

3. **In the Select the Payments Included in This Deposit section, select the customer payments you're depositing:**

   - **Mobile app:** Select one payment per deposit if you're depositing checks individually.
   - **Paper deposit slip:** Select all the payments you listed on the slip.
   - **Check scanner:** Select all the payments included in the scanned batch.

   REMEMBER

   Keeping your selections aligned with your real-world deposit method makes it much easier to match transactions during reconciliation.

4. **Your next move depends on whether you incurred transaction fees or need to add noncustomer funds:**

   - **Simple deposit or electronic transfer (such as an ACH payment):** Confirm that the deposit total matches what posted to your bank account, and then click Save and Close or Save and New. Maybe even do a little happy dance because fee-free transactions are a true gift these days.

REMEMBER

If you just filled out a paper deposit slip, don't forget to actually take it to the bank. If you're using the drive-up, don't leave the canister sitting there. Hit Send. Ask me how I know.

- **Fees or noncustomer funds:** Skip saving for now and continue reading.

Accounting for payment processor fees

If your payment processor (like PayPal, Venmo, or Square) deducted a fee before sending the money to your bank, record that fee in the Add Funds to This Deposit section:

1. **In the Received From field, enter the name of the payment processor.**
2. **In the Account field, select your Bank Fees (or similar) expense account.**
3. **Enter the fee as a *negative number* in the Amount field. An example might be –3.20.**

   REMEMBER

   This reduces the total deposit amount so it matches what actually landed in your bank account. Entering a *positive* number would incorrectly increase your deposit, as if the fee had been added instead of subtracted.

4. **If the deposit total matches what posted to your bank account, save the transaction. Otherwise, continue on to the next section.**

Adding noncustomer funds

If you also received noncustomer funds (like a $1.38 class-action law suit settlement or perhaps the owner made a contribution), scroll to the Add Funds to This Deposit section and fill in the details:

1. **In the Received From field, enter the name of the payor.**
2. **In the Account field, select the income or equity account it relates to, or the expense account if the amount is a reimbursement.**
3. **In the Amount field, enter the amount of the payment.**

   REMEMBER

   It's easy to duplicate income by entering customer payments in the Add Funds to This Deposit section instead of checking them off above. Only use this section for funds that weren't already recorded through a customer payment or sales receipt.

4. **Add additional noncustomer payments as needed, and then save the transaction.**

Embellishing your deposits

Your virtual canister comes with a few bonus compartments. If you want to fine-tune your deposit, here are a few optional fields worth knowing about.

- **Payment Method:** You won't be able to choose the payment method for customer payments, but you can for noncustomer amounts that you add.

  TIP

  To add new payment method types, choose Settings ➪ All Lists ➪ Payment Methods ➪ New.

- **Ref No.:** Any inputs on the Payments screen will carry over, and you can fill in check numbers or transaction IDs for additional funds that you add.
- **Memo:** You can add notes at the line item or transaction level.
- **Attachments:** You can add images of checks, wire transfers, and the like. Chapter 1 digs deep into this.
- **Cash Back:** Use the *Cash Back* fields if you're holding back part of a physical deposit (for example, to fund petty cash).

  TIP

  Chapter 22 covers using journal entries to track petty cash ins and outs.

- **Track Returns for Customers:** Use this option if you're adding a negative line to a deposit and want it linked to a customer for reporting purposes. It doesn't move money or process a refund — it's just for documentation.

  REMEMBER

  If you're refunding by paper check or through QuickBooks directly, use a proper refund workflow like Refund Receipt or Check instead.

These options are helpful in the right circumstances but aren't part of most every-day workflows.

Transferring money between accounts

When you move money between two of your own accounts — like shifting funds from checking to payroll, or paying down a loan — you need to record that transfer in QuickBooks. It's like one teller handing cash to another: The money's still in the bank, just sitting in a different till.

TIP

If you're recording a payment to a credit card account, hang tight: The upcoming "Paying down your plastic" section walks you through the best method for that.

Here's how to record a transfer between accounts:

1. **Choose Create ➪ Transfer.**

2. **In the Transfer Funds From field, select the account the money is coming out of (such as Checking).**

3. **In the Transfer Funds To field, select the destination account (like Savings or Line of Credit).**

   REMEMBER

   Unlike a journal entry (see Chapter 22), the Transfer screen only lets you move money between asset and liability accounts. That means you can't inadvertently treat a transfer as income or an expense — a common mistake with manual entries.

4. **Enter the Amount.**

5. **Use the Date field to match the real-world transfer date.**

6. **Optionally, add a Memo to clarify the purpose (for example, "Monthly line of credit payment").**

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

Reviewing downloaded transactions

When you send a canister through a bank's vacuum tube, you always peek inside before hitting the button — just to be sure you're not mailing your shopping list along with your deposit. QuickBooks works the same way. Transactions don't post straight to your books; instead, they land in a holding area called For Review. It's your job to open the canister, check what's inside, and decide where each transaction belongs.

1. **Choose All Apps ➪ Accounting ➪ Banking Transactions.**

   The Banking Transactions screen opens.

2. **Choose a bank or credit card account to display any related transactions you need to review.**

   Three tabs appear just below your account(s).

   - **For Review:** Unreviewed transactions that await your attention.
   - **Categorized:** Transactions that you've accepted and posted to your books.
   - **Excluded:** Transactions you've chosen not to include (with the option to undo).

From the **For Review** tab, you decide what to do with each transaction. Think of it like checking the canister contents one by one:

» **Accept/Confirm:** Approve QuickBooks's guess and send the transaction whooshing into your books.

- **Categorize:** Change the details — such as vendor, category, class, location, tags, or memo — before accepting.
- **Find Match:** Link the bank transaction to an existing QuickBooks record (for example, matching a payment to an invoice).
- **Record as Transfer:** Move the money between accounts, such as recording a credit card payment or bank-to-bank transfer.
- **Exclude:** Set aside a transaction that doesn't belong in your books.

TIP

QuickBooks may suggest creating rules to automate future transactions — like always categorizing Stripe payouts as income. If you're using Essentials or higher, you can create and manage these rules yourself. Prefer to stay in control? Click Don't Show Me This Again. See Chapter 7 for the full scoop.

You can review transactions one by one or select multiple lines to confirm or exclude them in bulk. Keep working until the For Review tab is empty. That's when you know all the canisters are opened, checked, and whooshed where they belong.

TIP

Chapter 1 shows how to customize list columns.

Paying down your plastic

If your credit card account is connected to QuickBooks, payments usually download automatically and just need to be reviewed and accepted. But if the account isn't linked, or if you paid outside the download window, you'll need to record the payment yourself. QuickBooks offers a dedicated Pay Down Credit Card screen that gets the job done cleanly and accurately.

Although you could use the Expense screen (see Chapter 3), this method ensures that the payment is categorized correctly. Just note: It assumes the payment was made electronically. There's no option to print a check here:

1. **Choose Create ➪ Pay Down Credit Card.**

   The Pay Down Credit Card screen opens.

2. **In the Which Credit Card Did You Pay field, choose the card you're paying.**
3. **(Optional) Pick a Payee: the credit card company or issuing bank.**

   You don't *have* to set them up as a vendor, but doing so helps with reporting and gives you another way to track your credit card payments.

4. **Enter the payment amount in How Much Did You Pay?**

5. **Enter the date of payment.**
6. **In the What Did You Use to Make this Payment field, choose a bank account.**
7. **Click Save and Close.**

TIP

Mailing a check instead? Create a Check transaction (see Chapter 3) and select your credit card account in the Category field. This records the payment correctly and gives you the option to print the check.

REMEMBER

Don't accidentally double-dip. If you pick an expense category (like "Candy on a Stick" or — just kidding — "Breakroom Supplies") instead of your credit card account, you'll inflate your expenses and leave the credit card balance untouched.

Reconciling Bank or Credit Card Accounts

At the end of the day, the teller balances the drawer against all the canisters that came through the tubes. Reconciling in QuickBooks is the same idea: You're comparing what your bank says happened with what you recorded, making sure the two match exactly. When they do, you know nothing got lost in transit.

TECHNICAL STUFF

If you've ever wondered why bank statements seem "backward," with debits and credits flipped from what you expect, see Chapter 22. I explain the perspective banks use and show how to adjust small differences with a journal entry.

Even if you dread reconciliation, think of it as peace-of-mind time. Once your accounts are reconciled, you can trust that QuickBooks and your bank are in sync — no missing checks, no mystery charges.

REMEMBER

You can't undo a reconciliation unless you have access to QuickBooks Online Accountant (see Chapter 18 for details). Otherwise, if you need to backtrack, consult your accountant or bookkeeper.

Here's how to reconcile a bank or credit card account:

1. **Choose Settings ➪ Reconcile.**
2. **Select the account you want to reconcile.**

   REMEMBER

   If your opening balance doesn't match what you expect, QuickBooks points you to a Reconciliation Discrepancy Report. That report shows any transactions that were changed or deleted after reconciliation — the equivalent of finding a canister that was rerouted. Fix those items, and you'll be back in balance.

TECHNICAL STUFF

If your account isn't connected to QuickBooks, you'll see Service Charge and Interest Earned fields when reconciling. These let you record monthly bank fees or earned interest directly from the reconciliation screen if you haven't already entered them manually. If your fees or interest are already in QuickBooks as separate transactions, leave these fields blank to avoid duplicates.

3. **Enter the ending date and balance from your statement and click Start Reconciling.**

REMEMBER

If your statement shows you owe money on a credit card, enter the balance as a positive number. If you've overpaid and the statement shows a credit, enter it as a negative number.

4. **On the Reconcile screen, select each transaction that appears on your bank statement. When you check off a line, you're marking it similarly as "cleared the tube."**

5. **Keep selecting until the Difference at the top right equals $0. That's the magic moment: Your books match the bank's records.**

REMEMBER

Don't panic if you can't get the difference to zero right away. You can click Save for Later and come back with fresh eyes.

TIP

An unreconciled difference that divides evenly by 9 often means you flipped two digits in a number (a "transposition error").

6. **Click Finish Now.**

QuickBooks celebrates with a success message and offers a Reconciliation report. Now, go get a lollipop!

TECHNICAL STUFF

To access current or past reconciliation reports later, choose Reports ➪ Reconciliation Reports.

Going Further Down the Tubes

Looking to keep your money flowing freely? These chapters add helpful context and deeper dives to what this chapter covered:

- **Attachments and list customization:** Chapter 1 shows how to add supporting documentation to your transactions and tweak list columns to your liking.
- **Cash inflows:** Chapter 2 shows how to record money coming in from your customers.

- **Cash outflows:** Chapter 3 explains how to record money going out to vendors.
- **Rules:** Chapter 7 dives into creating, prioritizing, and maintaining rules that speed up categorizing downloaded transactions.
- **Specialized banking tasks:** Chapter 18 shows how to prep and import CSV/Web Connect files when a feed isn't available, and shows how accountants can reverse reconciliations.
- **Journal entries:** Chapter 22 shows how to adjust slightly out-of-whack account balances and clarifies why banks "flip" debits and credits.

IN THIS CHAPTER

» Identifying must-see reports

» Customizing and saving report layouts

» Working around charting limitations

Chapter 6

Exploring QuickBooks Reports

Accounting reports are like your business's annual physical — except less awkward and more useful year-round. They help you keep tabs on your financial health and dive into the nitty-gritty when something feels off. Whether you're analyzing profitability, chasing down overdue invoices, or trying to justify that espresso machine to the budget committee, QuickBooks reports can help you get there.

In this chapter, I explore how to spot your new favorite reports and then dive into customizing and saving them to avoid repetitive clicks. I also cover how to send your handiwork out into the world — via email, PDF, spreadsheet, or a printer that may or may not jam. Things may get a bit surreal at points, as many reports are in an identity crisis: Modern View or Classic? Paper or plastic? By the end of the chapter, you'll be able to make sense of QuickBooks's reporting madness — and maybe even enjoy it. Don't worry. I won't judge if you do.

But hey, what do you call an accounting program that doesn't have any data? A shell company! Fortunately, you don't have to act crabby if yours doesn't have any data. Just follow my footsteps through the sample Plus company at `https://qbo.intuit.com/redir/testdrive`.

WARNING

The sample company includes reports not available in the Simple Start or Essentials plans. Please don't holler "bait and switch" — it's just another example of solving one problem in life while accidentally creating a couple more. Sigh.

TIP

Wondering what reports lie behind doors numbered two, three, and four? Click Help, and then search for *reports included in subscription*.

Surviving the Reports Screen

QuickBooks Online offers dozens of reports, but don't worry — you don't have to run all of them to get a handle on your business. Before I get into the mechanics of running reports, here's a rundown of the ones you're most likely to use regularly.

Identifying key reports

If the Reports screen makes you feel like you're trying to drink from a firehose, here's an inventory of the reports you're most likely to run regularly to monitor the financial pulse of your business. Let's start with the A-team:

- **Balance Sheet:** A wobbly contraption where staying upright takes equal parts coordination and courage — oops, that's a balance board! Here's hoping this snapshot of what you own (assets), what you owe (liabilities), and what's left over for you (equity) shows your business is not just balanced, but on a roll.
- **Profit and Loss:** Also known as an Income Statement, it totals your income (aka revenue), subtracts your expenses, and hopefully lands on a net number that'll make Gordon Gekko nod approvingly. If time is of the essence, call it a P&L.
- **Statement of Cash Flows:** This is your magic decoder ring that reveals how cash moves into and out of your business. If your income looks great but your bank account's running on fumes, this report helps answer the timeless question, "Where's the beef?"

Other key reports to add to your roster include these:

- **Accounts Receivable Aging Summary:** Shows who owes you money and how long they've been holding out. What's that smell? It's that dang 91 and Over column.

- **Accounts Payable Aging Summary:** The mirror image of receivables that shows what *you* owe and when it's due. Think of it as your built-in guilt trip — as if you needed yet another one of those.
- **Transaction Detail by Account:** An all-in report showing each transaction broken down by account. It's great for audits — especially when you're ready to meet your data in Zihuatanejo.

TECHNICAL STUFF

That's a nod to the Mexican beach paradise in *The Shawshank Redemption* and a symbol of clarity, peace, and freedom. It's exactly how you'll feel when you open your exported report in Microsoft Excel and apply the tools I cover in Chapter 20.

Running your first report

Now that you know what to look for on the Reports screen, it's time to run the Balance Sheet report.

1. **Click Reports on the sidebar.**
2. **Click on Balance Sheet in the Favorites section.**

   Alternatively, type **Balance** in the Type Report Name Here field, and then select Balance Sheet.
3. **Cue the extended drum roll while the report loads in either Modern View or Classic View.**

   Who says tension in accounting has to be limited to suspense accounts?

TECHNICAL STUFF

Think of Modern View and Classic View as two different outfits for the same report — the same data underneath, but different layouts, buttons, and quirks. QuickBooks is slowly migrating reports from Classic View to Modern View at a pace that makes continental drift feel head-spinning. Table 6-1 lays out the key differences so you'll know which version you're looking at — and how to switch between them.

Getting comfortable with reports

You don't need to master every button to find value from reports. And with both Modern and Classic View in the mix, you may feel like you're playing whack-a-mole — just when you get one report figured out, another one pops up in a completely different format. Intuit missed its own deadline to convert all reports to Modern View by December 2024. Maybe they meant 2042?

TABLE 6-1 Modern View vs. Classic View: The Tale of Two Report Styles

	Modern View	Classic View
Layout	Sleek, with filters in collapsible side panels	Compact, with filters above the report
Buttons	Moved to the top of the screen	Tucked just above the report body
Export Formats	Excel, PDF, and CSV	Excel and PDF only
Report Features	Includes Group By and snazzy visuals (sometimes)	Basic, reliable, and no-nonsense
Vibe	"I've redesigned everything!"	"If it ain't broke. . ."
Switch Option	Click Switch to Classic View (top of report, when available)	Click Switch to Modern View (top of report, when available)
Icon Clue	Has a Modern View icon next to report name	No icon? You're in Classic View, you betcha!

Regardless, here are a few low-stress ways to start poking around:

- **Change the date range:** Most reports default to This Month-to-Date, but you can switch to Last Month, Last Fiscal Year, or whatever timeframe fits your situation.

  REMEMBER

  In Classic View reports, click Run Report to apply changes to any settings at the top of the report. Otherwise, you'll be tapping your screen, thinking "Is this thing on?"
- **Drill into details:** See a number that looks suspicious? Click it. Most figures are clickable and take you to the list of transactions behind them.
- **Collapse and expand rows:** If you're seeing more detail than you want — or not enough — use the caret arrows next to headings to fold or unfold sections.

  TIP

  In Modern View, click View Options, and then click Expand All or Collapse All to play that report like an accordion. In Classic View you *may* see a Collapse command that toggles to Expand, but for me that button was as helpful as a cell phone with a dead battery.
- **Try group by:** Want to see totals by customer or vendor? Click the Group By button (Modern View) or dropdown (Classic View) and pick a category.

Saving customized reports

Once you have a report looking just the way you want — filters, dates, maybe a bit of Group By magic — it's worth saving your work. That way, you don't have to redo it all the next time. Unless your name happens to be Sisyphus — in that case, move along, there's nothing to see here.

To save a customized report:

1. **Click Save As (Modern View) or Save Customization (Classic View) at the top of the report.**

   Either a dramatic Save as New Report dialog box will open, or an unlabeled Don't Ask Me My Name window will appear. Fortunately, both offer the same options.

2. **Give your report a clear name — because you deserve nice things too.**

   Go ahead and reuse a built-in report name once. QuickBooks won't care. But try it a second time, and you'll be seeing red — a This Report Name Already Exists prompt will politely (but firmly) compel you to correct the error of your ways.

3. **Toggle Share with Others on unless you want to hoard your masterpiece for yourself.**

   When sharing is enabled, your report appears in the Custom Reports area of the Reports screen for all users within your company.

4. **To add the report to a new or existing group, click the Select dropdown.**

   Choose + Add New Group to display the Group Name field; otherwise, select an existing group.

   TIP

   Report groups are a great way to corral your custom reports. Create a group like Month-End Reporting or Let's Make it Rain, and you'll be able to access and run them together from the Custom Reports tab.

5. **Click Save.**

   A prompt confirms that the report now appears in the Custom Reports section of the Reports screen.

Emailing, printing, and exporting reports

Once your report looks the way you want, it's time to send it off — to a spreadsheet, a PDF, an email, or yes, even a printer. (Don't even try to change the paper people in your life.) If you've ever walked through a hall of mirrors at a local fair, you're about to experience some déjà vu. QuickBooks isn't shy about giving you multiple ways to do the same thing. As comedienne Taylor Tomlinson asks questionable suitors, "Is this your move?" Yep, it's QuickBooks's move, for sure.

This next part could use a little scene-setting music — maybe "Over Under Sideways Down" by The Yardbirds. The energy is just right for the many directions QuickBooks sends you when it's time to email, print, or export a report.

- **Email:** Two views, two approaches. Makes sense, right?
  - **Modern View:** Choose More Actions ➪ Email Report to open the Send dialog box. You can customize every aspect of the message, including choosing to attach the report as an Excel, CSV, or PDF file.
  - **Classic View:** Click Email to open the over-achieving Print, Email or Save as PDF dialog box. Then do the two-step: Click Email again to bring up the Email Report dialog box. Your report can be sent in any format you like — as long as it's PDF.

  TIP

  You can schedule individual Modern View reports to be emailed automatically. To do this, click More Actions ➪ Schedule Report. Chapter 9 covers how to schedule report groups for those with Essentials, Plus, and Advanced subscriptions.
- **Print:** Opens the Print or Save as PDF dialog box (Modern View) or the eponymous Print, Email or Save as PDF dialog box (Classic View). You'll barely need to move your mouse because you can conveniently find the Print button at the top and at the bottom.
- **Export:** Both views offer three different export options. I promise you won't have to take a quiz at the end of this section.
  - **Modern View:** You can probably name the export options in one guess. Give yourself a pat on the back if you said Excel, CSV, and PDF. Exporting to Excel or CSV triggers an automatic download to your Downloads folder. Exporting to PDF takes you to the Print or Save as PDF dialog box. Click Save PDF As at the bottom or Download at the top. Either way, the file ends up in your Downloads folder.

    TIP

    Chapter 23 shows you how to declutter your Downloads folder by having Chrome display a Save As dialog box each time you export a report from QuickBooks. That way you can choose exactly where each file goes.
  - **Classic View:** Click Export to Excel or Export to PDF to send the report straight to your Downloads folder. Or click Add to Management Reports to drop the report into a new or existing management report group.

    TECHNICAL STUFF

    Management Reports let you bundle multiple reports into one polished package — complete with a cover page, table of contents, and optional flair.

Phew. Glad we made it through that. Who's up for a game of *Chutes and Ladders*?

Customizing Reports Further

You've saved your report and maybe even filed it away in a group, but don't stop there. Now you can fine-tune what shows up, how it's grouped, and what to omit entirely. Just know that these options like to play peek-a-boo, so if a button's missing or sorting suddenly stops working, it's not you. It's very much QuickBooks.

- **Sort:** Brings order to the chaos — like putting your biggest customers at the top of a sales report, or viewing transactions in descending date order.
  - **Modern View:** Click a column header — any column header — but only one! The report is then sorted by that field, and the icon turns into an up or down arrow. Click it again to reverse the order, or click a different header to change the sort field.
  - **Classic View:** Start with the Sort dropdown. From there your options will vary by report. You can often select a single column to sort on and choose ascending or descending order. Some reports also let you sort by amount, which is perfect for surfacing your biggest wins (or your most expensive surprises).
  - **Display (Modern View only):** Controls how date-based comparison reports are grouped. Click Display to open its task pane, and then make a selection from the Display Columns By list: Customer, Employee, Product/Service, Transaction Date, or Vendor.
  - **Compare (Modern View only):** Controls comparison time periods and calculations. When the Compare option is available, click it to open its task pane. Use the Time Periods section to display selected periods side by side on supported reports. Use the Calculations section to show variances between those periods.
- **Columns:** You're usually not stuck with the default set of columns. Feel free to clean up clutter or add context, like showing memos, transaction types, or payment status.
  - **Modern View:** Click Columns to display its task pane, and then select up to 40 fields. New column appear automatically.
  - **Classic View:** Click Customize ➪ Change Columns, turn fields on or off (there's no column limit here), and then click Run Report.

  Use the drag handle to change the order of columns on your report. This icon has six dots in Modern View reports versus nine in Classic View reports. Shrinkflation sneaks in everywhere — even your drag handles.

- **Filter:** Lets you narrow your report to just the rows that matter, like income from a specific customer, transactions tied to one account, or expenses from a single vendor.
  - **Modern View:** Click Filter to open its task pane, and then select the categories you want, such as Customer, Vendor, and Account. Pick one or more values for each, and then click on the body of the report to apply the filter.
  - **Classic View:** Click Customize, expand the Filter section, use the drop-downs to build your criteria, and then click Run Report.

  REMEMBER

  Start small. Add one filter at a time, and run the report again to make sure you didn't accidentally zero everything out.
- **Group By:** Clusters your data by a single category — customer, vendor, account, or employee — so you can spot trends or trouble faster.
  - **Modern View:** Click Group By to open its task pane, and then select a category.

    TECHNICAL STUFF

    QuickBooks Online Advanced users can also specify up to two subgroups. For everyone else, that pale green Add Subgroup command is just a frustrating tease.
  - **Classic View:** When available, choose a category from the Group By dropdown, and then click Run Report.

Those options are the heavy hitters of QuickBooks reports. But if you want to finesse things further, head to View Options or General Options in Modern View. In Classic View, use Customize or Report Settings. These let you put the finishing touches on a report — like adjusting row height, tweaking titles, or nudging the alignment into something more presentation-worthy.

TIP

In Modern View, numeric indicators appear above the Display through Group By commands whenever one or more criteria are applied. These indicators help you identify the extent to which a report has been customized.

Charting Workarounds

Unless you have an Advanced subscription, you can't print standalone charts (such as bar graphs, pie charts, or trend lines) from the built-in Dashboard or Reports sections. Your only option is to add or remove widgets from the Dashboard, as Chapter 1 explains.

In short, the visual widgets shown on the dashboard, like Profit and Loss, Expenses, and Sales, have the following characteristics:

- They're not designed for printing.
- They're not exportable as chart graphics.
- They're not included as visuals in printed reports.

You aren't totally stuck, though:

- Ask your accountant to use the Performance Center in QuickBooks Online Accountant (see Chapter 18) to create and email up to 25 custom charts in PDF format.
- Export your reports to Excel, and then use the Recommended Charts or Analyze Data features (see Chapter 20) to build printable visuals.
- Use the Cash Flow tab of the Dashboard screen to generate an automated cash flow forecast once you link one or more bank accounts. The Planner tab of the Dashboard screen enables you to add or remove items from the cash flow forecast without affecting your accounting records.

Expanding Your Reporting Skills

Reports don't live in a vacuum: other parts of QuickBooks (and even Excel) can make them more useful. Here's where to head next if you want to push your reporting game further:

- **Dashboard charts:** Chapter 1 shows how to tweak the built-in dashboard widgets for a quick visual snapshot of your business.
- **Scheduling reports:** Chapter 9 shows how to have QuickBooks email Modern View reports on a schedule you set.
- **Performance center:** Chapter 18 shows Accountant users how to generate custom charts not available in Simple Start, Essentials, or Plus.
- **Excel tools:** Chapter 20 shows how to analyze your financial data in Excel with far less frustration than in QuickBooks, and Chapter 21 shows how to automate repetitive analysis.
- **Managing downloads:** Chapter 23 shows how to make Chrome prompt you for a save location whenever you export a report from QuickBooks.

IN THIS CHAPTER

» Discovering mobile and online apps

» Establishing automated rules

» Converting paper receipts to electronic transactions

» Importing data into QuickBooks

Chapter 7

Implementing Apps and Automation

Sometimes it feels like there's an app for everything — think nachos, potato skins, chicken wings. Oops, wrong kind of app. QuickBooks Online is so app-happy these days that it's even started labeling core features, like Sales, Banking, and Reports, as "apps." Seriously? Let's be clear: Those aren't apps. Intuit, are you okay? And just to confuse you further, the actual apps have been relabeled as *integrations*.

In this chapter, I focus on actual apps: mobile apps that let you manage your books from your phone or tablet, and marketplace extensions that add new functionality to QuickBooks. I also cover automation tools that help you do more with less clicking, like creating rules for downloaded activity, converting paper and electronic documents into transactions, and importing lists and transactions.

And if you're hungry for more, don't miss the "Stretching Beyond the Starting Line" section at the end of the chapter for a quick bite of features available to Essentials, Plus, and Advanced users.

Exploring QuickBooks Mobile Apps

If you have the Who's "Going Mobile" stuck in your head, you're in good company. That song sets the tone perfectly:

> "I can pull up by the curb
>
> I can make it on the road
>
> Goin' mobile . . ."

These days, your books can travel with you too. Every QuickBooks Online subscription includes mobile apps for iOS, iPadOS, and Android. Whether you're on-site with a client or sipping coffee at your favorite corner café, the mobile app lets you take care of business without hauling around a laptop. Here are some of the things the mobile apps can do:

- Send invoices and estimates
- Accept signatures on the spot
- Track the status of payments
- Manage customers
- Snap photos of receipts and log expenses
- Reconcile bank accounts
- Check reports
- Record business mileage

You can also access your books through a mobile browser at `qbo.intuit.com` — no download needed. Either way, QuickBooks has you covered while you're on the move — pinching, zooming, and handling business like a pro.

WARNING

Mileage tracking in QuickBooks Online Mobile is available only to admin users. So while it seems like a great tool for employees, it comes with a catch — you'd need to make the employees admins, which opens the door to your entire set of books. Use with care!

To get the app, visit the App Store or Google Play, or request a download link at `https://quickbooks.intuit.com/accounting/mobile`. Just keep in mind: The mobile apps offer a helpful slice of QuickBooks, but not the whole pie. For tasks like customizing templates or more advanced reporting, you still need to fire up your web browser.

Introducing Intuit Assist (for Real This Time)

After at least a couple of years of hollow promises — "Intuit Assist is coming soon, we promise!" — the future of accounting has finally arrived in QuickBooks. This AI-based feature is still in beta testing, so I'm not devoting a ton of space to it. That said, it does deserve a spot on your radar.

These days, an Intuit Assist task pane typically opens whenever you create a new transaction. If you close it, don't worry — it's just a click away, courtesy of the new Intuit Assist icon on the left side of the transaction screen.

Creating transactions with Assist

Intuit Assist gives you three ways to generate a transaction:

- Uploading or dragging and dropping a file (PDF, JPG, or JPEG)
- Uploading an image from an iOS 17+ device
- Pasting in text (up to 1,500 characters)

Once you've chosen your method, cross your fingers and click Autofill. If the stars align, Intuit Assist might magically frame out your transaction — populating fields like payee, date, amount, and category. Other times, you'll be left staring at a blank transaction screen with a not-so-helpful wizard pointing out everything you'll now need to fill in manually.

TIP

Intuit Assist shines brightest with straightforward transactions. The more unusual the formatting or phrasing, the more likely it is to throw up its hands and call for backup. That's you.

Drafting overdue invoice reminders

In addition to helping with transaction entry, Intuit Assist can draft overdue invoice reminder emails. It doesn't send them automatically, thankfully. You get a chance to review and edit the wording before anything goes out.

Reviewing the "Business Feed"

If you spot a Business Feed button on your screen, brace yourself: It's where Intuit rounds up a lot of "rah, rah" messaging about what Intuit Assist has *allegedly* done on your behalf. Think of it as your AI intern's brag board — complete with cheerleading and maybe a little creative interpretation of its accomplishments.

TIP

Intuit is working furiously to weave AI more deeply into QuickBooks. See Chapter 8 for an overview of the new Agents feature.

Capturing Receipts Electronically

If you're tired of typing in every last detail from receipts or bills, I have good news: QuickBooks can turn those paper or digital documents into transactions for you. To get started, choose All Apps ➪ Accounting ➪ Receipts or Transactions ➪ Receipts. You have four options for getting receipts into QuickBooks:

- Upload files from your computer.
- Import from Google Drive, if that's where your receipts live.
- Forward receipts by email using the `@qbodocs.com` address. Once the address is set up, you can create email filters to automatically route digital receipts from your inbox straight into QuickBooks — no manual forwarding needed.
- Snap photos using the QuickBooks Online mobile app, whether your receipts are on paper or on screen.

TIP

To set up email forwarding, click Manage Forwarding Email on the Receipts screen. You'll create a custom address ending in `@qbodocs.com` (up to 25 letters to the left of the `@` symbol). Click Next ➪ Looks Good ➪ Done. Then reopen Manage Forwarding Email and assign one or more users to the Manage Receipt Senders list. Once that's done, emailed receipts will appear on the For Review screen, ready for processing.

After you submit a receipt, it doesn't magically post to your books. QuickBooks needs your thumbs-up first. Head to the Receipts screen and look under the For Review tab. Click Review next to a document, and QuickBooks prompts you to verify or tweak a few fields:

1. **Specify a document type: Receipt or Bill.**
2. **Select a payee, or leave the Payee field blank.**

3. **Choose the bank or credit card account for the transaction.**
4. **Confirm the payment date. You can usually extract this from the document, but you can change it if necessary.**
5. **Verify or change the suggested category account from your chart of accounts.**
6. **Review or edit the transaction description.**
7. **Check the amount. QuickBooks attempts to extract it, but you can correct it if needed.**
8. **Add details (up to 4,000 characters) in the Memo field.**
9. **Make the transaction billable, if applicable:**
   - Turn on Make Expense and Items Billable.
   - Select a customer.
   - Optionally, fill in the reference number.
10. **Click Save and Next to post the transaction and move to the next one in the queue.**

Automating the Tedious Stuff with Rules

If your bank feed (see Chapter 5) is littered with "Shell Gas" and "Starbucks," you know the routine — fuel for the car, fuel for you. Tagging the same kinds of transactions every day gets old fast. That's where QuickBooks Rules step in. Think of them as tiny robotic assistants. Once you show them the ropes, they handle the repeat work without complaining or asking for snacks. Whether it's tagging fuel expenses or categorizing deposits, rules help you spend less time clicking and more time doing . . . well, literally anything else.

Creating rules

QuickBooks might nudge you to create a rule while you're manually reviewing bank and credit card transactions, but you can also take the reins and create one from scratch. Here's how:

1. **Choose Settings ➪ Rules.**
2. **Click New Rule to display the Create Rule task pane. (See Figure 7-1.)**

   If it's your first rule, you may need to click Go To Rules first.

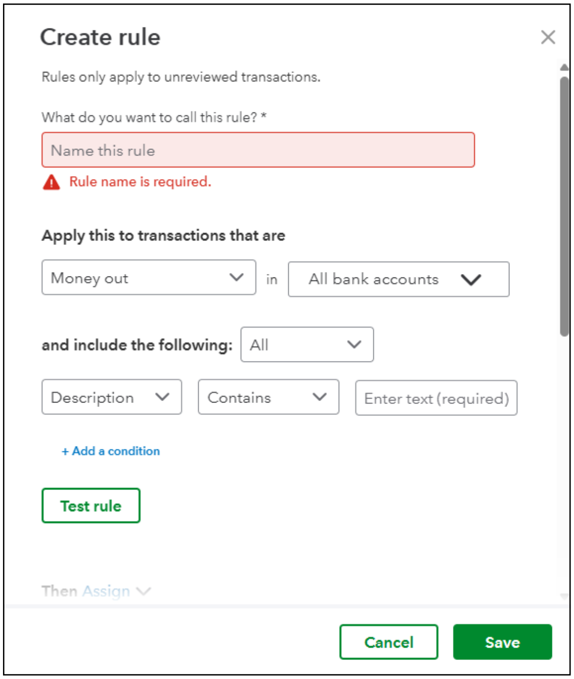


FIGURE 7-1: The Create Rule task pane.

3. **Give the rule a name.**

   Make it something meaningful, like "Shell Fuel" or "Stop Charging Tacos to Office Supplies."

   REMEMBER

   Rule names can't include tabs, carriage returns, colons, semicolons, forward slashes, apostrophes, asterisks, or commas.

4. **Tell QuickBooks what the rule applies to:**

   - Whether it's money in or money out
   - The account(s) the rule should watch

   REMEMBER

   Rules apply to synced and manually uploaded transactions — unless you're using Simple Start. In that edition, the Rules screen reports "No bank accounts" unless you've connected at least one bank feed.

5. **Choose how strict QuickBooks should be:**

   - **All:** Every condition must be met (pickier).
   - **Any:** Just one condition must match (more flexible).

6. **Select a field to scan:**

   - **Description:** What shows in the Description column of your bank feed.
   - **Bank Text:** The raw bank info downloaded behind the scenes; it's viewable by clicking a transaction and checking the lower-left corner.
   - **Amount**: The dollar amount of the transaction.

7. **Choose the matching logic:**

   - **Description or Bank Text:** Contains, Doesn't Contain, Is Exactly.
   - **Amount:** Doesn't Equal, Equals, Is Greater Than, Is Less Than.

8. **Enter text or an amount depending on the field selected.**
9. **(Optional) Click Add Condition to pile on more criteria.**
10. **Click Test Rule to determine how many unreviewed transactions would match.**

    QuickBooks doesn't show you the transactions — no peeking until you save the rule — but it gives you a count so that you can confirm the rule is on the right track.

11. **Choose a transaction type.**

    Options include Expense, Transfer, Check, or Credit Card Payment.

12. **Categorize the transaction.**

    Depending on the transaction type, you see two or more fields, plus a couple of tucked-away options:

    - **Add Split:** Divvy the transaction between multiple accounts using percentages or fixed amounts.
    - **Replace Bank Memo:** Hidden behind Assign More, this lets you write your own memo and optionally keep the bank's gibberish.

MAKING THE MOST OF THE MEMO FIELD

QuickBooks marks transactions posted automatically by rules with special icons in the register, but there's no way to filter for just those transactions. One clever workaround: Include a searchable phrase like "Added by Rule" in the Memo field. That way, you can easily filter the register later and see which ones your robot assistants handled.

13. **Leave Auto-Confirm enabled to let the good times rule, er roll.**

    Or turn it off if you want to review each transaction before it posts.

14. **Click Save to lock in your rule.**

    The rule appears on the Rules screen and jumps into action the next time matching transactions roll in — unless you told it to sit this one out.

REMEMBER

Rules in QuickBooks Online trigger automatically only when new transactions are imported or synced. You can't run them manually on existing transactions, and there's a 2,000-rule limit per company.

Maintaining rules

The Actions column on the Rules screen lets you edit each rule individually. Click Edit to open the rule, or use the dropdown to copy, disable, or delete the rule. You can also work with multiple rules at once: Select their checkboxes to reveal the Batch Actions button, which offers these options:

- **Delete:** Removes the selected rule(s).
- **Disable:** Marks the rule(s) as inactive.
- **Enable:** Reactivates the selected rule(s).
- **Turn Off Auto-Add:** Disables Auto-Confirm for the rule(s). Change your mind? You have to re-enable Auto-Confirm one rule at a time.

REMEMBER

You need to be an admin or a standard user with full permission to reorder rules.

Exporting and importing rules

If you have more than one QuickBooks company and don't feel like reinventing the wheel, I have good news: You can export rules from one company and import them into another. It's especially handy when your entities follow the same chart of accounts and naming conventions. You can even build a basic rules template and use it as a starting point elsewhere. Here's how to pass your rules from one company to the next:

1. **Choose Settings ➪ Rules in the company that has the rules you want to share.**

    The Rules screen opens.

PUTTING THE RIGHT RULE FIRST

QuickBooks processes your rules in the order in which they're displayed on the Rules screen on a first come, first served basis. This means the first rule with criteria that match a given transaction is applied, and no other rules are processed for that transaction, so you may need to reorder the rules in certain instances. To do so, drag the grid icon to the left of the rule on the Rules screen to move a rule up or down in the list.

Suppose that you set up two rules in the following order:

- **Rule 1:** Categorize all Money Out transactions of less than $10 as Miscellaneous Expenses.
- **Rule 2:** Categorize all Shake Shack transactions as Meals & Entertainment.

If a $12 dollar transaction from Shake Shack appears, Rule 2 applies. But if a $7.50 transaction from Shake Shack appears, Rule 1 applies. Mmm, Shake Shack. Is anyone else hungry?

2. **Choose the New Rule dropdown ➪ Export Rules.**

   QuickBooks saves an Excel file of your rules to your Downloads folder. The filename includes your company name and the words `Bank_Feed_Rules`.

   REMEMBER

   The Export Rules command is grayed out if there aren't rules to export.

3. **Click Close to exit the Save As dialog.**
4. **Switch to the company into which you want to import the rules.**

   If you use the same Intuit account for multiple companies, choose Settings ➪ Switch Companies.

5. **In the second company, choose Settings ➪ Rules.**

   The Rules screen opens.

6. **Choose New Rule dropdown ➪ Import Rules.**
7. **On the first screen, select the file you exported earlier; then click Next.**
8. **On the second wizard screen, select the rules you want to import; then click Next again.**

9. **Optional: On the third screen, double-check that the categories line up with the new company's chart of accounts.**

   Adjust if needed.

10. **Click Import.**

    A message tells you how many rules made it over.

11. **Click Finish to wrap up.**

    The Rules screen opens.

12. **Review the rules.**

    You can edit or delete them just like any other rule.

Fixing synced or uploaded transactions

Whether you're confirming transactions one by one or letting rules take the wheel, things can go sideways. Maybe a transaction landed in the wrong category, or a rule did more harm than good. No worries — correcting it is straightforward.

REMEMBER

QuickBooks marks synced transactions as cleared, which means they've already passed through your bank. That's why you should edit — as opposed to delete — accepted or confirmed transactions.

To fix a transaction that's already been accepted:

1. **Choose All Apps ➪ Accounting ➪ Bank Transactions.**
2. **Select the bank or credit card that the transaction posted to.**

   QuickBooks keeps separate lists for each account.

3. **Click the Categorized tab.**
4. **Find the transaction and click Undo in the Action column to send the transaction back to the For Review screen.**

   Alternatively, click on the category name in the Added or Matched column to open the transaction and edit it directly.

5. **Switch to the For Review tab, make any needed changes, and then either accept (confirm) or exclude the transaction.**

   Need to delete something from the Excluded tab? Just click one or more transactions, and then click Delete.

WARNING

QuickBooks doesn't ask for confirmation, so click carefully.

Importing QuickBooks Data

You can pull in a variety of lists and transactions to save yourself a ton of typing. Here's what you can import:

- Customers
- Vendors
- Chart of Accounts
- Products and Services
- Journal Entries
- Invoices (Plus and Advanced Only)

WARNING

Even if you see an option to import invoices for Simple Start and Essentials users, you'll probably bump into a message saying it's not quite ready to handle sales tax yet. Womp womp.

Now, depending on what you're bringing in, some fields just aren't available for import. For example, the customer or vendor template may not include every field you see when creating those records manually — so be ready to do a little cleanup.

TIP

Want more options? Swing by the QuickBooks App Store (mentioned earlier in this chapter) and browse for add-ons that unlock advanced import and export powers. You might find just the thing to fill in the gaps.

Downloading import templates

QuickBooks provides templates to make importing smoother. You can download them, tweak them in Excel or Google Sheets, and import your data back in.

1. **Choose Settings ➪ Import Data.**
2. **Choose what you want to import.**
3. **Click Download a Sample File (Excel) or Preview a Sample (Google Sheets).**

   The sample Excel file appears in your Downloads folder.
4. **If you're using Excel, double-click the sample file and then click Enable Editing.**
5. **Scroll across the spreadsheet to get a feel for what info goes into which columns.**
6. **Create your own version based on the sample file.**

REMEMBER

Your import must be under 1,000 rows or and no more than 2MB in size. Formats accepted include Excel workbook, CSV file, or Google Sheets document.

TIP

Dates need to be in yyyy-mm-dd format. To convert a date in cell A1, use this formula:

```
=TEXT(A1,"yyyy-mm-dd")
```

Copy the formula, and then select Home ➪ Paste ➪ Paste as Values (Excel) or Edit ➪ Paste Special ➪ Paste Values Only (Google Sheets).

Importing your lists and transactions

Once your file's ready:

1. **Close it in Excel or Google Sheets. (Seriously — QuickBooks won't upload an open file.)**
2. **Choose Settings ➪ Import Data.**
3. **Select what you're importing.**
4. **Click Browse to upload an Excel or CSV file, or Connect to link a Google Sheet.**
5. **Find and select the file.**
6. **Click Next to Upload it.**
7. **Match your spreadsheet columns with the QuickBooks fields.**
8. **Click Next again to see the records lined up for import.**
9. **Review the info.**

   You can tweak fields directly or uncheck rows you don't want to bring in.
10. **When you're happy with everything, click Import.**

    Keep an eye out. QuickBooks flashes a quick status message telling you how many records made it through.

    I once snuck in two dates in mm-dd-yyyy format instead of yyyy-mm-dd, and QuickBooks just ignored them — but still brought in the rest. Not perfect, but better than nothing! And yep, that one's on me.

REMEMBER

If the Import button is grayed out, something's not quite right. Look for red-highlighted fields that need fixing. If you're stumped, try Intuit support — or roll up your sleeves and enter the data manually.

THE SAMPLE IMPORT FILE'S LAYOUT

The sample files use table format, with each row equaling one record. Some columns require specific terms. For example, in the Type column of the Products and Services import file, you need to enter **inventory**, **non-inventory**, or **service**. I go over creating inventory items in Chapter 10.

Exporting QuickBooks Data

The path of least resistance for exporting data to a spreadsheet is to export QuickBooks reports, which is covered in Chapter 20. This method gives you control over which columns are included, and you can save your customizations for later use.

However, if your favorite hobby is pushing a rope uphill, who am I to stop you? Let's take a look at two alternative approaches you can try. Trust me: Your mileage is absolutely going to vary.

Exporting via the Export Data screen

This method lets you export a limited mix of reports and lists to a ZIP file. Before we get into the steps, I'll weigh the pros and cons of this approach:

- **Pros**
  - Files are exported in the modern XLSX workbook format — no Compatibility Mode warning in sight.

  TECHNICAL STUFF

  Consistency isn't Intuit's strong suit. In the next section, you'll see that lists exported directly from, say, the Customers or Vendors screen are saved as crusty old XLS files — relics from the George W. Bush era.

  - You can export multiple lists at a time.
  - You can export the Employees list. Oddly, the Employees screen is missing the Export button that appears on the Customers, Vendors, and Products and Services screens. QuickBooks, you sneaky minx . . .
- **Cons**
  - A nag screen asks you to state your intentions every time, like a grumpy border guard.
  - Everything is downloaded as a ZIP file, even if you export just one item, which adds friction to opening the files in a spreadsheet program.

- Reports are not customizable and are, well, a bit light on columns.
- The Products and Services list is mysteriously absent — with no explanation provided — but hey, the corresponding screen does have an Export button! No rhyme or reason. It's just life with QuickBooks.

Assuming I haven't run you off yet, here's how to export multiple reports or lists at once:

1. **Choose Settings ➪ Export Data.**
2. **On the Reports tab, toggle off any reports you don't need. Available options include these:**
   - General Ledger
   - Profit & Loss
   - Balance Sheet
   - Trial Balance
   - Journal
3. **Activate the Lists tab, and then toggle off any unwanted lists:**
   - Customers
   - Employees
   - Vendors

   TIP

   A notable omission here is the Products and Services list, which you can export from the corresponding screen. On the other hand, you can only export the Employees list from here. QuickBooks truly works in mysterious ways.
4. **Click Export to Excel.**

   QuickBooks saves a ZIP file to your Downloads folder containing all selected reports and lists.

   TECHNICAL STUFF

   Exporting to ZIP files creates a hurdle: You have to extract the data from the ZIP archive before you can open it into a spreadsheet program. Chapter 21 offers a primer-level introduction to Power Query. It barely scratches the surface, but it gets you rolling. Power Query can extract data directly from ZIP files, which means you can build self-updating data extractions that pull from the archive automatically. For step-by-step help, ask an AI tool like ChatGPT.

Exporting customer, vendor, and product lists

QuickBooks makes it possible to export your Customers, Vendors, and Products and Services lists to Excel workbooks. Of course, caveats abound.

- **Pros:**
  - Exports only require a single click — although the Products and Services button looks different from the Customers and Vendors button. I won't judge. Well . . . maybe just a little.
  - QuickBooks doesn't assume that you're up to anything. You won't see a nag screen here.
- **Cons:**
  - You can't export the Employee list this way. Isn't this supposed to be *my* data?
  - Exports aren't customizable, but they do include a decent number of columns.
  - Files are exported in the XLS workbook format that rightly triggers Compatibility Mode in Excel. It's like running into that old flame you hoped you'd never see in person again.

    TECHNICAL STUFF

    Compatibility Mode disables certain modern features — like slicers, dynamic arrays, and improved worksheet protection — until you convert the file to the current format. It's for your own good. Microsoft doesn't want you carrying out work you can't save.

Still with me? Have a go with it:

1. **Type** Customers, Vendors, **or** Products **in the Search bar at the top of the screen; then click on the first item on the list.**

   This takes you to the corresponding list page — and conveniently lets me skip describing the path between QuickBooks's two dueling user interfaces. Unfortunately, it doesn't spare me from explaining the mystery of the mis-matched Export buttons.

2. **Thankfully, exporting lists in this fashion is a one-click endeavor — *if* you know which button to click:**

   - **Export:** This button appears on the Customers and Vendors screens.
   - **Export to Excel:** This slightly more specific button appears on the Products and Services screen. Why, Intuit? Why?

   Either way, QuickBooks saves a musty XLS workbook to your Downloads folder. Thankfully, since it's electronic, there's no actual odor.

Connecting QuickBooks Commerce

QuickBooks Commerce started out as an app, but it's now baked into the QuickBooks Online platform. You can currently connect to the following sales channels:

- Amazon
- eBay
- Etsy
- Shopify

Your subscription level governs the number of platforms you can connect to:

- **Simple Start:** One
- **Essentials:** Three
- **Plus and Advanced:** Unlimited

Here's how to get started with QuickBooks Commerce:

TIP

1. **Choose Commerce from the classic sidebar menu.**
2. **Click Connect Sales Channel.**
3. **Choose a channel and then click Next.**

From there you're prompted to provide your sales channel credentials and then configure how you want the information to flow into your books.

WARNING

If you click I Don't See My Channel, you're presented with a list of other platforms, but none of them connect with QuickBooks. Pick your favorite phrase: bait and switch, smoke and mirrors, or something better left unprinted. Following the prompts sends feeds to Intuit's marketing and product development team, while you're left wishing you could get those five minutes back.

Intuit offers the following caveats for its Commerce offering:

- You sell only in the United States and in US dollars.
- You don't use third-party payment processors, like PayPal, Affirm, or `Authorize.net`.
- You don't need to bring in customer, product, or inventory data from your sales channels.
- Multicurrency (see Chapter 8) isn't officially compatible with Commerce, but my tech editor Dan has a client using both. Your mileage may vary.

In the end, QuickBooks Commerce is basically an import tool cloaked in fancy marketing. And it appears to be on the endangered species list, especially since Intuit now offers another avenue called Integrated Transactions or App Transactions — because why have one name for a feature when you can have two?

Look for the corresponding tab on your Transactions screen, where you'll find a rotating lineup of free apps. What you see depends on your subscription tier, naturally.

Browsing the QuickBooks App Store

If you still haven't found what you're looking for in this chapter, chances are there's an app — QuickBooks now calls them *integrations* — for that:

- **New sidebar:** Don't be fooled — All Apps doesn't take you to the app store. Instead, click My Integrations ➪ Find Integrations at the top of the screen.
- **Classic sidebar:** Click Apps to open the QuickBooks App Store, or click My Apps at the top of the screen to see the apps your company already uses.

Either action takes you to a marketplace full of third-party functionality. Some are free, others come with a price tag, but all are designed to expand what QuickBooks can do. Whether you're looking to sync with your CRM, automate inventory, or send out fancy invoices, you can probably find an integration for that.

You can browse by category or industry and then use the Filters button to narrow things down by language or rating. You can even search within a category or industry to zero in faster. The screen is organized into sections like these:

- Most Popular
- Free Integrations Built by QuickBooks

- Free QuickBooks Connector Integrations for eCommerce
- Highest Rated Integrations
- Featured Integrations
- New Integrations

You're apt to find an integration that will change your life — or at least sand off one of the rough edges. Just note that most integrations come with their own subscription fees, though many offer free trials so you can kick the tires before committing.

Stretching Beyond the Starting Line

The automation techniques in this chapter are available to all QuickBooks Online subscription levels, but as Ron Popeil famously said, "But wait, there's more!"

- **Bank Transactions:** Chapter 5 walks you through syncing or manually uploading your bank activity.
- **Agents:** Chapter 8 touches on the AI-based agents being introduced in Essentials, Plus, and Advanced that are designed to automate accounting tasks and manage workflows.
- **Recurring Transactions:** In Chapter 9, I explore how Essentials, Plus, and Advanced users can eliminate repetitive data entry.
- **Pricing Rules:** Chapter 10 focuses on how Plus and Advanced users can streamline invoicing tasks.
- **Desktop app:** In Chapter 13, I cover how QuickBooks Online Advanced and Accountant users can install a Windows app that lets you juggle multiple companies and sidestep the frustration of booting yourself out by closing the wrong browser tab.
- **Online backup:** Chapter 13 also shows how Advanced users can back up and restore company data, though with some caveats.
- **Workflows and batched transactions:** Chapter 15 takes Advanced users beyond the velvet rope with exclusive tools for automating approvals and grouping transactions.
- **Spreadsheet Sync:** In Chapter 16, I show Advanced users how to import and export data between Excel and QuickBooks Online. That's handy for reporting, budgeting, or just making life easier.
- **Toggling books:** In Chapter 18, I show how Accountant users can flip between client companies without missing a beat.

2

QuickBooks Online Essentials Features

IN THIS PART . . .

Limit user access, implement custom fields, and utilize forecasting and foreign currencies.

Work with product/service bundles, and efficiently track time and billable expenses.

IN THIS CHAPTER

- » Managing user privileges in Essentials and Plus companies
- » Reassigning the primary admin role
- » Tailoring custom fields
- » Predicting your cash flow
- » Transacting in foreign and crypto currencies

Chapter 8

Managing Users, Multicurrency, and Custom Fields

Cue that movie-guy voice. In a world where two or more users can collaborate on the same QuickBooks file, one admin must take control — assigning roles, toggling access, and enabling powerful features — without accidentally triggering a digital explosion.

This chapter is your field guide to features unlocked by an Essentials, Plus, or Advanced subscription. Simple Start users, sadly, are left out in the cold. You'll learn how to manage users, expand your custom field toolkit, plan for the future with the Cash Flow Planner, and (if you dare) activate Multicurrency. Each section gives you more power, but as every agent knows, with greater access comes greater responsibility.

Managing User Rights

Every mission requires the right operatives, and QuickBooks lets you decide who gets access to which parts of the operation. In Essentials and Plus companies, you can authorize specific agents, restrict access to sensitive intel, and build a command structure that suits your operation's size and risk level.

Agents in Simple Start are lone wolves — just one user, total access, no backups, no fall guys. But Essentials and Plus unlock a full dossier of roles. Depending on your subscription, you can assign up to four types of users, each with their own level of clearance.

Exploring the types of users

QuickBooks Online offers four user levels, with the number you can assign depending on your subscription level:

- **Standard Users:** These are your internal agents, each assigned a role that determines which areas of your books they can access. Stay tuned for a deeper intel drop on the available roles. Just know that you're limited on how many you can deploy — unless you upgrade to a higher tier, with Advanced being the final clearance level.

  REMEMBER

  Essentials and Plus users get all-or-nothing access to areas like sales, expenses, and lists. That means you can't grant an agent access to invoices but not estimates. For that level of precision targeting, you need the customizable user rights discussed in Chapter 13.

- **Accountants:** Simple Start, Essentials, and Plus companies can each have up to two accountant users, while Advanced companies can have as many as three. These outside operatives have near-total access via the QuickBooks Online Accountant platform. (See Part 5 for more on their capabilities.) You can't recruit more of them, even with an upgrade.
- **Track Time Only:** These users lack the clearance to view anything beyond their own timesheets. No intel or distractions, just hours logged. The good news: You can deploy as many of these agents as you like without bumping into subscription limits.
- **View Company Reports:** This is for the intelligence analysts — agents who need visibility without access to sensitive records like payroll or customer details. Available in Plus and Advanced only, but unlimited in number.

Table 8-1 shows the number of users that are available at each subscription level.

TABLE 8-1 Authorized User Types by Subscription Level

Subscription Level	Standard User Limit	Accountants	Time Tracking Users	View Company Reports Users
Simple Start	1	2	None	None
Essentials	3	2	Unlimited	None
Plus	5	2	Unlimited	Unlimited
Advanced	25	3	Unlimited	Unlimited

Reviewing standard user roles

If you're using QuickBooks Online Essentials or Plus, someone in your organization — maybe you, maybe not — can regulate who gets to see and do what by assigning users to one of the following roles:

- **Primary Admin:** Whoever initiates a QuickBooks Online subscription becomes the primary admin, though this role can be reassigned if needed. Think of this person as a lone superuser — someone with unlimited rights to tweak any part of the books, including adding or removing users. Fake twirly mustache sold separately.
- **Company Admin:** A company admin has all the powers of the primary admin — report-running, preference-tweaking, user-adding glory — except for one thing: the primary admin's access. In the inimitable words of MC Hammer, QuickBooks says, "You can't touch this."
- **Standard All Access:** This role opens nearly every door in QuickBooks — including payroll, if it's turned on. Think of this as "admin-lite" without the key to the top drawer. These users can:
  - View and optionally edit company information, like preferences and subscriptions.
  - View (but not edit) the user list — they can look, they can touch, but they can't make changes.
- **In-House Accountant:** This role can access all reports and the full suite of bookkeeping tools. What can't they touch? Payroll, user permissions, or company settings. In olden times, this role had the moniker "Standard All Access Without Payroll." Talk about a name that only a mother could love!
- **Accounts Receivable or Payable Manager:** These roles offer limited access focused on either incoming or outgoing money. Both can track time, use multicurrency, work with sales tax screens, and access Products and Services

(with some restrictions). They also used to go by their geekier names: Standard Limited Customers Only, and Standard Limited Vendors Only, respectively. The key difference:

- Receivable roles can access customers, sales screens, bank deposits, and A/R reports.
- Payable roles can access vendors, expense screens, and A/P reports.

» **Standard No Access:** No renaming here — and almost no access either, aside from the Time Tracking feature. These users still count toward your billable total, so this role is best reserved for folks on vacation, short-term leave, or vendors or contractors who need to enter time directly.

» **Track Time Only:** This non-billable role grants access to the basic Timekeeping feature — unless you have a Premium or Elite Payroll or Time subscription, in which case you're redirected to QuickBooks Time to manage permissions.

» **View Company Reports:** This nonbillable role (available to Plus and Advanced subscribers) is perfect for users who just need eyes on the numbers. They can view all reports — except payroll and anything that includes contact details, like customer and vendor lists.

TIP

Existing users with discontinued roles — such as anything beginning with Standard Limited — remain intact, but you can't assign those roles to anyone else.

TECHNICAL STUFF

QuickBooks Bill Pay Elite users can also assign Bill Approver, Bill Clerk, and Bill Payer roles to users.

Managing users

If you have clearance, choose Settings ➪ Manage Users to access your roster of agents. From here, you can expand your ranks, tweak access levels, or — when necessary — deactivate someone on your team with extreme (but polite) prejudice.

Adding a new user

Your mission, if you choose to accept it, is to bring someone into the fold:

1. **Choose Settings ➪ Manage Users ➪ Add User.**

   The standard recruitment dossier — er, Add User screen — opens.

2. **Check over your shoulder, and then quietly fill in the First Name, Last Name, and Email fields.**

3. **Assign a role that fits their cover story.**

4. **Need tighter control over sensitive intel?**

   a) Expand View All Permissions ➪ Account Management.

   b) The Company Info checkbox defaults to stealth mode (view only). Click the minus sign to grant clearance, Clarence.

   c) Use the Access Subscription and Manage Users checkboxes to fine-tune visibility and control.

5. **Click Send Invitation to initiate an email with the subject line "Burn After Reading."**

   Over and out. QuickBooks discreetly walks them through the onboarding process once they click the emailed link.

Modifying or terminating users

When someone's assignment changes or goes south:

1. **Choose Settings ➪ Manage Users.**

   Your operative dashboard opens.

2. **Choose a user from the list.**

   Their file opens — disguised, of course — as the Edit User screen.

3. **Pick your poison (or task, if you're feeling diplomatic):**

   - **Update profile:** Adjust their name, email, role, or permissions as needed. If you're the primary admin, you're stuck in that role unless you execute the handoff discussed later in this chapter.

     TIP

     Changing a user's profile here doesn't affect how they log in. They still use the original email they registered with.

   - **Inactivating users:** You won't find a Make Inactive button here — QuickBooks simply blows a raspberry at the idea. What you can do is change the user's role to Standard No Access. Just remember: Inactive users still count against your user limit while they're on ice.

   - **Remove user:** Scroll down, click Delete ➪ Delete User. Mission terminated.

Reassigning the primary admin role

If the time comes for you to relinquish your post as station chief, you can hand off the top-level credentials to another operative. Every QuickBooks company requires one — and only one — primary admin. This role comes with full access and the ability to change anything, including user permissions, subscriptions, and company settings. The handoff process is straightforward, provided you're still in control of the console.

1. **Log in as the primary company admin.**

   TIP

   If you're unable to log in as the primary admin user, visit `https://quickbooks.intuit.com/learn-support/` and search for *Request to be the primary admin or contact* — or send a flare up to QuickBooks's support team to initiate a role transfer. Be prepared to present proof of ownership or operational authority.

2. **Choose Settings ➪ Manage Users.**
3. **Confirm that your chosen successor is already set up as a company admin.**

   If not, click Edit next to their name, change their role, and click Save.

4. **Click their Edit dropdown, and then choose Make Primary Admin.**

   QuickBooks sends the incoming station chief an email confirmation, and your mission authority transfers as soon as they accept.

You're now free to disappear into deep cover.

Tracking Details with Custom Fields

In addition to adding up to 30 custom fields in the customer record pane, Essentials and Plus users can add up to 4 custom fields on transaction forms. These fields help you track internal details — like job numbers, approval initials, or priority levels — without affecting your financial calculations or reports.

REMEMBER

Custom fields become a permanent part of your accounting dossier — you can mark them inactive, but you cannot delete them — no matter how hard you try.

To create a custom field:

1. **Choose Settings ➪ Custom Fields.**

   The Custom Fields screen opens.

2. **Click Add Field.**

   The Add Custom Field task pane opens.

3. **Enter a field Name and choose a Data type — either Text and number or Dropdown list.**

   Dropdown lists can contain up to 100 items.

4. **Choose a field type:**

   - **Customer:** Adds the field to customer records.
   - **Transaction:** Allows you to select one or more transaction forms. You can also choose whether to include the field on printed versions.

     REMEMBER

     You can add up to four custom fields to each form type — like invoices or bills. The limit applies separately to each type, not across all forms combined.

5. **Click Save.**

To later hide or redisplay a custom field:

1. **Choose Settings ➪ Custom Fields.**

   The Custom Fields screen opens.

2. **Choose an action:**

   - **Hide a custom field:** From the Edit dropdown, choose Make Inactive.
   - **Reactivate a custom field:** Turn on Include Inactive, and then choose Make Active from the Edit dropdown.

Working with Multiple Currencies

Sprechen sie Deutsch? Parlez-vous français? Do your vendors invoice you in euros? Do your customers pay in pounds, pesos, or possibly even Dogecoin? If so, it might be time to enable QuickBooks Online's Multicurrency feature.

This tool, available in Essentials, Plus, and Advanced subscriptions, lets you do some cool things:

» Assign a currency to customers, vendors, and bank accounts.

REMEMBER

Multicurrency doesn't support customer- or currency-specific pricing, but QuickBooks Desktop does. Accordingly, converting from QuickBooks Desktop to QuickBooks Online can be problematic if you're currently using the Multicurrency feature in QuickBooks Desktop.

- Track transactions in over 150 global currencies, including Bitcoin and Litecoin.

TIP

Use the search term *list of supported currencies* at `https://quickbooks.intuit.com/learn-support/en-us` to see the list of supported currencies.

- Automatically convert amounts to your home currency for reporting.

WARNING

This isn't a switch you can flip back. Once you enable Multicurrency, you can't turn it off, and your home currency is locked in for good. Unless you're regularly conducting operations across borders — or maintaining foreign bank accounts — it's best to keep this setting on hold.

Grasping the Multicurrency Ripple Effect

Turning on the Multicurrency feature in QuickBooks Online isn't something to take lightly. You can't turn it off once it's enabled, and some things about QuickBooks change permanently. If you regularly deal with transactions or bank accounts in more than one currency, Multicurrency can be a lifesaver. But it also comes with quirks, limitations, and a few complications you should be aware of first.

Once you enable Multicurrency, here's what to expect:

- **Currency tracking appears throughout QuickBooks:**
  - **Currencies menu:** A new Currencies option appears on the Settings menu so you can view and manage exchange rates.
  - **Cryptocurrency support:** Bitcoin and other cryptocurrencies are available as currency options when setting up customers, vendors, or accounts.
  - **Currency column in accounts:** The chart of accounts gains a Currency column.
  - **Exchange Gain or Loss account:** QuickBooks discreetly creates a shadow account to track these ever-shifting values.
  - **Separate A/R and A/P per currency:** QuickBooks creates new accounts receivable and accounts payable accounts the first time you use a new currency in a transaction.
  - **Currency-aware registers:** Bank and credit card registers display transaction currencies in parentheses, along with a new Foreign Currency Exchange Rate column.

    - **Flexible forms:** Invoices, bills, and other forms allow a different currency per transaction. QuickBooks handles the conversion onscreen. As you enter line items, amounts appear in the foreign currency, while the form displays the equivalent totals in your home currency. The balance due or total payable is shown in the foreign currency so your customer or vendor knows what to pay, but your books stay grounded in home-currency values.

      REMEMBER

      If you enter a future date, QuickBooks clears the exchange rate field since the actual rate for that day isn't available yet. When you enter a rate manually, QuickBooks prompts you to apply it to just this transaction or to all transactions on that date.

    - **Home-currency reporting:** Reports always display amounts in your home currency, regardless of the currency used in the original transactions. For instance, a CAD$150.00 invoice may appear as USD$109.03 on transaction reports and in the A/R – CAD account on your balance sheet. Transaction detail reports include columns for the exchange rate and the original foreign-currency amount.
    - **Automatic exchange rate tracking:** Rates update every four hours, but you can override them.

- **Currency is locked, but some flexibility remains:**
    - **Assigning currency denominations:** When Multicurrency is enabled, QuickBooks adds a Currency field to the setup screen for each new customer, vendor, or bank account. Use this field to assign the appropriate alternative currency.

      REMEMBER

      You can't change the currency once the record is saved, but you can make the original inactive and create a new one with the correct currency instead.

    - **Mandatory assignment:** You must assign a currency when creating accounts, customers, or vendors.
    - **One currency per record:** Each account, customer, or vendor is limited to a single assigned currency.
    - **No switching midstream:** If you chose the wrong currency for a saved transaction, you need to delete the transaction and reenter it to start over with the correct currency.
    - **Supported transaction types:** You can use alternative currencies in sales forms, bills, and journal entries. Payroll and certain other transaction types must use your home currency.

» **Some features don't work with Multicurrency:**

- **Cash Flow Planner goes dark:** The Cash Flow Planner tool (covered later in this chapter) is disabled when Multicurrency is turned on, so you can't rely on it for forecasting if your company deals in multiple currencies.
- **Built-in tool limitations:** QuickBooks Payroll and QuickBooks Payments only work if your home currency is US dollars.
- **No time entries for foreign customers:** You can't associate time entries with customers assigned an alternative currency.
- **No-go for Commerce:** QuickBooks Commerce doesn't support Multicurrency at all.
- **Third-party app issues:** Some apps don't play nicely with Multicurrency. Check compatibility before enabling the feature or connecting new apps.

Enabling Multicurrency

You've weighed the pros and cons. Now it's time to dive in like an international financier. Here's how to get started:

1. **Choose Settings ➪ Account and Settings ➪ Advanced.**
2. **Click the Edit icon in the Currency section.**
3. **From the Home Currency dropdown list, choose the local currency for your business.**
4. **Turn on the Multicurrency toggle.**
5. **Select the checkbox labeled I Understand I Can't Undo Multicurrency.**
6. **Click Save.**
7. **Click Manage Currencies to add more currencies now, or click Done to do it later.**

Managing currencies

Once you've enabled Multicurrency, choose Settings ➪ Currencies to open the Currencies screen, which starts you off with the Canadian dollar and euro. From there, you can:

- **Add a currency:** Bring additional currencies into play so you can assign them to customers, vendors, or accounts:
  1. **Click Add Currency.**
  2. **Make a selection from the Add Currency list.**
  3. **Click Add.**

     The new currency appears on the Currencies screen.
- **Override the market exchange rate:** Use your own rate instead of the automatically downloaded one:
  1. **Click Edit Currencies Exchange.**

     The Edit Currency Exchange Rate window appears.
  2. **Choose your rate.**
  3. **Enter your exchange rate.**
  4. **Click Save.**

     REMEMBER

     Your custom rate stays in effect until you select Market Rate again.
- **Revalue a currency:** Adjust the value of your foreign-currency balances and transactions based on a different exchange rate:
  1. **Choose Revalue from the Edit Currencies Exchange dropdown.**

     The Revalue screen opens.
  2. **Edit the revalue date if needed.**
  3. **Choose Custom Rate and enter the new rate.**
  4. **Deselect any accounts that you don't want to revalue.**
  5. **Click Revalue and Save.**

  REMEMBER

  QuickBooks records a journal entry behind the scenes to reflect the change in value so that your reports stay accurate without your needing to post anything manually.
- **Remove a currency:** Delete a currency if you haven't used it in any transactions:
  1. **Choose Delete from the Edit Currencies Exchange dropdown.**
  2. **Click Yes to confirm that you want to delete the currency.**

     The deleted currency no longer appears on your Currencies screen.

Going Farther Afield

Not every briefing fits in a single dossier. If you're looking to expand your intel and build a more comprehensive operation, these chapters contain additional reconnaissance:

- **Linking accounts for forecasting:** Chapter 5 shows how to connect bank and credit card accounts for use with the Cash Flow Planner.
- **Adding apps to your toolkit:** Chapter 7 explores how to connect apps to QuickBooks. Just remember that some may clash with features like Multicurrency.
- **Custom fields by tier:** Chapter 11 enhances your Plus-level field options. Chapter 15 spills the beans on what Advanced users can do.
- **Advanced user permissions:** Chapter 13 explains how to grant finer-grained access in higher-tier companies.
- **Admin role hand-offs:** Chapter 17 shows how to securely pass the primary admin baton to your accountant — and how they can pass it back.

IN THIS CHAPTER

» Enabling recurring transactions

» Combining products and services

» Implementing time tracking

» Transferring time entries to invoices

Chapter 9

Reducing Manual Data Entry

If you find yourself stuck in the same choreography every month — reentering the same bills, rebuilding the same invoices, or copying over the same time entries — it's time to learn some new moves. This chapter helps you do a little dance, automate a little stuff, and save a lot of time. It starts with recurring transactions to eliminate repetitive entries. Then it covers how to use bundles to drop multiple products or services into an invoice with a single click, like the rockstar that you are. Finally, it digs into time tracking, which turns logged hours into billable entries and payroll without all the manual steps.

Just remember: This is a members-only dance floor. You need an Essentials, Plus, or Advanced subscription if you want to shake your groove thing, yeah, yeah.

Spinning Through Recurring Transactions

If you're tired of doing the hustle in QuickBooks, recurring transactions are ready to step in for you. Most transactions can be set to recur in one of three ways:

- **Scheduled:** These are the dancing queens of accounting — always on cue, never missing a beat. Scheduled recurring transactions post automatically based on the rhythm that you set. They're perfect for fixed amount transactions like service agreement invoices. Once they're on the calendar, they glide into your books right on time and can even be emailed automatically. They know their part and deliver every time. Now you'll have time to ponder more important things — like who first thought shag carpet was a good idea.

- **Reminder:** These are the yellow ribbon around your accounting tree type — waiting patiently for your cue. When the scheduled date rolls around, QuickBooks invites you to review and edit the transaction details before posting. It's perfect for transactions with amounts that do the Funky Chicken, like utility bills. Tony Orlando would be proud.
- **Unscheduled:** These are the dancing machines of your workflow — cool, quiet, and ready to pop and lock when called upon. Think of these as transaction templates: They don't post or prompt, but they're ready when you are — ideal when you need to drop in a payroll journal entry or pull off a slick year-end adjustment. The Jackson 5 would understand.

TECHNICAL STUFF

In QuickBooks, recurring transactions only work with first-stage transactions — those that drop the opening beat, like invoices, bills, expenses, and sales receipts. Transactions that come later in the workflow, like Receive Payment or Bill Pay, are considered second-stage and can't be set to recur.

Now that you've met the stars of the show, it's time to spin them into action. The smoothest way to get started: Click Make Recurring at the bottom of a transaction that you want to drop on the turntable again and again. Prefer to choreograph things from scratch? Those steps are laid out as well.

Putting a transaction on repeat

You can create a recurring version of a transaction in two ways, depending on where you're starting:

- **If you're working on a new transaction:**
  1. Click Save to preserve the transaction.

     Make Recurring appears at the bottom of the screen.
  2. Click Make Recurring.
- **If you're viewing an existing transaction:**
  1. Open the transaction.
  2. Click Make Recurring.

From there, you can make your transactions electric-er, electronic:

1. **Accept the default template name or enter a new name.**
2. **Choose the type: Select Scheduled, Reminder, or Unscheduled.**
3. **Enter how many days in advance QuickBooks should create or remind you about the transaction.**
4. **Confirm the customer or vendor and their email address.**
5. **Get fancy if needed by enabling any of these options: Automatically Send Emails, Print Later, or Include Attachment.**
6. **Select the frequency and timeframe:**
   - **Daily:** Set the number of days between postings.
   - **Weekly:** Choose the interval in weeks and the day of the week.
   - **Monthly:** Pick a day, any day, or something like "the last Tuesday."
   - **Yearly:** Nail down the month and day.
   - **Start Date/End Date:** Define when it begins, and if applicable, when it stops.
7. **Review the mailing address, terms, and transaction details.**

   TIP

   QuickBooks automatically updates recurring transactions when you modify a customer or vendor record, such as recording a change of address.
8. **Click Save Template.**

REMEMBER

QuickBooks won't save lines with a value of $0 in the Category or Item sections.

And just like that, your transaction knows the steps — and you can let the music play for your scheduled and reminder transactions. Here's how to use an unscheduled transaction:

1. **Choose Settings ➪ Recurring Transactions.**
2. **Choose Actions dropdown ➪ Use for the transaction.**
3. **Complete the transaction and then save in the usual fashion.**

Dropping in a new recurring transaction

You can also set the stage for a fresh routine by adding a brand-new entry directly on the Recurring Transactions screen. Just follow these steps:

1. **Choose Settings ➪ Recurring Transactions.**

   The Recurring Transactions screen opens.

2. **Click New.**

   The Select Transaction Type dialog box appears.

3. **Choose a transaction type, and click OK.**
4. **Complete the recurring transaction screen in the same fashion as described in the preceding section, and then click Save.**

Changing the tune of a recurring transaction

To edit an existing recurring transaction:

1. **Choose Settings ➪ Recurring Transactions.**

   The Recurring Transactions screen opens.

2. **Click Edit in the Action column.**
3. **Make your changes, and then click Save.**

   REMEMBER

   Any changes you make here affect only future transactions. If one has already strutted into your books, you need to update it manually.

Two other moves that you might make on a recurring transaction appear when you click the Actions dropdown:

- **Duplicate:** Spins off a new recurring template from an existing one — ideal for reusing a structure (like copying an electric bill to set up water service — now that's an Electric Slide!) or backing up copies of complex transactions, such as a detailed payroll journal entry
- **Delete:** Removes unwanted recurring-transaction templates

REMEMBER

In many areas, QuickBooks just never can say goodbye. Deleting a record simply marks it as inactive. But recurring transactions are one of the rare exceptions, so think twice before kicking one off the dance floor.

Printing a list of recuring transactions

To print a report of your existing recurring transaction templates, follow these steps:

1. **Choose Settings ➪ Recurring Transactions.**

   The Recurring Transactions screen opens.

2. **Choose Reminders dropdown ➪ Run Report.**

   The Recurring Template List report appears.

3. **(Optional) Use the Group By list to reorganize the report, and then click Run Report.**

   Want to remix your columns? Click the Report Settings button to change the lineup.

Bundling Products and Services

In QuickBooks Online lingo, a bundle is a curated collection of two or more products or services to be sold together in a single transaction. Think of it as your favorite K-Tel albums, offering all of your greatest hits in one slick package.

For example, a company selling bubbly drinks like *I Will Survive Sarsaparilla*, *Stayin' A-Lime Soda*, and *Funkytown Fizz* might create a *Solid Gold Sips* bundle to simplify creating invoices for their most requested hits.

Just remember:

- QuickBooks Online doesn't track physical inventory for bundles.
- You can't assign a custom price to a bundle. The total is the sum of each product or service multiplied by its quantity.
- A bundle isn't the same as an assembly. Those exist in QuickBooks Desktop and come with inventory tracking and a bill of materials. Bundles are more like group items: simpler, looser, and built for ease rather than precision choreography.

TECHNICAL STUFF

A *bill of materials* (often shortened to BOM) is a detailed list of components, materials, and instructions needed to build or assemble a product. In QuickBooks Desktop, assemblies use BOMs to track inventory as items are combined into finished goods. I hate to drop a bomb on you — sorry, Gap Band, I couldn't resist — but QuickBooks Online doesn't support this type of tracking.

Here's how to bundle up so that you don't freeze when creating detailed invoices:

1. **Choose Settings ➪ Products and Services.**

   The Products & Services screen opens.

2. **Choose New ➪ Bundle.**

   The Create a Bundle task pane opens.

3. **Fill in the Name field.**

   This required input identifies the bundle.

4. **To upload a picture of the item, click Add an Image, select file, and then click Open.**

   Acceptable formats include JPEG, JPG, and PNG.

   TIP

   Need to modify the bling? Hover over the picture to display the Replace and Delete buttons.

5. **To assign a stockkeeping unit, complete the SKU field, or just move on to the next field.**

6. **Decide how the bundle should appear on your sales forms:**

   - **Single Description:** Log the vibe of your wares into the Sales description field.
   - **Individual Component Descriptions:** Toggle the Display Bundle Components When Printing or Sending Transactions option on.

7. **Use the Items Included in the Bundle section to build out the lineup.**

8. **Click Save and Close if this is a one-and-done, or Save and New to keep on keeping on — just like Curtis Mayfield told us to.**

CONVERTING IPHONE PICTURES

If you have an iPhone, your photos may be saved in HEIC format, which isn't compatible with QuickBooks. Here's how to carry out a quick conversion:

- **Windows:** Right-click the HEIC image, open it with Photos, and then click the three dots (. . .) → Save As → choose .JPG from the dropdown.
- **macOS:** Open the image in Preview, and then choose File → Export, and select JPEG as the format.

Getting Down with Time Tracking

Time tracking in QuickBooks Online helps you capture hours worked by employees, contractors, or yourself — whether for billing clients, running payroll, or simply staying on top of productivity. Built-in tools handle the basics, while QuickBooks Time (included with some Payroll plans or available as a standalone add-on) offers more advanced features. Either way, accurate tracking leads to less guesswork, cleaner invoicing, and smoother payroll so that you can spend less time untangling timecards and more time doing the hustle.

Understanding your time-tracking options

Basic time tracking in QuickBooks lets you record hours worked by employees, contractors, or yourself and tag those hours to customers, service items, and classes when needed. But make no mistake: The built-in tools are strictly retro. You enter time manually using the Add Time For taskpane as if it's still 1978 — the peak year for disco, long before EDM took over the dance floor. Gives a whole new meaning to the phrase "lost in time."

Want a more modern groove? You need QuickBooks Time for that. This add-on brings mobile clock-ins, GPS tracking, real-time approvals, and more. It's included with Premium or Elite payroll plans, or you can subscribe to it separately if you're using Core Payroll or no payroll at all.

Not sure which plan you're on? Here's how to check:

1. **Choose Settings ➪ Subscriptions and Billing.**

   The Subscriptions and Billing screen opens.

2. **Look in the QuickBooks Time Tracking and QuickBooks Online Payroll sections.**

   If both say Find Out More, you're not currently subscribed to either service. Otherwise, the name of your plan is listed in the corresponding section.

Establishing time-tracking users

Time-tracking users only see screens related to recording time and don't have access to the rest of your accounting records. Once you've created an employee or contractor, you can give them time-tracking privileges. The steps vary depending on your situation:

- **Payroll Premium or Elite**
  1. Go to All Apps ➪ Payroll ➪ Employees or Contractors.
  2. Click their name, and then click Send Invite to activate QuickBooks Time access.
- **QuickBooks Time**
  1. Choose All Apps ➪ Time.
  2. Enable the Access toggle for the team member.
- **Basic time tracking**
  1. Choose Settings ➪ Manage Users ➪ Add User.
  2. Fill in their contact info, and choose Track Time Only from the roles list.

     Any other role counts toward your billable user limit.
  3. Click View All Permissions, and then Click Sync Team Member.
  4. Choose an employee or vendor, or click Add New.

     QuickBooks may list them as vendors, but it files them under Contractors if appropriate.

5. Click Sync, and then Send Invitation.

   Your employees (or vendors) are notified by email and prompted to create a QuickBooks Online account if necessary.

Once invited, the user gets access to a simple interface for entering their time.

Enabling billable time entries

If you want to invoice customers for tracked time, you need to flip a couple of switches first:

1. **Choose Settings ➪ Account and Settings ➪ Time.**
2. **Click Edit in the Timesheet section.**
3. **Toggle the Show Service field on.**
4. **Toggle Allow Time to be Billable on.**
5. **Click Save and then Done.**

Strutting onto the timecard

Say an employee spent two hours consulting for a client. You can capture that hustle using Basic Time Tracking like this:

1. **Choose Create ➪ Time.**

   The Add Time For task pane is displayed.

   REMEMBER

   QuickBooks Time users will see Single Time Activity and Weekly Timesheet options in lieu of Time Entry and similar, but somewhat different, forms to fill out.

   TECHNICAL STUFF

   To log time within a project, choose Add to Project ➪ Time from the Projects screen.

2. **Choose an employee from the Add Time task pane.**
3. **Pick the date when the work was performed.**
4. **Click Add Work Details.**

   The Add Work Details pane opens.

5. **Enter a time amount in the Duration field (for example,** 2 **for two hours).**

   Alternatively, toggle Start/End Times times to enter specific times.

6. **Select the customer the work was for.**

7. **Select the service that was performed.**

   REMEMBER

   You can't add new services from the Add Work Details screen. Set up any new services first. Otherwise, it's forehead-slap time as you abandon your entry and start over after updating your services list. TGIF, right?

8. **Toggle the Billable (/hr) option if applicable.**

9. **Enter any notes, such as a brief description of the work.**

   You can revise the description after adding the time entry to the invoice.

10. **Click Done to save the entry, or click Delete while muttering "heck with it" and wandering off in search of a bubbly beverage.**

Syncing time and expenses with invoices

Don't be like Jim Croce and keep time in a bottle — you'll go broke fast! Here's how to post time entries and reimbursable expenses to invoices without retyping:

1. **Choose Create ➪ Invoice.**

   The Invoice screen opens.

2. **Choose a customer's name.**

   The Suggested Transactions task pane appears if QuickBooks finds any linked transactions.

3. **Click Add for any individual time or expenses you want to bill, or click Add All to bring everything in.**

   Time entries are listed individually in the invoice. You can no longer group them into a single lump sum. Sounds like a great time for Karen Carpenter's "Yesterday Once More."

TIP

You can still sneak in a subtotal if you know where to look. Click Add Product or Service dropdown ➪ Add Subtotal. Because of course it's hidden.

Other Moves You Can Make

Now that you can reduce some of your repetitive data entry, here are a few more moves you might want to learn:

- **Making expenses billable:** Chapter 3 explains how to tag expenses to customers so you can add them to invoices without retyping a thing.
- **Adding new time-tracking users:** Chapter 6 shows you how to give employees and contractors just enough access to track time — nothing more.
- **Automating even more:** Chapter 7 dives into apps and built-in tools that take automation beyond time entries and recurring invoices.
- **Tracking time by project:** Chapter 11 walks through using the Projects feature to group time, expenses, and income for better insight and reporting.

These extras can help you automate even more of the boring stuff. Stay groovy, dear reader.

3

QuickBooks Online Plus Features

IN THIS PART . . .

Manage physical inventory and streamline the purchasing process.

Track financial activity by class, location, or project.

Set up and manage budgets to maintain financial control.

IN THIS CHAPTER

» **Enabling inventory tracking and purchase orders**

» **Getting the lowdown on purchase orders**

» **Perfecting price rules for custom deals**

Chapter 10
Monitoring Inventory and Managing Purchase Orders

Ahoy there! This chapter covers cargo — er, physical inventory items. Whether you're buying crates of cutlasses, barrels of peg legs, or bolts of sailcloth — and have a Plus or Advanced subscription — you can track what's in your ship's store or perhaps your warehouse. Well, that's the case provided you're not doing anything too fancy, like manufacturing your own schooners. QuickBooks Online uses the first in, first out (FIFO) method to value inventory, so the cost of the earliest goods you purchase is applied to the first ones you sell. Don't worry about stacking your barrels in exact order because QuickBooks handles the cost sequencing for you behind the scenes. But before any of that can happen, you need to enable inventory tracking and start adding items.

Once inventory tracking is enabled, you can start loading the cargo bay. This chapter walks through the process of adding physical inventory items to your Products & Services list, complete with SKUs, sales prices, reorder points, and more. You also get a look at the Price Rules feature, which lets you strike custom deals with favored customers — or raise prices for landlubbers who show up late. When items start vanishing from the store (through spoilage, shrinkage, or other surprises), you can record inventory adjustments to keep your books shipshape. And when supplies run low, QuickBooks helps you draft *purchase orders*, which are formal reorder requests you can send to vendors by email, not parrot.

Tracking Physical Inventory

Before you start adding barrels of goods to your Products & Services list, a bit of setup (and sea-sense) is required. Unlike *nonstock items* — those you sell but don't track quantities for — physical inventory refers to products you keep on hand and need to count, value, and replenish. This section covers how to turn on inventory tracking, when to consider alternatives, and what to expect behind the scenes in QuickBooks Online.

Steering clear of the reefs

Before setting sail for deep waters, I want to remind you that QuickBooks Online works best for businesses that buy finished goods and resell them. If you need support for manufacturing, assemblies, or alternative costing methods, consider exploring third-party inventory apps in the QuickBooks App Store (see Chapter 7) or evaluating QuickBooks Desktop Enterprise, which supports both FIFO and average cost valuation. Changing accounting methods midstream can pull your books into a financial maelstrom.

TECHNICAL STUFF

You must file Form 3115, "Application for Change in Accounting Method" (`https://irs.gov/forms-pubs/about-form-3115`), with the Internal Revenue Service if you're based in the United States and currently using another accounting method, such as last in, first out (LIFO) or average cost for valuing your inventory.

If your business only offers services or drop-shipments of physical goods, you can head for the beach, or perhaps Chapter 2. You don't need to load up the hold with inventory tracking if nothing ever hits your dock.

Understanding inventory lingo

Before getting too deep into the hold, here are a few key terms appearing throughout this chapter:

- **SKU (Stock-Keeping Unit):** A unique identifier for each product you sell. Think of it as a part number, barcode, or internal shorthand (like *PEGLEG-001*) that helps you track and differentiate inventory items. To display the SKU field on sales forms, choose Settings ⇨ Account and Settings ⇨ Sales. In the Products and Services section, toggle the Show SKU Column on, click Save, and then click Done.

- **Inventory Asset Account:** The account that holds the value of your unsold goods. When you buy inventory, this account increases; when you sell, it decreases.
- **FIFO (First In, First Out):** This is the cost valuation method that QuickBooks Online uses. The oldest items in stock are assumed to sell first, whether they physically do or not.
- **Quantity on Hand:** The number of units of an item you currently have in stock. In other words, this is how much cargo is still in the hold.
- **Reorder Point:** The inventory level that triggers a restock alert. If your stock dips to or below this point, QuickBooks lets you know it's time to reorder.
- **Purchase Order:** The cool kids call these *POs* — a optional non-posting transaction you can send to a vendor to request goods or services. It doesn't affect your books — just helps you keep tabs on what you've ordered but haven't received yet.
- **Non-Inventory Item:** A product you sell but don't track quantities for. Think drop-ship items or one-off goods.
- **Bundle:** A collection of products or services grouped and sold as a single line item.

Now that you're armed with the lingo, it's time to hoist the sails and get inventory tracking turned on.

Enabling inventory tracking and purchase orders

Shiver me timbers — you're still here. Now you'll embark on enabling inventory. Then you'll hoist the flag for purchase orders too:

1. **Choose Settings ⇨ Account and Settings ⇨ Sales.**
2. **Click Edit in the Products and Services section, and then toggle the Track Inventory Quantity on Hand setting on.**
3. **Click Yes to confirm that inventory costs follow the FIFO method — first in the hold, first overboard.**

4. **Click Save. If you don't plan on using purchase orders, click Done; otherwise, continue on.**
5. **Click Expenses.**
6. **Click Edit in the Purchase Orders section, and then toggle the Use Purchase Orders setting on.**
7. **Optional: Toggle Custom Transaction Numbers on if you have your own numbering scheme that you want to deploy.**

   QuickBooks automatically assigns purchase order numbers when this setting is turned off.

8. **Optional: Fill in the Default Message on Purchase Orders field, such as** We set sail at dawn **or perhaps boilerplate language that you would like to display on every purchase order.**
9. **Click Edit in the Messages section if you want to customize the outgoing email messages that accompany purchase orders that you send.**
10. **Click Save, hum da-dum, da-dum — is that a shark over there? — and then click Done.**

TECHNICAL STUFF

If you're using doubloons to buy and pieces of eight to sell your products, you may need to enable the Multicurrency feature. (See Chapter 8.) Just remember: QuickBooks Online inventory valuations stay steadfastly tied to your home currency.

Now that you've turned on purchase orders, it's time to pause to look at what they actually do. Just enabling the setting doesn't mean they start affecting your books. Understanding how purchase orders behave can help you decide when (or whether) to use them as you build out your inventory system.

Understanding what purchase orders do (and don't do)

Purchase orders are optional, nonposting transactions; they don't affect your general ledger or financial statements. They simply help you keep tabs on what you've ordered but haven't received yet.

Once the goods or services arrive, you compare the vendor's packing slip or other documentation to the purchase order and then convert the PO to a bill, check, or expense. That's when your books come into play:

- **Bills:** Increase your accounts payable.
- **Checks:** Reduce your bank balance.

- **Expenses:** Reduce your bank or increase your credit card balance.
- **Inventory items:** Increase your inventory account based on cost.
- **Other items:** Typically hit expense accounts.

TIP

Purchase orders are just one type of nonposting transaction, along with estimates, delayed charges, and delayed credits. These transactions don't impact your books until you convert or apply them — but they help you stay organized and avoid forgetting what's in the pipeline.

This chapter will circle back to purchase orders as the chapter unfolds, but first it explores adding inventory items — the building blocks of your product list and the foundation for everything that follows.

Adding inventory items

Adding inventory items follows the same course as adding service or non-inventory items, just with a few more knots to tie along the way:

1. **Choose Settings ➪ Products and Services.**

   The Products & Services screen opens.

2. **Click New ➪ Inventory Item (or Add Item if you haven't created a product or service yet).**

   The Add a New Product task pane shown in Figure 10-1 opens.

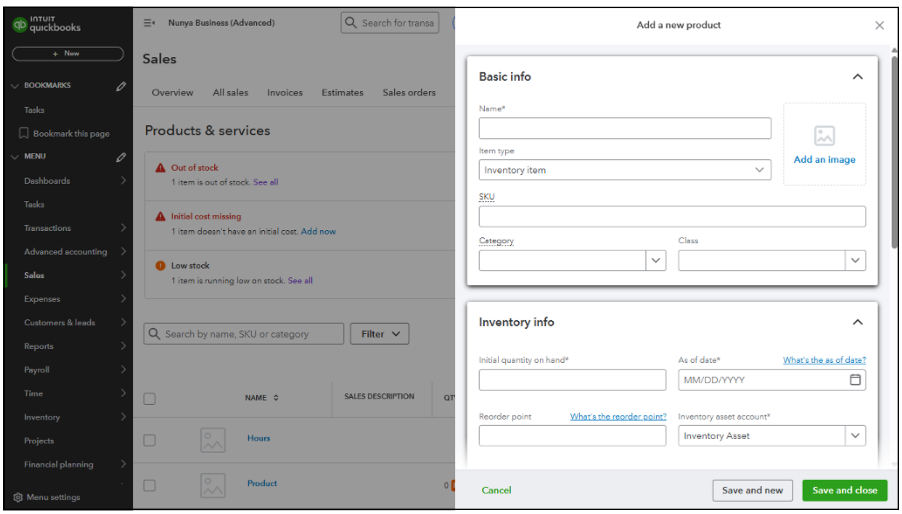


FIGURE 10-1: The Add a New Product task pane.

3. **Enter a unique item name or ID in the Name field.**

   This is the first of three required fields.

4. **Enter a number in the Initial Quantity on Hand field.**

   Enter zero if this item isn't on the horizon — or in your warehouse — yet.

5. **Fill in the As of Date field.**

   Enter a date in mm/dd/yyyy format, or make a choice from the calendar that is displayed when you click in the field.

   REMEMBER

   You can't record transactions before the As of Date, and that date shouldn't be earlier than your QuickBooks company's start date. That said, each item can have its own As of Date, which is handy if you started buying or selling some products later than others.

6. **Glance at the inventory asset account.**

   You're not stuck grounded with the prefilled value. Choose or create an asset account so your balance sheet accurately reflects the value of the inventory you have on hand.

   REMEMBER

   Even though this field is labeled "account," you'll often see accounts referred to as categories elsewhere in QuickBooks, such as when filling out sales forms.

7. **Confirm the income account.**

   You're free to chart your own course here as well. Just make sure you choose or create an income account so your profit and loss report reflects your sales.

8. **Edit the expense account.**

   Your goods don't just appear out of thin air. This account records the cost of goods sold for the items you sell.

   TECHNICAL STUFF

   When you sell an item, ownership transfers from you to your customer. Similarly, the value of that inventory shifts from an asset account on your balance sheet to an expense account on your profit and loss report. QuickBooks handles this sleight of hand for you.

9. **If you're in a rush, click Save and Close (or Save and New to move on to the next item).**

   The Products & Services list shows your newly added item. At some point, consider the optional fields listed later in the next section.

   Choose List Settings ➪ Compact to fit more products and services on the screen.

Filling in optional inventory fields

These optional fields help complete the picture and control how QuickBooks posts inventory activity:

- **Image:** Click Add an Image to upload a picture of your product. This isn't carved in stone, though. You can hover over the image to reveal Replace and Delete commands. Very sneaky, QuickBooks. Very sneaky.
- **SKU:** No need to feel skewed, but stockkeeping unit numbers do tend to look like something from a sci-fi inventory manifest.

  TECHNICAL STUFF

  If you don't SKU like I do, choose Settings on the Products & Services screen, and then uncheck the SKU checkbox to hide that column.
- **Category:** Choose a grouping for this item.

  REMEMBER

  In this case, *category* actually means a grouping, not an account from your chart of accounts. I know, I know. QuickBooks uses *category* to mean *account* in plenty of other places. But here, it's a simple way to group similar items. For more on item categories, see Chapter 2.
- **Reorder Point:** Nope, I'm not talking about a lighthouse. Just the quantity threshold at which it's time to reprovision. When your stock dips to or below this point, QuickBooks flags it for reordering. Watch for more on that in the "Creating and Reusing Purchase Orders" section later in this chapter.
- **Description:** Type **Call me Ishmael** here — or, you know, something a little more relevant and persuasive. What you enter here shows up on your sales forms — invoices, estimates, sales receipts, and the like — so make it count.
- **Price/Rate:** The base or default price for your product, which you can override manually or adjust with price rules (covered later in this chapter).
- **Purchase Description:** Type **Fifteen men on a dead man's chest,** but only if you want your vendor calling to ask if you're okay. Whatever you enter here shows up on purchase orders and expense-related forms.
- **Purchase Cost:** Talk about a moving target these days! Enter your best wild guess here. You can always add an extra digit at receiving time. This field mostly serves as a nostalgic reminder of what things used to cost.
- **Preferred Vendor:** Choose your go-to supplier here, but you're not locked into the trade route. Feel free to purchase elsewhere as needed.

  TECHNICAL STUFF

  The Preferred Vendor truly is an island. You can't display it on a report and can only view it onscreen in the product's record. Custom fields don't help either because you can't add them to product pages. That leaves creative use of the Category field if you want to group products by vendor in any meaningful way.

Editing and managing inventory items

The Products & Services screen offers an Edit command for each item, just like most QuickBooks lists. The Edit drop-down menu includes the usual suspects that allow you to duplicate an item, run a report, or make an item inactive.

WARNING

If you make an item inactive while it still has a non-zero quantity on hand, QuickBooks automatically creates an inventory adjustment to reduce the quantity to zero and records the change in your inventory asset account. Reactivating the item doesn't restore the previous quantity; you need to adjust it manually if needed.

ADJUSTING INVENTORY QUANTITIES

If physical item counts differ from your accounting records, you need to record an inventory adjustment transaction:

1. **Choose Settings ➪ Products and Services.**

   The Products & Services list opens.

2. **Select the checkboxes for the items you want to adjust.**
3. **Click Adjust Quantity at the top of the list. It pops up like a dolphin after you select an item.**

   Alternatively, you can choose Adjust Quantity from the Edit dropdown for a specific item.

4. **Update the Adjustment Date, Reference Number, and Adjustment Reason fields if needed.**
5. **If necessary, override the default Inventory Adjustment Account.**
6. **The Product/Variant fields are prefilled with the selected items and their current quantities on hand.**

   TIP

   Class or location fields are displayed on the Inventory Quantity Adjustment screen if you've enabled either or both features. I discuss these features in more detail in Chapter 11.

7. **Use either the New Qty or Change in Qty fields to record the actual counts.**

   For example, if QuickBooks shows 345 spyglasses on hand but you count only 330, reduce the quantity by 15 using either method:

   - Enter **330** in the New Qty field.
   - Enter **–15** in the Change in Qty field.

WARNING

Click Save periodically to avoid losing your work. A stray click on Clear All Lines wipes the adjustment table without asking for confirmation.

8. **Enter a description in the Memo field to explain why you made this adjustment.**

   Your accountant — or future you — will appreciate the context.

9. **Click Save and Close.**

ADJUSTING INVENTORY STARTING VALUES

If an inventory item has an incorrect starting value, you can fix it, but be warned: There's no batch editing here. You have to make this change one item at a time. And because starting values affect your inventory's initial valuation, changes can ripple through your financial reports. If you're unsure, ask your accountant. Seriously. They won't mind.

To adjust an inventory item's starting value, follow these steps:

1. **Choose Settings ➪ Products and Services.**
2. **Click the Edit dropdown ➪ Adjust Starting Value for the item you want to modify.**

   The Inventory Starting Value screen opens and gently warns you that this change affects your inventory's initial value.

3. **Update the Initial Quantity on Hand, Initial Cost, and As of Date fields as needed.**

   WARNING

   Be careful when changing the As of Date. Doing so doesn't retroactively change existing transactions, but it can affect balance accounts and inventory reports.

   WARNING

   Only change the Inventory Adjustment Account if you're feeling especially bold — or want to confuse your accountant.

4. **Click Save and Close.**

REORDERING INVENTORY ITEMS

Running out of stock can sink your profits, so QuickBooks Online offers a couple of ways to easily spot when supplies are running low — or have already been picked clean. You can then create a purchase order to restock your inventory, either from this screen or later as described in the "Creating and Reusing Purchase Orders" section.

Here's how to scan the horizon for low or missing goods:

1. **Choose Settings ➪ Products and Services.**

   The Products & Services screen opens.

2. **Click See All next to either prompt if it appears:**

   - **Low Stock:** Shows items at or below their reorder point — or with a quantity of 1.
   - **Out of Stock:** Shows items with a quantity of zero.

   REMEMBER

   You can filter the list for low stock or out of stock items, but not both at the same time. For more control, click Filter and make a selection from the Stock Status field.

3. **To place a fresh order, you have two options:**

   - Choose Reorder from the Edit dropdown menu to add a single item to a new purchase order.

     REMEMBER

     The Reorder option is only available on the Edit dropdown column for inventory items.

   - Select the checkbox for multiple items from the same vendor, and then click Reorder, at the top of the list, to add the items.

   REMEMBER

   The Reorder command doesn't appear if you choose any non-inventory, service, or bundle items — those POs must be hand-crafted, like a true pirate's manifest.

4. **Complete the purchase order and then send it to your vendor.**

   You can purchase orders for one vendor at a time, so you'll need to repeat the steps for each supplier that you want to order from.

RECEIVING INVENTORY ITEMS

When inventory items arrive, you can record the receipt using a bill, check, or expense. If you created a purchase order ahead of time, skip to "Receiving items against a PO" later in this chapter.

Here's how to receive inventory without involving a purchase order:

1. **Choose Create ➪ Bill, Check, or Expense.**
2. **Select the vendor or payee.**
3. **Add lines to the transaction to record the item(s) you received.**
4. **Click Save.**

   If you're recording a bill, pay it later using your usual workflow, such as through the Pay Bills screen.

Creating and Reusing Purchase Orders

Not every purchase order stems from a low inventory alert. Sometimes you need to order services, supplies, or one-off items that aren't tracked in your product list. QuickBooks offers several other ways to create a PO, depending on your starting point.

Creating a PO from scratch

Use this method when ordering one-off items, services, or anything that isn't already in your Products & Services list:

1. **Choose Create ➪ Purchase.**

   The Purchase Order screen opens.

2. **Select a vendor, or click Add New to create one.**
3. **If the goods or services are being delivered to a customer, choose from the Ship To field.**
4. **Update the purchase order date if needed.**
5. **Fill in the Ship Via field if relevant.**

   It's a manual entry, not a dropdown.

6. **Add one or more lines to the Category Details section for general purchases like repairs, consulting services, or equipment purchases. Or use the Item Details section if you're buying something from your Products & Services list.**
7. **Use the Your Message to Vendor and Memo fields to document details — external and internal, respectively.**
8. **Attach any supporting documentation using the Attachments field. (See Chapter 1 for details.)**

When you're ready, choose from Save, Save and New, Save and Close, or Save and Send. You can also print the PO or make it recurring, if needed.

TIP

Use the Category Details section when you're buying something that doesn't exist in your Products & Services list, like ad design work, legal services, or a new espresso machine for the break room.

Converting estimates to a PO

Estimates are the customer-facing version of a purchase order, with one key difference: Your customer still has the option to say yes or no. (See Chapter 2 for more on estimates.) Once the customer gives the go-ahead, you can convert the estimate into a purchase order, saving yourself from retyping the details.

REMEMBER

When it's time to bill the customer, you can convert the same estimate into an invoice. Just remember that doing so closes the estimate, so create any necessary purchase orders first.

Here's how to convert an estimate to a PO:

1. **Open an estimate transaction, ensure that the status is set to Pending or Accepted, and then click Save.**
2. **Click More Actions ➪ Copy to Purchase Order.**

   REMEMBER

   The More Actions command only appears after you click Save or Print and Download. If you don't see it, you're not imagining things. It's just hiding until you commit the estimate.
3. **Click OK to acknowledge any warning.**
4. **Finish out the PO in the usual fashion.**

   TIP

   If any estimate lines don't carry over, it's usually because the related noninventory or service item isn't marked as something you purchase from a vendor. QuickBooks displays a message to alert you. You can either update the item for future use (see Chapter 2) or manually add it to your PO.

Duplicating a prior PO

If you're placing a similar order — or just want to reorder from a previous vendor — you can copy an existing PO and make a few tweaks.

1. **Open a purchase order transaction.**
2. **Click the Copy command at the bottom of the Purchase Order screen.**

   A fresh copy of the purchase order appears onscreen.
3. **Edit the purchase order as needed and then save it.**

Managing Purchase Orders

Unlike many accounting transactions, purchase orders always require follow-up. When items arrive, you can receive them directly against the PO using a bill, check, or expense. QuickBooks tracks how much you've received and what's still outstanding. If your plans change, you can manually close a PO. And if you want a bird's-eye view of everything still pending, purchase order reports have you covered — Chapter 6 shows the basics, while Chapter 14 sets sail into the deeper reporting waters that Advanced users can trawl.

Receiving items against a PO

Here's how to receive items against purchase orders:

1. **Choose Create ➪ Bill, Check.**

   REMEMBER

   You can't directly apply purchase orders to credit card transactions, so you must first convert the purchase order into an expense or bill. You can then select the credit card as the payment method.

2. **Select the vendor or payee.**

   If the vendor has any open purchase orders, they're listed in a task pane to the right.

3. **Add to bring the purchase order lines into the transaction automatically.**

4. **Update the quantity, rate, or amount fields as needed.**

   REMEMBER

   To partially pay a line on the purchase order, adjust the quantities on that line from the original number on the purchase order to the quantity you actually receive. QuickBooks tracks the status of each line item and lists any linked transactions. The purchase order stays open until you've received everything or manually mark items as closed.

5. **Click Save.**

   If you're recording a bill, pay it later using your usual workflow, such as through the Pay Bills screen.

Closing purchase orders

If things don't go according to plan, you can close a purchase order at any time by changing its status from Open to Closed:

1. **Open the purchase order transaction.**
2. **Select Closed from the Purchase Order Status field (which currently displays Open), and then click anywhere to close the list.**
3. **Click Save and Close.**

TIP

You can always reopen a closed purchase order and set its status back to Open, so don't sweat it if you close the wrong one.

Tracking open purchase orders

The Open Purchase Order Detail report lets you keep tabs on pending purchase orders. To access it, choose Reports from the sidebar and start typing **Open Purchase Orders** in the Type Report Name Here or Find Report by Name field. Select the report name from the resulting list. You can also use the Open Purchase Order List report.

Perfecting Price Rules

Price rules let you set special pricing for specific customers, products or services, timeframes — and even based on who completed the work. Intuit recommends that you avoid creating more than 10,000 rules. If you're game to stay within those limits, here's how to hoist the flag on this feature:

1. **Choose Settings ➪ Account and Settings ➪ Sales.**
2. **In the Products and Services section, toggle on Turn on Price Rules.**
3. **Click Save, and then click Done.**

Then follow these steps to create a rule:

1. **Choose Settings ➪ All Lists ➪ Price Rules.**

   Price Rules now appears near Products and Services on the All Lists screen.

   TIP

   If you don't see Price Rules after enabling the feature or you encounter a broken link, try switching views by choosing the Settings ➪ Switch to Accountant View (or Switch to Business View), or log out and back in. Sometimes QuickBooks needs a good thump on the hull to get moving again.

2. **Click Create a Rule.**
3. **Give your rule a name.**
4. **Under Customer, select All Customers, Select Individually, or Customer Type.**

   WARNING

   Selecting Individually can trigger some quirky behavior. Instead of customer checkboxes, QuickBooks may display the message: `What's up? You haven't added any customers yet.` This error usually disappears once you assign customer types. The same behavior may occur when selecting individual products or services.
5. **Under Products and Services, choose whether you want the rule to apply to all products and services, a specific category, or individual selections.**

   REMEMBER

   You can't assign a price rule to a *bundle*, which is a combination of products and services sold as one unit. However, you can apply rules to the individual items inside a bundle. I cover bundles in more detail in Chapter 9.
6. **From the Price Adjustment Method list, choose one of the following and complete the associated steps:**
   - **Percentage:** Choose Increase By or Decrease By, enter an amount, and pick a rounding option.
   - **Fixed Amount:** Choose Increase By or Decrease By, enter an amount, and pick a rounding option.
   - **Custom Price Per Item:** Use the Products and Services tab to adjust prices line by line in the Adjusted Price column.
7. **Enter start and end dates to limit the rule to a specific timeframe.**
8. **Click Apply Rule to calculate adjusted prices for percentage or fixed amount rules.**
9. Click Save and Close, or choose Save and New to add another rule.

Sailing Other Seas

The inventory, purchase order, and price rules features touch several parts of QuickBooks. Here's how to chart a course to related topics:

» **Customers:** Chapter 2 shows how to set up customers and customer types for use with price rules.

- **Standard reports:** Chapter 6 covers the basic reporting tools available in all subscription levels.
- **Rules:** Chapter 7 explains how to create automation rules to categorize and manage transactions.
- **Bundles:** Chapter 9 covers how to group inventory, noninventory, and service items into bundles.
- **Custom reports:** Chapter 14 walks through building custom reports. These are available to Advanced subscribers only.

IN THIS CHAPTER

» Looking at tracking options in QuickBooks Online

» Enabling and using class and location tracking

» Managing projects to monitor job-level profitability

Chapter 11

Tracking with Classes, Locations, and Projects

You must have a Plus or Advanced subscription to use most of the features I discuss in this chapter, but they're essential for those bounty hunter moments when you need to track who did what, where, and whether it paid off. If you've ever wrangled a spreadsheet just to answer a basic question like "Did we make money on that?" this is your chance to stop improvising and start using the tools QuickBooks built for the job.

In this chapter, I walk through how to use classes, locations, and projects to slice and dice your data with intention. These features let you track performance by team, region, or job, giving you the clarity to make smarter decisions without relying on spreadsheets and sticky notes. I also touch on using custom fields and sub-customers in any version of QuickBooks, and I show you how to convert sub-customers to projects if you're ready to level up your tracking game.

Surveying Your Tracking Options

Before diving into the details, take a moment to familiarize yourself with the tracking tools QuickBooks offers at the Plus and Advanced level:

- **Classes:** Let you tag transactions by team, department, service line, or any other grouping that matters to your business. If you're trying to track how different parts of the crew are performing, classes give you that visibility.
- **Locations:** Allow you to track revenue and spending by region, office, store, or territory.

  REMEMBER

  Depending on where you are in QuickBooks, sometimes the input field will be labeled "Location," other times "Department," or perhaps even another name, if you choose. It's the feature that occasionally flashes a fake ID.
- **Projects:** Gather all income, expenses, and time entries for a specific job or engagement. While classes let you label individual transactions by category, projects bundle everything related to a single job into one mission dossier.

Two additional methods are available at all levels:

- **Sub-customers:** A starter version of project tracking. You can create invoices for a sub-customer and piece together basic reports, but the experience is limited. Sub-customers track income — not costs — and there's no centralized place to see how a job is performing.
- **Custom fields:** Let you add tracking details that aren't covered by default, like work order numbers, permit IDs, and the name of the bounty hunter who caught the fugitive. Here's the availability breakdown:
  - **Simple Start:** One field per transaction (see Chapter 1)
  - **Essentials and Plus:** Four fields per transaction (see Chapter 8)
  - **Advanced:** Twelve fields per transaction, plus additional customizations (see Chapter 14)

  TECHNICAL STUFF

  The Tags feature has been disabled in current versions of QuickBooks Online. As of May 2025, all existing tags are read-only; you can still see them on transactions, but you can't create new tags or edit existing ones. QuickBooks plans to remove tags entirely from the product in 2028. Going forward, custom fields are the recommended replacement.

Tackling Transactions by Classes or Location

QuickBooks lets you slice and dice your data by adding classification layers — handy for separating activities by department, store, territory, crew, or whatever buckets match your business model. The two primary classification tools are classes and locations (sometimes called departments, because QuickBooks is shady that way). You can use one, the other, or both if you don't mind a few extra fields on your forms.

REMEMBER

Plus subscriptions allow you to create up to 40 combined classes and locations, while Advanced subscriptions can create unlimited classes and locations.

Enabling class and location tracking

To turn on either or both features:

1. **Choose Settings ➪ Account and Settings ➪ Advanced.**
2. **Click Edit in the Categories section.**
3. **Toggle on Track Classes or Track Locations.**
4. **Customize the setting:**
   - **Classes:** Turn on the Warn Me When a Transaction Isn't Assigned to a Class checkbox to avoid missing entries. Then choose whether you want to assign one class to each transaction or one to each row in a transaction.
   - **Locations:** Choose a label for the field. Examples include Business, Department, and Territory.
5. **Click Save and Done.**

Carry out these additional steps if you plan to enable class tracking for payroll as well (QuickBooks Payroll subscription required) once you've set up your classes:

1. **Click Settings ➪ Payroll Settings.**
2. **Click Edit in the Accounting section, and then in the Class Tracking section.**
3. **Choose how you want to track classes for payroll.**
4. **Assign a class to each employee or assign a single class for all employees.**
5. **Click Continue and then Done.**

Creating and managing classes and locations

Once both lists are enabled, you'll manage them through All Lists:

1. **Choose Settings ➪ All Lists ➪ Classes or Locations.**

   REMEMBER

   Neither command is displayed on the All Lists screen until you enable the feature.

2. **Click New.**
3. **Enter a name (up to 60 characters for classes, 40 for locations).**
4. **To subcategorize, turn on Is Sub-Class or Is Sub-Location and assign a parent.**

   TIP

   Sublevels let you break down broader groups into more specific segments, which is perfect for tracking activity within a department, region, or specialty.

5. **For locations, choose whether to use different names, addresses, or phone numbers on sales forms.**

   These fields offer theoretical customization, but in practice, the effects may only reliably show up on Estimates.

6. **Click Save to Finish.**

To edit a class or location, return to the list, click the Run Report dropdown ➪ Edit. Make your changes and click Save.

To deactivate classes or locations:

1. **Choose Settings ➪ All Lists ➪ Classes or Locations.**
2. **Pick what to deactivate:**
   - **Single class or location:** Click Run Report dropdown ➪ Make Inactive (Reduces Usage) in Plus companies, or Make Inactive in Advanced companies.
   - **Multiple classes or locations:** Click the checkboxes for one or more items on the list and then choose Batch Actions ➪ Make Inactive.
3. **Click Yes to confirm that you want to deactivate the items.**

To reactivate a class or location:

1. **Choose List Settings ➪ Include Inactive and then close the Settings list.**

   Don't panic when you see (Deleted) after a name. QuickBooks is just being dramatic.

2. **Click Make Active next to each name that you want to activate.**

Running class and location reports

QuickBooks now includes several built-in reports dedicated to classes and locations (or departments). You'll find profit and loss, sales, and purchase reports for each, along with list reports to review your setup. Just head to the Reports screen and enter class or location in the Type Report Name Here field.

If you're after something more specific, you can still run a QuickReport for any individual class or location:

1. **Choose Settings ➪ All Lists.**
2. **Choose Classes or Locations.**
3. **Click Run Report from the Actions column.**

   The QuickReport screen opens.

As with other reports, use the Customize button to tweak columns, filters, and layout — just the way you like it.

Managing Projects

The Projects feature keeps everything related to a job — transactions, time entries, and reports — in one tidy place. It helps you track profitability, monitor billed and unbilled time and expenses, and manage project activity with less chaos.

Each project's screen includes several tabs that help you stay organized:

- **Overview:** A bird's-eye view of income, costs, and profit margin
- **Transactions:** Every transaction assigned to the project
- **Time Activity:** A breakdown of hours by period and by employee or service
- **Project Reports:** Streamlined access to project-specific reports

- **Project Details:** A quick reference for the project particulars
- **Changelog:** A table that lists changes to project estimates
- **Attachments:** Files that you've uploaded to the project

TECHNICAL STUFF

If the Project Management Agent feature appears onscreen, you can populate the project fields and attachments by uploading contracts, estimates, or proposals. This is a beta feature, so temper your expectations accordingly.

You can still create transactions the way you always have, but you also have the option to start from the Projects tab. Creating a project before entering its transactions gives you a clearer picture of the project's profitability.

Enabling the Projects feature

The Projects feature is enabled by default in Advanced companies. If you're using QuickBooks Online Plus or Accountant, though, you need to turn it on manually:

1. **Choose Settings ➪ Account and Settings ➪ Advanced ➪ Projects.**
2. **Toggle on the Organize All Job-Related Activity in One Place option.**
3. **Click Save and Done.**

   A Projects command now appears on the sidebar menu. Selecting this command prompts you to create your first project.

TIP

The primary admin user can turn the Projects feature off.

Creating a new project

Creating a project is similar to adding customers or vendors:

1. **Choose All Apps ➪ Projects.**
2. **Click Start a Project if it's your first, or click New Project.**

   The New Project screen opens.
3. **Fill in the Project Name and Customer fields.**

   You can also set start and end dates, choose a project status, and add notes.
4. **Click Save to display the dashboard screen for your project.**

   Since you haven't entered any transactions yet, the project screen is blank for now.

Updating project status

Once a project is created, you can update its status at any time to reflect its progress. You have four status options: Not Started, In Progress, Completed, and Canceled. You can also mark a project as inactive, which QuickBooks whimsically refers to as deleting the project.

To change a project's status:

- **From the Projects list:** Click More Actions, and then choose a status.
- **From the project screen:** Use the dropdown menu next to the customer name.

To mark a project as inactive:

1. **From the Projects list, click More Actions ➪ Delete.**
2. **Click Delete to confirm that you (wink, wink) want to "permanently delete" the project.**

For better or worse, projects never truly die. To bring one back:

1. **Choose List Settings ➪ Show Deleted Projects.**

   The List Settings icon appears just above the Action column on the Projects list.
2. **Click More Options, and then select to undelete the project and set its status.**
3. **Click Reset Filters to show all active jobs again.**

With the project created and its status set, you're ready to start adding the transactions that bring the project to life — estimates, invoices, expenses, time entries, and more.

Adding transactions to a project

You can assign transactions to a project in three ways:

- **Invoices, Sales Receipts, Estimates, and Sales Orders:** Choose the project from the Customer dropdown list.
- **Expenses, Bills, Checks, Purchase Orders:** Enter the project in the Customer/Project field.

- **Project Screen:** Click Add to Project, and select a transaction type like invoice, bill, time entry, or expense (but not sales receipts). The project name fills in automatically.

  After you've started assigning transactions to a project, QuickBooks gives you several ways to filter and report on that activity so that you can stay on top of costs, progress, and profitability.

Filtering and reporting on projects

Once you've started assigning transactions to a project, QuickBooks gives you helpful filters and reports to analyze the results. Here's how to zero in on specific projects:

- **Status:** Filter projects by where they stand: Not Started, In Progress, Completed, or Canceled.
- **Customer:** Focus on projects tied to a specific client. This is especially useful if you handle multiple jobs for the same customer.
- **End Date:** Narrow your view to projects scheduled to finish within a certain timeframe.
- **See Info Based On:** Choose how labor costs are calculated and displayed:
  - **Hourly Costs:** Reflects time-tracking entries associated with the project.
  - **Payroll Expenses:** Shows actual payroll amounts tied to the project through wages and salaries.
- **Search for Project:** Enter part of a project name to quickly locate a specific job without scrolling.

Each project includes built-in reports that help you evaluate performance from multiple angles. You can find these same reports both on an individual project screen and in the All Projects reporting area:

- **Project Profitability:** Shows how much you're earning by comparing income and costs for the project.
- **Time Cost by Employee or Vendor:** Breaks down labor costs by person or contractor so that you can see who's costing you what.

- **Unbilled Time and Expenses:** Flags time entries and expenses that haven't been added to an invoice yet. This report is useful for catching missed billables.
- **Estimates vs. Actuals:** Compares your original expectations to how things are really going, based on actual income and expenses.

TECHNICAL STUFF

Advanced users can head to Chapter 14 to explore the Custom Report Writer, which allows you to build new project-specific reports. Choose Reports ➪ Create New Report ➪ Blank ➪ Create ➪ Start By Adding Data Columns.

Converting sub-customers to projects

Before diving into the specifics of converting sub-customers to projects, I'll pause for some fine print. Just look at how crisp these letters are:

- Any sub-customers you want to convert to projects must be marked as billed to the parent customer. To confirm, edit the sub-customer record and then ensure that Bill Parent Customer is enabled just below the Parent Customer field.
- You can pick and choose which sub-customers to convert. This isn't an all-or-nothing deal.
- You can't undo a conversion once it's done. QuickBooks doesn't do take-backs.
- QuickBooks offers a tempting-looking Convert Sub-customers to Projects prompt, but don't be fooled. That method creates a new project record but doesn't transfer existing transactions. It's like giving someone a new boarding pass for a connecting flight but forgetting to get their luggage on the plane. Now that's some baggage!

If you haven't headed for the hills yet, here are your two conversion options:

- **Merging a sub-customer with an existing project:** This is the only method that transfers existing transactions into the project. Here's how:
  1. **On the Projects screen, locate the project you want to merge into.**
  2. **Copy the project's name exactly.**
  3. **In the customer list, find and select the sub-customer you want to merge.**
  4. **Click the sub-customer's profile, and then choose Edit.**

5. **Change the Customer display name to match the project name exactly.**
6. **Click Save.**

   QuickBooks merges the two records, and all historical transactions from the sub-customer now appear under the project.

REMEMBER

Sub-customer info such as address, tax code, and payment terms don't transfer to the project. You'll need to manually review and update that info if needed.

- **Creating a new project from a sub-customer:** This approach doesn't transfer any of the sub-customer's existing transactions. It's a clean break that involves these steps:
  1. **On the Projects screen, choose New project dropdown ➪ Convert from sub-customer.**
  2. **Select any sub-customers you want to convert.**
  3. **Click Convert, and then click Continue to confirm.**

     QuickBooks creates a new, empty project. You can now start assigning new transactions to it from the Projects center.

TIP

If you're just getting started with Projects and don't mind leaving old transactions behind, this option might work for you.

Calling in Backup

Think of this section as your bulletin board with red threads that connect the topics here to other places in the book:

- **Custom fields:** This feature pops up across the book — Chapter 1 (Simple Start), Chapter 8 (Essentials and Plus), and Chapter 14 (Advanced).
- **Creating sub-customers:** Chapter 2 covers the subject of sub-customers.
- **Customizing built-in reports:** Chapter 6 enables you to fine-tune the stock reports in QuickBooks.
- **Creating custom reports:** Chapter 14 gives you the intel you need to use the Custom Report Writer in QuickBooks Online Advanced.

IN THIS CHAPTER

» Discovering who can create budgets

» Creating a budget from scratch or prior-year data

» Typing, calculating, or batch-copying budget amounts

» Importing budgets using a spreadsheet template

Chapter 12
Formulating Budgets

If you want to create a budget within QuickBooks, you need a Plus or Advanced subscription. Budgets are typically projections of revenues and expenses for the coming year. QuickBooks allows you to choose between that traditional format — known as a Profit and Loss budget — or a Balance Sheet budget, which forecasts assets, liabilities, and cash flow.

As the year progresses, you can compare actual results against your budget to see whether things are staying on track. Do they ever? You can base budgets on current or prior fiscal year results, or you can start from scratch. You can enter budget numbers directly into QuickBooks or import them from a spreadsheet template.

Once your budget is in place, the Budget Overview and Budgets vs. Actual reports help you track how your financial crystal ball is holding up. The final section offers some outside-the-box alternatives if QuickBooks's budget tools aren't quite your cup of tea — if you're stuck outside the budgeting gates, nose pressed to the glass.

Understanding Who Can Create Budgets

You can create a budget at any time — assuming your subscription level and user permissions allow it. Here's how to know if you're eligible:

- **Simple Start:** Budgets aren't available in this version.
- **Essentials:** Nope, no budgets for you either!
- **Plus:** Admin users, accountant users, and standard users with All Access rights can create budgets.
- **Advanced:** Admin users, accountant users, standard users with All Access rights, and standard users with budgeting access can create budgets.

REMEMBER

QuickBooks budgets align with your fiscal year. To change the starting month, choose Settings ➪ Account and Settings ➪ Advanced ➪ Accounting, and then make the adjustment.

TECHNICAL STUFF

To check or modify user access, choose Settings ➪ Manage Users. Admin users have full rights by default, including access to budgeting features.

Creating a Budget

Let's get ready to buuudddgget!

1. **Choose Settings ➪ Budgeting.**

   For Plus users, the Plan Better with Budgets screen opens; Advanced users land on the Budgets tab of the Financial Planning screen.

2. **The next step depends on whether you've created a budget:**

   - **You haven't created a budget yet:** Click Create a Budget at the bottom of the screen.
   - **You've created one or more budgets:** Click Create New at the top-right corner of the screen.

3. **The How Do You Want to Set Up Your Budget? screen appears, as shown in Figure 12-1.**

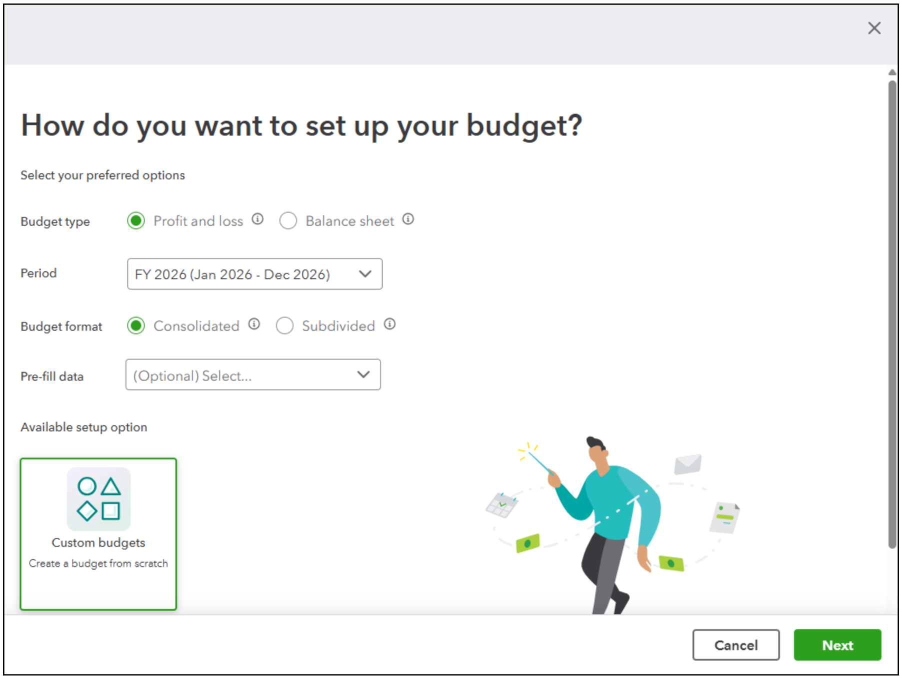


FIGURE 12-1: The New Budget screen.

4. **Specify a Budget Type of Profit and Loss or Balance Sheet.**

   As a reminder, Profit and Loss focuses on income and expenses; Balance Sheet budgets project assets, liabilities, and cash flow.

5. **Choose a fiscal year from the Period list.**

   QuickBooks allows you to create a budget for the current year, up to four future years, and two past years. And I promise you this: Those past-year budgets are going to be so on-the-nose, you'll wonder why you didn't go pro in hindsight forecasting.

6. **Choose Consolidated or Subdivided budget.**

   A consolidated budget applies across the whole company. Subdivided budgets let you break things down by location/department, class, or customer.

TIP

You're not limited to one budget per year. Want to build separate versions for different locations, departments, or backup plans? Go hog wild. QuickBooks is cool with it.

TECHNICAL STUFF

Need a refresher on location/department or class tracking? Chapter 11 has you covered.

7. **If you want to base your budget on prior activity, select from the Pre-Fill Data list.**

   You can prefill your budget based upon year-to-date actuals for the current year, up to four prior years, or any existing budgets.

8. **Click Next to create your budget.**

   Depending upon your choice in Step 6, a blank or prefilled budget appears. Figure 12-2 shows a blank version.

TIP

   If you change your mind about creating a budget — what's the point, amirite? — just click the X in the upper-right corner or press Escape. Click Yes to confirm that you want to leave without saving.

9. **To rename a budget, click Edit next to the budget name at the top-left corner.**

10. **As shown in Figure 12-2, a reference data column with current fiscal year actuals appears. From here, you have several options:**

    - **Hide the reference data:** Toggle Compare Reference Data off.
    - **Compare another period:** Choose a different option from the Reference Data list.
    - **Show monthly reference data:** Click Show All Reference Data to display one column per month.
    - **Hide monthly reference data:** Click Hide All Reference Data to collapse the view to a single column.
    - **Display reference data for a single month:** Click the Expand button in the column heading to show that month's reference data. Click it again to collapse.

11. **If you like the cut of this budget's jib, click Save or Save dropdown ➪ Save and Close. Otherwise, press Escape and then click Yes to abandon ship.**

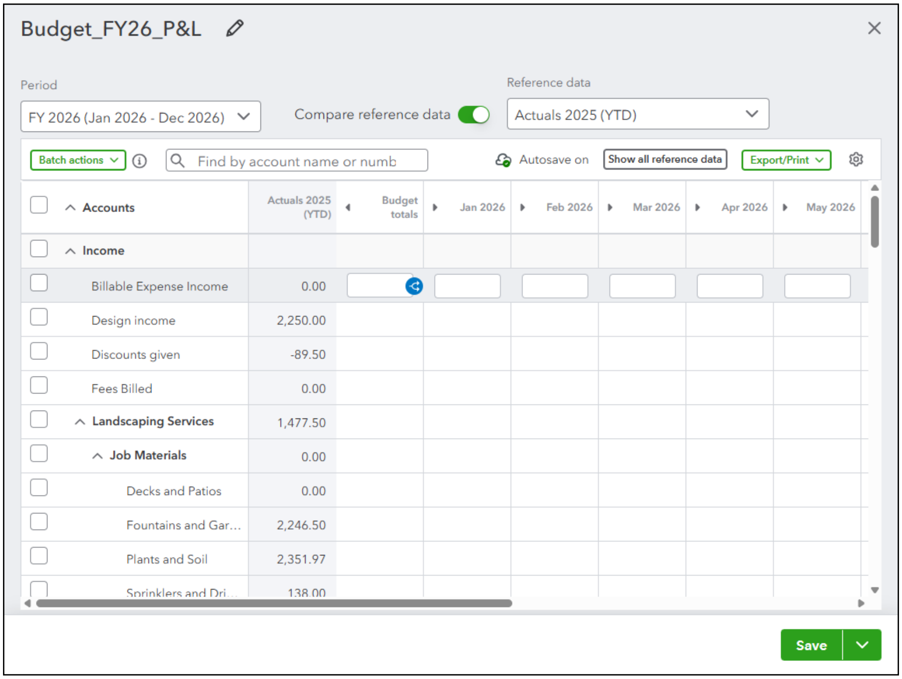


FIGURE 12-2: The Budget input screen with a single reference data column.

Populating a Budget

Figure 12-2 gives the impression that you need to type amounts into each budget field, but that's not at all the case. Here's how to populate the fields:

1. **Populate your budget using any of the following approaches:**

   - **Manually type amounts in each field:** Ideal for when the numbers vary from month to month and don't match your reference data.
   - **Enter a calculation in a field:** You can use basic math — try things like 100*1.05, 1200/100, 100+200, or 300–75. Feel free to swap in your own figures. Just maybe skip 420/10 unless you're budgeting for snacks or hunting for the answer to the universe.
   - **Copy an amount or calculation to the right:** Click the blue arrow within the active budget field to copy amounts or calculations to any remaining months.

   - **Split the budget total across all 12 months:** Enter an amount or formula in the Budget Totals column and then click the Split button to divide the amount by 12 and populate each month.

REMEMBER

The Budget Totals column recalculates automatically whenever you change monthly values — but not the other way around. If you enter a total in that column, either use the Split the Budget Total button or distribute the amount manually. The Budget Totals field turns red whenever monthly values don't add up.

- **Copy reference data:** Select one or more checkboxes to the left of the accounts, and then choose Batch Actions ➪ Copy Reference Data.

TIP

The Batch Actions menu appears only after you've checked something. You select individual accounts, click the checkbox at the top to grab all of them, or use group checkboxes, like Income, to copy all income values in one go.

- **Clear data:** Choose one or more checkboxes on the left side of the screen and then choose Batch Actions ➪ Clear Data to erase the activity for selected accounts.
- **Autosave on by default:** There's no undo or restore button feature for budgets, but the AutoSave feature reduces risk. Use Settings ➪ Autosave Budget to turn this feature off or back on.

2. **When you're done, choose Save dropdown ➪ Save and Close to exit the budget.**

REMEMBER

QuickBooks doesn't let you lock a finalized budget or track version history, so if you need an audit trail, you have to manage versions manually. One option is to use the Duplicate feature (see the "Keeping Tabs and Calling the Shots on Your Budgets" section later in this chapter) to create a snapshot before making edits. Or, take the scenic route: Export the budget to Excel and archive it for safekeeping. On the budget screen, choose Export/Print ➪ Export to Excel.

Importing a Budget

If you need more flexibility than the budget screen in QuickBooks offers, you can import a budget using a spreadsheet template that you download, complete, and then upload. QuickBooks requires you to stick to its generated format — both in terms of column headers and row structure. As of this writing, you can import profit and loss budgets, but balance sheet budgets are still a no-go.

WARNING

Make sure to add any new accounts to your chart of accounts *before* downloading the budget template. You can't sneak new accounts into QuickBooks by way of the budget import; QuickBooks shows you who's boss by silently ignoring them.

Downloading the QuickBooks Budget template

Here's how to grab the template and fill it out — because thankfully, QuickBooks doesn't yet read minds:

1. **Choose Settings ➪ Budgeting.**

   The Budgets screen appears.

2. **Click Import Budget.**

   The All Your Budgets in One Place screen appears.

3. **Choose a fiscal year from the Period list.**
4. **Choose Consolidated or Subdivided budget.**
5. **Click Next.**
6. **Click the `P&L Budget_template.xlsx` link.**

   A workbook named `P&L Budget_sample.xlsx` appears in your Downloads folder. Yep, the filenames don't match. It's been that way for years. Welcome to QuickBooks: Batteries are not included, nor is consistency.

7. **Open the template in Microsoft Excel or Google Sheets, enter your budget data, and save the file.**

   REMEMBER

   The Guidelines worksheet rambles on like a lonely retiree, but here's the bottom line: The template has to follow the format QuickBooks gave you — no mystery columns, no renamed headers, no going rogue. Stay in your lane, spreadsheet jockey.

Uploading your completed budget template

Back already with your completed budget? Feels like you never left. Now you can immortalize your masterpiece in the annals of QuickBooks:

1. **Choose Settings ➪ Budgeting ➪ Import Budget ➪ Skip.**

   You've already filled in the blanks once, so move on to the head of the line.

2. **Click in the Budget.xlsx field or click Upload Budget to launch an Open window.**
3. **Select your completed budget template, and then click Open.**
4. **Click Next.**

   A progress indicator dialog box appears while your budget is being imported.

5. **Click a button — any button — when Budget Created Successfully graces your screen:**

- **View Budget:** Lock and load your numbers.

  REMEMBER

  You can freely modify imported budgets by using the techniques I discussed in the "Populating a Budget" section earlier in this chapter. You can also go full scorched earth and reimport the budget from scratch.

- **Cancel Import:** Stop the import and come back to it later.

Your imported budget appears on the same screen that you would have used to build one from scratch in QuickBooks. What'll you do with all that time you just saved? Scroll a few TikToks? Or show your age with a quick game of Solitaire? Either way, your secret's safe with me.

Keeping Tabs and Calling the Shots on Your Budgets

QuickBooks corrals all your active and archived budgets onto the Budgets screen, where you have a full menu of options for managing and reporting. Whether you're tweaking numbers, running comparisons, or kicking a budget to the curb, this is your command center. Here's what's available:

1. **Choose Settings ➪ Budgeting.**
2. **The Actions column provides contextual links, such as Run Budget vs. Actual Report or View/Edit. Act now, and your dropdown may include some or all of the following choices:**
   - **Run Budget Overview Report:** Spills all the beans on your budget.
   - **View/Edit:** Summons your budget onscreen so that you can tighten the bolts.
   - **Run Reports in Spreadsheet Sync:** This one is just for the big spenders in the Advanced tier. If that's you, flip on over to Chapter 16 for the full briefing.
   - **Archive:** Puts the budget in a deep freeze.

TIP

To make a budget active again, toggle Hide Archived Budgets off, and then choose Actions dropdown ➪ Unarchive. What's that? You were thinking that archived budgets would be marked in some fashion? Bwahahaha. That's adorable, but it's not how any of this works. The good news is that you can roll your own system by editing the names of archived budgets.

- **Duplicate:** Creates an exact copy of your budget, right down to the transposed digits.
- **Delete:** Burns any evidence that the budget ever existed.

TECHNICAL STUFF

Oh, you have two or more bodies — er, BUDGETS — to dispose of? Click the checkboxes next to the ones that aren't long for this world, and then choose Batch Actions ➪ Delete to send them off in one fell swoop.

Going Beyond Built-In Budgeting

If QuickBooks's budgeting features aren't quite cutting it — or if your subscription level doesn't include them — you're not stuck with wishful thinking and back-of-the-envelope math. Whether you're looking for more flexibility, advanced forecasting tools, or better ways to slice and dice your numbers, several options are worth exploring. Some tie directly into topics I've covered elsewhere in the book, while others stand on their own.

- **Budget reports:** Chapter 6 covers running reports. Type **Budget** in the Find Report by Name field on the Reports screen to access additional budget-related reports.
- **Cash Flow Planner:** Chapter 8 discusses the shorter-term forecasting tool.
- **Forecasts:** Chapter 14 introduces the Forecast feature, exclusive to Advanced, which goes beyond traditional budgeting by using modeling tools for scenario planning and long-term projections.
- **Spreadsheet Sync:** In Chapter 16, I cover how Advanced users can create and manage budgets in Excel.
- **Excel templates:** In Excel for Windows, choose File ➪ New, and then type **Budget** in the Search field to explore a variety of free budget templates you can use outside of QuickBooks. That's especially helpful if you're using Simple Start or Essentials. Even more options are available at `https://create.microsoft.com`.

TECHNICAL STUFF

The Template Gallery in Google Sheets also includes a handful of budget templates — handy if you prefer working in the cloud or don't have access to Excel.

4 QuickBooks Online Advanced Features

IN THIS PART . . .

Maximize desktop app, create backups and exports, and fine-tune user access.

Create and analyze custom reports and visual charts.

Streamline your operations by managing tasks and workflows.

Integrate and sync your accounting data with Microsoft Excel.

IN THIS CHAPTER

- » **Installing the QuickBooks Online Advanced desktop app**
- » **Backing up and restoring your company data with Online Backup & Restore**
- » **Exporting data to a personal cloud archive in Google Drive**
- » **Customizing and maintaining user roles and permissions**

Chapter 13

Mastering the Admin Tools in QuickBooks Advanced

In this chapter, I cover features exclusive to QuickBooks Online Advanced, starting with the desktop app, which offers several advantages over a web browser. From there I walk through backing up and restoring your company's data — because while Intuit stakes its reputation on everyone's accounting data in the cloud, you can never have too many backups. I wrap up the chapter by showing how you can customize user access to features and reports, including limiting by location in certain cases.

Installing the Desktop App

The QuickBooks Online desktop app is an option you can install on your Windows or macOS computer. It's not related to QuickBooks Desktop Enterprise, Intuit's separate, traditional accounting software. The desktop app gives Advanced and Accountant users a few perks over accessing their books via a web browser:

- **Stay signed in longer:** Sessions on the app remain active for up to six months — no more getting kicked out every few hours like you do on the website after just three hours of inactivity.
- **Familiar navigation:** The app offers a navigation map and dropdown menus reminiscent of QuickBooks Desktop, which can ease the transition for desktop users moving to QuickBooks Online.
- **Work across companies:** Open and access multiple QuickBooks companies without signing in and out. While only Advanced and Accountant subscribers can download the app, the app supports all subscription levels — as long they're tied to the same Intuit account email address.

Here's how to download and install the app:

1. **Choose Settings ➪ Get the Desktop App.**
2. **Scroll down and choose Download for Windows or Download for Mac.**
3. **Double-click the installation file in your Downloads folder and then follow the onscreen instructions.**
4. **Sign in using the same credentials you use for QuickBooks Online in your web browser.**
5. **Choose a company to open if multiple entities are tied to your Intuit account.**

   If you only have access to one company, it automatically opens in the first tab.
6. **To view two pages side by side, toggle Desktop View, and then click Split Screen.**

   This is handy for tasks like reconciling bank activity while viewing transactions.
7. **Click + to open a new tab. You can:**
   - Navigate to a different screen within the same company.
   - Switch to another company by using the You're Viewing menu in the upper-right corner.
   - Add as many tabs as you like. Figure 13-1 shows two different companies open at once, even though the tab names don't reflect that.

8. **Click Open Tabs/Windows to show the task pane (Figure 13-1).**

Hover over any tab in the task pane for a preview. Click the button again to hide the task pane.

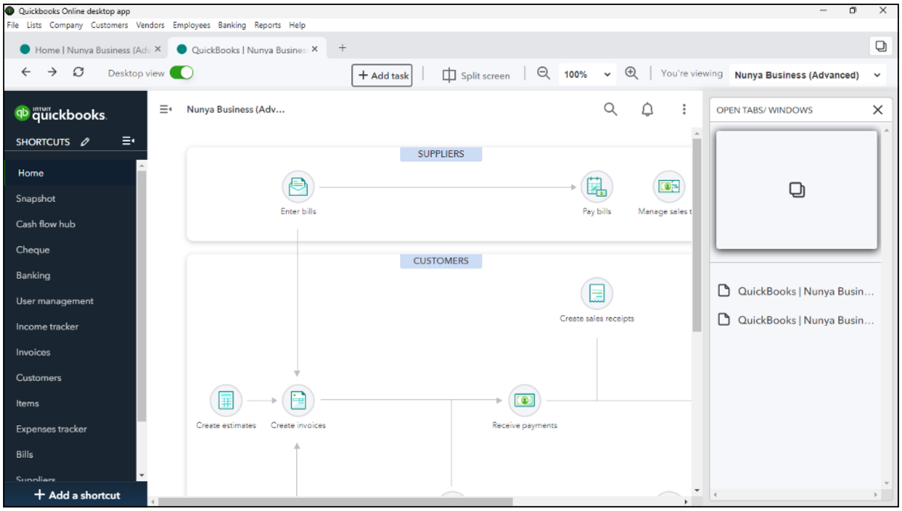


FIGURE 13-1: Each tab in the QuickBooks Online desktop app can display a different company or different screens within the same company.

REMEMBER

The QuickBooks Online desktop app keeps you signed in, so you'll have instant access the next time you sign in. Choose File ➪ Sign-Out if you don't want someone else accessing your books just by launching the desktop app.

Backing Up (Most of) Your Company

Companies using the Advanced subscription are automatically backed up every 5 to 10 minutes by way of the Online Backup and Restore app. You can also initiate manual backups if needed — although only once every 72 hours. Backups are retained for one year, and you can restore your company to any available backup point in that timeframe.

Here's another twist: The backup interface has two slightly different versions, and you might land on either. It depends on how the app was added to your company — some folks get the classic layout, while others see the new version. The good news: Both versions do the same core job, even if buttons or menu labels differ slightly. I'll point out the few meaningful differences as we go, so don't sweat it if your screen doesn't match mine exactly.

Navigating the Gaps in QuickBooks Backups

Here's a quick rundown of the notable omissions:

- Account-based billable expenses
- Audit log entries
- Bank feeds and their links to transactions and bank rules
- Custom form templates
- Custom reports
- Customer types and price rules
- Delayed credits and charges (although associated invoices are backed up)
- Item-based billable expenses with markup
- QuickBooks Online Payments info
- Reconciled transactions that don't remain reconciled
- Reconciliation reports
- Recurring transactions

And it doesn't stop there. Intuit Payroll transactions and inventory adjustments are backed up *only* as journal entries, not as fully detailed records, so you lose the detail. Worse still, budgets, inventory history, adjustments, and tax rates that use expense accounts aren't restored at all. So yes, the backup does a lot, but it doesn't cover everything. And those gaps are worth keeping in mind before you trust a restore to bring your company back exactly as you left it.

TIP

If you're wondering why some of these don't make the cut, you're not alone. After all, if the data lives in a database, shouldn't a full backup be table stakes? Apparently not. These exclusions are just part of the landscape when using QuickBooks Online Backup. Sigh.

Manually backing up your QuickBooks company

You can kick off a manual backup at any time by following these steps:

1. **Choose Settings ➪ Back Up Company.**

   The Online Backup & Restore app's home screen appears.

   TECHNICAL STUFF

   If you're using the Advanced tier and Back Up Company doesn't appear on the Settings menu, choose My Integrations ➪ Find Integrations or Apps ➪ Find Apps, and then search for Online Backup & Restore (see Chapter 7 for more on integrations). Make sure the developer is listed as Intuit, and then click Get Integration (or App) Now. You'll be whisked over to the classic Online Backup & Restore screen. If that's clunky enough, you may have to go through this rigamarole every time you want to run a backup — until Intuit gets its act together. Try accessing it through My Integrations or All Apps and you'll get a sad trombone of a message: `Trust us, your books are safe . . . but check back for updates`. What a way to run a railroad.

2. **Choose Run Manual Backup.**

   The Run Manual Backup task pane opens.

3. **If the option is presented, select a company from the Select Company to Backup field.**

4. **Choose your backup type:**

   - **Incremental:** The fastest option, it backs up only the changes since the last backup.
   - **Full:** The middle ground option, it backs up all data marked as changed.
   - **Complete:** Searches everything for changes, which is the most thorough, but slow option.

5. **Click Back Up.**

6. **Your backup request appears on the Backup and Restore screen.**

   At first, the Status column shows Queued, In-Progress, and finally Success once the backup wraps up.

   TIP

   Not sure which backup type to choose? Incremental is your go-to for speed. Complete is your safety blanket if you're feeling cautious.

Restoring your QuickBooks company

If necessary, you can restore your company from a previous backup. Just remember the caveats I listed earlier — especially the fact that any transactions entered after the selected backup will be lost.

HEED THIS BEFORE YOU RESTORE

Restoring your company from a backup isn't like flipping a switch. It's more like time travel with consequences. When you initiate a restore, QuickBooks Online replaces your current company file with the version from the selected backup point. That means:

- Any transactions entered or modified after that backup point are gone. Forever. Poof.
- Any settings, lists, or customizations updated since then are also gone.
- Any users working in the company while a restore is in progress are at risky. They could overwrite data or be locked out.

This process isn't a selective restore. You can't just cherry-pick one transaction or list to bring back. It's all or nothing. That's why it's crucial to make sure of three things:

- You've coordinated with your team so no one's editing anything during the restore.
- You've run a manual backup of the current state, just in case you change your mind later.
- You understand the specific limitations (see the list of excluded items earlier in this chapter) so you aren't blindsided by what doesn't return post-restore.

Think of this like wiping the whiteboard and starting from an earlier draft. Sometimes it's the right move, especially after a major data entry mishap — but you should never do it on impulse.

Here are the steps to restore a backup:

1. **Ensure that all other users are logged out of your company and stay logged out until the restore is complete.**
2. **Choose Settings ➪ Back Up Company.**
3. **Choose Restore ➪ Create Restore.**

   The Restore Company Data task pane opens. (See Figure 13-2.)
4. **If the From the Source Company field appears, select the company you want to restore.**
5. **Pick a backup date and time.**
6. **Click Next.**

7. **Review the warnings; then turn on the checkbox to confirm you know what you're doing.**

8. **Click Start Restore.**

   You'll land on the Restore tab of the Backup and Restore screen.

9. **Your restore request shows Queued, then In-Progress, and finally Success once it's finished.**

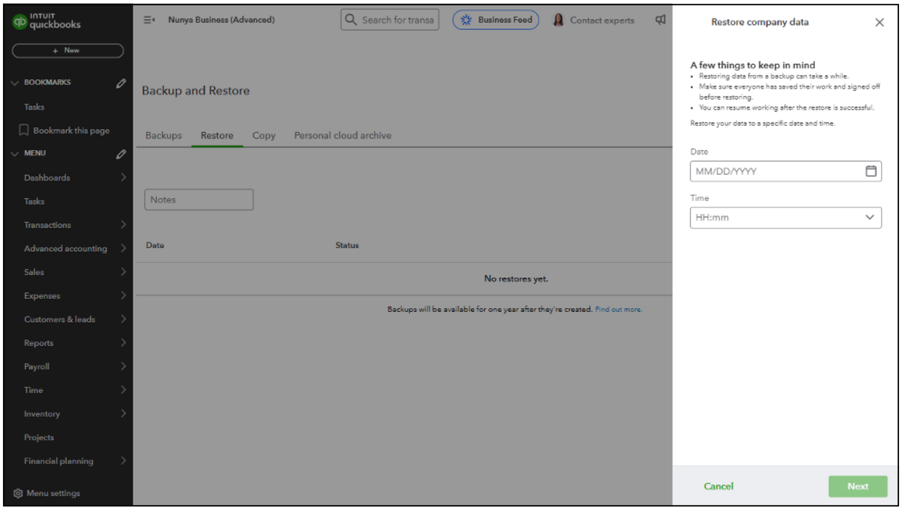


FIGURE 13-2: The Restore Company Data task pane.

TIP

The Backup and Restore includes a Create Copy command enabling you to restore an Advanced backup to a new Plus or Advanced company. To get the lowdown on this, click Help ➪ Search, enter **Make a copy of your QuickBooks Online Advanced company** in the Search field, and then click the article link.

Creating personal cloud archives

This feature enables you to export selected data from your company to a connected Google Drive folder. The archive is composed of a ZIP file that contains the following comma-separated value (CSV) files that you can open in Excel or Google Sheets:

- `accounts.csv`
- `budgets.csv`
- `company_infos.csv`

» customers.csv

» general_ledger.csv

» invoices.csv

» items.csv

» payment_methods.csv

» preferences.csv

» terms.csv

» trial_balance.csv

REMEMBER

You can't restore personal cloud archives back into QuickBooks Online. They're strictly for reference or offline analysis.

Linking to Google Drive

Before exporting, you need to connect your QuickBooks company to Google Drive:

1. **Choose Settings ➪ Advanced ➪ Personal Cloud Backup.**
2. **Click Re-Link Google Drive.**
3. **Follow the onscreen prompts to authenticate with Google and grant permission for Intuit to save archives to Google Drive.**

Creating a personal cloud archive

Once linked, follow these steps to generate the archive:

1. **Choose Settings ➪ Back Up Company.**
2. **Choose Personal Cloud Archive ➪ Export Backup.**
3. **Click Export Backup.**

   Within minutes, a ZIP file should appear in the ChronoBooks\[*your company name*] folder within your Google Drive account.

Customizing User Security Privileges

Chapter 8 covers the basics of managing user access in QuickBooks Online — including how to assign roles for Essentials, Plus, and Advanced companies. If you haven't read that chapter yet, it's worth flipping back before diving in here. Once you have the foundation down, this section walks through the added flexibility that an Advanced subscription brings to the table.

Expanding user access with additional roles

In addition to the standard roles discussed earlier, QuickBooks Online Advanced includes several built-in roles tailored for specific job functions. These roles are a step up from the basics, offering targeted access to the areas each type of user typically needs. While you can't customize the standard roles from Chapter 8, you can adjust the following roles to suit your workflow — or use them as a starting point for creating new ones from scratch:

- **Expense Manager:** Such users have access to expense transactions, vendors, products and services, sales tax, and currencies.
- **Expense Submitter:** These users can submit expense receipts, which I discuss in Chapter 15.
- **Inventory Manager:** A user with this role can view and edit the products and services list and carry out inventory-related tasks.
- **Payroll Manager:** This type of user can manage employee records, run payroll, and perform other payroll-related tasks.
- **Sales Manager:** Assigning this role grants access to sales transactions, customers, products and services, sales tax, and currencies.

Editing prebuilt roles

You can make limited modifications to additional prebuilt roles in Advanced. If you can't edit a role, you'll see View instead of Edit next to its name. Here's how to make changes when allowed:

1. **Choose Settings ⇨ Manage Users ⇨ Roles.**

   The Roles tab screen opens.

2. **Find the role you want to modify and click Edit (if available).**

   A screen opens showing the permissions for that role.

3. **Adjust the settings as needed, and then click Save Role.**

NOT ALL ROLES ARE CREATED EQUAL

Some roles are marked View instead of Edit — those are off-limits for customization. For the roles you *can* edit, the customization options are decent, but don't expect complete control. You can toggle access to broad areas like sales, expenses, or lists, but you can't get granular. For instance, you can't let someone run one sales report but not another, or enter expenses without also seeing vendor details.

Think of it more as flipping entire light switches rather than installing dimmers. Still, it's a step up from the all-or-nothing approach in lower-tier plans.

Establishing new roles

The limitations on the access that you can and can't grant for prebuilt roles extend to new roles as well. You may well find that you're simply unable to create a role that has the exact combination of characteristics you're seeking. Here's how to give it a try:

1. **Choose Settings ➪ Manage Users ➪ Roles.**

   The Manage Users screen opens.

2. **Click Add Role.**

   The Add a New Role screen opens.

3. **Enter a name in the Role Name field.**
4. **Use the Description field to enter up to 150 characters explaining the role's purpose.**

   You won't be able to fit in a full job description, but what you enter appears on the Roles tab, which can make it easier to match users with appropriate roles.

5. **Expand the available sections as needed and adjust the access settings you want to assign.**
6. **Expand the sections and choose from the settings that are available for you to customize.**

   All are turned off by default. You need to enable the ones you want to include.

TIP

Sales roles can be limited to specific locations if the Track Location feature is enabled within your company.

7. **Click Save Role.**

REMEMBER

Once you've created or customized your roles, you manage users the same way I described in Chapter 8 — just with the added flexibility that comes with Advanced-only roles. While you can't delete customized roles, you *can* click More Actions ➪ Deactivate and then click Deactivate again to confirm. If your needs change later, just click the Reactivate link to bring the role back.

Maintaining custom roles

Once you've started customizing roles or creating your own from scratch, it helps to know how to keep everything tidy. The Roles tab on the Manage Users screen not only lets you edit or deactivate roles, but also gives you a quick overview of how many users are assigned to each one:

- **Viewing usage:** The # of Users column shows you how many people are currently assigned to each role. This can be handy when deciding whether it's safe to deactivate or delete a role.
- **Deactivating built-in customizable roles:** You can't delete these, but you can temporarily disable them. Click More Actions ➪ Deactivate, and then confirm your choice. If your needs change later, click Reactivate to bring the role back into circulation.

  REMEMBER

  Reassign all users before deactivating a role; otherwise, you'll get a polite nudge from QuickBooks reminding you to clear out assignments first. First things first, after all.
- **Deactivating or deleting custom roles:** Roles you've created from scratch can be both deactivated and deleted. To delete a role:
  1. Click More Actions ➪ Deactivate.
  2. Click the Delete link that appears, and then confirm.

Keeping your roles list clean makes it easier to assign the right level of access without second-guessing whether a given role is outdated or unused.

Going Beyond This Chapter

The tools and features in this chapter give Advanced users powerful ways to manage QuickBooks through the desktop app, safeguard their data with backups, and customize user access. If you want to go further with related capabilities, here are a few places to turn:

- **Mobile app and integrations:** Chapter 7 covers the QuickBooks Online mobile app for on-the-go access, along with the integrations (QuickBooks's new term for apps) that expand what QuickBooks can do.
- **User roles:** If you haven't already reviewed the basics of assigning users and roles, Chapter 8 lays the groundwork for the custom roles discussed in this chapter by walking through how to manage permissions in Essentials, Plus, and Advanced.
- **Locations/departments:** Chapter 11 shows how to enable the Track Locations feature, which lets you control user access by location for Advanced sales roles, as well as filter transactions and reports by location.
- **Spreadsheet Sync:** Chapter 16 covers this Advanced-only feature that links your QuickBooks data directly to Excel — offering far greater depth and flexibility than the flat data exported by personal cloud archives.
- **Power Query:** If you want to establish refreshable connections to data files such as the CSV files in a personal cloud archive or other data sources, Chapter 21 walks through using Power Query to link directly to Excel workbooks and beyond.

IN THIS CHAPTER

» Exploring the Custom Report Builder

» Pivoting — and surviving — without Excel

» Automating your fixed assets management

Chapter 14

Generating Custom Reports and Charts

QuickBooks Online Advanced doesn't just unlock new doors; it hands you the master key to some of the most powerful — and occasionally treacherous — reporting features around. In this chapter, you'll move beyond basic reporting into uncharted analytical territory. Whether you're blazing a trail through the Custom Report Builder, sidestepping dead ends in Pivot reports, or quietly consolidating power in the Fixed Assets screen, you'll learn how to tame the tools that give your data a voice — and maybe a few secrets.

If you don't have an Advanced subscription, or if your own company file isn't far enough along to generate meaningful reports, you can explore these features using the Advanced sample company at `https://qbo.intuit.com/redir/testdrive_us_advanced`.

TIP

Be sure to log out of your QuickBooks company before signing into the sample company, or use an incognito window to avoid conflicts.

Introducing the Custom Report Builder

QuickBooks lets you tweak built-in reports across all subscription levels. You can hide columns, adjust *most* headers and footers, and make other surface-level changes. But when you're ready to push past the basics and really shape reports to fit your fit your business, the Custom Report Builder steps in.

Getting started

You can truly go your own way . . . try getting that song out of your head now! If you're ready to break up with canned reports, QuickBooks Online Advanced hands you the tools to create something better. In the Custom report builder section of the Reports screen are boundary-breaking options like Product/Item Profitability by Customer and Fixed Asset Depreciation Detail — and that's just the tip of the iceberg . . . or perhaps glacier. No one wants to be lost at sea when creating reports.

It's time to choose your adventure:

- **Glamping:** Think of this as rolling up to a yurt in your G-Wagon with your speakers thumping, climate control dialed in, and no intention of roughing it. To start with a prebuilt report:

  1. **Choose Reports from the sidebar.**
  2. **Use your monocle to survey the Custom Report Builder section, and exit stage left if you find what you need.**
  3. **If nothing catches your fancy, click Create New Report, pick a structured starting point like Invoice, Expenses, or Sales, and then sing "Kumbaya" while clicking Create.**

- **Hiking without a compass:** No creature comforts for you. You're ready to bare-knuckle it up El Capitan, one data column at a time. Dust your hands with chalk, and then:

  1. **Choose Reports ➪ Create New Report ➪ Blank ➪ Create.**
  2. **Choose either the Report Creation Wizard or the Data Column Picker.**

     Both drop you deep in custom territory, building a report from the ground up with no guardrails . . . and regrets? You've probably had a few. At least you've done it your way.

Mapping the terrain of report commands

Once you open a report in the Custom Report Builder, the toolbar comes alive with possibilities — some helpful, others just loitering. The gang's all here: Refresh, Print, Export, Columns, Filter, Group By, and General Options. Meanwhile, a few old friends and some new faces are rummaging for snacks in the kitchen. Let's see what's clickin':

- **Table View (default):** Spreadsheet fans will feel right at home. Rows, columns, totals — neat, sortable, and nothing extra. Just the facts, nice and tidy.
- **Pivot (within Table View):** If you see the Pivot button, your report supports the feature. Use it to spin rows, columns, and values around like dishes at a dim sum table until the numbers you want are right in front of you.

  REMEMBER

  The list of available fields fluctuates wildly depending on where you started. Pick the wrong entry point, and you might find yourself left with nothing but smoke and mirrors.
- **Chart View:** Hopefully your numbers will only climb. Watch your step as you navigate the buzzword jungle — bar charts, trend lines, and the king of them all: KPI. That doesn't stand for "keen pretty individual," thank you very much, but key performance indicator.

  TECHNICAL STUFF

  A KPI is a quantifiable metric used to track progress toward a business objective. In QuickBooks Online Advanced, KPIs might include revenue, profit margin, or customer acquisition cost — any value you can express numerically and chart over time.
- **More Actions:** This menu's a revolving door, but one steady presence remains: Add to Management Reports. It's Old Reliable, always there when you need it. Meanwhile, options like Email Report and Schedule Report have commitment issues. They only show up in Table View. Then they ghost you the moment you switch to a chart. Classic.

Drilling down into pivot tables

You found the Pivot button! Congrats, brave explorer. You're standing on the edge of a customizable cliff, ready to twist your data into something meaningful. Just know, you're not in Excel anymore. There's no familiar grid of drag-and-drop delights. This is QuickBooks terrain: rugged, unpredictable, and shaped entirely by the horse you rode in on.

TIP

Speaking of drilling down, you can click any number within a QuickBooks pivot table (yep, two words — Microsoft has trademarked PivotTable) to see the details behind it. When you're ready to resurface, click Back to Summary Report to return to high ground.

To create a pivot table, click Create New Report to open the Select the Report Type dialog box. This moment matters. Choose the right report type, and QuickBooks rolls out a red carpet of usable fields. Choose poorly, and you'll be left with a handful of cryptic options and a case of pivot envy.

If your goal is to analyze sales by customer and item, pick Sales and click Create. This unlocks fields like these:

- Product/Service for rows
- Customer for columns
- Amount for values

As the old saw goes: "If at first you don't succeed, turn your computer off." Or, you know, try again. Seriously, sometimes the best way forward is backing up and choosing a better report type.

REMEMBER

If you don't see the Pivot button on a given report, QuickBooks isn't necessarily being passive-aggressive; it just means that report can't be pivoted. It has no hidden agenda, but the terrain is limited.

Serving up performance insights

If you're not quite ready to handle raw data in the Custom Report Builder — all that E. coli and salmonella? No thank you — the Performance Center offers a cleaner kitchen. Think of it as your financial dashboard, serving up ready-to-eat insights with just a few clicks.

To give it a taste test, choose Reports ➪ Performance Center. Then click Quick Add Charts to plate up to ten built-in visuals, from cash flow trends to profit margins. Curious how your net profit stacks up against industry averages? Craving a snapshot of your accounts receivable? It's all there, prepared and plated like a prix fixe menu.

TIP

Customize your dishes — er, charts — using the Settings icon. Filter by customer, fine-tune the date range, or rearrange the tiles to match your preferred plating. You'll be serving applause-worthy insights without breaking a sweat — or a single egg.

Exploring Further

Ready to build on what you've learned? Here's how to cut to the chase:

- **Basic reporting:** Chapter 6 walks you through running, customizing, and saving QuickBooks's built-in reports — essential prep before venturing off the map.
- **Spreadsheet Sync:** Chapter 16 shows how to link QuickBooks to Excel using Spreadsheet Sync, giving you real-time updates and the freedom to shape data your way.
- **PivotTables:** Chapter 20 dives into Excel's full-fledged PivotTables — gimme a capital P, gimme a capital T — packed with slicers, filters, and more flexibility than QuickBooks could ever muster.

IN THIS CHAPTER

» **Designing enhanced custom fields for Advanced users**

» **Entering, modifying, and deleting transactions in bulk**

» **Automating depreciation and revenue recognition**

» **Creating and managing tasks for your team**

Chapter 15

Unlocking Advanced Tools and Taming Tasks

Now it's time for some geek — er, Greek — mythology. This chapter plots a course through a series of advanced features that blend customization and automation. Along the way, a cast of mythological characters will cheer you on, lull you to sleep, or yank the metaphorical rug out from under you. You'll have all the feels. From enhanced custom fields to automated revenue recognition, from batch entry to workflow automation, you'll explore the tools that set QuickBooks Online Advanced apart — and learn how to wield them without falling into mythological traps.

Engineering Enhanced Custom Fields

All QuickBooks Online subscription levels let you create custom fields, but the Advanced tier takes them to comparatively new heights. Rather than feeling like Medusa has turned your transaction screens to stone, you can enliven and extend their functionality by assigning fields to customers, vendors, projects, and certain transaction forms — as long as you stay within the web of constraints. Step outside the lines, and QuickBooks may give you the evil eye.

But adding data is only the beginning. With custom fields in place, you can track details that don't come standard — like sales rep, project type, or priority — and then sort, filter, and group by those fields across lists and reports. They can even appear as columns or act as criteria in filters. In short, they're the wings Daedalus would have crafted if he'd needed to sort invoices by sales rep.

You can assign up to 12 custom fields per category to appear onscreen. That's helpful, because how would you fill them out otherwise? Print is a little trickier; some transaction screens allow you to include up to three custom fields in printed form. Here's your cast of players, each with its own quirks and cryptic rules:

- **Text and Number:** A free-form field that you can soar into — until you try to type a 32nd character, at which point you'll have nothing. Icarus, when will you learn about limits?
- **Number:** This stone-faced field will accept up to 15 digits and a begrudging period — nothing else.
- **Date:** Oh, no thank you. I'm already attached! Oops. Wrong type of date. Keep this field quick with a month and day (like 1/1), or go full oracle and type out all eight digits. Your call.
- **Dropdown List:** Lets you specify up to 100 predefined options, which keeps things structured and keeps you from glaring at your coworkers' inventive inputs. Stay in your lane, Daedalus.

WARNING

Greek gods generally had a no-takebacks policy, and so does QuickBooks. You won't be able to delete saved custom fields, although you can make them inactive.

With the groundwork laid, read on for how to create your first custom field, whether you're following a suggestion or building from scratch.

Molding enhanced custom fields

Here's how to carve out blanks for others to fill in. No hammers or chisels are required, though a sextant might help you stay on course:

1. **Choose Settings ➪ Custom Fields.**

   The Custom Fields screen opens.

2. **If your company is new here, click Add Custom Field; otherwise, click Add Field.**

   Either way, the Add Custom Field task pane opens.

3. **Choose your adventure:**

   - **Hop on board:** Select a field from the suggestion list. QuickBooks will fill in the blanks and toggle on a few options for you. It's like catching a favorable breeze from Aeolus, the Greek god in charge of the winds.
   - **Jump ship:** Gifts from the gods sometimes come with rough edges. For instance, a bag of winds from Aeolus once led to a shipwreck. If you need more control over your custom fields, override any suggested defaults and flip the switches on your own, brave adventurer.

4. **Double-check your settings, and then click Save.**

   A quick review now can save you from wandering the reporting labyrinth later.

Your custom field is now shipshape and ready for its first voyage.

Managing enhanced custom fields

Once your enhanced custom fields are in place, you can wrangle them from the Custom Fields screen, a sortable list that shows each field's name and category. Checkmarks indicate where the field will appear onscreen, and printer icons signal whether the field will be included on your hard copies. Fields appear in the order they were added, like layers of sediment — or scrolls in a not-so-sacred archive.

Need to make changes? Use the Edit command in the Actions column to tweak a field's name or adjust its form settings. If a field displeases you, you can sort of banish it by making it inactive using the dropdown menu. Notice the lack of a Delete command. Thanks, QuickBooks. Marking a field as inactive keeps it visible on past transactions but hides it from new ones. If the circle is to remain unbroken, you can bring new life into an inactive field:

1. **Choose Settings ➪ Custom Fields.**
2. **Toggle the alliterative Include Inactive field on.**

   That coaxes the dormant fields out of hiding and into the Custom Fields list.

3. **Click Make Active on the field that you're putting back in flight.**

With your enhanced custom fields forged and flying, the next level is batching transactions — because even Sisyphus wouldn't enter them one by one.

Managing Data in Bulk

Batch Transactions should have been named *Tantalus*, the namesake of the word *tantalize*. At first glance, it seems like an oasis of efficiency, letting you create invoices, deposits, bills, expenses, checks, and even products and services in bulk. But just as fruit and water constantly receded from Tantalus's grasp, you may find yourself cursing when you discover that the ability to modify or delete transactions starts — and ends — with invoices. You can also create or edit Products and Services in batch — but not delete them. Just as with custom fields, you can only make them inactive.

Fortunately, you don't have to trade shifts with Sisyphus and his rock. Chapter 16 covers bolder (and less boulder-y) approaches to bulk entry and robust editing across a much broader range of data and transaction types. But if you're determined to wring every drop from Batch Transactions, read on for a brief rundown.

WARNING

You can't undo changes made through the Batch Transactions screen. Chapter 13 covers backing up, but your options are similarly sketchy there, so tread carefully.

Taking a Herculean approach to adding records

Attention, Costco shoppers: Here's how to create transactions, products, and services in bulk:

1. **Choose Create ➪ Batch Transactions.**

   The Batch Transactions screen shown in Figure 15-1 appears.

2. **Select a transaction type — or Products and Services — from the Select Entity Type field.**

   Now that's a field name only a programmer could love!

3. **Fill in the grid, making note of required fields marked with an asterisk.**

   Some fields pre-fill with defaults you can override; others sport dropdowns or calendar buttons.

   REMEMBER

   Fields shaded in gray are read-only, such as calculations. Click Customize Columns to control how busy or clean your grid looks.

   TIP

   Click Shortcuts to display a list of keyboard shortcuts you can use when working in the Batch Transactions grid, or right-click anywhere in the grid to summon a context menu with options to insert, remove, or duplicate rows.

4. **Click Save to post the transactions to your books.**

   For some types, you'll see a second Save command — Save and Send or Save and Print.

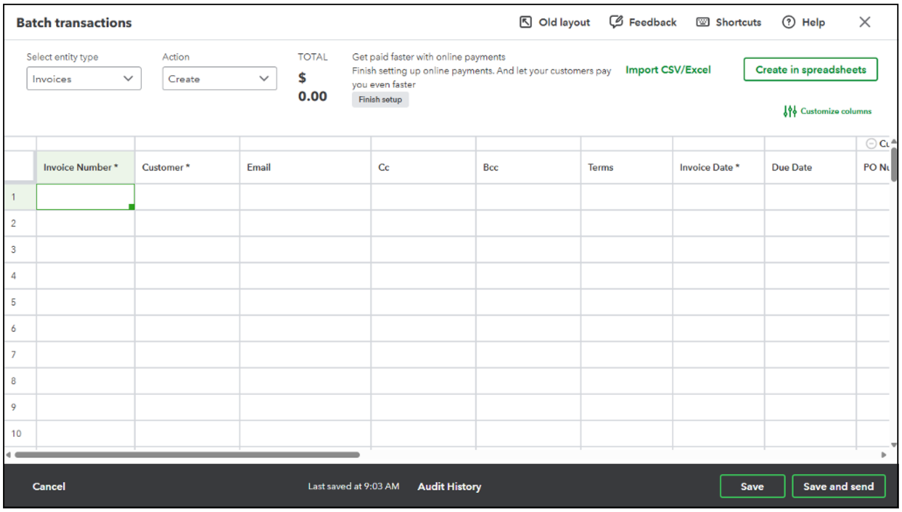


FIGURE 15-1: The Batch Transactions screen.

Modifying or deleting invoices

If you're looking to revise or banish multiple invoices in a godlike manner, here's how:

1. **Choose Create ➪ Batch Transactions.**
2. **Choose Modify or Delete from the Action dropdown menu.**

   Transactions dated within the past 30 days appear by default.
3. **To fine-tune the list, click Filter and enter criteria.**
4. **Select transactions by clicking one or more checkboxes — or use the header row to select all visible entries.**
5. **Proceed based on your intent:**
   - **Modifying:** Click Edit, make your changes, and then click Save.

     Fields you edit — or that are updated as a result — are marked with a red border to help you track changes.

     REMEMBER

     You can insert rows while modifying invoices in bulk, but you can't delete them.
   - **Deleting:** Click Delete, confirm the deletion, and say farewell to those invoices, or click Cancel if you decide not to tempt the Fates.

You've emerged victorious from the land of batching, but don't get too cozy. Hypnos lies ahead, cloaked in the deceptively dull topics of depreciation and revenue recognition.

Scheduling Depreciation and Recognition Entries

Hypnos, the Greek god of sleep, has lulled many into a daze. Some of his favorite tools are accounting jargon. Depreciation. Amortization. ASC 606 — nope, that's not a sleep medication, but the official standard for revenue recognition. Hey! No yawning, please! Seriously, if you can fight off the fog, QuickBooks Online Advanced can take the reins, dutifully recording depreciation and revenue recognition entries on your behalf.

Nope, you don't need toothpicks to keep your eyes open. The Fixed Asset feature in QuickBooks Online Advanced helps automate the tedium of tracking and depreciating your long-term assets. Pair that with the Revenue Recognition tool, which spreads income across reporting periods based on your service schedule, and you have two powerful ways to keep your books compliant — without the headache.

Both features help your books stay aligned with generally accepted accounting principles (GAAP) — a shared set of standards that guide how businesses report their income and expenses. That might sound dry, but GAAP is what keeps your financials consistent, comparable, and (if needed) investor-ready.

Once configured, both features work quietly behind the scenes, posting monthly entries like clockwork. No manual intervention. No complex schedules. Just a smooth ride across Lethe, the river of forgetfulness, where you no longer need to remember what to book and when.

Recording depreciation automatically

If you've ever tried to track depreciation manually — balancing different costs, useful lives, and salvage values — you know how easy it is to fall into a trance. That's Hypnos at work, clouding your mind with recurring journal entries and spreadsheets that update once in a blue moon. But QuickBooks Online Advanced cuts through the fog with its Fixed Assets feature.

Once configured, QuickBooks automatically calculates depreciation and posts the monthly journal entries for you — no reminders, no spreadsheets, no waking up in a panic because you forgot to post last month's entry. Just fill in a few fields, and you've bypassed another one of Hypnos's traps.

Adding a new fixed asset

Here's how to configure a new asset so QuickBooks can handle depreciation while you sleep (figuratively speaking):

1. **Choose All Apps ➪ Accounting ➪ Fixed Assets.**

   The Fixed Assets screen opens.

2. **Click Add Asset.**

   The Add Fixed Asset task pane.

3. **Enter the name of the asset.**

   This can be anything that helps you identify the asset.

4. **Use the Description field to document the asset further.**

   As suggested onscreen, serial number, VIN number, or asset purpose are all great inputs.

5. **Turn on the Non-Depreciable Asset checkbox for things like land, which don't depreciate.**

   When enabled, all fields except for Purchase Price, Purchase Date, and Asset Account are disabled.

6. **Enter the purchase price and purchase date.**

   This is how much you paid for the asset and when you bought it.

   REMEMBER

   You must still record the purchase of any assets directly in your books. A depreciation schedule functions as a subsidiary ledger that provides supporting detail for the summary amounts listed in your general ledger.

7. **Enter the depreciation start date.**

   The start date can't be earlier than the purchase date, which makes sense. You can't depreciate something you don't own.

8. **Choose a depreciation method from the dropdown list of options: Straightline, Double Declining, or 150% Accelerated.**

   Consult your accountant or a tax pro if you're not sure which one to use.

9. **Enter a number in the Useful Life field.**

   QuickBooks only accepts whole numbers here. It ignores any decimals you try to sneak in.

10. **Enter a salvage value if you expect to sell the asset at the end of its useful life.**

    QuickBooks sets the value to zero if you leave the field blank.

11. **When the depreciation start date is earlier than today, an Accumulated Depreciation Amount field appears.**

    You can enter an amount, or you can check the Use Auto-Generated Depreciation box to let QuickBooks calculate it.

    REMEMBER

    You can't edit an auto-generated accumulated depreciation amount, but you can record an adjusting journal entry if you beg to differ.

12. **Fill in the Asset, Depreciation Expense, and Accumulated Depreciation Account fields.**

13. **Click Save to record the asset, or Save as Draft if you don't have all the details handy or you've run out of time.**

    After you save the asset, the Schedule page of the Fixed Asset Details pane opens, and QuickBooks confirms that depreciation for this asset is now running on auto-pilot. Now *that* is a boss move.

    TIP

    If you notice an error, click on the Setup tab of the Fixed Asset Details task pane to make corrections.

14. **Click Close to return to the Fixed Assets screen.**

    The asset is displayed on the Fixed Assets screen.

Maintaining fixed assets

Once an asset is in place, you can view or edit it from the Fixed Assets screen. Clicking View opens the Schedule page of the Fixed Asset Details pane, where you can monitor depreciation over time or click Setup to make adjustments. Even the gods of Olympus had to revise their blueprints now and then.

The Actions dropdown offers several mortal commands (and one that's possibly immortal):

- **Edit:** Opens the Setup page, which is the same destination as if you clicked Setup after choosing View. To-may-to, to-mah-to.
- **Dispose:** Opens the Dispose Asset task pane so you can enter the disposal date, selling price, and selling fee.

REMEMBER

And just like that, you have a raft of paperwork to deal with: clearing out the asset and its accumulated depreciation, recording any proceeds or disposal costs — all the stuff you thought you were off the hook for. Hypnos strikes again. Time for coffee!

WARNING

You can't turn back once you dispose of an asset. It's crossed the Styx and won't be coming back. Think carefully before you send it sailing.

- **Duplicate:** If you acquired a matching fleet of chariots — or, say, 12 identical forklifts — use this to copy setup details from one asset to the next.
- **Delete:** A god-level smite. This removes the asset and all related depreciation entries from your books. Neither the IRS nor your accountant will thank you for it.

WARNING

Use Delete only to fix current-year mistakes. For everything else, dispose of the asset and make adjusting entries as needed. Think of it as a quiet rewrite of history, one line at a time.

As for reports, unless Hades starts offering exports, you're limited to viewing depreciation schedules online. QuickBooks does provide a Fixed Assets Detail report with your entered fields, but a full depreciation schedule? Not part of the package.

QuickBooks Online isn't approved for use in printing depreciation schedules. Side effects may include hair loss, elevated blood pressure, and muttering "are you kidding me?" under your breath. Consult your accountant about spreadsheet-based alternatives.

Recognizing revenue automatically

"Revenue? I'd recognize that anywhere!" Or so you'd think. But when a customer pays you up front for something you'll deliver over time — like a $36,000 payment for a three-year service contract — you can't just drop that money into July of year 1 and call it a day. Recognizing revenue means spreading out that income over the life of the contract so that your books reflect what's actually happening: work delivered over time, and income earned bit by bit.

TECHNICAL STUFF

Some businesses, particularly public firms and large firms with more than $25 million in revenue, are required to follow additional standards, such as those promulgated by the Financial Accounting Standards Board (FASB). ASC 606 is one of many rules that FASB has issued. (ASC is short for accounting standards codification.) This rule specifically relates to revenue recognition, meaning that revenue should be posted to your books in a timeline commensurate to when the goods or services are being provided.

Enabling revenue recognition

Oh, hi! You're still here? Great! It's time to get revenue recognition rolling. Before you can recognize revenue over time in QuickBooks Online Advanced, you need to navigate a small labyrinth of setup steps. No minotaur, just a few menus and toggles. Here's how to find your way through:

1. **Turn on the Revenue Recognition feature.**

   a) Choose Settings ➪ Account and Settings ➪ Sales.

   The Account and Settings screen opens.

   b) Click Edit in the Products & Services section.

   c) Toggle Revenue Recognition on.

   d) Click Save and then Done.

   TECHNICAL STUFF

   You can also toggle Revenue Recognition on while editing the invoice template's default settings (see Step 4), but the full path is listed here to show where the setting lives in Account and Settings.

2. **Review the two built-in recognition templates, or create your own.**

   a) Choose All Apps ➪ Accounting ➪ Revenue Recognition or Advanced Accounting ➪ Revenue Recognition. The Revenue Recognition screen opens.

   b) Choose Manage Settings ➪ Manage Templates.

   The Manage Templates screen opens.

   c) Now it's time to tiptoe your way through the Temple of Templates. Lift your torch high and then:

   - Check out an existing template by clicking View.
   - Duplicate an existing template by choosing Duplicate from the View dropdown, and then customize it to suit your needs.
   - Or blaze your own trail by clicking Add Template to build one from scratch.

   TIP

   A Revenue Recognition template includes the rules for how revenue from a product or service is recognized. You'll assign a name, choose whether to recognize revenue evenly across time — specifically by days, months, quarters, or years — and specify the total recognition period. Templates are reusable, so once you've built one, you can apply it to multiple products or services.

3. **Assign one or more products or services to a template.**

   a) On the Revenue Recognition screen, choose Manage Settings ➪ Assign Products/Services.

   The Assign Product/Service screen opens.

b) Click Assign Template to Products/Services.

The Setup task pane opens.

c) Select one or more products/services, assign a template, specify a liability account, and then click Save.

TIP

Think of the liability account as the Underworld holding cell for unearned revenue — a temporary resting place before the funds ascend to Mount Olympus, aka your income accounts. When you assign a template, you specify which liability account will hold the revenue until it's time to recognize it based on the schedule you've set. Then, like clockwork, QuickBooks shifts it from the shadows to the appropriate income account tied to your product or service.

TECHNICAL STUFF

Accountants sometimes use the terms revenue and income interchangeably, especially when referring to income accounts on financial reports. In QuickBooks, product and service items point to income accounts.

4. Enable the Service Date field on your invoice template(s).

a) On the Revenue Recognition screen, choose New Schedule ➪ Invoice, or navigate to the Invoice screen in your usual fashion.

The Invoice screen opens.

b) Click Manage.

The template customization task pane opens.

c) In the Table Content section, toggle Service Date on.

d) Click Close to exit the task pane.

e) Skip past Step 1 in the next section if you're ready to roll a revenue recognition invoice (no more Sisyphean tasks here), or close the Invoice screen.

I have a few caveats to share with you before you move on:

- You must enable the Service Date field in the same fashion on Sales Receipt transactions.
- Revenue recognition schedules are only available for new transactions. Past transactions where you sold the product or service that is now assigned to a template aren't affected.
- You can use the Service Date field with non-revenue recognition transactions.

What's that rumbling sound? Nope, it's not something rolling back down a hill. It's your cue that it's time to recognize some revenue!

Creating transactions that use revenue recognition

Now that everything's in place, it's time to send Hermes — *ahem*, QuickBooks — into action. By using revenue recognition-enabled products or services and filling in the all-important Service Date column, you trigger the automatic allocation. Buh-bye, Hypnos. Here's how to make the magic happen:

1. **Choose Create ➪ Invoice or Sales Receipt.**

   The Invoice or Sales Receipt screen opens.

2. **Fill out the top portion of the transaction as you normally would.**
3. **Fill in the Service Date column on each row that includes a product or service subject to revenue recognition.**

   REMEMBER

   QuickBooks doesn't carry out automatic revenue recognition if you leave this field blank or choose a product or service that doesn't have the Revenue Recognition option enabled.

4. **Choose a revenue recognition-enabled service from the Product/Service list for that row.**

   The oddly named Revenue Recognition (Hidden) appears — which is ironic because it's right there staring at you. (To be fair, it *does* stay hidden for non-recognition transactions or contains a dash for non-recognition rows.) Click View to preview the revenue recognition schedule.

   REMEMBER

   Don't panic if the schedule makes you feel like you're about to crash onto the rocks. The next section shows you how to finesse it, so hold steady.

5. **Complete the rest of the transaction, and then save or send as you usually do.**

   From there, you can belt out, "QuickBooks, take the wheel!" Or if you don't quite trust autopilot (or automated accounting entries), head to the next section and take the tiller yourself. Guide yourself by the stars, you old salt.

Adjusting revenue recognition schedules

QuickBooks automatically generates revenue recognition schedules on your templates and service dates, but your transactions aren't frozen in stone. If something looks off, send Medusa on her way and take control by overriding the schedule:

- **Click View for a transaction on the Revenue Recognition screen.**
- **Open the invoice or sales receipt manually, and then click Manage in the not-so-hidden Revenue Recognition (Hidden) column.**

TECHNICAL STUFF

If a newly created transaction doesn't appear on your Revenue Recognition screen, click See Report and then return to the screen. That usually coaxes it out of hiding.

Either way, the Revenue Recognition task pane opens, from which you can carry out the following actions:

- **Reassign the product/service. This is helpful if you picked the wrong one.**
- **Edit the service duration, interval, or amount allocations across specific periods. You can also toggle the Auto-Balance option before clicking Apply to finalize your changes.**

  TIP

  The Auto-Balance setting controls how QuickBooks handles edits to the revenue recognition schedule (see Figure 15-2). When this setting is turned on, QuickBooks automatically adjusts the remaining periods in the schedule to keep the total aligned with the original invoice. When it's turned off, only the periods you manually edit are changed, which is useful when you want more control without rewriting the full schedule.
- **Recognize all revenue at once by choosing More Actions ➪ Recognize Now ➪ Recognize.**

  This posts the full amount on the recognition date (the Service Date you specified) rather than spreading it over time.

Now that you've conquered the divine art of deferring revenue, it's time to deal with mere mortals and their expense receipts.

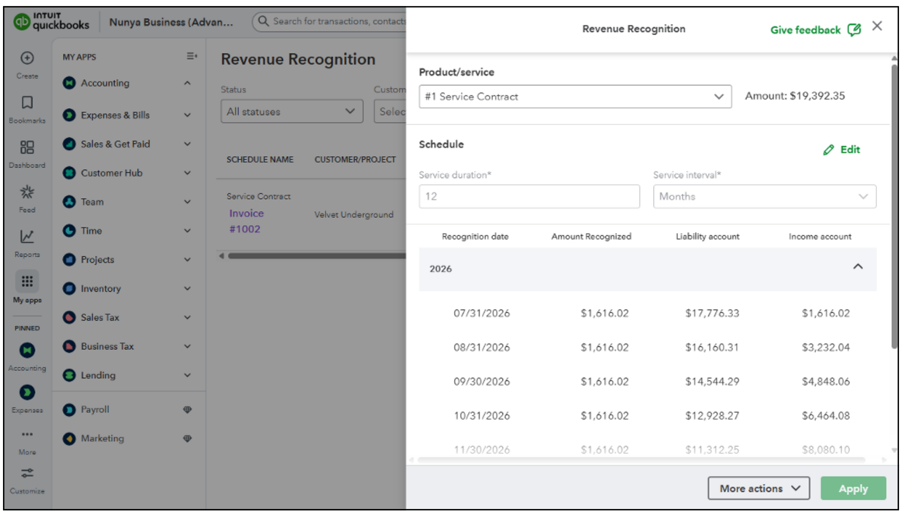


FIGURE 15-2: Revenue recognition schedule for a service item that has been invoiced.

Taming Chaos with Tasks and Workflows

Don't let the god-like features I've covered so far go to your head — you're still going to have to deal with mere mortals. The Tasks and Workflows features work together to help you transform order out of chaos — whether that chaos is overdue invoices, unapproved bills, or coworkers who "forgot" to follow up.

REMEMBER

Simple Start, Essentials, and Plus users see only a limited version of the Tasks feature — primarily high-level notifications, such as "*x* invoices need to be sent." Unfortunately, they don't live high enough on the mountain to access the Workflows feature, which remains the domain of Advanced users alone.

Tasks and Workflows can walk hand in hand, but they serve different roles in your quest for order:

- **Tasks:** Manual to-dos — perfect for assigning responsibility, setting deadlines, and keeping your mortal team accountable.
- **Workflows:** Automated rules that create tasks, send reminders or emails, update transaction fields, or route transactions for approval. No clipboard or stone tablet is required.

Let's start with Tasks, the hands-on half of this duo. Whether you're assigning a simple reminder or setting up a recurring to-do, creating a task is your first step toward divine order.

Creating and managing tasks

You can create a task from the Tasks task pane, which opens from the top right of the screen. Here's how:

1. **Choose Tasks at the top-right corner of the QuickBooks screen. If you see an Ongoing Tasks tab, click it.**

   The Tasks pane opens. Apparently, tasks didn't warrant a full screen.

2. **Click + Add Task.**
3. **Complete the Task Name and Description fields.**
4. **Choose a QuickBooks user from the Assign To list, and then update the Status option if needed.**

   Available Status options include Open, In Progress, Completed, and Blocked.

5. **Enter a due date, and then set a priority.**

   Available priority options include "-" (means meh, whenever), Low, Medium, High, and Urgent.

6. **Click Save to create the task.**

   The task appears on the assigned user's task list, as well as your company's task list.

In steakhouses, ordering something "Oscar style" means topping it with crab meat, asparagus, and bearnaise sauce — usually on a fancy steak like filet mignon. If you want to Oscar your tasks, consider these options:

- **Recur the task:** Toggle Recurring Task on and then establish a schedule.
- **Link existing transactions:** Click Link a Record, select one or more transactions, then click Link Records. Tasks can be linked to estimates, purchase orders, invoices, and bills.
- **Include attachments:** Click Add a Document, select an existing document or upload a new one, then click Attach.

Once you've assigned one or more tasks, click Go To Task Manager at the bottom of the Tasks task pane. This screen offers more granular filtering options and allows you to manage notification settings. Admin users can view tasks across the entire company, while most users will only see their own assignments.

If assigning tasks manually feels like herding cats, you'll be glad to know there's a more automated option. Enter the Workflow Automation feature, a built-in system for routing, reminding, and reporting — without your having to play air traffic controller. Icarus would be thrilled to see things running this smoothly.

Utilizing the Workflow Automation feature

The Workflow Automation feature acts as an automated tickler and routing system that can create tasks, send emails, and update the Memo field of certain transactions. The Workflow Automation screen offers dozens of prebuilt workflows, or you can chart your own course by building a custom workflow from scratch.

Before we dive into creating a workflow, here's a quick overview of what workflows can do:

- **Reminder:** Adds a task to your Task list, sends a nudge via internal or external email, or delivers a push notification to a QuickBooks user.
- **Notification:** Sends a customizable email but doesn't support CC/BCC or other reminder options like tasks or push notifications.
- **Send:** Emails a transaction form with support for CC and BCC fields.
- **Approval:** Routes a transaction through up to four levels of approval based on conditions you set — such as amount, location, or customer. The transaction doesn't post to your books until it's fully approved.
- **Update:** Automatically updates the memo field on certain transactions.
- **Scheduled Actions:** Automatically emails PDF versions of statements and reports on a set schedule.

Now let's walk through how to create or edit a workflow using the visual editor.

Editing or creating a workflow

Whether you're modifying a prebuilt template or building a new workflow from scratch, the Workflow Automation screen is your launching point:

1. **Choose Workflow Automation at the top right of the QuickBooks screen.**

   The Workflow Automation screen opens.

2. **Do one of the following:**

   - **Customize an existing template:** Type a name — such as Bank Deposit — in the Search by Template Name field. Then click the matching template, such as Set Bank Deposit Reminder.

     WARNING

     Some prebuilt workflows launch you into the visual editor shown in Figure 15-3. Others drop you into a guided questionnaire similar to Figure 15-4. There's no rhyme or reason. Just roll with whatever screen QuickBooks throws at you.

   - **Create a new workflow:** Click + Custom Workflow, and then choose a record type and an available action. Click Next to continue with the visual editor.

     REMEMBER

     You must select an option in the What Would You Like to Automate in QuickBooks dialog box, even if only one is available.

3. **Update the Name field if needed.**
4. **If available, update the Do This in QuickBooks section.**

   This section is typically locked in the visual editor but editable when using the questionnaire interface.

5. **Update the When This Happens section by adjusting the condition as needed.**

   If you're using the visual editor, click the Save button within the When This Happens box.

6. **Update the Do This section by fine-tuning the actions that occur.**

   If you're in the visual editor, click Save within the box.

   REMEMBER

   The Do This section may be labeled How Would You Like This Action to Happen in the questionnaire interface.

7. **(Optional) Add another condition by clicking the plus (+) icon in the visual editor or + Add Another Condition in the questionnaire-style setup.**
8. **Click Save and Turn On to activate the workflow; otherwise, click Save to keep your changes without activating the workflow.**

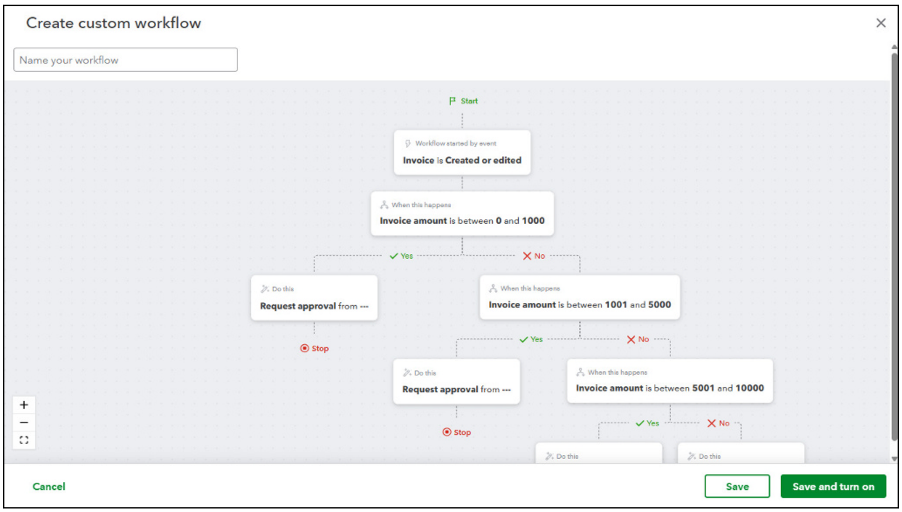


FIGURE 15-3: The Workflows visual editor.

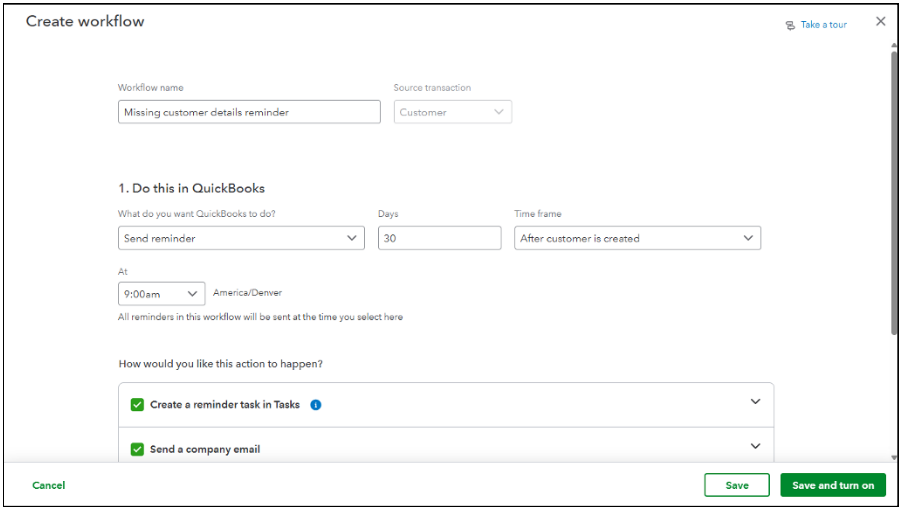


FIGURE 15-4: One version of the Workflows questionnaire.

Reviewing and managing workflows

The My Workflows tab lists your existing workflows and offers controls to edit, copy, delete, or temporarily disable them. You can also track changes using the History tab, which acts as an audit trail showing which workflows ran, when they were updated, and what their current status is. Clicking View in the Action column opens a task pane with additional details.

Things are looking good. Too good. And as every Greek hero learns, that's when the gods start messing with your routine.

Bidding Farewell to Expense Claims

The myth of Orpheus and Eurydice is a tale of trust — and a love lost. Eurydice died of a snakebite but was granted the chance to return to the land of the living, so long as Orpheus didn't look back at her while leading her out of the underworld. Tragically, he couldn't help himself. He glanced back, and — poof — Eurydice was gone.

Similarly, some hapless QuickBooks user must have looked the wrong way at the Expense Claims feature, because — poof — now it's gone too. Vanished. No warning. No "Thanks for the memories." Just a blank spot where a promising feature once stood — and users are left holding the receipts (literally).

Granted, it was marked "Beta," which, historically, meant "this thing is almost fully baked" — but clearly in modern times means "rely on this at your own risk." So, pour a cup of wine for the feature — Expense Claims, we hardly knew you.

Continuing Your Odyssey

Your time walking with the gods may be drawing to a close, but your journey's far from over, especially if you're managing companies with different subscription levels. Whether your tools are limited or your automation options are few, the chapters listed here chart alternative routes to help you reach the same destination by more hands-on means:

- **Custom fields:** Chapter 1 covers the glancing nod to this feature available to Simple Start users, while Chapter 8 covers some indulgences afforded to Essentials and Plus users.
- **Employee expense reimbursements:** Chapter 3 shows how to handle making your employees whole when they've spent money on your behalf.
- **Importing transactions:** If the Batch Transactions screen leaves you wanting, Chapter 7 shows how to import lists and transactions by way of CSV files and Excel workbooks.
- **Spreadsheet Sync:** Chapter 16 enables you to get down and dirty with creating and editing transactions, building custom reports, and budgets.
- **Journal entries:** Unfortunately, most journal entries can't just be handed off as cleanly as depreciation and revenue recognition can, so Chapter 22 covers ten common journal entries, including a manual version of a depreciation entry.

IN THIS CHAPTER

- » Launching the Spreadsheet Sync add-in
- » Creating and refreshing Excel-based reports
- » Adding and updating list records and transactions
- » Creating and syncing consolidated budgets

Chapter 16

Animating Your Data with Spreadsheet Sync

Think of Spreadsheet Sync as your backstage pass between QuickBooks Online and Excel. Once you install this add-in, you can build refreshable reports in Excel that stay linked to your QuickBooks data. No more copy/paste marathons or manually updating spreadsheets!

Most of Spreadsheet Sync's power is reserved for Advanced subscribers, but there's a twist: If at least one of your companies is on the Advanced plan, you can pull in data from companies on Simple Start, Essentials, or Plus to create consolidated reports. That means you can mix and match multiple company files into certain Excel reports.

And it doesn't stop at reporting. Spreadsheet Sync also lets you add or edit list records (think customers, vendors, and products), work with transactions, and even build or modify budgets right from Excel. It's like giving Excel a direct phone line to QuickBooks.

Ready to connect Excel with your QuickBooks data? Start by installing the free Spreadsheet Sync add-in for Microsoft Excel. Once it's set up, you'll be ready to create your first live, refreshable report.

Installing the Spreadsheet Sync Add-In

You must install the add-in on any computer where you plan to use Spreadsheet Sync. Here's how to set it up:

1. **In QuickBooks, choose Settings ➪ Spreadsheet Sync.**

   An instructions screen appears.

2. **Click Let's Go to begin the installation process. If prompted, choose Open Excel.**

   Your browser may ask you for permission to open Excel, or a file named `Spreadsheet Sync.xlsx` may simply land in your Downloads folder. If so, choose File ➪ Open in Excel to open it manually.

   REMEMBER

   On macOS, Excel might flash a warning that the file format and the extension don't match — something like `Spreadsheet Sync.htm might be corrupted or unstable`. Don't worry. You can safely click Yes to continue.

3. **Click Accept and Continue to grant the add-in permission to enhance Excel with additional functionality.**

   Once the add-in is installed, you'll notice a Spreadsheet Sync icon on the Home tab of Excel's ribbon.

4. **Choose File ➪ Close or press Ctrl+W (Windows) or Cmd+W (macOS), and then click Don't Save to close the installation workbook.**

   TECHNICAL STUFF

   A Spreadsheet Sync command should appear on the far-right side of Excel's Home tab. If it's missing in action, choose Home ➪ Add-ins, search for Spreadsheet Sync, and click Add to enable the feature manually.

Getting Your Bearings in Excel

Once installation is complete, you're ready to open a blank workbook and explore the Spreadsheet Sync workspace:

1. **Choose File ➪ New or press Ctrl+N (Windows) or Cmd+N (macOS) to create a blank workbook.**
2. **Choose Home ➪ Spreadsheet Sync to display the task pane shown in Figure 16-1.**

   You'll use this pane to perform nearly all Spreadsheet Sync–related tasks. Once you've established a connection to a company, you can also use the Spreadsheet Sync ribbon tab for quick access to certain commands.

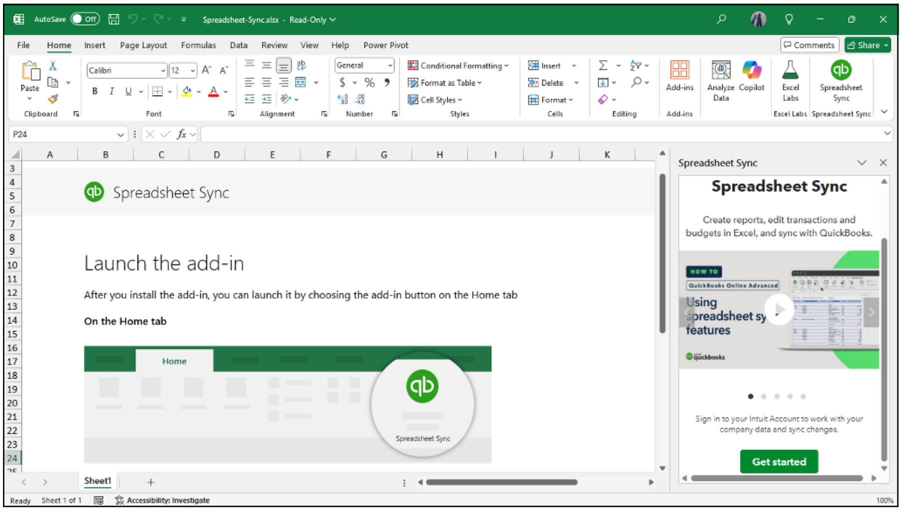


FIGURE 16-1: Spreadsheet Sync task pane.

3. Click Get Started to display the sign-in page.

If you're prompted to choose a company, make sure that it has an Advanced subscription — otherwise, you'll quickly get stopped in your tracks.

REMEMBER

The company picker shows every company tied to your user ID because Intuit uses the same selection screen across all QuickBooks Online products. Spreadsheet Sync itself works only with Advanced companies, though you can still include data from Simple Start, Essentials, or Plus companies when creating consolidated reports.

Tackling the task pane

Once you're authenticated, the top level of the task pane displays four main options:

- **Run Report:** Create refreshable Excel-based reports using data from QuickBooks.
- **Run Multi-Company Report:** Build consolidated reports using up to five companies. At least one must be on the Advanced plan; the others can be on any subscription level.
- **Create or Edit Records:** Add or modify list records (like customers and vendors) and certain transactions directly from Excel.
- **Create and Sync Budgets:** Build or revise consolidated Profit and Loss budgets in Excel.

TECHNICAL STUFF

The hamburger menu at the top-left of the task pane also includes a Group option for updating consolidated reporting groups.

Reviewing the ribbon tab

Once you're signed in and working with a Spreadsheet Sync workbook, the Spreadsheet Sync ribbon tab appears in Excel. It contains the following commands:

- **Group:** Displays the Company tab of the Spreadsheet Sync task pane to group two or more companies for consolidated reporting
- **Get Started:** Opens the Spreadsheet Sync task pane, just the same as clicking Home ➪ Spreadsheet Sync
- **Run Report:** Displays the Create a Report screen of the Spreadsheet Sync task pane
- **Refresh:** Syncs your Excel-based reports with the latest information from QuickBooks

  REMEMBER

  Spreadsheet Sync offers a snapshot of your financial reports in Excel that you can refresh manually — or automatically, if you enable the Auto Refresh option
- **Create or Edit Records:** Enables you to choose which table to list records or transactions from

Other commands relate to posting transactions, accessing help documentation, signing out of your QuickBooks company, and giving feedback on the feature to Intuit.

Creating Reports with Spreadsheet Sync

Most exports from QuickBooks to Excel are wooden — stiff snapshots in time that are useful once but quickly outdated. Spreadsheet Sync brings your data to life, turning those rigid reports into a data-driven Pinocchio by connecting Excel directly to your QuickBooks company. With just a click, you can refresh reports to reflect the latest activity — no more manual re-exports or copy/paste gymnastics.

Oh, but first, Geppetto wants you to prove that *you're* real.

Signing in to Spreadsheet Sync

Before you can start pulling the strings on your report, you'll need to prove that you belong on stage. Enter your QuickBooks credentials at the start of each work session:

1. **Activate the worksheet where you want to use Spreadsheet Sync.**
2. **Choose Home ➪ Spreadsheet Sync, and then click Get Started in the task pane.**
3. **Enter your QuickBooks Online credentials and then click Continue.**

   REMEMBER

   You remain logged in to Spreadsheet Sync until you close Excel. Accountant users will be prompted to choose their firm's name from a separate list.

4. **If prompted, select an Advanced company, and then click Next.**

   REMEMBER

   Don't be tempted by any Simple Start, Essentials, or Plus companies on the list. QuickBooks will cut the strings the moment you try to run a report.

Once you're allowed to enter the workshop, the What Do You Want to Do pane (shown in Figure 16-2) appears. It's your magical launchpad for all things Spreadsheet Sync. Think of it as your Blue Fairy, nudging you toward the right path and helping your reports come to life.

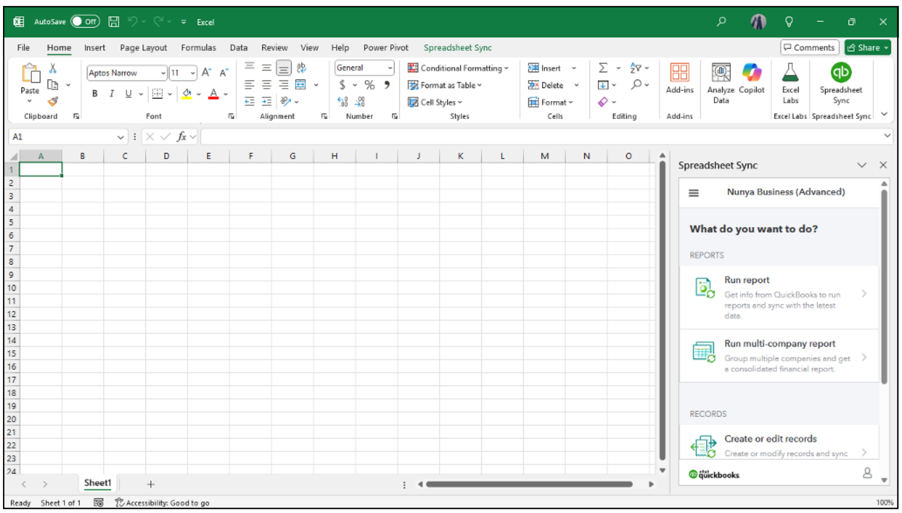


FIGURE 16-2: This is the starting point for every new Spreadsheet Sync report or task.

Running and refreshing reports

Now it's time to walk through the steps involved in creating an Excel-based report using Spreadsheet Sync:

1. **Create or activate a blank worksheet in Excel.**

   TIP

   If you overwrite a worksheet in Excel for Windows, choose File ➪ Info and click a time stamp under Manage Workbook to open a backup — if available. If you save to OneDrive, click the filename at the top, choose Manage Versions, and open an earlier copy.

2. **In the task pane, click Run Report.**
3. **From the Select Report, select a report, such as Profit & Loss, and then click Run Report.**

   The report now appears in your worksheet.

4. **Delete a few numbers or entire rows from the report.**
5. **In the task pane, click Refresh to update the worksheet.**

   Jiminy Cricket! The data reappears! Spreadsheet Sync pulled the latest values from your QuickBooks company file. It's not quite a live feed, but with each refresh, your once-wooden report gets a jolt of real-time sparkle — just enough to keep it dancing.

   TIP

   Click Refresh Selected Sheets at the bottom of the Spreadsheet Sync task pane to update multiple reports at once.

   TECHNICAL STUFF

   If the Spreadsheet Sync task pane starts reporting an error, such as `Cannot convert value to a valid value of the available options` — huh? — then saving and closing your workbook, exiting Microsoft Excel, and then opening your workbook again should clear up the issue. In the worst-case scenario, delete the affected worksheet(s) and create the reports again.

If you're comfortable building and refreshing reports, it's time to scale up. Think less handcrafted puppet, more data-driven Minions. You're headed for places Pinocchio could never have imagined. Before you go, here are a few parting pointers:

- **Returning to the main task pane:** Click Go Home in the Spreadsheet Sync pane.
- **Restoring the task pane:** In Excel, choose Home ➪ Spreadsheet Sync if the task pane isn't currently available.

- **Adding new reports:** Insert and activate a blank worksheet before bringing another report to life; otherwise, QuickBooks asks if you want to clear the data from an existing worksheet.
- **Adjusting report settings:** Use the General and Filters sections, and click Save New Filter to reuse your choices.
- **Customizing report layout:** Add or delete columns within your worksheet as needed, even in reports with fixed formats.
- **Managing worksheets freely:** Insert or remove worksheets within any Spreadsheet Sync workbook — no strings attached.

Consolidating multiple companies

Sometimes a one-person — er, one-puppet — show just isn't enough. You need an ensemble cast. Spreadsheet Sync lets you combine Profit and Loss, Balance Sheet, and Trial Balance reports from multiple QuickBooks Online companies into one grand performance. At least one company must hold an Advanced subscription, but the supporting cast include Simple Start, Essentials, or Plus companies.

REMEMBER

Your user ID/email address must be the same across all companies.

Cue the spotlight. Your financial theater awaits:

1. **Choose Run Multi-Company Report from the What Do You Want To Do page of the Spreadsheet Sync task pane.**

   Click Go Home if needed to return to this page.

2. **Fill in the Group Name field.**
3. **Accept the default currency of USD unless you want to run reports in another currency.**

   Oddly enough, the Multicurrency feature doesn't need to be turned on in QuickBooks.

4. **Check the boxes to add two or more companies to the group.**
5. **Click Save.**

   The Group field turns into a Select Company Group dropdown. Choose Add New Group from this list whenever you wish to form a new troupe.

6. **Choose a report from the Select Report field.**

   This sets the stage for your production.

7. **Adjust the staging as needed:**
   - **Filters:** Despite the name, this section isn't about narrowing by customer or class. Instead, you'll set broad criteria like cash vs. accrual and the date range.
   - **Comparative Periods:** Choose Week, Month, Quarter, or Year, and specify how many periods you want to compare.
   - **Use Advanced Formatting:** Control the look and feel of your final performance.
8. **Click Run Report to raise the curtain.**
9. **Click Go Home in the Spreadsheet Sync task pane to add more reports to your workbook.**

Creating management reports

The Management Report template adds three multi-period reports — Trial Balance, Balance Sheet, and Profit & Loss — to your workbook for a single Advanced company:

1. **Create or activate a blank worksheet in Excel.**
2. **From the Spreadsheet Sync task pane, choose Run a Report ➪ Template Gallery ➪ Management Report.**
3. **Click Clear Data if prompted.**

   Even a blank worksheet sometimes triggers this prompt, and the reports land on new sheets anyway. That's perfectly on-brand for QuickBooks.

Spreadsheet Sync adds four new worksheets to your workbook:

- **Notes and Controls:** Sets the parameters that control your reports.
- **Trial Balance — Multiple Period:** Starts out blank, ready for a multiperiod trial balance.
- **Balance Sheet — Multiple Period:** A blank multiperiod balance sheet awaits.
- **Profit and Loss — Multiple Period:** You guessed it: Another empty template, standing by. Call now.

Here's how to bring life to your reports:

1. **Activate the Notes & Controls worksheet, and then adjust the timeframe and comparative period parameters.**
2. **Optional: Choose a different company name from the Spreadsheet Sync task pane.**

   WARNING

   Avoid clicking Edit Filters. It only works with other reports and will break the management report set, forcing you to start fresh in a new workbook.
3. **Click Refresh Selected Reports at the bottom of the Spreadsheet Sync task pane.**

Adding and Editing Lists and Transactions

Spreadsheet Sync lets you create or update both list records (like vendors or accounts) and transactions (like invoices or journal entries) — all from Excel. The steps are nearly identical, so once you've mastered one, you've practically mastered them all.

Here's what you can work with:

- **List records:**
  - Vendors, Customers, and Projects
  - Chart of Accounts
  - Inventory Items, Non-Inventory Items, and Service Items
  - Employees
  - Classes and Departments

    REMEMBER

    Spreadsheet Sync refers to Locations (see Chapter 11) as Departments just to keep things spicy.
- **Transactions:**
  - Invoices and Bills (including Credit Memos and Vendor Credits)
  - Journal Entries
  - Expense and Sales Receipts
  - Time Activities
  - Estimates and Purchase Orders

Before you dive in, keep these caveats in mind:

- **Required fields aren't optional:** Transaction templates typically have multiple required fields. Pay close attention to the onscreen instructions. This isn't the time for trying your hand at improv.
- **There's no undo in QuickBooks:** Once you sync data, it's final. You *might* be able to undo changes in Excel before syncing. For transactions, you can sometimes void them with a second sync.
- **Large company? Set a date range:** When editing transactions for companies with lots of data or a long QuickBooks history, always choose a date range, or Spreadsheet Sync may freeze up on you.
- **Some rows won't cooperate:** Drop-down lists appear in certain columns (like Yes/No/Archive in the Post column). If they're missing, skip the gray row under the headers — it's locked — and start in the next row.
- **Payments live on the right:** Some templates include columns off to the right for recording invoice or bill payments. Don't overlook them.
- **Some templates let you attach worksheets:** If there's an Upload Sheet column, you can attach a supporting worksheet. Just make sure its name exactly matches the invoice or bill number. The Notes & Controls sheet has all the fine print.
- **Careless edits can create chaos:** Fixing one thing might break another — like misaligning payments and invoices. Read the warnings, study the template, and tread carefully.

After all that, are you still ready to post some records or transactions? Here's the play-by-play:

1. **From the Spreadsheet Sync task pane or ribbon tab, choose Create or Edit Records.**
2. **If you have more than one Advanced company, pick the one you want to work with.**

   If you have only one company, the field stays locked. And remember: QuickBooks won't let you edit or post transactions to Simple Start, Essentials, or Plus companies.

   TIP

   Need to do some data clean-up or a mass posting in a non-Advanced company? You can temporarily upgrade the subscription to Advanced, use Spreadsheet Sync to make your changes, and then downgrade again when you're done.

3. **Pick a category — like Vendors & Customers — from the Select Record Type list.**
4. **Pick an action:**
   - **Add records:** Choose Add New Records to QuickBooks.
   - **Edit records:** Choose Edit QuickBooks Records and Sync Back, and then adjust the filters as needed.
5. **Click Get Template.**

   A worksheet drops into your workbook, plus a Notes & Controls sheet packed with guidance and caveats.
6. **Fill in or edit rows as needed.**

   Some fields have dropdown lists that limit you to the choices on the list.
7. **Use the Post column to mark your changes:**
   - **Yes:** Syncs the record or transaction.
   - **No:** Skips the record or transaction.
   - **Archive:** Marks a record, such as a customer or vendor, as inactive in QuickBooks.
8. **Click Sync to QuickBooks in the Spreadsheet Sync task pane or Post to QuickBooks on the ribbon tab.**
9. **Click Sync to confirm.**

   QuickBooks will either notify you that the sync was successful, or it will provide a detailed listing of errors you must correct before you attempt the sync again.
10. **Optional: Click View Sync Details in the task pane to see a list of synced records.**

    Each entry links directly to the matching record or transaction in QuickBooks — for those who like to trust but verify.

Creating or Editing Consolidated Budgets

Chapter 12 walks through adding and maintaining budgets in Plus or Advanced companies. If you're using Advanced, you can also harness Spreadsheet Sync to build and update consolidated Profit & Loss budgets in Excel for the two prior years, current year, or any of the four subsequent years.

The steps for editing are nearly identical to creating, so both are combined here:

1. **Choose Create and Sync Budgets from the Spreadsheet Sync task pane.**
2. **Click either button:**
   - **Create New Budget:** Prompts you to name your budget and select a period.
   - **Edit Existing Budget:** Asks you to choose an existing budget.
3. **Click Set Up Budget or Next, depending on your choice in the previous step.**

   Two worksheets appear in your workbook:
   - **Notes & Controls:** Includes helpful entry notes and totals for budgeted revenue and expenses.
   - **Consolidated Budget:** This is where you complete your budget entries.
4. **Update the Consolidated Budget worksheet.**
5. **Click Sync to QuickBooks in the Spreadsheet Sync task pane to post your new or revised budget to QuickBooks.**

TIP

Need to redisplay the task pane? Choose Home ➪ Spreadsheet Sync.

Uninstalling Spreadsheet Sync

Spreadsheet Sync is likely to become one of your go-to tools, but you can remove the add-in from Excel at any time. Just remember that uninstalling it prevents you from updating any of your reports until it's reinstalled. Here's how to pull Spreadsheet Sync off the stage:

1. **In Excel, activate the Home tab, right-click Spreadsheet Sync, and then choose Remove Add-In.**
2. **Click Yes when the Remove Add-In prompt appears.**

   Spreadsheet Sync is removed from Excel.

Pulling More Strings

Spreadsheet Sync is a star performer, but it doesn't operate alone. If you're looking to expand your toolkit or explore related features that support or complement Spreadsheet Sync, these chapters are waiting in the wings:

- **Exporting reports:** Chapter 6 shows how to export static reports from QuickBooks to Excel, but since they're just snapshots, you'll need to export new versions each time your data changes.
- **Adding apps:** Chapter 7 spotlights other apps that are ready to steal the show for any subscription level, such as Flash Reports for QuickBooks (`www.finaticalsoftware.com`).
- **Using classes and locations:** Chapter 11 explains how to work with classes and locations (called departments in Spreadsheet Sync), which are essential for subdivided budgets and detailed reporting.
- **Creating subdivided budgets:** Chapter 12 shows how Plus or Advanced users can build budgets broken down by class, customer, or location.
- **Backing up your company:** Chapter 13 explains how to create and restore backups, though there are some important caveats. It may offer a safety net if your sync goes sideways, but it's not a guaranteed undo button.
- **Analyzing in Excel:** Chapter 20 offers techniques you can use with any subscription level to analyze and summarize QuickBooks data in Excel manually.
- **Automating with Power Query:** Chapter 21 walks through automating the transformation of exported QuickBooks reports, which is great for repeatable reporting, even if it's not a live connection.

5

QuickBooks Online Accountant Features

IN THIS PART . . .

Join ProAdvisor, set up your firm, manage clients, and expand your team.

Use Accountant and firmwide tools, manage charts of accounts, and build dashboards.

Manage client-related projects and tasks, send client requests, and notify your team.

IN THIS CHAPTER

» Opting into QuickBooks Online Accountant

» Setting up your firm's free Advanced subscription

» Building out your client list

» Expanding your team and assigning lead accountants

Chapter 17

Assembling Your Client and Team Roster

As the saying goes, "If you want to go fast, go alone. If you want to go far, go with others." Whether you're managing a handful of clients on your own or building a full-fledged practice, QuickBooks Online Accountant helps you go further by keeping your team and clients connected in one place. This free, cloud-based platform gives accountants and bookkeepers one-click access to client companies, built-in tools for cleaning up books, and a secure workspace for managing an accounting firm's own finances. It's designed specifically for professionals who support multiple clients and need efficient ways to switch between companies, collaborate with team members, and stay on top of firm-wide workflows. Think of it as your home field — a centralized hub where you can assemble your roster, assign roles, and run plays smoothly thanks to a single sign-on experience. And unlike the standard versions of QuickBooks Online, there's no charge for adding more users to your team.

This chapter begins by showing you how to opt into the free ProAdvisor program, which unlocks QuickBooks Online Accountant and empowers you to set up your firm's books using the included Advanced and Payroll subscriptions — both of which are free. From there, you build out your client list and internal team, assign access and administrative roles, and make the most of the tools designed to support your growing practice.

Joining Team QuickBooks

TIP

Rather than maintaining a set of user IDs and passwords for logging into and out of each of your clients' books, you should instead opt into the free ProAdvisor program. Doing so gives you access to QuickBooks Online Accountant, a unified platform that lets you work across all your clients' companies from a single login and unlocks a generous playbook of perks.

Opting into the ProAdvisor program

The ProAdvisor program provides the following benefits:

- **Free QuickBooks Online Advanced subscription:** Manage your firm's accounting records using the top-tier version of QuickBooks Online.
- **Free Payroll Elite subscription:** Process payroll, file tax forms, and access premium support with no added cost.
- **Free Time Elite subscription:** Track billable hours, manage projects, and integrate time data seamlessly into invoices and payroll.
- **Client subscription discounts:** Choose between retaining a discount as revenue for your firm or passing it along to the client.
- **Certification credentials:** Earn badges for QuickBooks Online, Payroll, and other products — great for marketing and skill development.
- **Free continuing education:** Access webinars, virtual conferences, and live events that offer continuing professional education (CPE) credits.
- **Practice management tools:** Use QuickBooks Online Accountant to access your clients' books from a single login, organize your clients, assign roles and tasks to your team, and streamline your workflows.
- **Access to QuickBooks Ledger:** Create low-cost companies for clients with minimal bookkeeping needs.

TIP

LEVERAGING QUICKBOOKS LEDGER

QuickBooks Ledger is a slimmed-down version of QuickBooks Online that's available exclusively to accountants. Think of it as a Simple Start subscription without customers or sales transactions. Subscriptions are $10/month or $120/year per client and are billed directly to accounting firms. Each Ledger company permits one Primary Admin user and two Accountant users. Primary Admin access can be assigned to a client who will have view-only access to the books. QuickBooks Ledger offers the following features:

- Automated bank feeds
- Bank reconciliation
- Financial statements and reports
- 1099 tracking
- Integration with tax preparation software

You can upgrade Ledger companies to Simple Start, Essentials, Plus, or Advanced at any time. The following types of clients are ideal candidates for this platform:

- Users of Excel spreadsheets or paper-based books
- Multi-entity companies with smaller business units
- Seasonal or infrequent transaction companies
- Trusts and estates
- Rental property owners
- Service businesses that don't track inventory

You can use all the accountant tools that I discuss in Chapters 18 and 19 with Ledger companies. In short, QuickBooks Ledger is intended to be a low-cost accounting solution for companies that have minimal accounting needs and simply don't want to pay a lot for accounting software.

The ProAdvisor program includes certification paths for QuickBooks Online, Payroll, and Advanced Online. QuickBooks Desktop certification is available for those who purchase the desktop bundle.

To join, visit `quickbooks.intuit.com/accountant` and click Sign Up for Free. No documentation is required; Intuit takes you at your word that you're an accounting professional. After completing the registration process, you land on the QuickBooks Online Accountant home screen, which is composed of tools and navigation areas that support both your firm and your clients. Here's what to expect:

- **Your Practice section:** Access your client list, team members, and ProAdvisor resources.
- **Your Books section:** Access your firm's QuickBooks company.
- **Sidebar menu:** Switch between client and firm tasks using gray (firm) or black (client) backgrounds (as of this writing).

- **Create:** Generate transactions within your firm's or client's books, depending on context.
- **Accountant Tools menu:** Access features like Reclassify Transactions and Write Off Invoices (covered in Chapter 19).
- **Bookmarks and App Center:** Pin commonly used screens and browse apps installed in each company.

To return to QuickBooks Online Accountant at any time, head to `qbo.intuit.com` and sign in with your Intuit credentials. Both accountants and clients use the same login screen; QuickBooks routes you to the appropriate experience based on your role.

For now, I'll focus on how to set up your own firm's books using the free Advanced and Payroll subscriptions included with the ProAdvisor program.

Establishing your firm's books

Your free QuickBooks Online Advanced subscription is accessed through the Your Books section of the sidebar. This company file is designed specifically for your firm — not for a client or one of your client's subsidiaries. It's where you record your own revenue, expenses, and payroll activity using the same tools your clients rely on — along with many of the techniques covered earlier in this book.

Keep the following caveats in mind when working in Your Books:

- **Limit use to your firm's activity:** Don't use Your Books for client records or side businesses. Each entity needs its own QuickBooks company.

- **Clients appear as customers by default:** Every client you add to your practice in QuickBooks Online Accountant automatically appears as a customer in Your Books.
- **Team members aren't added as employees:** You need to manually add your firm's staff to the payroll system if you plan to use it.

TECHNICAL STUFF

If you're currently using QuickBooks Desktop, you can import your data into Your Books as many times as needed during your first 1,060 days. Just keep in mind that each import overwrites whatever is already there. Your clients, by contrast, have only a 60-day import window.

Whether you're working solo or managing a team, the first step after setting up your firm's books is adding the clients you serve. You can always invite team members later as your practice grows.

Tracking time with QuickBooks Time

If you're looking to track how much time your team spends on client work or internal projects, you'll find a new tool hanging in your digital locker room: the Time screen in QuickBooks Online Accountant. This feature connects with QuickBooks Time Elite, letting your firm log hours by team member, client, and project without relying on sticky notes, guesswork, or third-party apps.

Logging time

To get started:

1. **Choose Time ➪ + Add Time.**
2. **Choose the team member, assign the time to a client (or My Firm for internal work), and fill in the date, time, and description.**
3. **Mark the time as billable if appropriate.**
4. **Click Save.**

You can review time entries by employee, client, or project using filters at the top of the screen. It's a handy way to see who's doing what and how long it's taking.

Billing clients for team time

If you've marked a time entry as billable and assigned it to a customer in your firm's books, you can pull that time directly onto an invoice. Just create an invoice for that customer, and QuickBooks will offer to add any unbilled time entries. This setup lets you both track hours and bill clients accordingly. For a deeper dive, head to Chapter 9.

Adding time to paychecks

If your firm uses QuickBooks Payroll, QuickBooks Time entries can also be imported into payroll runs as long as:

- The employee is hourly (or otherwise eligible).
- Time tracking is enabled in their profile.
- The time entry falls within the current pay period.

QuickBooks will let you import hours from QuickBooks Time when running payroll. That means one time entry can serve two purposes: tracking billable work and generating paychecks.

TIP

To turn on time tracking and adjust settings like billable defaults, head to Settings ➪ Account and Settings ➪ Time. For the full setup guide, visit `intuit.me/timetracking-setup`.

Adding, Editing, and Removing Clients

QuickBooks Online Accountant lets you build your client list in three ways:

- **Add and initiate a new subscription:** For clients new to QuickBooks or existing clients who need a new, separate company file
- **Add without a subscription:** For tracking prospective clients or leads
- **Accept a client invitation:** When an admin from an existing QuickBooks company invites you to join as their accountant

REMEMBER

Each QuickBooks Online company can have up to two accountant users at no additional charge.

The following sections walk you through each method in more detail so that you can choose the best approach based on your client's situation.

Adding clients to your practice

Whether you're setting up a new QuickBooks subscription or simply adding a prospective client to your list, the process starts in the same place. You can initiate subscriptions for Simple Start, Essentials, Plus, Advanced, or Ledger — or you can skip the subscription step entirely and just keep the client on your radar.

REMEMBER

In days of yore, QuickBooks Online Accountant allowed you to permanently delete clients. In an ironic twist, that option has been permanently deleted. Now if you add a client to your list, your only choice is to mark them as inactive. There's no way to erase all traces of their existence.

Follow these steps to add a client to your roster:

1. **Choose Clients from the sidebar.**

   The Clients screen opens.

2. **Click Add Client.**

   The Add Client screen opens.

3. **Select Business or Individual.**
4. **Enter the name and email.**
5. **(Optional): Provide additional company info (address, phone, website).**
6. **(Optional) Choose any team members who should access the company.**

   If this feels like a chicken-versus-egg situation since you haven't added your team yet, don't worry. A later section walks through setting up team access, and you can update this lineup at any time.

7. **If you want a subscription, choose Yes, and then select a billing option; otherwise, choose No.**

   The current slate of billing options include:

   - **ProAdvisor Discount:** Subscriptions are billed to you immediately, in exchange for a permanent 30 percent discount on QuickBooks Online. You make the call on keeping or sharing the savings when you invoice your clients.
   - **Direct Discount:** A free 30-day trial is followed by a temporary 30 percent discount for 12 months.

- **Revenue Share:** If you opt into the free Revenue Share program, Intuit pays you 30 percent of the amounts billed to your client for the first 12 months, along with 15 percent of employee fees. A free 30-day trial is followed by a 50 percent discount for three months.

REMEMBER

To secure the initial savings offered for the Direct Discount and Revenue Share options, your clients must choose Settings ➪ Billing during the trial period and provide a method of payment.

8. **Click Save if you chose not to add a subscription; otherwise, click Next.**

   The remaining steps apply only if you're setting up a new subscription.

9. **Select a QuickBooks subscription level (Advanced, Plus, Essentials, Simple Start, or Ledger) and click Next.**

   TIP

   See the "Leveraging QuickBooks Ledger" sidebar earlier in this chapter to learn about QuickBooks Ledger.

10. **Optional: Add Payroll, Contractor Payments, or Time subscriptions.**

11. **Optional: Click Make Me the Primary Admin.**

    You can transfer primary admin rights between you and your client at any time.

    TIP

    The Make Me the Primary Admin checkbox doesn't appear on the screen until you select a subscription level.

12. **Click Place Order.**

    The company is created and appears in the list of companies on your Clients screen, although you may need to refresh the browser page or log out and back into the Accountant version.

REMEMBER

You have up to 180 days to import your client's data from QuickBooks Desktop when you initiate a subscription in the Accountant version. Conversely, clients who initiate their own subscription have only a 60-day window. Data can be imported as many times as needed during the respective windows. Each new import replaces existing QuickBooks Online data.

Adding a subscription to an existing client

If you've already added a client without a subscription, you can attach one later by following these steps:

1. **Click Edit Client for the client you want to update.**
2. **Scroll down to the Product section, select Yes, Add a Subscription, and then click Next.**
3. **From there, carry out Steps 9 through 12 listed in the previous section.**

Accepting client invitations

Admin users who want to grant an accountant access to their company can carry out the following steps:

1. **Choose Settings ➪ Manage Users.**
2. **Click the Accounting Firms tab.**
3. **Provide an email address and then click Invite.**

   The Accounting Firms tab of the Manage Users screen reappears, showing the email address with a status of Invited. Your clients can click Resend Invite from this screen if needed.

In turn, you (the accountant) click Accept Invitation in the invitation email to open the Accountant version login screen, choose an accounting firm, and then click Continue. The new client then appears on the client list. Email confirmations are sent to the client and accountant confirming that the invitation was accepted.

Managing your client list

You're in control of your client list. Here are a few ways to make refinements:

- **Customize client list:** Use the buttons and dropdown lists above the list to show all clients, for example, or only the QuickBooks Payroll clients in your list. Use the Customize command to determine which columns appear on the screen and whether to hide or display inactive clients.
- **Display or hide inactive clients:** Click Customize on the clients screen, and then turn the Hide Inactive Clients option on or off.
- **Marking clients as inactive:** Choose Make Inactive from the Edit Client dropdown menu next to their name, and then confirm the prompt.
- **Reactivating clients:** Display inactive clients, and then choose Make Active from the Edit Client dropdown menu.

Once a client is on your list, the next step is gaining access to their books and streamlining the repetitive tasks you handle for them.

Getting Oriented in QuickBooks Online Accountant

Historically, QuickBooks Online used a command-based sidebar that changed colors in QuickBooks Online Accountant like a chameleon:

- **Light gray:** You're in your firm's books or managing your practice, so actions like creating a transaction or journal entry apply to your firm's books.
- **Black:** You're inside a client's company; the same actions apply to the client's books.

Here's the thing about chameleons: They adapt. At the time I'm writing this, Intuit hasn't revealed exactly how the Accountant sidebar will evolve, so by the time you're reading this it may look different. What won't change is the intent. You'll still see some kind of visual cue to keep you aware of whether you're in your client's books or your own.

Accessing clients' books

Many of your clients are likely to have a single QuickBooks subscription, but those who have two or more companies can switch between them by choosing Settings ➪ Switch Company. This command is available to you as well, but it's not how you'll typically access your clients' companies.

The Accountant version provides single sign-on access to all of your clients' companies. This means that once you log in, you can jump into any set of books directly without reentering credentials. You and your clients retain read-only access to canceled companies for one year after the subscription ends. Subscriptions can be reactivated at any point — even after the read-only window closes. Intuit is always happy to take your client's money again.

Here's how to navigate between sets of books:

- **Opening a company:** Use either approach:
  - **QB Logo:** Click the QB icon to the left of any name in the Client/Contact list on the Contact screen. Hover over the icon to display the current subscription plan or cancellation status.
  - **Go to the QuickBooks dropdown:** Choose a company name from the list.

» **Switching companies:** Once you're inside a client's books, the Go to QuickBooks dropdown updates to show the client's company name, still allowing you to easily switch to another company or choose Back to Practice to return to your client list.

» **Logging out:** To sign out entirely, click the button with your first initial in the upper-right corner and choose Sign Out. Doing so exits you both from the Accountant version and any client company you're working on.

WARNING

Make sure that you sign out *before* closing the QuickBooks browser tab. In Google Chrome, anyone with access to your keyboard can click More Actions, choose History, and then choose QuickBooks from the Recently Closed screen to return to your practice or any client's books without providing credentials.

Working in multiple windows

Sometimes one QuickBooks window just isn't enough. Maybe you're reconciling accounts and need the register open in one tab and a report open in another. Or maybe you're comparing two client companies side by side. Fortunately, you have a few ways to multitask like a pro.

» **Open multiple tabs within a single company:** In most browsers, you can right-click a tab and choose Duplicate from the shortcut menu.

» **Work in multiple companies at once:** Opening another browser tab won't cut it if you need to work in two client companies — or your own firm's books and a client's — at the same time. QuickBooks doesn't allow more than one company to be open per browser profile. Instead, use a different browser (such as Chrome or Firefox), or create a second browser profile (see Chapter 23).

» **QuickBooks Online Desktop App:** Windows users can choose Settings ➪ Get the Desktop App to download an app that allows Accountant users to:

- Open multiple QuickBooks companies simultaneously.
- Open multiple windows *within* each company.
- Access any client, regardless of their subscription level.

Clients with Advanced subscriptions can also install the app, but it's especially useful for accountants managing many sets of books at once.

Now that you know how to juggle multiple companies and windows, it's time to look at how to transfer control of a company when needed — specifically, how to hand off or reclaim primary admin rights.

Transferring Admin Rights

Each QuickBooks Online company has one primary admin user — a superuser full access. Transferring primary admin rights is useful when you want to give your client full control or take over admin responsibilities yourself. As discussed in Chapter 8, primary admin users can designate one or more company admin users with similar permissions. Accountant users have company admin rights to a company unless they've been promoted to primary admin.

REMEMBER

The primary admin can relinquish their role, but no other user — including accountants or company admin users — can force a transfer. So go ahead and abandon any fantasies of staging a coup.

Here's how primary admin rights can be transferred:

- **From client to accountant:** Clients wishing for you to hold the keys to the kingdom can do the following:

  1. **Choose Settings ➪ Manage Users ➪ Accounting Firms.**
  2. **In the Action column next to the user's name, choose Make Primary Admin.**

     A message appears explaining that only one user can serve as the primary admin, and transferring the role will downgrade your access to company admin.
  3. **The equivalent of an "Are you sure?" prompt appears, from which your client clicks Make Primary Admin.**
  4. **A message confirms that you've been invited to be the primary admin.**

     You'll receive an email titled with your client's company name and the phrase "Account Privileges Granted." Click the link to accept, verify your Intuit account, and voilà — primary admin rights are transferred, and your client is notified automatically.

     REMEMBER

     QuickBooks doesn't display any in-app indication that a transfer of admin rights has been initiated.

- **From accountant to client:** You can reassign primary admin rights to a user designated as a company admin:

  1. **Access your client's books via the Accountant version.**
  2. **Choose Settings ➪ Manage Users.**

3. **Choose Make Primary Admin from the dropdown menu in the Action column next to the user's name.**
4. **Choose Make Primary Admin from the Action column.**

   A message explains that only one user can serve as the primary admin, and transferring that role downgrades your access to admin.
5. **Click Make Primary Admin to confirm the transfer; otherwise, click Cancel.**

   An automatic email invites your client to become the new primary admin. When they accept, QuickBooks confirms the successful transfer. You'll also receive a notification that the change is complete. Going forward, your role is the company admin.

Setting Up Your Team

Whoever sets up the Accountant version for your firm becomes the primary administrator and can add as many team members as needed. Each team member brings their own credentials to the lineup — and you control who plays which position. Prebuilt and custom roles for firm access are covered in Chapter 13. All team members can use the Accountant tools discussed in Chapter 18 and selected workflow tools in Chapter 19.

Adding users

The primary administrator — or user with full-access rights — can add new team members as follows:

1. **Choose Team ➪ Add User.**

   The Add a New User screen opens.
2. **Enter the new user's name and email address.**
3. **Choose a role from the Access to Your Firm's QuickBooks field.**

   Choose Standard No Access for team members who should not have access to the firm's books.
4. **Under Access to Your Client's QuickBooks, select one or more clients.**

5. **Click Assign Access.**

   The Assign Access task pane opens.

6. **Select a role from the list, and then click Save.**
7. **Scroll down and click Send Invitation.**

   The new user is added to your team and assigned the status of Invited. Once the user accepts the invitation, their status changes to Active on the Team screen.

Team members who already have QuickBooks Online credentials can click Accept Invitation in the email. New users click Create Account to register and log in. Users with limited access will see an error if they try to open restricted areas — and they won't see the Team or Apps commands in the sidebar.

Removing users

QuickBooks Online generally uses the word *delete* loosely. Deleting a customer or account only makes them inactive. However, just to keep you on your toes, a handful of features actually physically remove items from your books, such as team members.

WARNING

Think twice before deleting team members because they don't go in inactive status but instead vanish entirely — like that client who swore they were just about to fill out their tax return organizer any day now.

The primary administrator — or user with full-access rights — can remove team members as follows:

1. **Choose Team.**

   The Team screen opens.

2. **Click Edit ➪ Delete next to the user you want to remove.**
3. **Confirm the prompt.**

   The user is deleted.

REMEMBER

   You can add deleted team members back to your line-up at any time by carrying out the actions in the previous section.

Assigning lead accountants

Lead accountants serve as the primary point of contact for a client and typically oversee day-to-day bookkeeping. Think of them like team captains — they're the go-to for day-to-day plays. You can promote any member of your team to lead accountant in one of three ways:

- **Client invitation:** When a client invites an accountant, the team member who accepts the invitation is designated as the lead accountant.
- **Company creation:** When a firm member creates a client company in the Accountant version, they become the lead accountant by default.
- **Reassignment:** Click Edit Leads in the Actions column of the client's page, and then apply your picks in one of two ways:
  - **Individually:** Use the Lead dropdown lists to change the lead for one client at a time, and then click Save.
  - **As a group:** Select the checkboxes for multiple clients, and then click Assign To and choose the new lead, followed by Save.

REMEMBER

The lead accountant role is automatically reassigned to the primary administrator when you remove a user who was serving as the lead for one or more clients.

Staying On or Leaving the Field

Now that your team is ready, you can either stay on the field — working in QuickBooks Online Accountant — or head into a client's company (or your own) to get down to business. Here's where you might go next:

- **Customizing roles and permissions:** Chapter 8 shows what's possible in Essentials and Plus companies, while Chapter 13 covers the expanded capabilities in Advanced.
- **Accountant tools:** Chapter 18 highlights approaches that'll have your clients gasping, "How'd you do that?"
- **Managing tasks and workflows:** Chapter 19 keeps you on top of every play, every day — no circles or arrows required.

IN THIS CHAPTER

» Navigating the Accountant Tools menu

» Importing and standardizing chart of accounts

» Building dashboards in the Performance Center

» Accessing firmwide tools in the Your Practice section

Chapter 18

Overhauling Books with Accountant Tools and Templates

Have you ever thought about how much accountants and mechanics have in common? In both, you work behind the scenes to keep things running smoothly. You spot problems others miss, patch up what's broken, and make judgment calls that can save your clients a whole lot of trouble down the road. And when everything's humming, nobody notices, but when things fall apart, you're the first call.

This chapter walks you through the Accountant Tools that help you clean up even the messiest sets of books — no eraser needed. Whether you're undoing reconciliations gone wrong, reclassifying transactions in bulk, or writing off invoices that will never be paid, these tools help you get in, fix what you can, and make a graceful exit — hopefully without scraping your knuckles along the way.

This diagnostic manual also explores how to streamline month-end reviews, dig into lesser-known Accountant Tools, import and standardize charts of accounts using templates, build visual performance dashboards, and tap into firmwide and accountant-only screens your clients can't access. Ready to lift the hood and start tuning?

Grabbing the Right Tool for the Job

Every good mechanic has a main drawer — the one where the go-to tools live. That's exactly what the My Tools icon or Accountant Tools button is in QuickBooks Online: a sturdy, always-accessible drawer that holds your fastest cleanup gear.

Most of the tools appear only when you're in a client's books, where they're designed to help you reclassify transactions, write off invoices, troubleshoot balances, and get things in shape before period-end.

I'll start with the tools that simplify high-leverage, high-urgency fixes.

Undoing reconciliations

Chapter 5 explains how certain asset, liability, and equity accounts can be reconciled. Minor mistakes in a reconciliation may just leave a smudge. But if your client has left one tire hanging off the lift, you've gotta back the vehicle out and try again. Only accountants get the keys to this baby.

TECHNICAL STUFF

If your client says to you, "Wait a second; I used to be able to undo a reconciliation," they probably could have — in QuickBooks Desktop. Those were the days, my friend. We thought they'd never end.

Fortunately, QuickBooks Online Accountant gives you the power to undo reconciliations — as long as you know where to find the option:

1. **Choose My Tools ➪ Reconcile or Accountant Tools ➪ Reconcile.**

   The Reconcile tab of the Accounting screen appears, the same as if you'd chosen Settings ➪ Reconcile.

2. **Click History by Account.**

   The History by Account screen appears.

3. **Choose an account whose reconciliation you want to undo.**

   A list of completed reconciliations for that account appears.

4. **In the Action column, next to the most recent reconciliation, click the dropdown arrow and choose Undo**.

   Your clients can only dream of getting their hands on this particular tool. Not that you would — but you could *charge* accordingly. . .

5. **Review the warning prompt, and click Yes to proceed (or Go Back to abort).**

   REMEMBER

   Undoing a reconciliation only reverses the changes made during the reconciliation process. Any transactions reconciled directly within a register or any manual actions performed outside the reconciliation will remain unaffected.

Once the big missteps are rolled back, it's time to fine-tune the books. Reclassifying transactions helps you put things where they actually belong — no breaker bar required.

Reclassifying transactions

Think of the Reclassify Transactions tool like the slots in a socket wrench set: Every transaction has a correct place, and once it's sorted, you won't have to squint at the sizing again. The tool allows you to change:

- **Accounts:** Don't even get me started on how your clients see the word *Category* on transaction forms instead of *Account*, but here, you can move activity to the correct account in any QuickBooks subscription.

  REMEMBER

  You can only reclassify accounts that were entered directly in the Category field on a transaction. If an account came through a product or service, it stays put.

- **Classes and Locations:** Chapter 11 shows how to turn on and use these fields in Plus and Advanced companies — and yes, you can clean those up here, too.

  WARNING

  You're allowed to reclassify transactions for any period, regardless of the closing date, so be careful.

In short, you no longer have to crawl through the ledger with a flashlight. Even better, your fingernails are free from grease — unless those are potato chip crumbs in your keyboard. If so, grab a can of compressed air and blast 'em out like you're cleaning a carburetor. As you can see, I'm a full-service author.

Follow these steps to reclassify transactions:

1. **Choose My Tools ➪ Reclassify Transactions or Accountant Tools ➪ Reclassify Transactions.**

   The Reclassify Transactions screen appears.

2. **Choose Profit and Loss or Balance Sheet from the Account Types list.**
3. **Choose Accrual or Cash as the reporting basis.**
4. **Select an account to display its transactions for the specified period.**
5. **Optional: Refine the transaction list by adjusting the date range and applying filters, and then click Find Transactions.**
6. **Select one or more transactions from the list, and then click Reclassify.**
7. **Change the account, class, or location for the transactions, and then click Apply.**

Give your rag a good shake. Your work is done here, unless there are invoices you still need to write off.

Writing off invoices

Some jobs are thankless, and this one's near the top. Nobody cheers when you write off an unpaid invoice, but it's a critical part of cleanup — and one that only accountants can do with just a few clicks. Think of it as draining the gunk so your reports don't clog up with ancient receivables.

WARNING

The Write Off Invoices feature adjusts the period in which the transaction was originally created, which can negatively affect closed periods. See the "Writing Off Bad Debt" section in Chapter 2 for a safer — but more tedious — way to handle write-offs without disturbing a prior period. It brings to mind the famous oil well firefighter Red Adair, who used to tell clients, "I can do it fast, I can do it right, or I can do it cheap. You can only pick two."

Given that invoices needing write-offs often fall in a prior tax year, I'll remind you again: Write Off Invoices makes the change *back then,* not in the current period. If you're sure you won't be shearing off a bolt, here's how to proceed:

1. **Choose My Tools ➪ Write Off Invoices or Accountant Tools ➪ Write Off Invoices.**

   The Write Off Invoices screen opens.

2. **Refine your search:**

   - **Invoice Age:** Choose over 120 or 180 days, the prior accounting period, or a custom date range. The To Date field updates automatically based on your selection, but you can overwrite it if needed.
   - **Balance Less Than:** Enter the maximum amount you want included. Only invoices below this threshold will appear.

3. **Select one or more invoices, and then laugh maniacally before you say "Wipe out" — er, click Write Off.**

   If you're thinking, "What is this guy talking about?" look up The Surfaris on Spotify. You're welcome.

4. **Choose the offset account — typically an expense like Bad Debt — and click Apply.**

Wrapping up the month

This next set of tools will help speed up your monthly multipoint inspection of your client's books:

- **Voided/Deleted Transactions:** Filters the Audit Log to show only voided or deleted transactions in the current month.
- **Reports Options:** Setting the default date range and reporting basis, plus viewing the closing and reconciliation status — pretty dang handy if I do say so myself.
- **Reports:** Displaying the standard Reports screen — same result as choosing Reports from the sidebar.
- **Journal Entry:** Opening the Journal Entry form directly — no need to remember which column Journal Entry hides in within the Create menu.
- **Close Books:** Locking down a reporting period so no one can make changes — accidental or otherwise — to data that's already been finalized. It's like putting a wheel clamp on prior accounting periods: They're not rolling anywhere unless someone has the key.

  Here's how to bolt the books down:

  1. **Choose My Tools ➪ Close Books or Accountant Tools ➪ Close Books.**

     Or use the option in the lobby: Settings ➪ Advanced ➪ Accounting.

  2. **Toggle Close Books to On if it isn't already.**
  3. **Set the Closing Date — typically the last day of the month, quarter, or year.**

4. **Decide whether changes to closed periods require a password or just a warning.**

   If you care at all about your blood pressure, go with the password option. Trust me.

5. **Click Save, and then click Done.**

   It's just as satisfying as closing a hood, but you must figure out your own way to go *thud*.

Wait, what was that clank? Must've been another accountant tool tossed in the bottom. Time to pull the drawer all the way out and see what's rattling around down there.

Digging through the bottom drawer

Here's what's tucked beneath the main drawer tools. They're still useful, even if they don't get the spotlight:

- **Client Requests:** Displays a list of information you've requested from clients — or that they've requested from you (covered in Chapter 19). This only appears when you're in a client's books.
- **Notes:** Lets you jot down client-specific notes and choose whether they're visible to your team or just to you. It's perfect for when you need to let off steam in a safe, quiet fashion. "Dear diary, can you believe . . ."
- **Prep for Taxes:** A hub for year-end work that includes document storage, review tools, tax mapping, and export options.

Importing and Standardizing Charts of Accounts

Whether you're setting up a one-off import or creating a reusable template for future clients, QuickBooks gives you the flexibility to load in exactly what you need — no more wrestling with default charts of accounts that are "based on your client's industry." This section walks you through both importing a chart you've already built and standardizing setups across multiple clients using templates.

Exporting and importing charts of accounts

Let's play good news/bad news:

- **Good news:** You can export your chart of accounts from QuickBooks.
- **Bad news:** The exported file isn't in a format you can immediately reimport. You must roll up your sleeves and do a bit of reformatting first.

Still, if you're occasionally spinning up new companies, this approach saves time over starting from scratch, and it may be the only option for users who don't have access to the Accountant version's templates covered in the next section.

To export an existing chart of accounts:

1. **Go to Settings ➪ Chart of Accounts.**

   The Chart of Accounts screen opens.
2. **Click Run Report in the upper-right corner of the screen.**

   An Account List report opens.
3. **Click Export, and then choose Export to Excel (or PDF if you just need a reference).**

I can already hear your next question: "What does the import file need to look like?" Glad you asked. There's a template for that. (Just to clarify, this is *not* the same as the reusable COA templates I cover shortly.)

Here's how to create an import template for your chart of accounts:

1. **Go to Settings ➪ Import Data.**
2. **Choose Chart of Accounts from the Select Record Type list, and then click Next.**

   The Import Accounts screen opens.
3. **The next step depends upon your choice of spreadsheet:**
   - **Excel:** Click Download a Sample File.
   - **Google Sheets:** Click Preview a Sample.
4. **Update and save the template, which has four columns:**
   - **Account Number** (optional)
   - **Account Name**

TECHNICAL STUFF

To import subaccounts, use the format Parent:Subaccount.

- **Type** (one of the built-in QuickBooks account types)
- **Detail Type** (a required subtype)

TIP

To view permissible Type and Detail Type options, choose Settings ➪ Chart of Accounts ➪ New Account to open the New Account task pane.

When you're ready to import your chart of accounts file:

1. **Go to Settings ➪ Import Data.**
2. **Choose Chart of Accounts, and then click Next.**

   The Import Accounts screen opens.
3. **Click Browse or Connect to locate your import file.**

   TECHNICAL STUFF

   If you're importing from Google Sheets, QuickBooks will prompt you to sign in to your Google account and grant access. Make sure your chart of accounts file is saved in your Google Drive and that your QuickBooks login has permission to access it. Once connected, you can select the file directly from your Drive without downloading it.
4. **Click Next.**

   The mapping screen opens.
5. **Confirm that your columns are mapped correctly, and then click Next.**

   A preview of the accounts to be imported appears.
6. **Deselect any accounts you don't want to bring in, and then click Import.**

   QuickBooks displays a confirmation screen showing how many accounts were successfully imported.

Building chart of accounts templates

Customizing a chart of accounts is like setting up your own lift bay — everything right where you expect it, whether you're working on a service-based firm or a product-heavy shop. QuickBooks Online Accountant lets you standardize that setup across clients using COA templates. Think of it as locking in your favorite wrench sizes before the work even begins.

TIP

You can edit chart of accounts templates at any time, so you don't need to finish the setup in one sitting. You can also refine your templates on an ongoing basis.

Creating or importing templates

Here's how to build a new chart of accounts template directly in QuickBooks:

1. **Choose My Tools ➪ COA Templates or Accountant Tools ➪ COA Templates.**

   The Chart of Accounts Template screen opens.

2. **Click Create New Template.**

   The Create a Chart of Accounts Template screen opens.

3. **From here you have two choices:**

   - **Industry-based list:** Select an industry from the list, and then click Next.
   - **Roll your own:** Scroll down and click the easily overlooked Create a Custom Template command.

   Either way, the Create New Template screen opens.

4. **Update or complete the Template Name field, and then add or edit accounts.**

   Toggle Account Numbers on if needed, and then fill in the Account Name, Type, and Detail Type fields.

5. **Click Save when the template is complete.**

   The new template appears on the Chart of Accounts Template screen.

The following additional commands are available when establishing chart of accounts templates:

- **Parent Account:** Creates a blank row for a parent account. Scroll down to find this if needed.
- **Sub-account:** Creates a blank row for a sub-account.
- **Delete:** Removes an account from the chart of accounts.
- **Duplicate:** Copies an account from the chart of accounts.

The Chart of Accounts Templates screen also allows you to import templates, but it doesn't provide a direct link to the required format. The import file needs five columns:

- Account Number
- Account Name

- Type
- Detail Type
- Description

  TIP

  In typical QuickBooks bizarro fashion, you must include the Description column in the template, but you can't actually import it. So, just leave that fella blank, okay?

TECHNICAL STUFF

If you'd rather download the format, search for Import Chart of Accounts Templates at `quickbooks.com/support`.

Once you're ready to import, the steps are nearly identical to those in the "Exporting and importing charts of accounts" section earlier in this chapter. The only differences are:

- Start with My Tools ➪ COA Import or Accountant Tools ➪ COA Templates (instead of Settings ➪ Import Data).
- After the import completes, fill in the Template Name, and then click Save.

Applying and editing templates

You can apply templates to new or existing QuickBooks companies. Existing accounts won't be affected, but new accounts will be added. Accounts that have the same name or account number will be flagged and not added. Here's how to apply a template:

1. **Click Apply Template for the template you want to apply.**

   The Select a Client to Apply This Template screen opens.

2. **Make a choice from the Select a Client field.**
3. **Click Save.**

   The Chart of Accounts Template screen reopens, and a list of any accounts that were not added appears.

You can carry out the following actions on any template via the Actions dropdown:

- **Edit:** Opens the Edit Template screen, from which you can modify the template.

  REMEMBER

  Changes you make to chart of accounts templates don't affect companies where the template has been applied.

- **Delete:** Removes the template from the list. This is a true deletion, unlike the usual QuickBooks "we're really just making this inactive" move.
- **Duplicate:** Adds an exact copy of the chart of accounts template to the Chart of Accounts Template screen.

Importing Bank Transactions Manually

Sometimes the most direct route is blocked. Your client's bank doesn't offer a connection, or it's wary of linking accounts. That's when you reach for the manual method. Like siphoning gas from one tank to another (don't ask), this takes a little more work but still gets the job done.

QuickBooks can import bank and credit card transactions via Web Connect files (QBO, QFX, OFX), or by uploading a properly formatted CSV file. Either way, the goal is the same: Land those transactions in the For Review tab of the Bank Transactions screen, ready for categorization.

Downloading transactions from a bank

Start by logging in to your client's financial institution and downloading their transactions in the best format available. These are the recommended types, listed in priority order:

- QBO (QuickBooks)
- QFX (Quicken)
- OFX (Microsoft Money)
- CSV (comma-separated values)
- TXT (tab-delimited text)

REMEMBER

Always choose the most QuickBooks-friendly format available. If you only get a spreadsheet or text file, don't panic. You can still transform it for upload.

WARNING

Never use a public computer to download bank files. These files are unencrypted and contain sensitive financial data. Even "deleted" files can be recovered from a hard drive.

Before downloading:

- Choose a safe location you'll remember, such as your Downloads folder.
- Limit the date range to avoid duplicating previously imported transactions.
- Don't go back earlier than the account's opening balance in QuickBooks unless you plan to clean up manually.

Opening and reviewing spreadsheet formats

If your download arrives in CSV or TXT format, or you had to copy/paste into a spreadsheet, here's how to prep it. There are two acceptable formats:

- **Three-column:** Date, Description, Amount (with deposits as positives, charges as negatives)
- **Four-column:** Date, Description, Debit, Credit (each amount positive in its respective column)

  You can include extra columns — QuickBooks ignores them — but don't skip the required headers.

REMEMBER

Before saving:

- **Fix date formats:** Dates must be real dates (not serial numbers or timestamps).
- **Flip signs:** Make sure debits and credits are signed correctly.
- **Split columns:** Remove extraneous text using Text to Columns tools in Excel or Google Sheets.

WARNING

Watch for spreadsheet "helpfulness." In Excel, for instance, a date like "1/1/2026" may appear as "46023". Format it as a date to avoid rejection during import.

Saving and uploading to QuickBooks

Once your spreadsheet looks good, save it as a CSV file:

- **Excel:** File ➪ Save As ➪ CSV (Comma Delimited)
- **Google Sheets:** File ➪ Download ➪ Comma Separated Values (.csv)

Now head to QuickBooks:

1. Choose Settings ➪ Import Data ➪ Bank Data.
2. Upload your file.
3. Choose the matching bank or credit card account.
4. Finish out the import:
   - Confirm that the first row is a header.
   - Specify one-column versus two-column format.
   - Choose the date format.
   - Map the file's columns to QuickBooks fields.

QuickBooks will confirm once the upload completes. Then it's your turn to head to All Apps ➪ Bank Transactions ➪ For Review and categorize or match each transaction appropriately. See Chapter 5 for a full walkthrough of the downloaded transaction review process.

WARNING

After importing a QBO, QFX, or OFX file, delete it from your device. These files contain sensitive bank data and shouldn't be left hanging around.

REMEMBER

CSV uploads don't include a running bank balance, so your QuickBooks balance may appear as zero. That's normal. Only the transaction list is imported.

Graphing Your Clients' Financial Data

Charts are the gauges on your client's dashboard. Are they redlining on payables? Coasting through a high-margin month? QuickBooks lets you build visual reports so you don't have to guess from the smoke coming out of the tailpipe. The Performance Center gives you up to 25 customizable charts per client — and it's available to you as an accountant no matter your client's subscription level.

Navigating the Performance Center

Nope, this isn't a test track, but instead a place to get traction on charts that you access by choosing the Performance Center tab from the Reports screen.

REMEMBER

Your clients only see this tab if they have an Advanced subscription. But you can view it for any client. It's a nice perk of the Accountant version.

Ten or so standard charts with varying customization options will appear:

- Accounts Receivable
- Accounts Payable
- Revenue Over Time
- COGS Over Time
- Expenses Over Time
- Gross Profit Over Time
- Net Profit Over Time
- NPM vs. Industry Benchmarks (Net Profit Margin)
- GPM vs. Industry Benchmarks (Gross Profit Margin)

REMEMBER

Click Settings to set your client's industry so that those benchmark comparisons actually mean something.

Customizing and creating charts

Even though the command doesn't look clickable, you can rearrange the layout of a dashboard by clicking Customize Layout. When you've finished rearranging the furniture — er, charts — just click Done to save your changes. In a similarly unintuitive fashion, hover over any chart — which QuickBooks confusingly calls a *widget,* because sure, why not? — and click More Actions to:

- **Edit Widget:** Adjust chart settings, like time periods and filters.
- **Export Widget:** Save the chart as a PDF.
- **Delete Widget:** Remove the chart from the dashboard.

REMEMBER

You can restore deleted built-in charts anytime using the Quick Add Charts list. You can also add multiple versions of some charts with different settings for comparison.

TIP

The Add Note command feels like it was designed by a Pokémon fan. You have to hover over the chart and catch it while you can!

You can also roll your own charts. Think of this as building custom cars that run on data instead of gasoline:

- **All subscription levels:** Click Add a New Chart, pick your base model (like revenue, expenses, or cash flow), and then trick it out. You can group by customer, class, or location; apply filters; choose your timeframe; and decide whether you want a sleek line chart or a boxy column job. When your chart looks road-ready, click Add to Dashboard and take it for a spin.
- **Advanced:** Click Create Custom Charts to launch the Custom Report Builder Feature. (See Chapter 14.)

Exploring Accountant-Only Review Tools

QuickBooks Online Accountant gives you exclusive access to a handful of additional screens and utilities designed to help you review, clean up, and monitor your clients' books more efficiently. These tools aren't visible to your clients, and most aren't even mentioned in the standard QuickBooks interface. That means it's up to you — yes, *you* — to wield them wisely.

Accessing Practice-level features

The Your Practice section of QuickBooks Online Accountant houses tools that empower you to manage your firm, clients, team, and integration connections.

REMEMBER

Apps are now called *integrations.* To make things extra confusing, the All Apps button even labels core accounting features as apps. It's one thing to muddy the waters by calling accounts "categories," but Intuit, please get a grip. What's next? Great Danes rebranded as cats, and Siamese kitties passed off as dogs? Where does it end?

Here's what's inside:

- **Clients:** Displays your client list. I dig into the nitty-gritty in Chapter 17.
- **Team:** Shows your firm's team members. Also covered in Chapter 17.
- **ProAdvisor:** Links to your free Silver membership in the Intuit ProAdvisor program, which I'll let those folks tell you about at `quickbooks.intuit.com/accountants/tools-proadvisor`.
- **Work:** Opens the practice management tools covered in Chapter 19.
- **Integrations:** Launches the Integration Center. In Chapter 7, I show you how to find integrations to fill gaps in QuickBooks — and see what's already installed in each company.

- **Bookmarks:** Use Add a Bookmark to pin specific screens from either Your Practice or Your Books for quick access.
- **Your Books:** Appears beneath Bookmarks and gives you access to the free QuickBooks Advanced and Payroll Elite subscriptions included with your firm account.

Reviewing client overview info

When you open a client's books, the sidebar adds an Overview command — a private dashboard just for accountants. Your clients can't see this screen, but you can tell them what they did last summer. (A Client Overview screen also appears within Your Books, even when you're not actively in a client file — in case you want to play Oz behind the curtain of your own records.)

This behind-the-scenes look includes:

- **Company Setup:** Shows your client's subscription level, payroll subscription status, sales tax setup, and any connected apps.
- **Banking Activity:** Displays reconciliations, bank balances, and QuickBooks balances. Click an account name or unreconciled transaction count to jump to the register, and then click your browser's Back button to return to the overview.
- **Common Issues:** Flags undeposited payments, uncategorized transactions, aging A/R and A/P, opening balance equity, and negative balances. Includes links to the Chart of Accounts and reports.
- **Transaction Volume:** Shows the volume of each transaction type over a selected date range.

Exploring the Books Review screen

The Books Review tab only appears when you're in a client file — not your own firm's. You can toggle between Monthly and Cleanup views using the dropdown next to the title. The Cleanup view adds a Setup tab not found in Monthly mode.

REMEMBER

You can only pick from months that precede the current calendar month. For example, if you are setting up books for June but it is still May, you need to wait until June to select May.

TIP

Use the To Do/Waiting/Done toggles in each section to track your progress.

Starting out with the Setup tab

If you don't see the Setup tab, choose Monthly to the right of the Books Review screen title and then choose Cleanup. Used mainly for onboarding new clients, the Setup tab includes:

- **Company Settings:** A quick glance at setup info, with an Edit Settings link for fast access.
- **Financial Statements:** Run a Balance Sheet or Profit and Loss report.
- **Opening Balance Adjustments:** Lets you add adjusting entries and keep notes on them.

  WARNING

  This feature is well-meaning but flaky — which makes it perfectly on brand. Some equity accounts might not show. Some accounts you *do* want to adjust might be missing. And QuickBooks may duplicate your journal entry, leaving you to clean up the mess. Honestly, you're better off entering the journal entries manually.

  If you're the type who laughs in the face of a stripped bolt on a rusty manifold, here's how make an opening balance adjustment:

  1. **Enter a value in the Beginning Statement Balance field.**

     I'm not talking debits and credits there, but rather positive or negative amounts.

  2. **Choose an Adjusting Equity Account.**
  3. **Click Add Adjustment.**

     The QuickBooks Journal Entry screen appears.

  4. **Edit and save the journal entry.**

- **Disconnected Bank Feeds:** Lists any disconnected bank feeds.
- **Accounts Without Activity (90+ Days):** Flags stale accounts in case you need to make croutons — oops, wrong book. See books by Marie Rama and Bryan Miller.
- **Additional Items:** Use + Add to create tasks like checking for duplicate accounts or industry-specific setup. Click any task to view or edit notes.

Examining the Transaction Review screen

This tab appears in both Cleanup and Monthly modes — and may result in heartburn, once you see the numbers of:

- Unreviewed bank transactions
- Uncategorized transactions
- Transactions with missing payees
- Undeposited funds
- Unapplied payments
- Any custom review items you've added, including personal expenses, loan payments, and cash handling

Evaluating the Account Reconciliation screen

Use Select Accounts to spot which accounts are leaking fluid — unreconciled and overdue transactions pooling beneath them. Grit your teeth, and then take a look at:

- Unreconciled transactions by account
- Last reconciled date
- Outstanding transactions older than 90 days
- Any custom review items you've added

Flipping through the Final Review screen

Despite the name, this isn't the final tab, just the next-to-last. Don't even pretend to be surprised. It includes:

- **Unusual or Unexpected Balances:** Highlights stale A/R and A/P.
- **Reports:** Run key financials and add additional reports as needed.

Winding up with the Wrap-Up screen

Okay, this is really the end. The Wrap-Up tab includes three hard-coded tasks you can mark as To Do, Waiting, or Done:

- Prepare Reports
- Send Report Package
- Close Company

If you're a glutton for punishment or just unusually thoughtful, you can add more items as needed.

Tidying the Tool Bench

If you're looking to keep the engine humming, here's where to tune up your knowledge further:

- **Bad debt:** For a safer, more contemplative approach to writing off unpaid invoices, head to Chapter 2.
- **Reconciliations:** Chapter 5 explains how to perform and troubleshoot reconciliations before they veer off course.
- **Reporting fundamentals:** Chapter 6 shows what reports your clients can access and how you can make sense of them together.
- **App integrations and add-ons:** Chapter 7 helps you identify which apps can fill gaps in QuickBooks and how to connect them.
- **Advanced charting and reporting:** Chapter 14 covers the Performance Center and custom charts and reports available to Advanced companies.
- **Client and team setup:** Chapter 17 walks through how to add clients and invite team members to your firm.
- **Practice management tools:** Chapter 19 explores task tracking, client requests, and other tools to keep your garage cats herded.

IN THIS CHAPTER

» **Tracking firm and client tasks with the Work screen**

» **Creating and managing projects, tasks, and templates**

» **Building client request workflows**

» **Managing team communication**

Chapter 19

Taming the Herd with Practice Tools

Trying to manage client deliverables, internal deadlines, and scattered communication by email alone? You might as well be herding cats. Fortunately, the Accountant version of QuickBooks Online gives you a built-in toolset — Tasks, Projects, Requests, and Templates — which help you wrangle all those squirmy creatures into one tidy pen. This chapter walks you through how to use the Work screen to coordinate your team, track client needs, and eliminate the "I never got that email" excuse for good.

Before embarking on finagling metaphorical felines, it's worth noting that the word *projects* in QuickBooks is a bit like *rope* on a ranch. It means different things depending on how you use it. In Plus and Advanced, projects help you lasso profitability by tying related transactions together. In the Accountant version, though, projects are more like corrals — just a way to fence in one or more tasks.

The same goes for tasks. QuickBooks has two kinds:

» **Company-level tasks:** These live inside a client's QuickBooks company and are either system-generated or a feature that only Advanced users are privy to. (See Chapter 15.)

- **Work screen tasks:** These belong to *your* practice and show up on your Work screen. They're assigned to team members and tracked independently of any client's books.

You can't mix or match the two. They're like cattle on opposite sides of a rusty barbed-wire fence.

Introducing the Work Screen

In QuickBooks Online Accountant, the phrase *get to work* means that you should choose the Work screen within the Your Practice sidebar section. Rest assured, your clients won't even know it exists unless they peruse this chapter. Further, you're in control of which elements of it your team members can see.

The Work screen tracks tasks and requests related to your clients and your team by way of:

- Automated QuickBooks notifications
- Projects and tasks that you create and assign
- Requests that you send to your clients

Exploring views and filters

The Work screen offers three distinct views, each of which you can tailor using the filters and toggle controls at the top of the screen:

- **Grid View:** The default. Uses card-style blocks to display requests, projects, and tasks due within the next 30 days.
- **List View:** Click the List button at the top-right corner to view all work in table format.
- **Calendar View:** Click the Calendar button to see how many items are due on each day. The calendar isn't interactive, so you'll need to use Grid or List View to edit tasks.

Applying filters and using command buttons

You can shape what you see on the Work screen using four filter controls at the top of the page:

- **All:** Choose Clients Only to zero in on client work, Firm Only for internal projects, or a specific client if you've already roped them into your to-do list.
- **Everyone:** This filter lets you see who's holding which end of the rope. Choose Everyone to view your team's combined workload, Me to see your own assignments (if you dare), or lasso a specific teammate to see just their tasks.
- **All types:** This filter helps you sort the herd. Choose Projects, Tasks, or Requests depending on what you're trying to wrangle at the moment.
- **From QuickBooks:** This toggle controls whether alerts from your clients' QuickBooks companies appear on the Work screen. Think of it as opening the gate to let system-generated notifications stampede into camp.

With your view set and your filters dialed in, you're ready to start roping in the real work: projects, templates, and client requests. These three buttons let you jump in the saddle:

- **Manage Templates:** Opens the Templates screen, where you can build reusable project templates, like metaphorical branding irons for the recurring work your firm takes on. Quick Start templates come preloaded, but you can't edit them directly. Instead, you can duplicate and customize them to suit your herd.
- **Create Client Requests:** Opens the Create a Request task pane, where you can document a client ask and optionally notify them by email. No matter what, the request appears in the My Accountant tab inside their QuickBooks company — no smoke signals required.
- **Create Project:** Opens the Create Project task pane, where you can rope together a fresh batch of tasks that don't fit into an existing template. Think of it as building a temporary corral on your way to the feedlot.

Once you've set your view and understand how to filter the noise, it's time to build some structure. You'll start by creating projects and tasks to get loose ends off your mind and onto the screen.

Managing Projects, Tasks, and Templates

Accountant projects are your basic pens for keeping related tasks fenced in. Each one's assigned to either your firm or a client and comes with a due date, while each task inside the project carries its own deadline and wrangler.

REMEMBER

Accountant projects are different from the customer Projects feature covered in Chapter 11, which is designed for tracking income and expenses tied to a job or engagement.

Creating new projects

Whether you're setting up recurring work like tax filings or one-off assignments, here's how to lasso the details:

1. **Choose Work ➪ Create Project.**

   The Create Project task pane appears.

2. **(Optional) Choose a template from the Project Template dropdown list.**

   The list includes built-in starter templates, while the next section shows you how to put your brand on custom templates.

3. **Complete the following required fields:**

   - **Project Name:** QuickBooks may tolerate a horse with no name, but don't try to create a project without one. That simply won't do.
   - **Firm or Client:** Select My Firm for internal work, or specify client. Just make sure they've been set up first. (See Chapter 17.)
   - **Due Date (or First Due Date for recurring tasks):** You must schedule tasks within the project on or before this date.

4. **The following controls or fields are optional:**

   - **Repeat:** Toggle this on for hoops you're required to jump through again and again, like month-end close or quarterly estimated tax payments. QuickBooks won't jump through the hoop for you, but at least it will remind you when it's time.
   - **Assigned To:** You can assign tasks to others, but this person holds the reins overall. If you haven't set up your team member yet, you can always circle back after reading up in Chapter 17.
   - **Description:** Add some flowery language or cogent advice, like **Talk too much and you'll spook the herd.**

- **Tasks:** Click Add a Task, and then fill out the Task Name and Due Date fields. Use the Assigned To field to dragoon another team member, and then keep adding tasks as needed.

5. **Click Save to save the project.**

Updating projects and tasks

Keep the following pointers in mind when working with projects and tasks:

- **Grid View has blinders on:** Projects scheduled more than 30 days out won't appear in Grid View, but you can find them in List View.
- **Updating task status:** Use the dropdown arrow on each task card in Grid View to set its status:
  - **To Do:** "Oh, joy. Yet another thing has landed on my plate."
  - **In Progress:** The equivalent of yelling "I'm working here!" in a sea of interruptions.
  - **Blocked:** Like waiting for a bull to mosey off the trail before you can ride on.
  - **Done:** Time to ride off into the sunset, or more likely pick up that next To Do item.
- **Editing projects and tasks:** To make changes, click any item to open its pane. If it's assigned to you, you can:
  - Update project or task details.
  - Add or remove tasks.
  - Change due dates or assignees.
  - Use buttons to delete or duplicate a project or convert your masterpiece into a template.

REMEMBER

You can't convert a project into a task, or a task into a project. Nor can you edit system-generated tasks.

Creating project templates

Repetitive tasks, like month-end close or quarterly filings, can fall over a cliff into oblivion if you're not careful. Think of templates like a gas stove: You can get things cooking with the flick of a knob, instead of futzing around with kindling and prayers every time you need to brew up another batch of tasks.

1. **Choose Work ➪ Manage Templates ➪ Create Template.**

   The Create Templates task pane opens.

2. **Give the template a name, such as** Month-End Tasks**.**

   You must complete this required field before you'll be able to save the template.

3. **Want it to recur? Flip the Repeat toggle to open the scheduling options.**

   Projects can repeat weekly, biweekly, monthly, quarterly, yearly, or on specific days.

4. **(Optional) Click Add Details to add a description of the project.**

5. **Click Add a Task, and then assign a name, such as** Bank Reconciliation**.**

6. **Choose a Due Date Option:**

   - **Set Later:** Lets you define a due date when you launch a project from this template.
   - **Offset:** Lets you schedule the task a certain number of days before the project due date.

7. **Add more tasks as needed, and then click Save Template.**

TIP

Use the drag handles to reposition the order of tasks — an essential element of cat-herding.

Creating Client Requests

A client request can be anything related to a client's QuickBooks company or your working relationship with them. Think engagement letters, document uploads, or just a gentle nudge to move that little doggy of a task along. Even better, requests get logged on your Work screen and your client's My Accountant screen.

But if you've made it this far into the book, you know the other boot's about to drop: This is largely a one-way line of communication. You can send requests to clients, and they can reply by uploading documents or leaving comments. But if they want to start a new request? Nope. Their only options are uploading something through the My Accountant sidebar or sending you an old-fashioned email.

Sure, your most resourceful clients might experiment with smoke signals or carrier pigeons, but most will clog your inbox the conventional way, leaving you to log their request manually while the gears of progress grind away. Maybe it's all an elaborate ploy to nudge you toward buying Mailchimp CRM. The world may never know.

Initiating client requests

Here's how to rustle up a request. Just know your client can't return the favor by creating their own, at least not directly:

1. **Initiate the request:**
   - **Sidebar:** Choose Work ➪ Create Client Request.
   - **Client list:** Click a client's name, and then choose Requests ➪ + Add Request.

     TIP

     The Requests page of the clients screen archives up to seven years of requests by calendar year.
   - **Client's books:** Choose Accountant Tools ➪ Client Requests, and then click + Add Request.

   The Create task pane appears.
2. **Select the client name if needed.**

   REMEMBER

   You won't be able to add a document to the request until you choose a client name.
3. **Enter a title for the request — something like** Engagement Letter.

   This functions like the subject line for an email.
4. **(Required) Specify a due date for the request.**
5. **Enter the details of the request, much like the body of an email.**
6. **(Optional) Click Documents to upload one or more related files.**

   This works like attaching documents to QuickBooks transactions.
7. **Decide whether to notify the client via email or text.**

   The Notify Client option is on by default, but you can toggle it off.
8. **Click Share to save the request.**

   Apparently Intuit ran out of Save and Done buttons, so Share it is.
9. **The request appears on your Work screen and (if created from within a client's books) in the Client Requests task pane.**

   If you notified your client, a Sent indicator appears beneath the task, with an envelope icon and the word *Sent*.

Updating client requests

Once a client request is initiated, you can make the following changes when you open an existing request:

REMEMBER

- **Edit most fields:** Edit the title, due date, and details. Rest assured that you can fix that egregious typo here, but be more careful in the Comments section. QuickBooks considers those sacrosanct.

  You can edit or delete comments that you or your client has posted to a request. The only face-saving measure is to delete the client request itself.

- **Update the status:** Toggle the status between To do, In Progress, and Completed. You can update this, but your client can't, of course. That would simply make too much sense.
- **Remove requests:** You can delete the request permanently. Just remember that any attached documents will remain in the Documents tab.

Showing clients where to access requests

Your clients can respond by uploading files and adding comments, but they can't create new requests outright, and they can't delete or edit requests. Here's how to walk them through responding:

1. **Choose All Apps ➪ Accounting ➪ My Accountant.**

   The My Accountant screen opens.

2. **Click any task, and then expand one or both sections:**
   - **Documents:** Click on Documents to display an Upload From This Device button.
   - **Comments:** Click on Comments, spill your guts, and then click Post Comment. Just remember: Comments linger for at least seven years and can't be deleted.

TECHNICAL STUFF

I do have to question how the QuickBooks programmers allocate their time. Full two-way communication between accountants and clients couldn't get past the drawing board, but the ability to create bulleted lists in comments using Greek letters and Roman numerals made the cut? Seriously? Smoke 'em if you've got 'em, I guess.

You have the client side wrangled. Now it's time to get your team riding in the same direction.

Keeping Team Members in the Loop

Once you've assigned a project or task, the next question is this: How do you make sure the right folks know about it?

By default, QuickBooks Online Accountant sends email notifications when someone gets a new assignment or a due date's coming up. But team members manage their own notification settings, so if someone claims they "never saw it," it might be time for a quick screenshare or an over-the-shoulder walkthrough. Here's how they can check their settings:

1. **Click Notifications at the top of the Work screen.**

   The Notifications tab of the Company Settings task pane appears.

2. **Click the Edit icon in the Email section.**
3. **Turn individual notification types on or off as needed.**
4. **Click Save, and then click Done to close out.**

Rounding Up Related Topics

If you're looking to ride further down the trail, here's where to steer your horse next. These related chapters offer deeper dives into the tools and setup steps mentioned throughout this chapter:

- **Customer projects:** Chapter 11 shows how to track income and expenses for customers using the Projects feature. Don't confuse these with Accountant projects, which are practice-management tasks inside QuickBooks Online Accountant.
- **Company-level tasks:** Chapter 15 shows how QuickBooks Online Advanced users can assign tasks and create workflows for company-related tasks and transactions.
- **Practice setup:** Chapter 17 covers how to set up clients and team members, which is necessary before assigning tasks or creating projects.

6

Microsoft Excel Analysis

IN THIS PART . . .

Analyze your financial data with powerful Excel features.

Automate repetitive tasks with Power Query.

IN THIS CHAPTER

» **Customizing and exporting reports**

» **Looking at reports using filters, slicers, and sort commands**

» **Checking out QuickBooks data with PivotTables**

Chapter 20

Unleashing Your Data in Excel

Ever feel like your QuickBooks data is trapped behind museum glass — you can look but not touch? You're not alone. Many users find themselves smashing into the plexiglass walls of limited report customization. In Chapter 6, I show how most users can poke and prod their reports just enough to be dangerous. Chapter 14 takes it further, guiding Advanced users through bending the rules with the Custom Report Builder.

But this chapter doesn't just bend the rules. It smashes glass. Don't worry — your monitor is safe. Think of Excel as your fire axe: Once you export a report, you're free to edit, explore, and customize to your heart's content, no matter your subscription level. I walk you through the steps in Microsoft 365 Excel, but if you're feeling adventurous, follow along using Excel for the Web (https://`www.office.com`) or even Google Sheets (`https://sheets.google.com`). Just expect differences.

TIP

If you're feeling intimidated by Excel, my book *Microsoft 365 Excel For Dummies* can help you get up to speed.

Optimizing Reports for Data Analysis

QuickBooks reports have come a long way. Modern View reports, introduced gradually over the past couple of years, were meant to replace the old Classic reports by December 2024. And yet here I am months later still staring at Classic reports scattered throughout the software. You can tell them apart at a glance: Modern View reports have a small icon next to the report title; Classic reports don't.

To its credit, Intuit has removed some long-standing irritants, like double dashes in place of zeroes and dates stored as text. But don't let your guard down just yet. Even Modern View reports can still sneak a few bad habits into Excel when you're not looking.

Historically, exporting reports from QuickBooks has been like inviting chaos into Excel — rules of analysis-ready data be damned. While Intuit has steadily cleaned up many past offenses, especially in Modern View, classic quirks still linger, and they love to stage a surprise comeback.

Here are the most common troublemakers and how to deal with them:

- **Managing Modern View's 40-column limit:** You're limited to 40 columns per report in Modern View. Need a 41st? You'll have to do some creative reshuffling (and possibly grumble into your coffee).

  TECHNICAL STUFF

  This book doesn't go into detail, but Power Query, which I introduce in Chapter 21, lets you merge two or more datasets. This merging is handy when you need to stitch things back together. Where there's a will, there's a workaround.
- **Keeping columns contiguous:** A well-structured report should have all columns side by side — no rogue blanks fracturing your dataset like ice floes, leaving stray columns (and polar bears) adrift and out of reach.
- **Keeping rows contiguous too:** Rows should be uninterrupted. Blank ones might seem innocent, but they can fracture your workflow like hidden crevasses under fresh snow.
- **Trimming header and footer rows:** Reports still export with extra rows at the top and bottom. You can turn off many of them in QuickBooks's General Options task pane, but some are stubbornly baked in. For instance, the report title generally appears in a giant merged cell that spans all columns. Even sneakier, another gargantuan cell containing "Cash Basis" or "Accrual Basis" lurks at the bottom of your report like the Loch Ness monster. Try deleting, moving, or sorting an entire column with either of those rows in place, and Excel hits you with the dreaded `We can't do that to a merged cell`

error. To preserve your sanity, delete the extra header and footer rows that sneak into Excel, or click the Select All button (the triangle in the top-left corner of Excel's grid), and then choose Home ➪ Merge Cells to unmerge everything in one go.

- **Taking out total rows:** Transaction-based reports always include a total row at the bottom, which you should promptly delete in Excel. This total contains a static number — about as helpful as Ctrl+Z on a paper ledger — especially when you can replace it with a dynamic total row that updates automatically as you filter and analyze your data by converting the report into an Excel table, as shown later in this chapter.
- **"Groups? We don't need no stinking groups":** Reports that split invoices by customer or bills by vendor wreak havoc in Excel because names appear only at the top of each group — not on every row — leaving your data riddled with blanks. As a bonus misfeature, those same groupings insert subtotal rows that fracture your dataset and invite accidental double-counting. To flatten your report, click Group By ➪ Clear All in QuickBooks, and then close the Group By task pane.

REMEMBER

Reports with names like by `customer`, by `vendor`, and by `account` include at least one grouping — and usually subtotal rows to match. In contrast, by date reports are ungrouped, offering raw lists with just a single total row at the bottom.

- **Using proper dates:** Dates should be actual numbers, not text strings dressed up to look like dates. In the past, QuickBooks exported "02/14/2026" as text, which, fittingly, broke hearts across Excel. If you encounter this, select the cells and choose Data ➪ Text to Columns ➪ Finish. Like Pinocchio, those text-based dates will become real.
- **Replacing dashes in amount fields:** QuickBooks used to throw in double dashes (--) for empty amounts, which sent formulas into a tailspin (#VALUE!) and confused PivotTables into treating the whole column as text. Thankfully, this seems to have been fixed, but if you spot those prankster dashes, use Home ➪ Find & Select Home ➪ Replace to swap –– with `0`.

Customizing and Exporting QuickBooks Reports

Once you know what to watch out for (see the preceding section), you can export a report and clean it up the right way — without grinding your teeth into dust.

Use the Transaction List by Date report as a starting point:

1. **Choose Reports from the sidebar menu.**

   The Reports page opens.

2. **Type by date in the Find a Report field, press ↓, and then press Enter.**

   Alternatively, choose Transaction List by Date in the For My Accountant section.

3. **Select This Year from the Report Period field.**

   Alternatively, choose any period you want or choose Custom from the list to set a specific date range.

4. **If you want to adjust which fields appear on the report, click Columns to open the Columns task pane.**

   Use the checkboxes to turn fields on or off, and use the drag handles to reorder columns to your liking.

5. **If you want to filter the report, click Filter to open the Filter task pane.**

   Use the dropdown lists to add filtering criteria — although you may want to keep your powder dry and send everything to Excel, since later in this chapter you see how filtering *should* work.

6. **If you want to group the report, click Group By to open the Group By task pane.**

   All subscription tiers except for Advanced can group on a single level. The fancy people in the Advanced tier can group on up to three.

   TIP

   Grouped reports that you export to Excel use the Outline feature, which adds controls along the left edge of the worksheet for collapsing and expanding sections. If those controls are harshing your mellow, select any cell within the report, and then choose **Data ➪ Outline ➪ Ungroup dropdown ➪ Clear Outline** to wipe them away.

7. **Unless you're a huge fan of *Groundhog Day* and want to relive these steps over and over, click Save As to preserve your masterpiece.**

   Going forward, you can cut to the chase by choosing your report from the Custom Reports tab. Otherwise, put "I've Got You, Babe" on repeat and start from the top.

8. **Click Export ➪ Export to Excel.**

   QuickBooks then toots its own horn with a prompt proudly proclaiming, "Hey, we did the thing you asked us to do!"

9. **Click the Downloads button at the top of the Chrome window, and then select the Excel workbook to open the report.**

TIP

By default, reports that you export land from QuickBooks in your Downloads folder, but in Chapter 23 I show you how you can have Chrome politely ask you where you'd like to save each file — no more digging through Downloads to find that one report.

Transforming the Exported Report

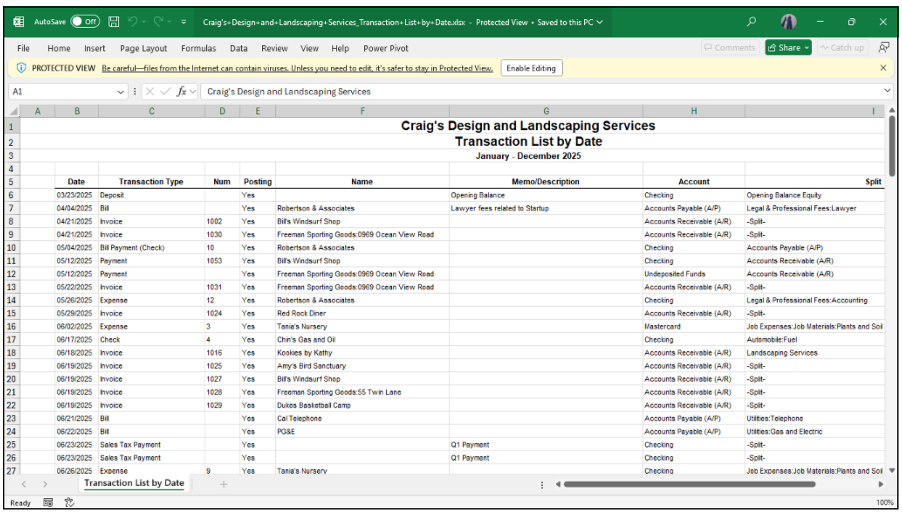
Once the report has landed in Excel, it's time to sweep up the digital debris. QuickBooks does a decent job of doing that, but the results still need a little love before they're truly analysis-ready. In this section, I walk you through trimming the excess, clearing out the quirks, and transforming the report into a dynamic, structured table that's easier to work with and far more resilient when filtering, sorting, or analyzing your data.

1. **Click Enable Editing on the message bar shown in Figure 20-1 to access your report.**

   Excel for Windows opens files from the internet — like QuickBooks exports — in Protected View, a read-only mode that acts like a digital quarantine zone. It's well intentioned, but it slows things down when you're constantly exporting reports.

2. **Starting at row 1, select any report title or blank rows, and then choose Home ➪ Delete.**

   The goal is to shift the column headings up to row 1 of the spreadsheet, where they belong.



	A	B	C	D	E	F	G	H	I
1						Craig's Design and Landscaping Services			
2						Transaction List by Date			
3						January - December 2025			
4									
5		Date	Transaction Type	Num	Posting	Name	Memo/Description	Account	Split
6		03/23/2025	Deposit		Yes		Opening Balance	Checking	Opening Balance Equity
7		04/04/2025	Bill		Yes	Robertson & Associates	Lawyer fees related to Startup	Accounts Payable (A/P)	Legal & Professional Fees:Lawyer
8		04/21/2025	Invoice	1002	Yes	Bill's Windsurf Shop		Accounts Receivable (A/R)	-Split-
9		04/21/2025	Invoice	1030	Yes	Freeman Sporting Goods:0969 Ocean View Road		Accounts Receivable (A/R)	-Split-
10		05/04/2025	Bill Payment (Check)	10	Yes	Robertson & Associates		Checking	Accounts Payable (A/P)
11		05/12/2025	Payment	1053	Yes	Bill's Windsurf Shop		Checking	Accounts Receivable (A/R)
12		05/12/2025	Payment		Yes	Freeman Sporting Goods:0969 Ocean View Road		Undeposited Funds	Accounts Receivable (A/R)
13		05/22/2025	Invoice	1031	Yes	Freeman Sporting Goods:0969 Ocean View Road		Accounts Receivable (A/R)	-Split-
14		05/26/2025	Expense	12	Yes	Robertson & Associates		Checking	Legal & Professional Fees:Accounting
15		05/29/2025	Invoice	1024	Yes	Red Rock Diner		Accounts Receivable (A/R)	-Split-
16		06/02/2025	Expense	3	Yes	Tania's Nursery		Mastercard	Job Expenses:Job Materials:Plants and Soil
17		06/17/2025	Check	4	Yes	Chin's Gas and Oil		Checking	Automobile:Fuel
18		06/18/2025	Invoice	1016	Yes	Kookies by Kathy		Accounts Receivable (A/R)	Landscaping Services
19		06/19/2025	Invoice	1025	Yes	Amy's Bird Sanctuary		Accounts Receivable (A/R)	-Split-
20		06/19/2025	Invoice	1027	Yes	Bill's Windsurf Shop		Accounts Receivable (A/R)	-Split-
21		06/19/2025	Invoice	1028	Yes	Freeman Sporting Goods:55 Twin Lane		Accounts Receivable (A/R)	-Split-
22		06/19/2025	Invoice	1029	Yes	Dukes Basketball Camp		Accounts Receivable (A/R)	-Split-
23		06/21/2025	Bill		Yes	Cal Telephone		Accounts Payable (A/P)	Utilities:Telephone
24		06/22/2025	Bill		Yes	PG&E		Accounts Payable (A/P)	Utilities:Gas and Electric
25		06/23/2025	Sales Tax Payment		Yes		Q1 Payment	Checking	-Split-
26		06/23/2025	Sales Tax Payment		Yes		Q1 Payment	Checking	-Split-
27		06/26/2025	Expense	9	Yes	Tania's Nursery		Checking	Job Expenses:Job Materials:Plants and Soil

Transaction List by Date

FIGURE 20-1: You can't edit a workbook in a report when Protected View is active.

3. **Scroll down to the bottom of the report, or teleport yourself there by clicking on cell A1 and then pressing Ctrl+↓ (Windows) or Cmd+↓ (macOS).**

4. **If it's present, select the total row along with the next five rows to eliminate that pesky merged cell showing the report basis (Cash or Accrual), and then choose Home ➪ Delete.**

5. **Click any cell within the body of the report.**

   Spreadsheet users often think they must select all within a data set before carrying out an action in Excel. Selecting everything is necessary for applying formatting (such as colors, fonts, and number formats), but it isn't necessary for performing data actions.

6. **Choose Insert ➪ Table ➪ OK or press Ctrl+T (Windows) or Cmd+T (macOS). Then press Enter in the Table dialog box that opens.**

   The My Table Has Headers checkbox should be selected automatically in the Create Table dialog box, confirming that the first row of your list contains column titles.

7. **Choose Table Design ➪ Total Row.**

   This command adds a total row to the bottom of your list, automatically summing or counting the last column, depending upon its content. Click any cell in the total row to display a menu from which you can select options such as Sum, Average, or Count. Excel adds the corresponding formula to that column's total. If you then filter or slice the table, the total row will only tally the visible rows.

8. **Choose File ➪ Save or press Ctrl+S (Windows) or Cmd+S (macOS) to save the transformed report.**

   Saving the workbook at this point gives you the option to close without saving and reopen if you make a mistake during any of the upcoming analysis techniques.

With the messy bits out of the way, your data is ready to shine. It's time to dig in and start slicing, dicing, and sorting your report into something truly useful.

WARNING

Always leave the checkbox for Enable Protected View for Files Located in Potentially Unsafe Locations selected. It helps block files from untrusted directories, such as network drives you don't control.

TECHNICAL STUFF

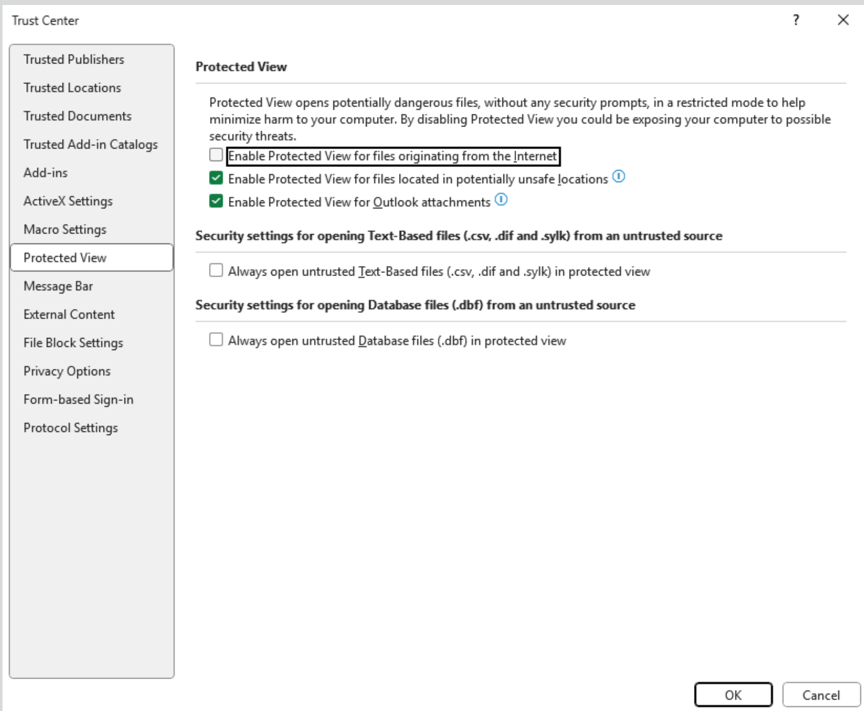
You can always use Protected View on a case-by-case basis. In Excel for Windows, choose File ➪ Open ➪ Browse, click once on the workbook name, and then click the Open dropdown ➪ Open in Protected View. If you need some mood music, cue up "File of Unknown Origin" by Blue Öyster Cult. My apologies, the song is "Fire of Unknown Origin."

DISABLING PROTECTED VIEW IN MICROSOFT EXCEL

By default, Excel for Windows opens downloaded QuickBooks reports in Protected View, which is a sandboxed environment meant to keep your computer safe. But if you're exporting frequently, Protected View can become more of a speed bump than a shield. Tired of clicking Enable Editing every time? Reclaim your clicks by disabling Protected View:

1. **Choose File ➪ Options in Excel. The Excel Options dialog box appears.**
2. **Select Trust Center ➪ Trust Center Settings.**
3. **Click Protected View on the left.**
4. **Clear the checkbox labeled Enable Protected View for Files Originating from the Internet, as shown in the figure.**

   If you'd like, you can also clear Enable Protected View for Outlook attachments.
5. **Click OK twice to save your settings and exit.**



From now on, QuickBooks reports open in Excel without that extra Enable Editing click.

Sifting Through Your QuickBooks Data

As the saying goes, an ounce of prevention is worth a pound of cure, so think of the cleanup steps in the previous section as a preventive dose of medicine that spares you future headaches in Excel. Sure, you could skip ahead and dive straight into the analysis techniques that follow, but brace yourself for a bumpy ride if you do. And if you're thinking, "Ugh, I don't want to repeat these cleanup steps every single time," that's exactly why Chapter 21 covers Power Query. With Power Query, you can perform the transformation steps once, and then each time you export a fresh QuickBooks report, just save it over the old one and click Refresh in Excel. Like magic, your cleaned and structured data reappears — no tooth-grinding required.

Filtering data

The Filter feature in Excel is one of my favorites because it gives you a bird's-eye view of your data with just a click. Need to scan values in a flash? Simply click the Filter button at the top of any column. Then collapse the rest and focus only on what matters. Whether you're isolating invoice amounts, narrowing transaction types, or slicing by date, filtering puts control at your fingertips.

Maybe you want to view the ten largest invoices on the Transaction List by Date report:

1. **Click the Filter button in the Transaction Type column, type Invoice in the Search field, and then click OK.**

   Alternatively, clear the Select All checkbox, scroll down and click Invoice, and then click OK.

   TIP

   If you don't see filter buttons on your report, click any cell in the body of your report and then choose Data ➪ Filter (or Home ➪ Sort & Filter ➪ Filter). You can also press Ctrl+Shift+L (Windows) or Cmd+Shift+L (macOS).

2. **Click the Filter button in the Amount column, and choose Number Filters ➪ Top 10 . . . .**

   The Top 10 AutoFilter dialog box opens.

3. **Click OK if you're good with 10, or adjust the Show fields as needed, and then click OK.**

4. **As shown in Figure 20-2, only rows that meet both filter conditions are displayed.**

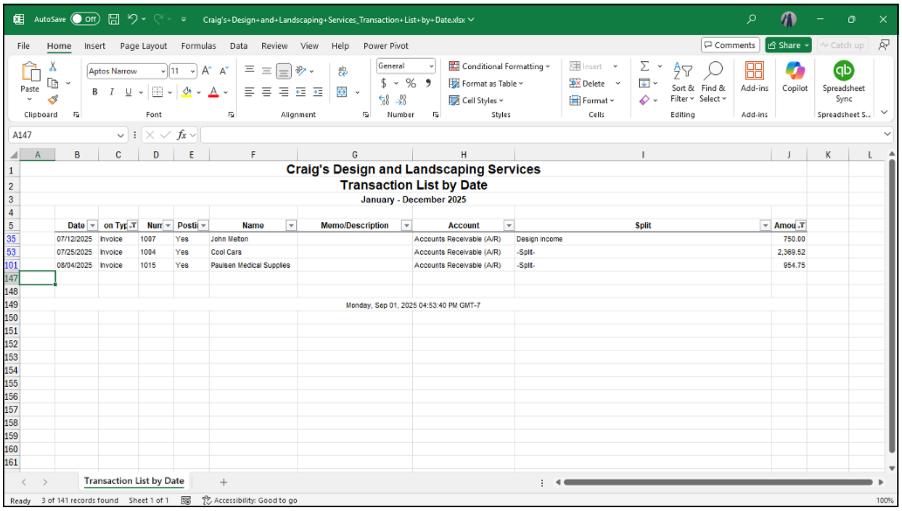


FIGURE 20-2: A filtered Transaction List By Date Report.

Here's the kicker: The Top 10 filter operates on the entire dataset, not just the filtered results. So if only three of the top ten amounts happen to be Invoices, that's all you'll see, even if your report has dozens of invoices. In other words, Excel is showing you the top ten values overall and then applying your Invoice filter on what's left standing.

So no, QuickBooks hasn't cornered the market on quirkiness. Excel is happy to lend a hand.

TIP

If you want to see the top ten invoices only, try this workaround. First, filter the Transaction Type column for Invoice, and then copy the filtered results to a blank area of the worksheet. Once they're copied, apply the Top 10 filter to the Amount column in that new list. This way, you're applying Top 10 to just the invoices, not the entire original dataset.

5. **Choose Data ➪ Clear to remove the filter settings and see the entire report again.**

   Alternatively, choose Data ➪ Filter to turn the Filter feature off, which, in turn, displays the entire report again. The Clear command keeps the filter buttons in place, while clicking Filter toggles the buttons off.

REMEMBER

The Filter feature protects hidden rows. If you color-code, delete, or otherwise edit any visible rows, the hidden rows remain untouched. But there's always an exception: If you delete an entire column, Excel removes data from both visible and hidden rows — but only in that specific column.

WARNING

As discussed earlier in this chapter, grouped reports use Excel's Outline feature. You'll know it's in play when you see + and – buttons along the left edge of the worksheet. But don't let those collapsible sections lull you into a false sense of security. Unlike filtered rows, hidden rows in an outline aren't protected. Any changes you make to visible rows, like deleting, formatting, or pasting, are likely to affect the hidden ones also.

Slicing data

The Slicer feature streamlines filtering tasks in Excel by enabling you to filter lists with a single mouse click. (You're on your own if you need to cut a pizza.) You can create slicers for as many columns as you like, but unlike the Filter feature, your data must be formatted as an Excel table. (I covered that in the earlier "Transforming the Exported Report" section. It's okay if you zoned out for a minute. I understand.)

So, to sum up, slicing is acceptable. Swiping, however? Not so much. Sorry, Swiper.

Now you can add one or more slices of pepperoni — oops, I mean *slicers* — to your report:

1. **Click any cell in an Excel table, and then choose Table Design ➪ Insert Slicer to display the Insert Slicers dialog box shown in Figure 20-3.**

   You can also use slicers to filter PivotTables. I show you how to create a PivotTable in the section "Summarizing Data with PivotTables," later in this chapter.

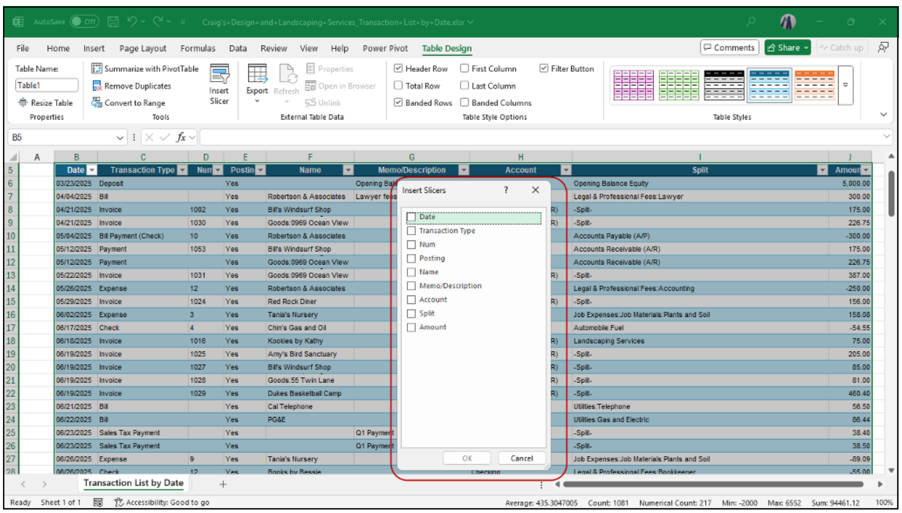


FIGURE 20-3: Insert Slicers dialog box.

WARNING

Make sure to select a cell near the top of your table when inserting slicers. If you pick a cell near the bottom, your slicers may vanish offscreen the moment you make a selection. If this happens, choose View ➪ Navigation to display the Navigation pane. Then track down your wayward slicers and pull them back into the fold.

2. **Choose one or more fields, such as Transaction Type and Name, and then click OK.**

A slicer appears for each field you choose, and you can add as many as you like. Just keep in mind that it usually doesn't make much sense to slice by columns containing dates or numbers. Slicing works best for text-based fields, where the options are clear and distinct.

Oh, and cheese. Slicing works great with cheese.

TECHNICAL STUFF

Just to keep things surreal, adding one or more slicers turns off any Top 10 filters you may have applied. You can, however, reapply the Top 10 filter afterward — because Excel likes to keep you guessing too.

3. **Click any item in the Transaction Type slicer, such as Bill Payment (Check).**

If you've been following along with this chapter, Invoice will already be selected since you applied that filter earlier. You can change the focus by clicking a different value, or you can Ctrl+click (Cmd+click on a Mac) to select more than one value.

Your list updates instantly, as shown in Figure 20-4.

REMEMBER

The Total Row within Excel tables only reflects the visible rows.

TIP

Hold down Ctrl (Windows) or Cmd (macOS) to select two or more items within a slicer.

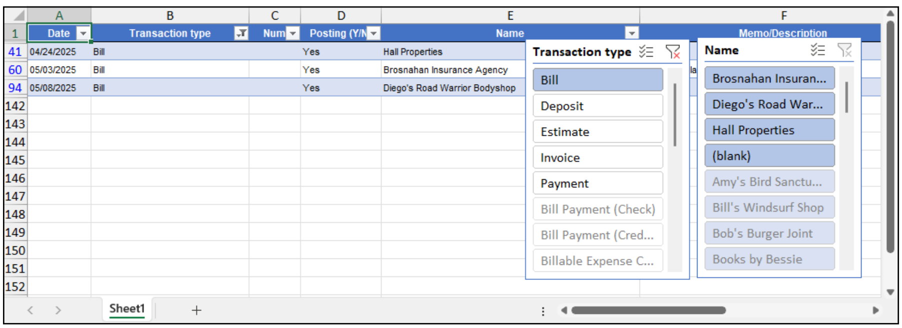


FIGURE 20-4: Slicers let you see at a glance what's visible in your report and what's been filtered out.

TIP

If you use two or more slicers, the second and later slicers reflect any matches based on choices you made in the first slicer. In Figure 20-4, Bill is selected in the Transaction Type slicer, which narrows the Name slicer to just four vendors — well, three vendors, and then (Blank) if you want to be technical. The other names are grayed out because they're tied to different transaction types, not bills.

Click the Clear command to reset a slicer, which removes the filter.

You can make choices from as many slicers as you want. As shown in Figure 20-4, any items on a slicer appear shaded. Unshaded items represent available options you haven't chosen, while grayed-out (disabled) items represent choices that no longer apply based on your other slicing selections. You truly can't have your cake and eat it too.

Slicing filters your data just like the Filter feature does, but with helpful visual cues you don't get unless you manually click the Filter button in a column. I'd love to dive into all the automation possibilities that Excel's Table feature offers, but this book is about QuickBooks. My editor would probably prefer I wrap things up with just a few tips:

TIP

- Expand the Quick Styles section of the Table Design menu and then click the first icon at the top left to remove the shading from the table, or choose Clear at the bottom of the gallery. You can also pick from one of the prebuilt styles or create your own.
- To get rid of a slicer, say "Slicer, no slicing!," and then right-click it and choose Remove from the shortcut menu.
- If you no longer want your data in table form, choose Table Design ➪ Convert to Range ➪ Yes. Just be aware doing so removes any slicers you've added.

Sorting data

Sorting lets you boss your data around, rearranging from A to Z, Z to A, highest to lowest, or whatever order makes you happiest. You'll find Sort commands hiding behind every Filter button, as well as hanging out on the Home and Data tabs.

And if you're feeling ambitious? Excel can sort up to 64 columns. Nothing says "over-achiever" quite like sorting 64 columns of data.

Don't worry. QuickBooks exports up to 40 columns, so you're relatively safe with me. In fact, how about just dipping your toe in the water with a single column:

1. **Choose any cell within a list you want to sort.**

   Excel is always tracking what's referred to as the *current region,* the contiguous block of cells surrounding your cursor. For this reason, you don't need to select all your data in advance.

2. **Choose Data ➪ Sort A-Z, Data ➪ Sort Z-A, or Home ➪ Sort & Filter ➪ Sort A to Z or Sort Z to A.**

   The names of these commands are Sort A to Z or Sort Z to A if your cursor is in a column of text, and Sort Smallest to Largest or Sort Largest to Smallest if your cursor is in a column of numbers.

3. **If you want to sort based on two or more columns, click the Sort button to display the Sort task pane.**

   You can also use the Sort task pane to sort based on color or conditional formatting. If you dig deep enough, you can sort on custom lists (such as day or month names) or even sort lists sideways, meaning sorting columns from left to right or right to left versus sorting rows up and down the spreadsheet.

Summarizing Data with PivotTables

The PivotTable feature in Excel lets you turn plain but analysis-ready data lists into meaningful summary reports just by clicking or dragging fields in the PivotTable Fields task pane. Even better, nothing you do in a PivotTable changes the original data.

Although it might look intimidating at first glance, I promise: This is one of Excel's easiest and most powerful features to master.

Understanding PivotTable requirements

Before creating a PivotTable, make sure your data conforms to all the data analysis ground rules that I outline in the "Optimizing Reports for Data Analysis" section earlier in this chapter. Then convert your dataset into an Excel table.

Using the Table feature ensures that your PivotTable can "see" any new data that you append to the bottom of the report, like when you copy and paste in numbers for a new month. Without this step, your fresh data might be left out of the summary, leaving your PivotTable stuck in the past.

TIP

If your table includes a Total Row, click Table Design ➪ Total Row to temporarily turn it off. Append your new data to the bottom of the table, and then toggle the Total Row back on. Excel preserves any customizations you previously made to the total row, so your formulas and summaries will remain intact.

Follow these steps to create a PivotTable:

1. **Select any cell in your list.**
2. **If necessary, choose Insert ➪ Table ➪ OK.**

   If the Insert ➪ Table command is grayed out, your data is already a table.
3. **Choose Table Design ➪ Summarize with PivotTable (or Insert ➪ PivotTable).**

   The Create PivotTable task pane opens.
4. **Click OK to accept the default settings.**

   A blank PivotTable canvas opens on a new worksheet in your workbook, along with a PivotTable Fields task pane. You also see two new tabs in the Excel ribbon: PivotTable Analyze and Design.

REMEMBER

The PivotTable Analyze and Design tabs, as well as the PivotTable Fields task pane, are context sensitive. If you move your cursor to any cell outside the PivotTable canvas, the menus and task pane disappear; they reappear when you click inside the PivotTable canvas again. This behavior can be a bit disconcerting if you're new to the feature.

Adding fields to PivotTables

At this point, you're ready to add fields to your PivotTable:

1. **In Windows, click the checkbox for Account Name from the PivotTable Fields task pane shown in Figure 20-5. In macOS, drag the Account field into the Rows area.**

   When you click the checkbox for a given field, Excel for Windows places text or date-based fields in the Rows area. Excel for macOS places all fields in the Values area when you click a field's checkbox.

TIP

   You can drag fields into other areas at any time. You can only place fields in the Filters or Columns area by dragging the field name or right-clicking the field name and choosing an area.

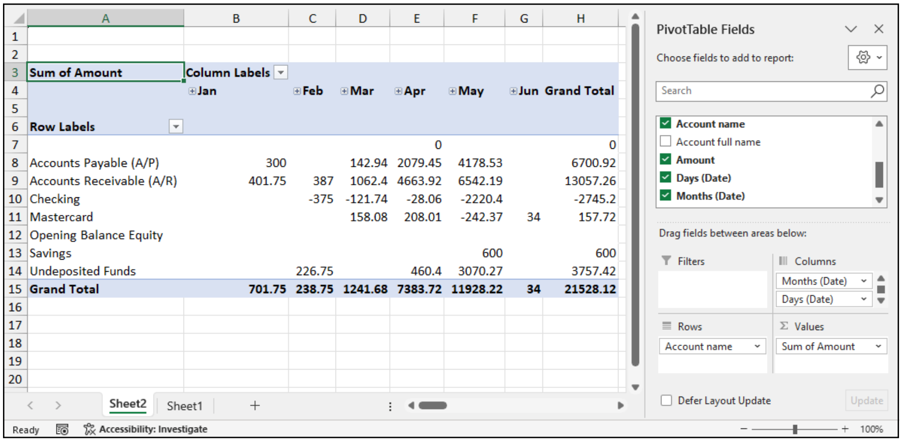


FIGURE 20-5: PivotTables allow you to create instant summaries of your data by dragging and dropping fields.

2. **Drag the Date field into the Columns area.**

   If your dates are numeric values, Excel automatically groups the transactions by month and then day. Otherwise, you see a column for each date. This situation also arises if your dates are stored as text, which is the default format in QuickBooks. Refer to the Text to Columns discussion in the "Optimizing Reports for Data Analysis" section earlier in this chapter to convert the text-based data into dates that Excel recognizes.

3. **Click the checkbox for the Amount field to position it in the Values area.**

TIP

Double-clicking any number within a PivotTable drills down into the underlying transactions, just like drilling into a report in QuickBooks. Excel creates a new worksheet that shows the exact data behind the number you double-clicked.

Refreshing and resizing PivotTables

Despite all their glory, PivotTables don't automatically update when your data changes. Instead, they show a snapshot in time, a frozen summary of the data as it looked when you created or last refreshed the PivotTable. That's different from formulas in Excel, which recalculate instantly when the data changes.

To make sure your PivotTable reflects the latest data, you need to refresh it manually. You can do that in three ways:

REMEMBER

- Right-click on the PivotTable and choose Refresh.
- Choose PivotTable Analyze ➪ Refresh.

  The PivotTable Analyze tab is present only when your cursor is inside a PivotTable.
- Choose Data ➪ Refresh All.

The Refresh command updates a single PivotTable, while Refresh All updates every PivotTable in the workbook. Just keep in mind: Refreshing only includes data that the PivotTable can "see."

If your PivotTable is based on a table, you're in good shape; any new data you add is automatically included. If your PivotTable is based on a run-of-the-mill range of cells, Excel won't catch the new data unless you take a few extra steps. Anytime you add new data to the original source data, be sure to:

1. **Select any cell in your PivotTable.**
2. **Choose PivotTable Analyze ➪ Change Data Source.**

   The Change PivotTable Data Source dialog box is displayed.
3. **Update the Table/Range field to reflect the expanded cell coordinates of your dataset.**
4. **Click OK.**

Excel automatically refreshes your PivotTable after you click OK in the Change PivotTable Data Source dialog box. You may notice that the name of the dialog box changes to Move PivotTable after you select a new range of data. This is an odd but benign Excel quirk.

Removing fields from PivotTables

You can remove fields in one of four ways:

- Clear the checkbox for a field in the main area of the PivotTable Fields task pane.
- Drag any field within an area off the PivotTable Fields task pane and release your left mouse button.
- Click the arrow on the right side of any field in an area and choose Remove Field from the dropdown menu.
- Right-click the field within the PivotTable and choose Remove from the shortcut menu.

TIP

I could go on and on about PivotTables (and believe me, I want to), but rather than annoy my editor, I'll rein it in and leave you with just a couple of closing tips:

- Plus and minus buttons appear within PivotTables when you have two or more fields in the Rows or Columns area. For example, if you drag Name into the Rows area, you'll see activity organized by account and then name.

You can click these buttons to expand or collapse specific sections of the report. To collapse or expand all sections at once, use PivotTable Analyze ➪ Collapse Field to collapse all segments, or PivotTable Analyze ➪ Expand Field. Just make sure that your cursor is placed within a row field for those commands to work.

- Choose PivotTable Analyze ➪ Insert Timeline to select a date-based field, and then click OK. As shown in Figure 20-6, timelines are like slicers but are used to filter PivotTables for specific date ranges.
- See *Microsoft Data Analysis For Dummies* by Paul McFedries if you want to delve more deeply into PivotTables.

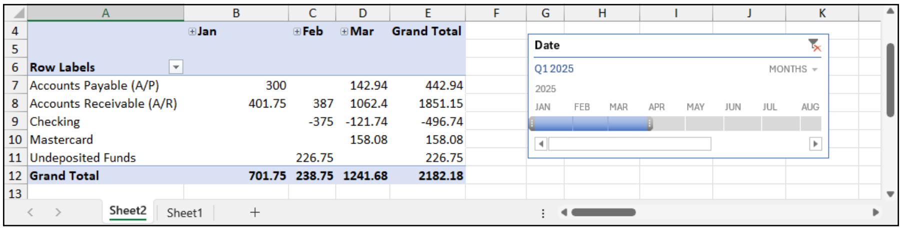


FIGURE 20-6: Timelines allow you to control the contents of a PivotTable based on date ranges.

IN THIS CHAPTER

» Getting started with Power Query

» Cleaning up QuickBooks reports

» Automating refreshable results

Chapter 21

Automating QuickBooks Analysis with Power Query

Ever feel like QuickBooks reports were designed by a raccoon — lots of garbage to sort through, and everything's just a little, well, scattered? This chapter brings order to the chaos by using Power Query to automate the cleanup process that was tackled manually in Chapter 20. Just one catch: You'll need the desktop version of Excel for this (such as Microsoft 365 desktop apps or Excel 2024); Excel for the Web (`www.office.com`) and Google Sheets (`sheets.google.com`) won't cut it.

Instead of going through the same motions every time you export a report — removing unwanted columns, slicing off headers and footers, fixing those weird totals — you'll create a set-it-and-forget-it connection that transforms the data faster than you can say, "Gee willikers!" Sure, you'll still need to export the report and overwrite the existing file, but once that's done, your cleaned-up version appears in Excel like magic.

And while PivotTables benefit from this — clean data makes them a breeze — they're just one piece of the puzzle. Power Query streamlines the entire workflow, opening the door to smoother filtering, easier analysis, and way less clicking. Stick around to the end, and I'll show you how to automate the whole shebang, including your PivotTables. That raccoon mess? Handled. Go brew something fancy.

Rolling Up Your Sleeves with Power Query

Now that you've have a sense of what Power Query can do, it's time to dig into how to actually use it. You'll walk through creating a connection to a QuickBooks report, shaping the data to your liking, and setting up refresh options that keep your workbook effortlessly up to date.

Before diving in, let me share a quick personal note. I've been a spreadsheet consultant for more than three decades, and for much of that time, cleaning up exported reports meant writing programming code in Excel — line by line, step by step. Power Query was introduced a little over a decade ago, and for a few years I knew it was out there, but I kept thinking, "Why bother learning that? I already know how to code." Fast-forward to today, and I almost never write code when I need to clean up a report. Power Query takes care of the heavy lifting — with fewer steps, fewer errors, and way less time spent reinventing the wheel.

TECHNICAL STUFF

Behind the scenes, Power Query uses a functional language called M (short for "Mashup"). Every step you apply in the Power Query Editor generates a corresponding line of M code, which you can view (and even edit) by choosing View ➪ Advanced Editor. While you don't need to learn M to use Power Query effectively, it opens up advanced capabilities, like custom logic, reusable functions, and more precise control over transformations. For most users, Power Query's friendly interface handles everything fine, but if you're feeling adventurous, the Advanced Editor is where you can peek behind the curtain and edit the steps directly.

REMEMBER

Although this chapter doesn't cover any steps where it matters, it's good to know that Power Query is case-sensitive behind the scenes. That means *Invoice* and *invoice* are treated as different inputs, which can trip you up when applying filters or defining conditions. The deeper you get into Power Query, the more often case sensitivity rears its head, so keep an eye on capitalization as your skills grow.

Connecting a QuickBooks export to Power Query

Now's a good time to establish a connection to the Transaction Detail By Date report that you exported in Chapter 20:

1. **Click the Downloads button at the top of the Chrome window, and then select the Transaction Detail by Date workbook to open the report.**

   By default, reports that you export from QuickBooks are saved to your Downloads folder.

2. **Click Enable Content if the workbook opens in Protected View.**

   WARNING

   Protected View doesn't just affect what you see in Excel; it can interfere with Power Query too, causing reports to appear blank or filled with zeroes during import. Clicking Enable Content now helps prevent issues later when you connect the file to Power Query.

3. **In Excel choose File ➪ Save As ➪ Browse, choose a permanent location for the workbook, optionally change the filename, and then click Save.**

   TIP

   Saving the workbook outside your Downloads folder lets you easily overwrite it with newer versions of the same report — no need to repeat your Power Query steps each time. Later in the chapter, I'll also show you how to swap in a different file entirely while keeping your transformation intact.

4. **Press Ctrl+W (Windows) or Cmd+W (macOS) or choose File ➪ Close to close the Excel workbook.**

5. **Open the workbook where you want to import the report data — either by opening an existing file or starting fresh with a blank workbook.**

   If a blank workbook doesn't appear automatically, press Ctrl+N (Windows) or Cmd+N (macOS) or choose File ➪ New ➪ Blank Workbook to create one.

6. **Choose Data ➪ Get Data ➪ From File ➪ From Excel Workbook.**

   TECHNICAL STUFF

   You can export Modern View reports in QuickBooks as CSV files. (Nope, not the drugstore chain — CSV stands for comma-separated values.) Excel opens these files without breaking a sweat, and they're great for bypassing many of the reporting shenanigans tackled in Chapter 20. To bring one of these files into Power Query, choose Data ➪ From File ➪ From Text/CSV. From there, Power Query takes over and helps you wrangle the data into something far more civilized.

7. **Select the report file that you saved in a new location, and then click Import.**

8. **Choose the worksheet containing the data you want to access, typically Sheet1.**

A preview of the report appears in the Navigator window, as shown in Figure 21-1.

REMEMBER

If the Date column looks like it's full of five-digit numbers instead of actual dates, don't worry. That's just how Excel stores dates behind the scenes. You'll fix the formatting later during the transformation steps.

9. **Click Transform Data to launch the Power Query Editor.**

The Power Query Editor opens on your screen, ready for action.

TECHNICAL STUFF

If you'd rather skip the cleanup and get straight to the data, you can click Load instead. This bypasses the Power Query Editor and drops the data directly into a new worksheet. It's unlikely that you'll encounter a clean enough QuickBooks export to make this practical, but hey, hope springs eternal.

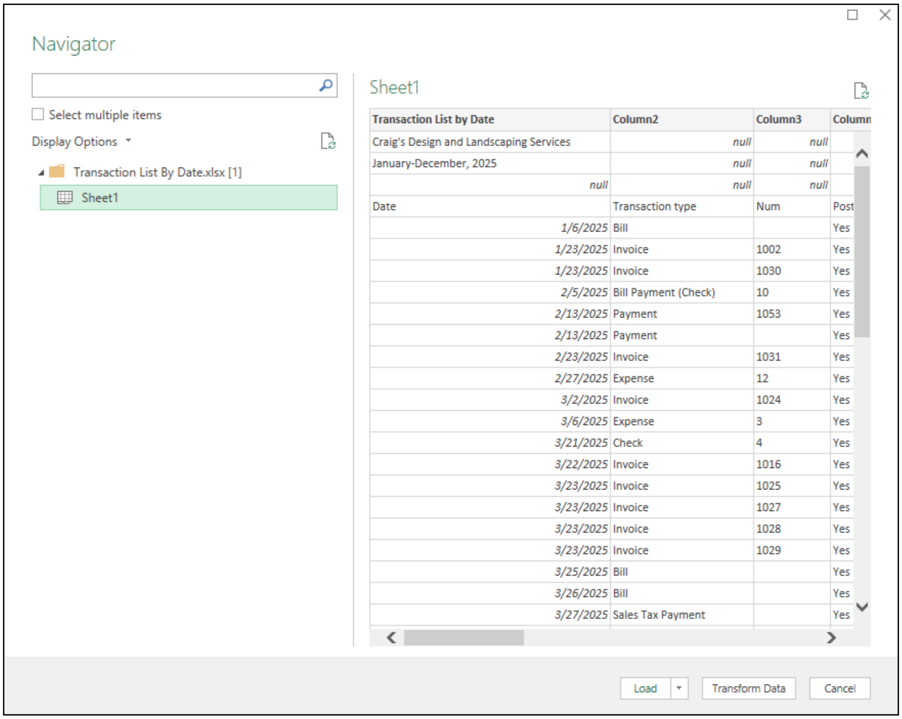


FIGURE 21-1: The Power Query Navigator window.

WARNING

You can't work in Excel and Power Query at the same time. This means that if you're working in the Power Query Editor, the only way you can access your spreadsheet is to choose Home ➪ Close and Load or close Power Query and discard any changes.

Getting oriented before cleanup begins

Now that the Power Query Editor is open, you're looking at a preview of the report that you imported from QuickBooks. This is where the cleanup begins — although Power Query may have jumped the gun. On the right side of the screen is a list called Applied Steps, as shown in Figure 21-2. Power Query uses this list to track every change made to your data.

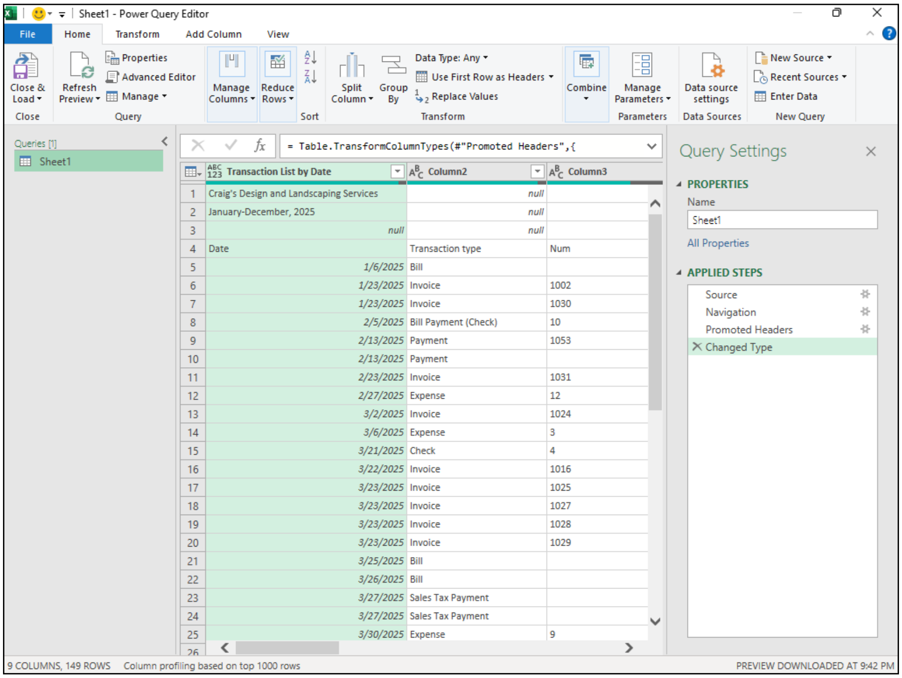


FIGURE 21-2: The Power Query Editor shows the QuickBooks report you just imported.

REMEMBER

Worried you'll break something? Don't be. You can edit or delete every transformation step in Power Query at any time because you're working with a *copy* of your data. Think of the Applied Steps list as your personal undo history — no need to fear experimentation. If something goes sideways, just retrace your steps or click the X to remove the culprit.

TIP

You can preview your data at any stage by clicking the entries in the Applied Steps list. It's like paging through a flipbook; each step shows what the data looked like at that exact moment. It's a great way to retrace your steps or spot where something went off the rails.

When you first import a report into Power Query, the first two steps — Source and Navigation — are expected. Anything beyond that means Power Query may have taken creative liberties.

Before you start adding steps of your own, here's what you might be seeing in the Applied Steps list:

- **Source:** This step connects Power Query to your file. If you ever need to swap a different version of the report that you've saved in another location, or with a different name, click the Settings button to open a window where you can select the new file.

  REMEMBER

  If you click on the Source step, your data preview may seem to disappear. That's normal. Power Query is just showing a list of what's inside the file. To bring back your data, simply click on the last step in the Applied Steps list to return to the full preview.

- **Navigation:** This tells Power Query which part of the file to display — usually a worksheet, or a table if you're highfalutin and have connected Power Query to a database. If needed, you can click Settings and choose a different worksheet within your workbook.

  WARNING

  Don't delete the Navigation step. Doing so will cause your data to disappear from the screen. If that happens, your best option as a new user is to close Power Query by choosing File ➪ Discard and Close and start the import process again.

- **Promoted headers:** This step moves the first row of your data preview into the column headings. When you add it yourself, it usually means your headers are in place and ready to go. But when Power Query adds it automatically, it may mistake a report title — like "Transaction List by Date" — for your only heading. The result? One proper label followed by cryptic names like Column2, Column3, and so on. (See Figure 21-2.) You can fix this by simply removing the step.

- **Changed Type:** This step means Power Query has changed the data type for one or more columns — for example, converting a column of text values into actual dates. When you apply it on purpose, it's great. But when Power Query goes rogue and says, "Don't worry, I got this," right before misinterpreting half your columns, all bets are off. Not to worry. You can drop this step from the list like a hot potato too.

TOURING THE POWER QUERY EDITOR

The Power Query Editor enables you to transform data that you've imported into your workbook. Following are some of the major features:

- **Ribbon interface:** Power Query has a tabbed interface much like Excel's.
- **Queries pane:** This pane along the left side lists all available queries in each workbook. In this case, the name of the worksheet that you imported into the Power Query Editor (Sheet1) appears here.
- **Current view:** A worksheet-like grid offers a live preview of your data.
- **Query settings:** A task pane on the right side of the screen enables you to rename a query and shows as a list of transformation steps that have been applied to your data. If you chose this pane accidentally, choose View ➪ Query Settings.
- **Status bar:** A row of information appears along the bottom of the screen to provide information about your query.

Transforming your report

Now that you've seen what's in your Applied Steps list, it's time to roll up your sleeves and take over the cleanup. Remember, the only steps that belong by default are Source and Navigation. If anything else shows up — like Promoted Headers or Changed Type — consider it the Power Query equivalent of a dead bird your cat proudly dropped on the front porch. Unwelcome. Uninvited. And best swept away immediately.

Follow these steps to get the ball rolling on your transformation. (Just don't let your cat see the ball!)

1. **If any steps other than Source and Navigation are present in the Applied Steps list, right-click on the third step (most likely Promoted Headers), and choose Delete Until End ➪ Delete.**

   This removes that step and anything Power Query added after it.

2. **Scroll to the bottom of the data preview. If you see extra rows filled with null values (or errors), you can remove them because they're not part of the actual report.**

   Note the number of rows (for example, 5).

3. **Choose Home ➪ Remove Rows ➪ Remove Bottom Rows.**

   The Remove Bottom Rows dialog box opens.

4. **Enter the number of rows to remove (for example, 5), and then click OK.**

   A Removed Bottom Rows step appears in the Applied Steps list.

5. **Right-click the Removed Bottom Rows step, choose Rename, and change the name to something like Removed Bottom 5 Rows or Removed Footer Rows.**

   TIP

   Renaming steps in Power Query makes it much easier to understand what each one does — especially when you revisit your transformations later.

6. **Scroll to the top of the data preview. If you see extra rows filled with titles or null values, remove these as well.**

   Most QuickBooks reports will have at least one title row — sometimes up to four.

7. **Choose Home ➪ Remove Rows ➪ Remove Top Rows, enter the number of rows to remove, click OK, and then rename the step to reflect the number of rows removed.**

   Your column headers should now appear in row 1.

8. **Choose Home ➪ Use First Row as Headers.**

   Your column headings move into the header row of the data preview, and a Promoted Headers step appears in the Applied Steps list, as shown in Figure 21-3 — possibly along with a surprise Changed Type step.

9. **If a Changed Type step appears, Power Query has made assumptions about the types of data in one or more columns.**

   Data types — like Date, Text, or Decimal Number — help Excel know how to treat the values in each column. In this case, Power Query was on the case and correctly assigned the correct data types to each column. An icon on the left side of each column header identifies the current data type:

   - Date
   - Text
   - Decimal
   - Any

   TIP

   As covered in Chapter 20, opening the QuickBooks export directly in Excel formats the dates in the Date column as text. Power Query spares you from fixing that manually. That's just one example of how it eliminates repetitive formatting tasks.

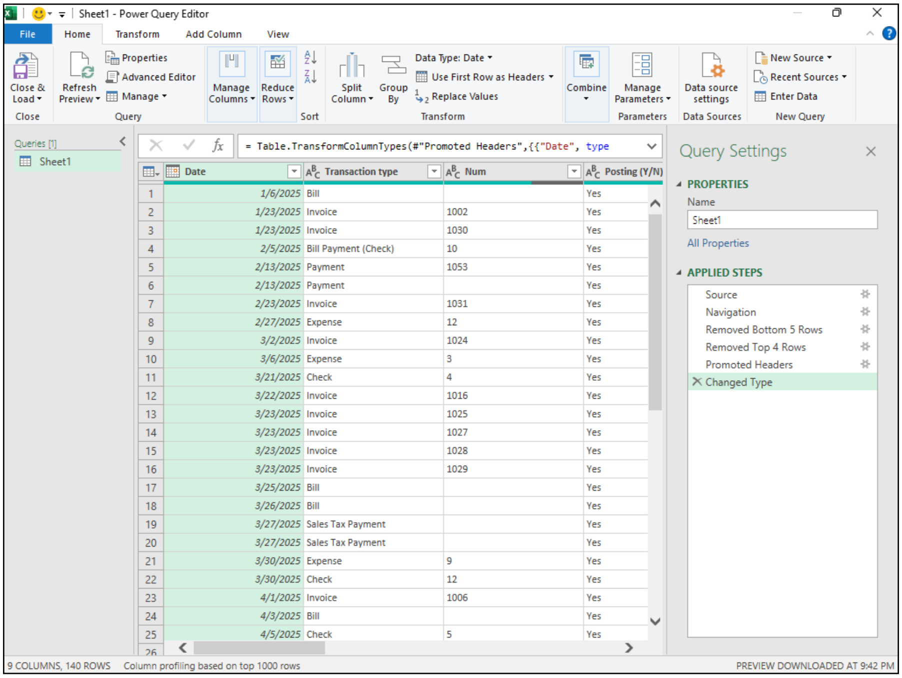


FIGURE 21-3: A status check on your data transformation.

TECHNICAL STUFF

Excel stores dates as numbers behind the scenes. On most systems, day 1 is January 1, 1900 — so January 2, 1900, is 2, December 9, 2025, is 46000, and so on. That's why unformatted dates sometimes show up as five-digit numbers. Setting the data type to Date ensures everything displays correctly when the data is returned to Excel.

REMEMBER

For best results, always set the appropriate data type for any column that isn't plain text — especially dates and numbers.

10. **Optional: Click the 1.2 icon for the Amount column, and then select Currency from the Data Type list.**

This aligns the decimal places in the columns, making the numbers easier to read.

REMEMBER

Although date formats from Power Query flow into Excel, other number field changes are ignored, meaning you have to apply the currency format in Excel as well if that's your aesthetic.

11. **Choose Home ➪ Choose Columns.**

The Choose Columns dialog box opens, as shown in Figure 21-4, providing an easy way to remove unwanted columns from a report.

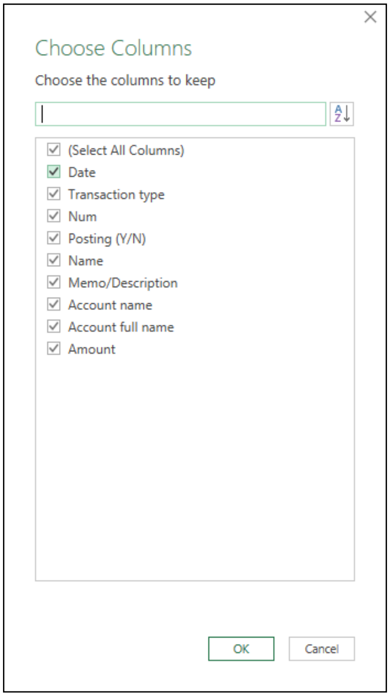


FIGURE 21-4: The Choose Columns dialog box.

12. **Clear the Num, Posting (Y/N), and Memo/Description checkboxes, and then click OK.**

    TECHNICAL STUFF

    The fields are presented in the order in which they appear in the report, but you can click the AZ button to alphabetize them or use the Search field to shorten the list.

13. **Click the Settings button next to the Removed Other Columns step in the Applied Steps pane.**

    You can revise a step that you've added to a Power Query transformation if a settings icon appears.

    TIP

    If a step doesn't do what you hoped, you can always delete it from the Applied Steps list and try again. Just be sure to click the last step in the list before making your next move — otherwise, Power Query might try to insert the new step in the middle, which can cause errors or unexpected results. Think of it like making a grilled PB&J: it doesn't work so well if you forget to spread the peanut butter until after the bread is already buttered.

14. **You can now remove additional columns, such as the Account Full Name field, and click OK.**

At this point, the report should have five columns — specifically Date, Transaction Type, Name, Account Name, and Amount. The QuickBooks clutter is gone. Your data is cleaned and ready to use.

15. **Choose Home ➪ Close and Load.**

Make sure to click the icon, not the words. If you click the dropdown by accident, you'll have to choose Close and Load a second time — an unnecessary step unless you're just trying to close the daily click circle on your Apple Watch.

At this point your cleaned-up QuickBooks report appears in a new worksheet in Microsoft Excel as an Excel table, as shown in Figure 21-5. From here, you're ready to dive deeper into your analysis. Chapter 20 walks through several tools that can help you take your data to the next level:

- **Total row:** Add quick totals or averages at the bottom of your table without writing formulas.
- **Slicer:** Create user-friendly filters that let you zero in on specific names, dates, or transaction types.
- **PivotTable:** Summarize and reorganize your data dynamically, giving you powerful insight with just a few clicks.

Whether you're tallying totals or building interactive reports, these features make your data more useful — and a lot more fun to work with.

TIP

You can safely close the Queries & Connections task pane when it appears. It acts as a handy inventory of your data connections, and you can bring it back anytime by choosing Data ➪ Queries & Connections. Right-click any connection in the list to reveal a variety of useful options: editing the query, refreshing the data, and more.

UNDERSTANDING THE ABC123 ICON

The ABC123 icon in Power Query represents the Any data type, a flexible placeholder similar to Excel's General number format. While you're not required to change data types, letting the Any type ride can lead to problems when the data returns to Excel. For example, dates might appear as five-digit numbers, and amounts may be stored as text — making them impossible to sum.

Setting the correct data type in Power Query — such as Date, Decimal Number, Whole Number, or Text — ensures columns are properly formatted when the data is loaded into Excel — saving you from manual cleanup later.

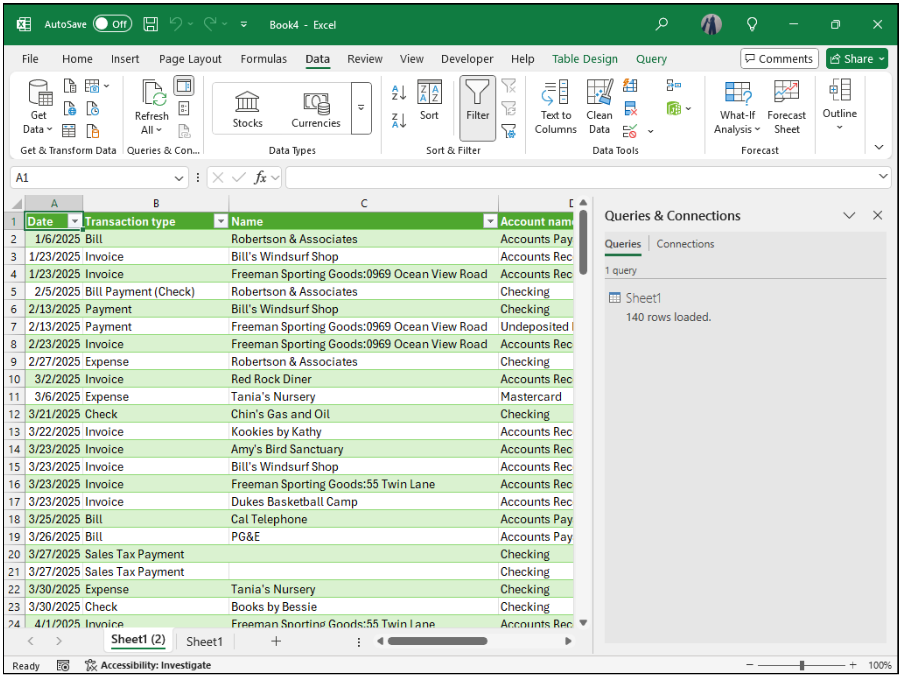


FIGURE 21-5: Power Query results are returned to a new worksheet by default.

Keeping Power Query Results Current

Power Query doesn't maintain a live feed; it gives you a snapshot. But that snapshot is refreshable. Once you've set up your transformation steps, you don't have to repeat them every time you export a new version of the report. (If doing things manually is more your jam, Chapter 20 has you covered.) But if you've stuck with me this far, I'm guessing you'd rather work smarter than harder. And hey — I'm genuinely proud of you for making it to this point!

To keep your Power Query results up to date, just export the latest data from QuickBooks and save it over the original file. When you refresh the query in Excel, your cleaned-up results update automatically — no need to repeat your transformation steps. If you'd rather not even click Refresh, you can configure Excel to update the results automatically every time you open the workbook.

Updating Power Query results manually

When you want to transform a fresh copy of a report, such as Transaction List by Date, here's how to update your Power Query results:

1. **Export a newer version of the report from QuickBooks to Excel.**

   See Chapter 20 if you need a refresher on the specifics.

2. **Open the exported file and choose File ➪ Save As to overwrite the original file that you connected to Power Query.**

3. **Open your Excel workbook that contains the Power Query transformation, and then choose Data ➪ Refresh All.**

   Boom! Your cleaned-up results update automatically — no need to repeat the transformation steps. Marie Kondo would surely approve of the automated decluttering. Power Query sparks joy, no matter how you slice your data!

Refreshing Power Query results automatically

You can instruct Power Query to refresh automatically when you open a workbook that contains a query:

1. **Click any cell within a list of data that Power Query generates.**

   The Query menu appears in the Excel ribbon only when you click a cell within data that has been brought into Excel from Power Query.

2. **Choose Query ➪ Properties.**

   The External Data Range Properties dialog box opens. If you're looking for a backdoor way in, choose Data ➪ Properties or Table Design ➪ Properties. Excel is full of such rabbit runs.

3. **Click the Query Properties button.**

4. **In the Query Properties dialog box (see Figure 21-6), adjust the following checkboxes:**

   - Turn off Enable Background Refresh for faster and more reliable updates.
   - Turn on Refresh Data When Opening the File for full automation.
   - Turn on Fast Data Load to speed things up.

   TECHNICAL STUFF

   You can change these options at any time. For instance, you might turn off Refresh Data When Opening the File if you want to preserve a frozen-in-time snapshot of your dataset — perfect for archiving a report as it looked at a specific point in time.

5. **Click OK to close the Query Properties dialog box.**

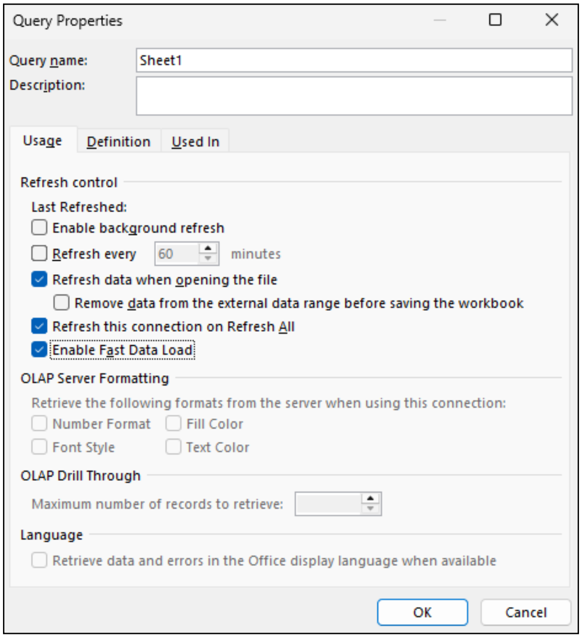


FIGURE 21-6: Adjusting query properties enables you to have a self-updating report.

REMEMBER

Query properties that you set are unique to each Power Query connection, so you need to repeat these steps every time you connect to a new data source. It's a small price to pay for clean, self-refreshing data.

Silencing the Enable Content prompt

Now that you've set the query properties for your Power Query connection, there's one more speed bump to file down before you can enjoy smooth, hands-free updates. Every time you open your workbook, Excel may flash a yellow warning bar with an Enable Content prompt — unless you silence it for good. Here's how to mark your workbook as trusted so you can skip that step every time:

1. **Save and close the workbook that contains your Power Query connection.**
2. **Reopen your workbook.**

   When the Enable Content prompt appears, resist the urge to click immediately. You're not playing Whac-a-Mole here. To suppress the prompt permanently for this workbook, follow the next step instead. (If you already clicked it, no worries: Close your workbook and Excel, reopen the workbook, and then try again in a slower fashion.)

3. **Choose File ➪ Info ➪ Enable Content ➪ Enable Content to suppress the security prompt.**

   This marks the workbook as a trusted document. In exchange, Excel no longer requires you to enable content each time you open the file — removing one more obstacle on your path to refreshable bliss.

Refreshing PivotTable results

If you're presenting the data in the form of an Excel table, you're all set. But if you're using a PivotTable — both are covered in Chapter 20 — you need to change one more setting to ensure your report stays fully self-updating. Follow these steps:

1. **Click any cell inside the PivotTable, and then choose the PivotTable Analyze menu.**

   REMEMBER

   The PivotTable menus are context-sensitive, so the PivotTable Analyze and Design menus disappear when your cursor leaves the PivotTable.

2. **Choose PivotTable Analyze ➪ Options ➪ Data tab.**

   The PivotTable Options dialog box opens. (See Figure 21-7.)

3. **Click the Refresh Data When Opening the File checkbox, and then click OK.**

   This setting instructs Excel to do your bidding — er, to refresh your PivotTable when you open the workbook.

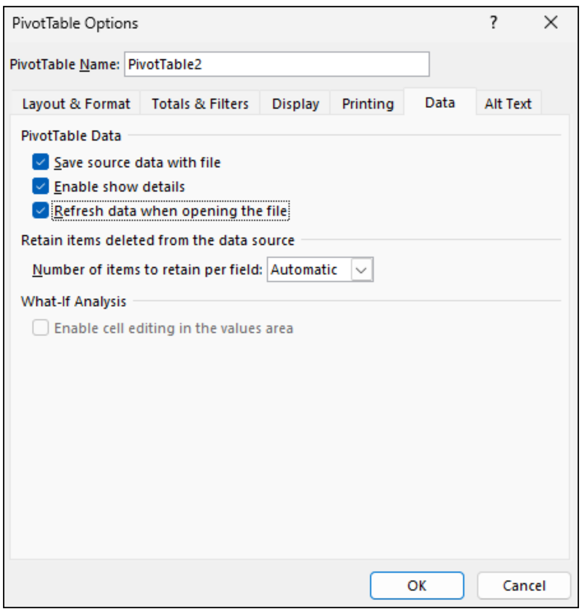


FIGURE 21-7: You must also click Refresh Data When Opening the File to ensure PivotTables tied to Power Query update themselves automatically.

WARNING

Make sure that you configure both the Power Query connection and any PivotTables based on that data to refresh automatically. Otherwise, you might end up reviewing stale numbers. When in doubt, choose Data ➪ Refresh All twice to be sure everything is up to date. Why twice? Because sometimes data refreshes are like a balky toilet that won't flush right — the first try usually gets Power Query, but not always the PivotTables. That second click? It's the one that does the trick.

Revisiting Your Query

You may invariably discover that you missed a detail while transforming your report — or that you filtered out data or hid a column you now want to bring back. Fortunately, you can return to the Power Query Editor at any point by clicking any cell within a list generated by Power Query and then choose Query ➪ Edit.

If Excel is having one of its moods and the Query tab isn't visible, right-click any cell in the table and then choose Table ➪ Edit Query. After making your changes, click Home ➪ Close and Load in the Power Query Editor to return to Excel with your updates applied.

TIP

If you want to dig deeper into Power Query, check out *Excel Power Pivot & Power Query For Dummies* by Michael Alexander. By the way, this same Power Query Editor also powers data prep in Power BI — covered in *Microsoft Power BI For Dummies* by Jack Hyman. Whether you're wrangling spreadsheets or building dashboards, it's the same muscle behind the magic.

7

The Part of Tens

IN THIS PART . . .

Master ten common journal entries and get a tutorial on creating journal entries.

Improve efficiency with ten Chrome shortcuts.

Get the lowdown on ten things QuickBooks doesn't tell you.

IN THIS CHAPTER

» Finding the ten most common journal entries

» Getting instructions for creating journal entries

» Discovering the ins and out of debits and credits

» Seeing where journal entries are used

Chapter 22

Ten Common Journal Entries

A journal entry is the most stripped-down way to record a transaction in QuickBooks — debits on the left, credits on the right, plus a short description. Most of the time you'll rely on forms like Expenses, Checks, or Invoices, which QuickBooks automatically converts into journal entries behind the scenes.

In the spirit of "this meeting could have been an email," many journal entries could just as easily have been recorded with those other forms. Still, sometimes the Journal Entry screen is the only option.

This chapter lines up ten of the most common entries you'll see. If you need help with the mechanics, skip to the "Creating Journal Entries" section. If terms like *debits, credits,* and *contra accounts* make your eyes glaze over, head to the end, where I translate the jargon into plain English.

Documenting Ten Common Journal Entries

This section covers the ten journal entries you're most likely to run into in QuickBooks. Think of this as your reference playlist: Each entry has a short explanation, followed by a table that shows which accounts to debit and credit. You don't need to memorize them. Just know where to look when the need comes up.

Recording a fee

You'll start with a simple example. You could record this fee as an expense (see Chapter 3), but here's how it looks as a journal entry.

Account	Debits	Credits	Description
Bank charges	$15.00		Record service charge
Checking		$15.00	Record service charge

Correcting a bank balance

Sometimes reconciliation (see Chapter 5) turns up a small difference. Suppose your bank statement shows $8,243.17, but QuickBooks shows $8,243.57 instead. Use a journal entry like this to bring the balance down.

Account	Debits	Credits	Description
Miscellaneous expense	$0.40		Reduce bank balance to actual
Checking		$0.40	Reduce bank balance to actual

If QuickBooks shows $8,242.77 instead, record an upward adjustment to match the bank statement's $8,243.17 balance:

Account	Debits	Credits	Description
Checking	$0.40		Increase bank balance to actual
Miscellaneous income		$0.40	Increase bank balance to actual

REMEMBER

This same approach works for any asset account, not just checking. If an account's balance in QuickBooks doesn't match your supporting records, use a journal entry like this to true it up.

Adjusting liability accounts

Rounding differences sometimes sneak into liability accounts, like payroll taxes. Suppose your payroll liability report shows $3,257.40, but QuickBooks shows $3,257.50 instead. Use a journal entry like this to bring the balance down.

Account	Debits	Credits	Description
Payroll Taxes Payable	$0.10		Reduce liability to actual
Payroll Tax Expense		$0.10	Reduce liability to actual

If QuickBooks shows $3,257.30 instead, record an upward adjustment to match the payroll liability report's $3,257.40 balance.

Account	Debits	Credits	Description
Payroll Tax Expense	$0.10		Increase liability to actual
Payroll Taxes Payable		$0.10	Increase liability to actual

TIP

This same approach works for other liability accounts — such as sales tax payable or a credit card account — when QuickBooks doesn't match your supporting records.

Recording payroll from a third-party service

If you run payroll through an outside service (like Gusto, ADP, or Paychex) instead of QuickBooks Payroll, you need to record the results with a journal entry so your books stay up to date. Your payroll provider should give you a report showing gross wages, withholdings, employer taxes, and the net pay distributed to employees. A typical journal entry looks like this.

Account	Debits	Credits	Description
Wages Expense	$5,000.00		Gross employee pay
Payroll Tax Expense	$500.00		Employer share of payroll taxes
Federal Withholding Payable		$1,000.00	Employee tax withholdings
State Withholding Payable		$300.00	State tax withholdings
Payroll Taxes Payable		$500.00	Employer payroll taxes owed
Checking		$3,700.00	Net pay distributed to employees

REMEMBER

Your numbers will vary depending on wages, benefits, and tax rates. Use the payroll report from your provider as the source of truth when building this entry.

Managing petty cash

Suppose you set aside $100 for petty cash to cover incidental expenses like coffee runs, postage, or delivery tips. The first step is to make a cash withdrawal from your bank account, which you then record as follows.

Account	Debits	Credits	Description
Petty Cash	$100.00		Establish petty cash fund
Checking		$100.00	Establish petty cash fund

Later, when you tally up receipts and what's left in the drawer, record the incidental expenses against the fund.

Account	Debits	Credits	Description
Meals/Entertainment	$23.48		Coffee for client meeting
Postage	$8.89		Certified mailing
Miscellaneous Expense	$15.00		Delivery tip
Petty Cash		$47.37	Record petty cash expenditures

After recording this entry, your petty cash account will show a balance of $53.63. Repeat the funding and expense-recording process as needed to keep the account aligned with what's in the drawer.

TIP

Consider attaching digital copies of any receipts so you have them handy later. (See Chapter 1.)

Amortizing prepaid expenses

Suppose you pay $1,200 upfront for a 12-month insurance policy. Rather than booking the full amount as an immediate expense, record the payment to an Other Current Asset account such as Prepaid Expenses. Then use a monthly journal entry to spread the cost evenly over the policy term.

Account	Debits	Credits	Description
Insurance Expense	$100.00		Record monthly insurance expense
Prepaid Expenses		$100.00	Reduce prepaid insurance balance

TECHNICAL STUFF

This approach follows the matching principle: Expenses should be recognized in the same period as the income they help generate.

TIP

See the "Automating journal entries" section later in this chapter to learn how to put it on autopilot.

Accruing expenses

If your accounting method is set to accrual (see Chapter 1), you may need to record an expense in December even though you won't pay the bill until January. A journal entry like this makes sure the cost shows up in the correct period.

Account	Debits	Credits	Description
Utilities Expense	$875.00		Accrue December electricity
Accrued Expenses		$875.00	Accrue December electricity

When the bill arrives in January, your books will reflect the expense twice unless you reverse the accrual. Enter the following reversing entry.

Account	Debits	Credits	Description
Accrued Income	$875.00		Reverse December electricity accrual
Consulting Income		$875.00	Reverse December electricity accrual

REMEMBER

QuickBooks Online doesn't offer automatic reversing entries, so you need to adjust this manually.

Accruing income

If your accounting method is set to accrual (see Chapter 1), you may need to record income you've earned but haven't billed yet. For example, suppose you wrapped up a $4,300 consulting project in December but won't create the invoice until January. Record it to Accrued Income, an Other Current Asset account, so the income shows up in December, when it was earned.

Account	Debits	Credits	Description
Accrued Income	$4,300.00		Accrue unbilled December revenue
Consulting Income		$4,300.00	Accrue unbilled December revenue

When you create the actual invoice in January, your books will reflect the income twice unless you reverse the accrual. To prevent the double count, enter a reversing journal entry like this.

Account	Debits	Credits	Description
Consulting Income	$4,300.00		Reverse unbilled December revenue
Accrued Income		$4,300.00	Reverse unbilled December revenue

Maintaining an allowance for doubtful accounts

Sometimes customers don't pay their invoices — whether because they can't, won't, or just ghost you entirely. If you're using accrual basis accounting (see Chapter 1), you can create an Allowance for Doubtful Accounts, an Other Current Asset account that carries a negative balance to offset Accounts Receivable. This way, your balance sheet shows only the receivables you reasonably expect to collect, and your Profit and Loss report reflects a more realistic net income.

A journal entry like this sets up the reserve.

Account	Debits	Credits	Description
Bad Debt Expense	$5,000.00		Estimate of uncollectible A/R
Allowance for Doubtful Accounts		$5,000.00	Establish reserve for bad debts

If things improve later in the year — say, collections pick up — you can reduce the reserve with an entry like this.

Account	Debits	Credits	Description
Allowance for Doubtful Accounts	$2,000.00		Reduce bad debt allowance
Bad Debt Expense		$2,000.00	Reduce bad debt allowance

Posting depreciation

The asset itself, like a warehouse, is posted to a Fixed Asset account, while depreciation is tracked through another Fixed Asset account called Accumulated Depreciation. This account carries a credit balance that offsets the original asset value, so your balance sheet shows the asset's net book value and your Profit and Loss report reflects the expense gradually over time.

TIP

In Chapter 15, I describe how Advanced subscribers can simplify depreciation expense calculations by using the Fixed Assets feature.

Suppose your business buys a warehouse for $480,000 with a 40-year life and zero salvage value. The initial purchase posts as follows.

Account	Debits	Credits	Description
Buildings	$480,000.00		Warehouse purchase
Checking		$480,000.00	Warehouse purchase

TECHNICAL STUFF

Salvage value is what you think an asset will be worth at the end of its useful life, whether from resale, trade-in, or scrap. If you don't expect any value, set it to zero and plan to squeeze out every drop of usefulness.

Using straight-line depreciation, you spread $480,000 evenly over 40 years:

- Annual depreciation = $480,000 ÷ 40 = $12,000
- Monthly depreciation = $12,000 ÷ 12 = $1,000

Each month, you record a journal entry like this.

Account	Debits	Credits	Description
Depreciation Expense	$1,000.00		Record monthly depreciation
Accumulated Depreciation		$1,000.00	Record monthly depreciation

One year later, you'll have $12,000 in accumulated depreciation. Subtracting that from the original cost leaves a net book value of $468,000.

TECHNICAL STUFF

Book value doesn't always match reality. Your books may show the warehouse at $468,000, but someone else might stroll by, fall in love with the exposed pipes and industrial charm, and happily fork over $750,000 for it. That higher figure is called the *market value* — what someone's willing to pay.

Creating Journal Entries

To record a journal entry, choose Create ➪ Journal Entry. Enter the date, select accounts, and fill in debits and credits so they balance. QuickBooks will increment the Journal No. field automatically, though you can override it.

At a minimum:

- Debit at least one account.
- Credit at least one account.
- Add descriptions if helpful.
- Make sure that total debits match total credits.

When you're finished, click Save and New (to keep going) or Save and Close (to return to QuickBooks). QuickBooks remembers your last save option.

Editing journal entries

If you need to edit a recent journal entry, click Recent Transactions at the top of the Journal Entry screen and select the one you want to change.

For older entries, you have two access points:

- **Chart of accounts:** Open the register for the account used in the entry and click the transaction.
- **Journal report:** Go to Reports ➪ Journal and filter by date or other criteria.

Once the entry is open, you can adjust accounts, amounts, or descriptions as needed.

Working with entry rows

Within a journal entry you can:

- **Insert a row:** Click within a line, and then choose Insert a Row Above.
- **Delete a row:** Use the Delete Row option on the right.
- **Reorder rows:** Drag the handle on the left to move a line up or down.
- **Add lines:** Click Add Lines at the bottom to insert eight more rows.

WARNING

Leave the Name field blank unless you're tying the entry to a customer or vendor. Adding names unnecessarily clutters reports.

REMEMBER

Avoid negative numbers in debit/credit fields, which can lead to confusion or imbalance.

Resetting or ditching entries

Options for clearing the slate:

- **Clear All Lines:** Wipes rows immediately, without confirmation
- **Clear:** Resets the whole entry, with confirmation
- **Cancel or Esc:** Discards the entry entirely

Exploring or reusing entries

Sometimes it's quicker to borrow from what you've already done than start from scratch. The journal entry screen gives you two shortcuts:

- **Recent Transactions:** Reopen or tweak past entries.
- **Copy:** Duplicate the current entry into another transaction type.

Automating journal entries

If you need to post the same entry regularly — like monthly depreciation or a bank fee — you can put it on autopilot. Click Make Recurring at the bottom of the Journal Entry screen, and then:

- **Name the template:** Use a descriptive phrase, like **Monthly Bank Fee.**
- **Choose a type:**
  - **Scheduled:** Posts automatically.
  - **Reminder:** Adds a to-do item for you to approve.
  - **Unscheduled:** Saves the entry for manual use later.
- **Set the interval:** Make a selection, such as monthly, along with a start date and optional end date.

Your saved templates appear under Settings ➪ Recurring Transactions, where you can edit, pause, or delete them as needed.

Decoding Debits and Credits

Every journal entry balances debits and credits. Each account type has a "normal" side where its balance usually lives, plus opposite sides for increases and decreases.

Account Type	Normal Balance	Increase With	Decrease With
Assets (cash, receivables, equipment)	Debit	Debit	Credit
Liabilities (loans, payables, taxes owed)	Credit	Credit	Debit
Equity (owner's capital, retained earnings)	Credit	Credit (owner investment, income)	Debit (withdrawals, losses)
Income (sales, service fees)	Credit	Credit	Debit
Expenses (rent, payroll, supplies)	Debit	Debit	Credit

TIP

To see debits and credits in action, open any saved transaction in QuickBooks and choose More ➪ Transaction Journal. QuickBooks shows the behind-the-scenes entry that keeps everything in balance.

REMEMBER

Your bank muddies the waters by recording transactions from its own perspective. For example, when you deposit money, the bank *credits* your account because it's increasing what it owes you — a liability on its books. In QuickBooks, though, that same deposit is a *debit* to your checking account since it's increasing your asset.

Connecting the Dots

Journal entries don't exist in isolation. They tie into many other QuickBooks features covered elsewhere in this book. For deeper dives, see:

- **Attachments and accounting method:** Chapter 1 shows how to attach digital documentation and lightly explains the difference between cash and accrual basis accounting.
- **Inflows:** Chapter 2 shows how to record transactions that bring money into your business.
- **Outflows:** Chapter 3 shows how to record transactions that reduce your cash account.
- **Reconciliations:** Chapter 5 shows how to reconcile bank and credit card accounts.
- **Specialized accounting:** Chapter 15 shows how Advanced users can automate depreciation and revenue recognition journal entries.

IN THIS CHAPTER

» Minimizing keystrokes and scrolling

» Accessing downloads and previous pages

» Managing browser tabs

Chapter 23

Ten-Plus Cool Chrome Shortcuts

Keyboard shortcuts can help you fight back against the repetitive, click-heavy nature of accounting work, especially in browser-based tools like QuickBooks Online. In this chapter, I highlight ten of the most useful Chrome keyboard shortcuts to help you speed things up and stay focused. You'll also find a few bonus shortcuts sprinkled throughout — think of them as encore moves for the shortcut-hungry.

Speeding Up Surfing

When you're jumping between websites, forms, and reports all day, every click and keystroke counts. This section shows you how to trim a few steps when entering web addresses and how to maximize your screen space once you're there.

Navigating to websites faster

Type a site name, such as **dummies**, in the address bar and then press Ctrl+Enter (Windows) or Cmd+Enter (macOS) to automatically add `www.` and `.com` to the beginning and end. This shortcut sends you directly to `www.dummies.com` without extra typing.

REMEMBER

This technique works only for primary domains, like `www.dummies.com`. It won't take you to the sign-on page for QuickBooks at `https://qbo.intuit.com`, because that site uses a subdomain rather than a standard `www.` address.

Toggling full-screen mode

Chrome's full-screen mode can minimize scrolling, but it behaves differently depending on your operating system:

- **Windows:** Press F11 to show or hide the tabs, address bar, and bookmarks bar, giving you a true full-screen experience.
- **macOS:** Press Ctrl+Cmd+F to expand or shrink the Chrome window to full-screen size. This enlarges the window but does not hide the tabs, the address bar, or the bookmarks bar.

Accessing Downloads and History

As discussed in Chapter 6, reports that you export from QuickBooks are saved to your Downloads folder by default. A card appears onscreen for a brief period after each download, adjacent to the Downloads icon in the Chrome toolbar. If you haven't downloaded anything recently, that icon may vanish until your next download. In this section, you find out how to easily access your downloads and browsing history — no matter where that icon hides.

Displaying the Downloads page

Press Ctrl+J (Windows) or Cmd+Shift+J (macOS) to display the Downloads page in a new tab. This gives you easy access to reports that you've recently exported from QuickBooks Online, such as Excel files, CSVs, and PDFs.

ENABLING THE SAVE AS DIALOG

To choose the filename and location each time you export a report, follow these steps:

1. **Choose the Chrome menu ➪ Settings ➪ Downloads.**
2. **Toggle the Ask Where to Save Each File Before Downloading setting on.**
3. **Press Ctrl+W (Windows) or Cmd+W (macOS) to close the Settings page or close the browser tab.**

Going forward, Chrome will prompt you with a Save As dialog box each time you initiate a download. Your Downloads folder will finally catch its breath.

Retracing your digital footsteps

Press Ctrl+H (Windows) or Cmd+Y (macOS) to summon Chrome's History page. It's your browser's way of saying, "Yes, I saw that midnight YouTube binge and the 30 seconds you spent on that recipe blog." Press Tab four times to highlight the first link in the list, or use the Down Arrow to skim through your digital footprints. When you land on the page you want, press Enter to open it in the current tab, as if your History page never snitched.

Working with Tabs

Tabs are like potato chips — you never stop at just one. In this section, you'll learn how to wrangle your ever-growing tab collection without losing your place (or your patience).

Creating new tabs

Whether you're multitasking, toggling between clients, or just opening yet another help article, tabs are the lifeblood of browser-based work. Here's how to stay in control when opening new ones:

- **Open a new tab in the current window:** Press Ctrl+T (Windows) or Cmd+T (macOS). This trick is handy when you want the new tab on your current monitor without disrupting your window layout.

- **Open a new tab in a new window:** Press Ctrl+N (Windows) or Cmd+N (macOS). This shortcut is ideal when you want to move a window to another monitor or just need a clean slate while your current chaos simmers in the background.

Activating open tabs

Once you have multiple tabs or windows open, you can zero in on the exact tab you need without endless clicking around:

- **Jump to a specific tab:** Press Ctrl+1 through Ctrl+8 (Windows) or Cmd+1 through Cmd+8 (macOS) to jump directly to one of the first eighty — I mean eight — tabs. Press Ctrl+9 or Cmd+9 to go straight to the last tab, no matter how many are open. (Only your browser knows for sure!)
- **Search open tabs:** Two quick ways to hunt down that one tab hiding in the crowd include:
  - Press Ctrl+Shift+A (Windows) or Cmd+Shift+A (macOS) to open Chrome's Tab Search box, then type to see a list of matching tabs and jump right to one.
  - Type **@tabs** in the address bar of any Chrome tab to activate tab search mode. Start typing a keyword and Chrome will show only the matching tabs.
- **Switch between separate windows:** Press Ctrl+Tab (Windows) or Cmd+` (macOS) to toggle between open browser windows.

  TECHNICAL STUFF

  That backward apostrophe is called the grave symbol. It shares a key with the tilde ~, just below the Esc key on your keyboard.

Closing the current tab

Need to Marie Kondo your browser? Here's how to close tabs that no longer spark joy — and what to do if you accidentally let go of one that did:

- **Close the current tab:** Press Ctrl+W (or Cmd+W in macOS).

  REMEMBER

  If you have only a single tab open, you're clearly a minimalist in a maximalist world. Nonetheless, the Chrome window closes that lone tab. If you have multiple tabs open in the window — don't we all? — only the active tab closes.
- **Close the entire window:** Press Ctrl+Shift+W (Windows) or Cmd+Shift+W (macOS) to clear the decks by closing the current window and its 800 tabs all in one go.

Resurrecting closed tabs

Closed a tab you didn't mean to? Chrome has your back. Whether it was a single help article or an entire window full of tax-season chaos, you can bring it all back with a single shortcut:

- **Reopen the last closed tab or window:** Press Ctrl+Shift+T (Windows) or Cmd+Shift+T (macOS). This revives the last thing you closed — first tabs, then windows (complete with all their tabs, in the same order). It's basically Chrome's version of a do-over.
- **Keep pressing to go further back:** Each time you press the shortcut again, Chrome steps back one item in your recently closed history. Use it to retrace your browsing steps until you find that one magical tab you didn't mean to let go.

REMEMBER

This shortcut works even after restarting Chrome, as long as your browsing history is intact. It's especially handy after a crash, a power outage, or an overly ambitious round of browser bankruptcy.

Saving open tabs as a bookmark group

Press Ctrl+Shift+D (Windows) or Cmd+Shift+D (macOS) to create a new folder with bookmarks to your current set of open tabs. This is a great way to remember your place when carrying out a research project that involves multiple web pages. You can also press Ctrl+D (Windows) or Cmd+D (macOS) to create a bookmark for the currently open tab.

Opening your home page in the current tab

Press Alt+Home (Windows) or Cmd+Shift+H (macOS) to open your home page in the current tab. If this doesn't work when you first try it, you may need to enable the Home Page feature by using these steps:

1. **Choose Chrome Menu ➪ Settings ➪ Appearance.**
2. **Toggle the Show Home Button on and then specify a home page, such as `https://qbo.intuit.com`, to display the login page for QuickBooks Online.**

Creating a tab in a new profile

Press Ctrl+Shift+M (Windows) or Cmd+Shift+M (macOS) to choose a different profile and create a new Chrome window, which in turn enables you to log in to an additional QuickBooks Online company at the same time.

IN THIS CHAPTER

» Watching expenses and minding where your data goes

» Keeping up with QuickBooks quirks

Chapter 24
Ten Things QuickBooks Won't Tell You

QuickBooks Online is powerful, but it's not without secrets. Some of these secrets are small annoyances, while others can trip you up in ways that have long-term consequences for your business. Intuit doesn't exactly advertise them, but I'm here with the unvarnished truth. These are ten things QuickBooks won't tell you, until one day you stop and say, "Wait a minute . . ."

Expecting the Rent to Go Up

QuickBooks Online is a subscription-based service, which means you never truly "own" it. You're a renter, and yes, the rent is too damn high. Intuit adjusts pricing frequently — often once a year. Sometimes QuickBooks moves features around within the tiers, which can be a stealth price increase.

To its credit, Intuit has been pushing features like custom fields down to the Simple Start level, but in a severely limited fashion. These feature expansions are mostly teasers to tempt you to pay for more functionality at a higher subscription tier.

TIP

Assume your subscription cost will rise. Build 10–15 percent wiggle room into your budget every year, and if the rent doesn't go up, you'll be pleasantly surprised.

Escaping Intuit's Endless Pitches

And if the rent weren't enough, Intuit will try to sell you furniture too. QuickBooks Online is a gateway to Intuit's broader suite of offerings: Payroll, Payments, Financing, and more. Pop-ups and banners are part of the experience. And nope, there isn't a hidden marketing opt-out setting that you're missing. To paraphrase Emerson, Lake & Palmer: "Welcome back, my friends, to the timeshare pitch that never ends." I'm looking specifically at you, QuickBooks Payments.

REMEMBER

Those upsell prompts aren't tailored to your business needs. They're just ads.

Living with Immortal List Entries

What do QuickBooks list entries have in common with zombies? They never really die. Most entries — think customers, vendors, and so on — can shuffle off to "inactive" status, but they continue to haunt your books. QuickBooks frequently uses the word *Delete* as a euphemism for inactivate.

TIP

Keep the Include Inactive option disabled on the respective List Settings menus to maintain the manageability of your lists.

Discovering That Attachments Reproduce like Rabbits

QuickBooks won't stop you from uploading the same file more than once, so duplicates can start multiplying before you know it — especially when multiple users are involved. What looks like one tidy bit of documentation today could turn into a warren of copies tomorrow. And remember, moving a duplicate attachment can unlink it from the underlying transactions (see Chapter 1), and there goes your audit trail.

Coping with Disappearing Features

Features come and go without notice. Tags? I hardly knew ya. Because QuickBooks Online is cloud-based, Intuit can and *does* change features overnight. You might log in one morning and find that a feature you depend on has moved, been renamed, or disappeared entirely.

TIP

If something "vanishes," enter the name in the Search field, and then pause for a moment to see if it surfaces on the Jump To list. If it appears, it's still part of QuickBooks; it's just been shuffled into a new location. Muscle memory be damned.

Unearthing Hidden Fields

Thankfully, reports of the death of Classic View have been greatly exaggerated, at least for now. Classic View reports sometimes offer fields that Modern View reports don't, such as Tax ID on the Vendor List. If you rely on a particular field, you may have to toggle from Modern View to Classic View on the report screen to unearth that treasure.

REMEMBER

If you spot a discrepancy in Modern View (or anywhere in QuickBooks), choose Settings ➪ Feedback and let Intuit know. Modern reports are here to stay, so your feedback helps improve them.

TIP

Click Save As (Modern View) or Save Customization (Classic View) to add your go-to reports to your Custom Reports list so that you don't second-guess yourself by forgetting that a field you need is in one view or the other.

Resolving Character Flaws

You may encounter errors in QuickBooks if you use any nonacceptable characters. The good news is that QuickBooks accepts most characters you're likely to need, but the approved list is still pretty limited. Here's what works:

- **Letters and numbers:** A–Z, a–z, 0–9
- **Common punctuation:** comma (,), period (.), space ( ), single quote ('), double quote ("), colon (:), semi-colon (;)
- **Emphasis marks:** question mark (?), exclamation mark (!)

- **Symbols:** at symbol (@), ampersand (&), number/pound sign (#), tilde (~), underscore (_)
- **Math and other symbols:** asterisk (*), plus sign (+), minus sign/hyphen (-), slash (/)

TIP

You may be able to sneak other characters in as well, but if an entry won't save, suspect a rogue character. Swapping it for a hyphen or an underscore usually does the trick.

Clicking Without a Safety Net

If you take an action that might cause you to lose what you've typed, QuickBooks usually asks "Are you sure?" — until it doesn't. For example, the Clear Lines button barrels ahead without warning. Sometimes QuickBooks obsequiously double-checks before letting you discard data, and sometimes it just sits back and watches you dive off an unexpected cliff.

WARNING

Buttons labeled "Clear" or "Reset" can wipe data instantly with no warning. Click carefully because QuickBooks doesn't have an undo button. It's only do or die, wishing you didn't.

Untangling Interface Quirks

The QuickBooks user interface tends to be fraught with inconsistency. For instance, you may be presented with a Rows option on some lists and a Pages option on others. These are two different approaches for managing the number of items shown at once. Fields may be referred to by multiple names. It's my hope that this book serves as a Rosetta stone for you.

REMEMBER

Don't waste time trying to reconcile Account versus Category; they're the same thing, well, except when they're not. Here's the rule of thumb: Category on a transaction screen means Account, whereas Category in a list record actually means that it's a category or subcategory.

Mining Your Data

QuickBooks doesn't just store your accounting records; Intuit actively mines that data. Some of this happens behind the scenes for internal purposes, like product improvements or training algorithms. But other times, it's surfaced right back at you, with benchmarking tools like "See how your business stacks up against others" or suggestions for loans, credit cards, and other financial products.

On one hand, you're getting insights you didn't have to calculate yourself. On the other hand, Intuit is essentially monetizing your data twice: once when you pay for QuickBooks, and again when it packages the information into comparisons, marketing, or third-party partnerships.

WARNING

Be mindful of what you store in QuickBooks. Assume that Intuit is analyzing aggregate data — and possibly your own records — to build features, market products, and pitch new services. If you wouldn't want it folded into a giant dataset, think twice before uploading it.

REMEMBER

QuickBooks Online is a moving target — prices shift, features morph, and integrations stumble. But if you know the secrets Intuit won't tell you, you'll stay one step ahead — and maybe even save yourself a panicked call to your accountant.

Index

A

B

C

D

E

F

G

H

I

J

K

L

M

N

O

P

Q

R

S

T

U

About the Author

David Ringstrom, CPA, is the author or coauthor of nine books, including five previous editions of *QuickBooks Online For Dummies, Microsoft 365 Excel For Dummies, Exploring Microsoft Excel's Hidden Treasures,* and *Idiot's Guide to Introductory Accounting*. He's also the president of Accounting Advisors, Inc., an Atlanta-based spreadsheet consulting and training firm he founded in 1991. David helps his clients streamline repetitive business processes and has taught more than 2,500 live webinars. He also owns Students Excel, an online service that helps college professors teach Excel more effectively. David lives in Atlanta, Georgia, with his children, Rachel and Lucas.

Author's Acknowledgments

It's my tradition with each book to thank someone who has had an impact on my life or career. This time, I'm giving a long overdue shout-out to you, the reader. Thank you for helping keep my lifelong dream of being an author alive. I also want to thank two of my biggest fans for their unending support: my brother, Mike Ringstrom, and Debra Kahraman, who directly inspired some of the themes I used in this book and encouraged me along the way. I'm also grateful to Rachel and Lucas for their patience with yet another book project.

As always, I extend my gratitude to the entire Wiley team for their efforts in bringing this book to life. Special thanks to Dan DeLong, the extraordinary technical editor whose suggestions have strengthened each of the six of editions I've authored of *QuickBooks Online For Dummies*. Thanks also to Linda Brandon, who served as the project editor for this edition. And, of course, my publisher, Lindsey Berg, who nominated me to write *Microsoft 365 Excel For Dummies*, an opportunity for which I'm forever grateful.

Publisher’s Acknowledgments

Acquisitions Editor: Lindsay Berg

Managing Editor: Ajith Kumar

Project Manager/Development Editor: Linda Brandon

Copy Editor: Gill Editorial Services

Proofreader: Debbye Butler

Technical Editor: Dan DeLong

Production Editor: Tamilmani Varadharaj

Cover Image: © supersizer/Getty Images