

46

Free QuickBooks Tutorials

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 **Fit Small Business**

How to Get the Most From Our Free QuickBooks Tutorials

You don't need to be a certified public accountant (CPA) or even have an accounting degree to use QuickBooks Online successfully. While some basic bookkeeping knowledge would be helpful, it's not required. In our free QuickBooks course, we will teach you what you need to know to manage your own books.

QuickBooks Online allows you to:

Organize income and expenses: Having your income and expenses all in one place will make it easy to provide your CPA with the information to file your taxes.

Give your accountant/tax preparer access to your data: QuickBooks allows you to create a secure user ID and password for anyone you want to give access to your data. You can also control if they can edit transactions or view and run reports.

Access up-to-date financial reports: QuickBooks allows easy access to financial statements when you need them, such as applying for a business loan or line of credit.

Now that you understand the importance of maintaining your books, here are three tips to get the most out of our free QuickBooks Online tutorials:

1. Use QuickBooks every day: You will learn QuickBooks fastest if you use it every day. For the first lesson, we suggest you watch three videos a day so that by the end of day five, you will have completed all 15 videos.

2. Follow along in your QuickBooks Online: We suggest you have your QuickBooks file open and mimic what you see in each video tutorial with your own data. If you don't have QuickBooks Online yet, you can sign up for a free 30-day trial.

3. Start at the beginning: This course was designed for new QuickBooks users, with each topic building on the previous one. Unless you are a seasoned QuickBooks user, I recommend you begin with Lesson 1 and complete the course in the order it is presented.

Our free QuickBooks course consists of eight lessons.

PART 1

Setting Up QuickBooks

In this lesson, you will learn how to set up key areas of QuickBooks like bank and credit card accounts, invoice templates, products and services, and the chart of accounts. By the time you complete this QuickBooks online tutorial, you will be ready to start using QuickBooks to manage all of your income and expenses.

The features and settings that you choose in this lesson will affect every area of QuickBooks. For example, you will set the default payment terms for customer invoices and vendor bills. You will also choose whether to turn on inventory quantity and cost tracking.

The Setting Up QuickBooks lesson includes the following tutorials:

TUTORIAL 1

How to Set Up Company Information

(5:24 VIDEO WATCH TIME)

TUTORIAL 9

How to Import Bank Transactions

(12:26 VIDEO WATCH TIME)

TUTORIAL 2

How to Customize Invoices, Sales Receipts & Estimates

(5:40 VIDEO WATCH TIME)

TUTORIAL 10

How to Import Credit Card Transactions

(10:21 VIDEO WATCH TIME)

TUTORIAL 3

How to Set Up Invoices, Sales Receipts & Estimates

(5:57 VIDEO WATCH TIME)

TUTORIAL 11

How to Set Up Multiple Users

(13:01 VIDEO WATCH TIME)

TUTORIAL 4

How to Set Up Products and Services

(3:55 VIDEO WATCH TIME)

TUTORIAL 12

How to Set Up the Chart of Accounts

(6:36 VIDEO WATCH TIME)

TUTORIAL 5

How to Set Up Messages

(2:37 VIDEO WATCH TIME)

TUTORIAL 13

How to Set Up the Products and Services List

(10:01 VIDEO WATCH TIME)

TUTORIAL 6

How to Set Up Statements

(2:13 VIDEO WATCH TIME)

TUTORIAL 14

How to Set Up Customers

(13:41 VIDEO WATCH TIME)

TUTORIAL 7

How to Set Up Expenses

(5:56 VIDEO WATCH TIME)

TUTORIAL 15

How to Set Up Vendors

(12:41 VIDEO WATCH TIME)

TUTORIAL 8

How to Set Up Advanced Settings

(9:31 VIDEO WATCH TIME)

PART 2

Managing Sales and Income

This lesson covers how to record your sales and track your income in QuickBooks Online. There are two types of sales in QuickBooks: credit sales and cash sales. By the end of this lesson, you will be able to keep track of your credit sales by creating and emailing invoices to your customers as well as recording cash sales where no invoice is needed.

You will also learn how to apply payments received to outstanding invoices so that your accounts receivable (A/R) is up to date and income is not counted twice. After this lesson, learn about A/R aging reports, which will help you manage unpaid invoices.

The Managing Sales and Income in QuickBooks lesson includes the following tutorials:

TUTORIAL 1

How to Create Estimates (Quotes or Bids)

(9:26 VIDEO WATCH TIME)

TUTORIAL 2

How to Create and Send Invoices

(8:00 VIDEO WATCH TIME)

TUTORIAL 3

How to Receive Payments

(5:51 VIDEO WATCH TIME)

TUTORIAL 4

How to Create & Send Sales Receipts

(7:01 VIDEO WATCH TIME)

PART 3

Managing Bills and Expenses

This lesson covers how to manage your bills and record expenses in QuickBooks. As a small business owner or manager, you know that managing expenses is as important as generating sales. By the end of this QuickBooks lesson, you will be able to keep track of expenses in a couple of ways.

First, you can write and print checks directly from QuickBooks to pay for expenses that require immediate payment. Second, you will be able to manage what you owe to vendors by entering and tracking bills. You will learn to enter the payment of these bills correctly so that the expense is not recorded twice.

The Managing Bills and Expenses in QuickBooks lesson includes the following tutorials:

TUTORIAL 1

How to Write & Print Checks

(5:26 VIDEO WATCH TIME)

TUTORIAL 2

How to Enter Bills

(6:19 VIDEO WATCH TIME)

TUTORIAL 3

How to Pay Bills

(5:30 VIDEO WATCH TIME)

PART 4

Managing Banking Transactions

You will be able to manage all of your downloaded banking transactions by the end of this lesson. You will also understand how to enter basic banking transactions manually. Finally, you can use the reconcile tool to ensure the transactions on your bank statement match what has been entered into QuickBooks, resulting in up-to-date financial statements.

If you need a refresher, we walked through how to import your banking transactions into QuickBooks in [Lesson 1, Tutorial 9](#). The Managing Banking Transactions in QuickBooks lesson includes the following tutorials:

TUTORIAL 1

How to Enter Banking Transactions Manually

(7:17 VIDEO WATCH TIME)

TUTORIAL 2

How to Manage Downloaded Banking Transactions

(9:47 VIDEO WATCH TIME)

TUTORIAL 3

How to Record Bank Deposits

(4:22 VIDEO WATCH TIME)

TUTORIAL 4

How to Transfer Funds Between Bank Accounts

(3:51 VIDEO WATCH TIME)

TUTORIAL 5

How to Handle Bounced Checks From Customers

(6:57 VIDEO WATCH TIME)

TUTORIAL 6

How to Process Bank Reconciliation

(15:31 VIDEO WATCH TIME)

PART 5

Managing Business Credit Card Transactions

Bookkeeping is much easier when cash transactions are kept to a minimum. One way to limit cash transactions is to use a credit card. This lesson will teach you to download and track your credit card purchases in QuickBooks and reconcile them with your credit card statement to ensure that they match.

The Managing Business Credit Card Transactions in QuickBooks lesson includes the following tutorials:

TUTORIAL 1

How to Enter Business Credit Card Transactions Manually

(8:42 VIDEO WATCH TIME)

TUTORIAL 2

How to Manage Downloaded Business Credit Card Transactions

(14:04 VIDEO WATCH TIME)

TUTORIAL 3

How to Enter a Credit Card Refund

(4:00 VIDEO WATCH TIME)

TUTORIAL 4

How to Reconcile Business Credit Card Accounts

(14:37 VIDEO WATCH TIME)

PART 6

Managing Credit Card Sales

By the end of this lesson, you will be able to manage credit card sales with either a [QuickBooks Payments](#) account integrated with QuickBooks or a third-party credit card processor. You should consider accepting credit card payments as a convenience for your customers and to increase the speed that you collect outstanding invoices.

The Managing Credit Card Sales in QuickBooks lesson includes the following tutorials:

TUTORIAL 1

How to Manage Credit Card Sales With QuickBooks Payments

(12:59 VIDEO WATCH TIME)

TUTORIAL 2

How to Manage Credit Card Sales With a Third-party Credit Card Processor

(10:39 VIDEO WATCH TIME)

PART 7

Set Up and Manage Payroll

By using [QuickBooks Payroll](#), all your wages, salaries, and payroll taxes will be included automatically in your financial statements. After this lesson, you'll be able to set up employees in QuickBooks, enter and run payroll, pay employees by direct deposit or check, and reconcile your payroll taxes.

The Set Up and Manage Payroll lesson includes the following seven tutorials:

TUTORIAL 1 **How Set Up and Run Payroll**
(22:29 VIDEO WATCH TIME)

TUTORIAL 2 **How to Manage Payroll Tax**
(7:41 VIDEO WATCH TIME)

TUTORIAL 3 **How to Add Historical Payroll Data**
(22:28 VIDEO WATCH TIME)

TUTORIAL 4 **How to Set Up Automatic Deposits**

TUTORIAL 5 **How to Print Payroll Checks**
(3:49 VIDEO WATCH TIME)

TUTORIAL 6 **How to Run Payroll Reports**
(3:41 VIDEO WATCH TIME)

TUTORIAL 7 **How to Reconcile Payroll Liabilities**

PART 8

Reporting in QuickBooks Online

QuickBooks will generate important reports that will provide you, your accountant, and your banker important insights into the financial health of your business. This QuickBooks tutorial will teach you the importance of and how to print the profit and loss report, balance sheet report, statement of cash flows, and A/R and accounts payable (A/P) aging reports.

One of the primary purposes of using bookkeeping software like QuickBooks Online is to determine the health of your business at any given point in time. Having the ability to produce solid, accurate financial statements can benefit you in the following ways:

- You might gain potential investors
- You might secure a business loan or line of credit
- You can make better business decisions, such as whether you should sell a new product or service or drop one that is not doing so well

The Reporting in QuickBooks lesson includes the following tutorials:

TUTORIAL 1

How to Run a Profit and Loss Statement

(10:57 VIDEO WATCH TIME)

TUTORIAL 2

How to Run a Balance Sheet Report

(8:26 VIDEO WATCH TIME)

TUTORIAL 3

How to Run a Statement of Cash Flows

(7:27 VIDEO WATCH TIME)

TUTORIAL 4

How to Run an A/R Aging Report

(8:05 VIDEO WATCH TIME)

TUTORIAL 5

How to Run an A/P Aging Report

(6:29 VIDEO WATCH TIME)

How to Set Up Company Information

In this tutorial, you'll learn how to set up, or change, your company information within QuickBooks Online. We'll discuss the various physical and email addresses that QuickBooks allows and the unique purpose of each address. You'll also enter your information to be printed on tax forms, such as Form 1099 and payroll tax returns.

Congratulations for choosing to learn QuickBooks Online, our top overall pick for [best small business accounting software](#). The best way to learn how to use this software is to dive in and start using it, so we hope you follow along with this tutorial in your own copy of QuickBooks Online. If you don't already have a subscription, new subscribers can choose between a 30-day free trial and 50% off for three months.

[Visit QuickBooks Online](#)

This is the first tutorial in our [Free QuickBooks Tutorials](#). The tutorial can be completed by either watching the video or reading the detailed instructions and screenshots at your own pace.

Set Up Company Information in QuickBooks Online



Why Is It Important to Set Up Company Information?

It's important to set up your company information so your contact information on invoices, sales receipts, and estimates that you send customers is correct. Obviously, you need your information correct so customers can pay you and contact you with questions or new orders.

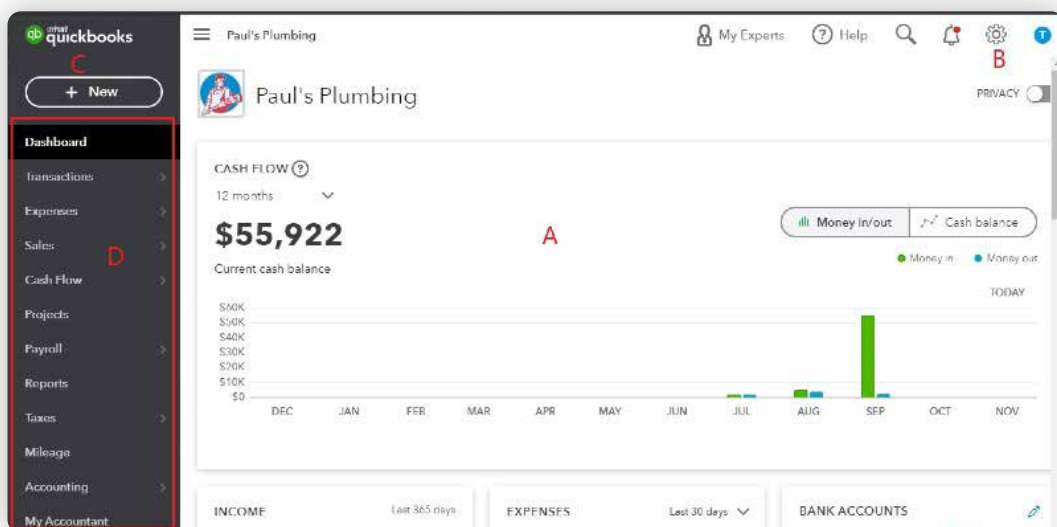
Gather Your Info: QuickBooks Setup Checklist

Before we begin setting up your company in QuickBooks Online, gather some basic company information. It's best to have as many items from the checklist as possible, but you can always make changes later.

- Business name
- Address
- Email
- Website
- Digital copy of your company logo
- [Federal employer identification number \(EIN\)](#)
- [Business structure, such as sole proprietor or partnership](#)
- [Accounting method \(cash or accrual\)](#)

Now that you have gathered your information, it's time to start setting up your company!

QuickBooks Online Company Dashboard



QuickBooks Online screen.

Since this is the beginning of your QuickBooks training, let's start by looking at the layout of QuickBooks Online. The first time you open QuickBooks Online, you'll be taken to your company dashboard:

Dashboard: The center of the screen is your dashboard and displays helpful reports that provide information about the current state of your finances. Front and center is cash flow information, but you can scroll down for additional reports.

Gear icon: Click on the gear icon in the upper right corner to enter or change your company information and settings. The gear icon is where most of our work will be through the first eight tutorials of the tutorial.

New button: The + New button in the upper left corner is the best place to start entering new transactions like expenses, invoices, bills, payments received, and bills paid.

Left menu: The left menu bar provides pop-out menus to view past transactions or account balances for the various areas of your accounting system. While you can also initiate most transactions from the left menu bar, it's generally much easier to click on the + New button.

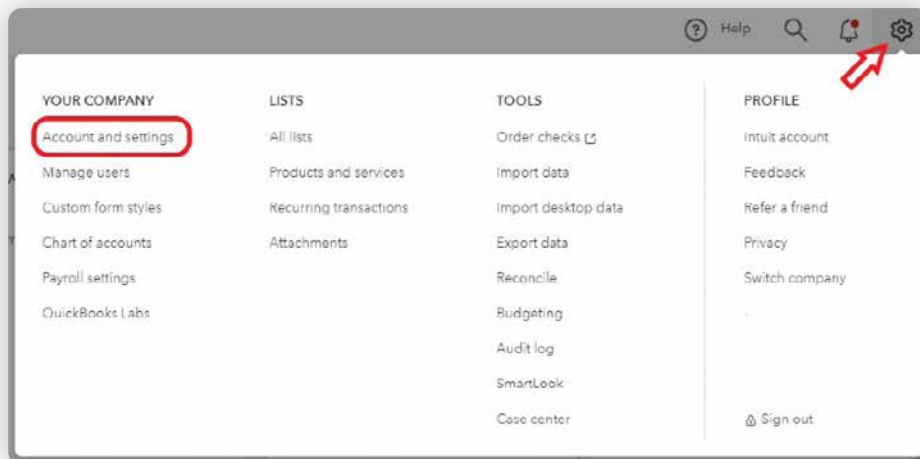
How to Set Up or Edit Company Information in QuickBooks Online

Here are four brief steps to set up or change your company information in QuickBooks Online:

1. Navigate to your account settings by clicking on the gear icon and choosing Account and settings in the first column.
2. Select the Company tab in Account and Settings.
3. Click on the pencil icon next to each section to input or edit your company name, company type, contact information, and address.
4. Be sure to click Save after editing each section.

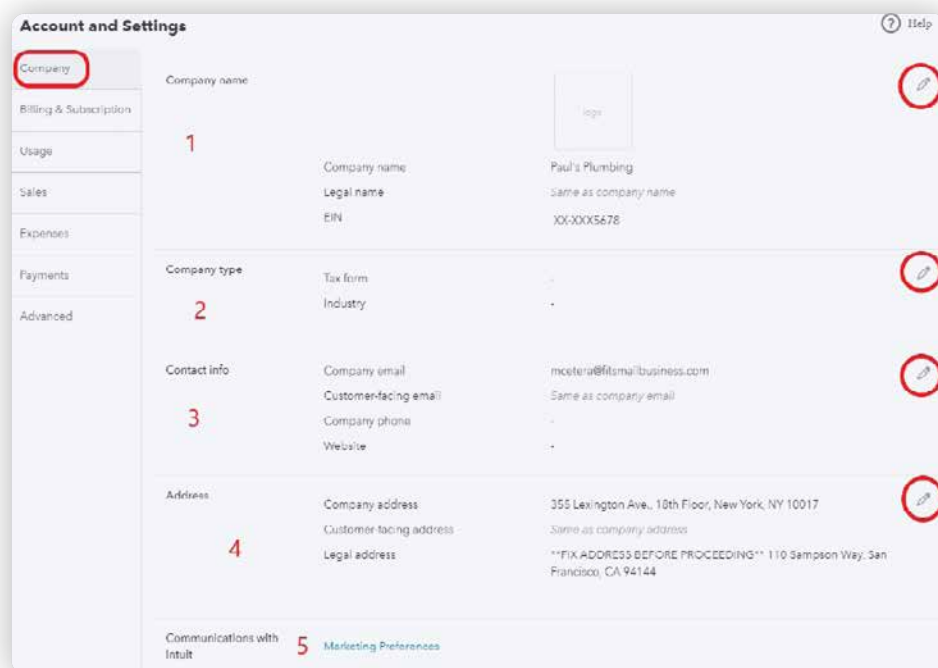
After you sign in to your QuickBooks Online account, you should be viewing your company's dashboard. Click on the gear icon in the upper right corner of the screen, then select Account and settings in the left column:

There are seven items available in the left menu bar after clicking on Account and settings. This tutorial will cover the information under the Company item.



Navigate to Account and Settings in QuickBooks Online.

There are seven items available in the left menu bar after clicking on Account and settings. This tutorial will cover the information under the Company item.



Enter Company information in QuickBooks Online.

Let's start by editing the company name section.

1. Company Name

Click on the pencil icon to the left of the Company name section to edit the information:

The screenshot shows the 'Company Information' edit form in QuickBooks Online. It is organized into three main sections:

- Company name:** Labeled with a red 'A', it includes a text input field for the company name.
- Company logo:** Labeled with a red 'B', it features a gray square placeholder with a blue plus sign for uploading a logo.
- Legal name:** Labeled with a red 'C', it includes a text input field for the legal name and a checked checkbox labeled 'Same as company name'.

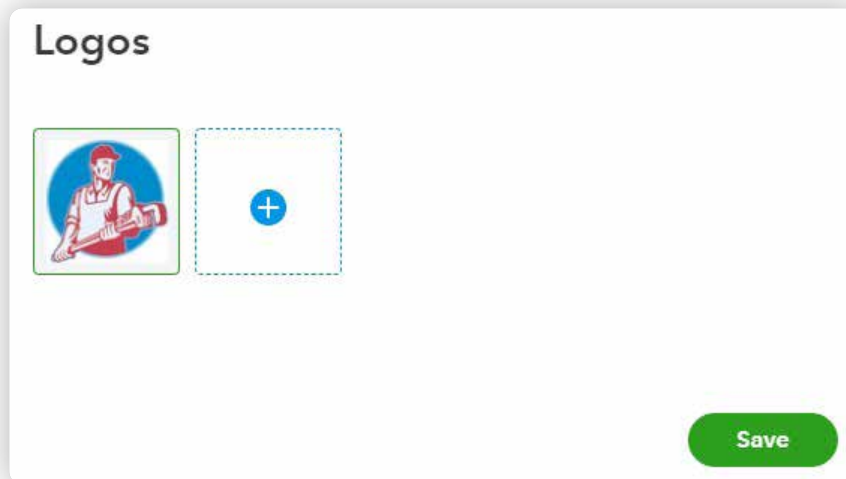
Below these sections, the 'EIN' (Employer Identification Number) is displayed as 'XX-XXX5678' with a 'View/Edit EIN' link to its right. At the bottom of the form are two buttons: 'Cancel' and 'Save'.

Change the Company name, Company logo, and EIN in QuickBooks Online.

Complete each of the following items:

A. Company logo: Import your company logo to include it on customized forms. Your logo must be saved as an image file on your computer. Follow these steps to import your logo in QuickBooks Online:

- Click on the gray square to the right of Company logo.
- The next screen will display the logos you have previously uploaded to QuickBooks Online. If your logo is already there, select it to add it to your company information. If the logo you want isn't shown, click the blue plus sign.
- QuickBooks provides a window to browse your computer and select the image file of your logo. After selecting the image file, click Open to return to the prior screen where a thumbnail of your new logo appears.



Logos uploaded to QuickBooks Online.

- The logo is now stored in your QuickBooks Online account and will be available for the customization of forms without having to reload it. Make sure the logo you want to add is highlighted, and then click Save.



Multiple logos: You can upload multiple logos by clicking on the blue plus sign in the above screenshot. You can then choose from the available logos when customizing forms in the upcoming tutorials.

B. Company and legal name: Enter your company name as you would like it to appear on your invoices and other forms. Your legal company name should match the name the IRS has for your company. The legal name will appear on tax forms, such as Form 1099, and payroll tax returns. If your legal name is different from the company name you want on your invoices, uncheck the box and input the legal name.

C. EIN: Your EIN should match the number assigned to you by the IRS. If you are self-employed, you are allowed to use your Social Security number. Because of the sensitive nature of EINs, QuickBooks may require you to authenticate your login before viewing or changing the EIN.

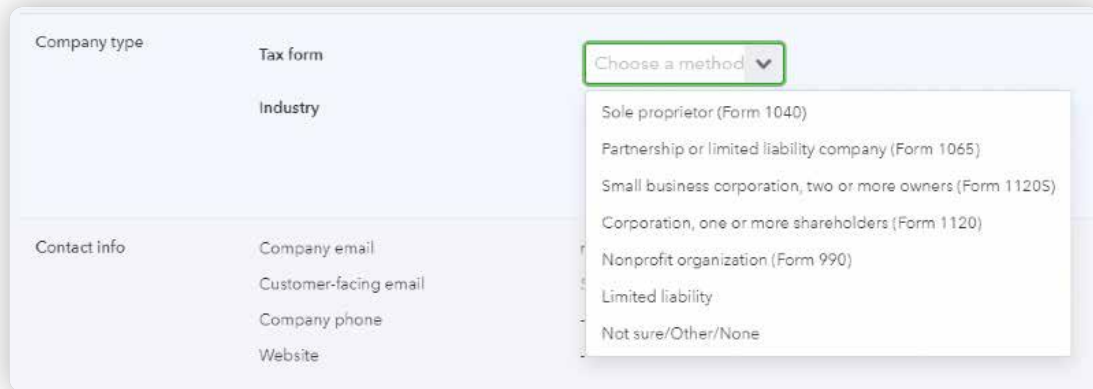


Avoid using your Social Security number: While self-employed taxpayers are allowed to use their Social Security number instead of an EIN, I highly recommend [applying for an EIN](#). If you don't have an EIN, you'll be forced to disclose your Social Security number to vendors and employees who receive tax forms from you, such as Form 1099 and Form W-2.

Click the green Save button when you are finished entering your company name, logo, and EIN.

2. Company Type

Click the pencil icon to enter or change your company type information. Click on the drop-down menu next to the Tax form field and select your taxable entity type:



The screenshot shows a form with two main sections: 'Company type' and 'Contact info'. The 'Company type' section includes fields for 'Tax form', 'Industry', and 'Choose a method'. The 'Choose a method' dropdown menu is open, showing the following options: 'Sole proprietor (Form 1040)', 'Partnership or limited liability company (Form 1065)', 'Small business corporation, two or more owners (Form 1120S)', 'Corporation, one or more shareholders (Form 1120)', 'Nonprofit organization (Form 990)', 'Limited liability', and 'Not sure/Other/None'. The 'Contact info' section includes fields for 'Company email', 'Customer-facing email', 'Company phone', and 'Website'.

Select your entity type in QuickBooks Online.

If you are the only owner and you haven't filed paperwork with your state to become either a corporation or a limited liability corporation (LLC), then you are a sole proprietor and must file Schedule C with your Form 1040. If there are two or more owners and the company has not filed paperwork to become a corporation or LLC, then the business is a partnership and must file Form 1065. You can leave the field blank if you're unsure.

Start typing your industry name in the Industry field, and QuickBooks will provide suggestions. You must choose an industry from the QuickBooks list or leave it blank. Click the green Save button when you are finished.

3. Contact Info

Click on the pencil icon in the Contact info section to provide contact information for both QuickBooks and your customers:

Enter or change your contact information in QuickBooks Online.

- A. Email:** Your company email is the address QuickBooks will use to contact the QuickBooks administrator. The customer-facing email address will appear on sales forms sent to your customers, such as invoices. If this is different from the QuickBooks administrator's email address, then uncheck the box and input the correct address.
- B. Company phone:** Enter the phone number that should appear on the sales forms sent to customers.
- C. Website:** Enter a website address to appear on all your sales forms.

Click the green Save button when you are done and ready to start entering your company's address information.

4. Address

Click on the pencil icon in the Address section to enter or change your company's address information:

Enter or change addresses in QuickBooks Online.

QuickBooks requests three addresses:

- A. Company address:** The company address is the physical location of the business and is used for your payments to QuickBooks.
- B. Customer-facing address:** This address appears on your invoices and other sales forms and should be the address to which you want customers to mail their payments. If it is different from your company address, uncheck the box and enter the correct customer-facing address.
- C. Legal address:** The legal address is used for your tax filings and should match your address on file with the IRS. Again, if this is different from the company address, you must uncheck the box and input the legal address.

When you are satisfied with the addresses you have entered, click the green Save button.

5. Communications With Intuit

The final section – which is optional – allows you to set your marketing preferences with Intuit, the owner of QuickBooks. If you click Marketing Preferences, you'll be taken to Intuit's website, where you are asked a series of questions regarding the ways Intuit can contact you. By completing the survey, you can opt out of all mail, phone calls, and emails from Intuit.

Wrap up

Congratulations on finishing your first tutorial in the free Fit Small Business QuickBooks Online Training Course! The next tutorial is [How to Customize the Look and Feel of Invoices, Sales Receipts, and Estimates](#). In that tutorial, we will walk through how to customize the style and appearance of your invoices to give them a more professional look.

How to Customize Invoices in QuickBooks Online

In this tutorial of our free QuickBooks Online training course, we're going to cover how to customize the look and feel of your invoices. The custom format you design for your invoice can also be applied to your sales receipts and estimates, giving your company a consistent and professional look.

We're pleased to help you learn QuickBooks Online, our best overall pick for [small business accounting software](#). You'll get the most out of our tutorial if you follow along in your own QuickBooks Online company. New subscribers to QuickBooks Online can choose between a 30-day free trial or 50% off for three months.

[Visit QuickBooks Online](#)

This tutorial is one of our [Free QuickBooks Tutorials](#). To complete this tutorial, you can watch the video below or read through the step-by-step instructions.



The Importance of Customizing Sales Forms

I highly recommend customizing your invoices, receipts, and estimates to make your business look professional and unique. The default QuickBooks forms are not very professional looking and are used by many businesses. You can build brand awareness and enhance your name recognition with a well-designed logo on a unique invoice.

Gather Your Info: Checklist to Customize Invoices

This tutorial customizes the look and feel of your invoice, so you'll want to consider a few things before you begin. While it might seem like a small thing, having a consistent logo, colors, and even font across all of your marketing and sales materials can help build brand awareness. If you haven't already done so in the prior tutorial, save a digital copy of your logo to your computer. Additionally, choose your company colors and company font.

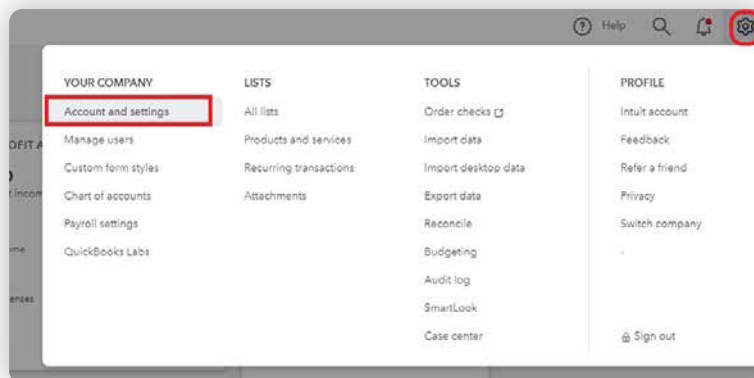
How to Customize an Invoice in QuickBooks Online

You can customize the look and feel of your QuickBooks Online invoice by following these five steps:

1. Navigate to the Sales tab under Account and settings by clicking on the gear icon, selecting Account and settings in the first column, and then clicking on Sales.
2. Create a new invoice template by clicking on the green Customize look and feel button, click the drop-down arrow next to New Style, and select Invoice.
3. Customize your new Invoice template by choosing the layout, logo, colors, and font.

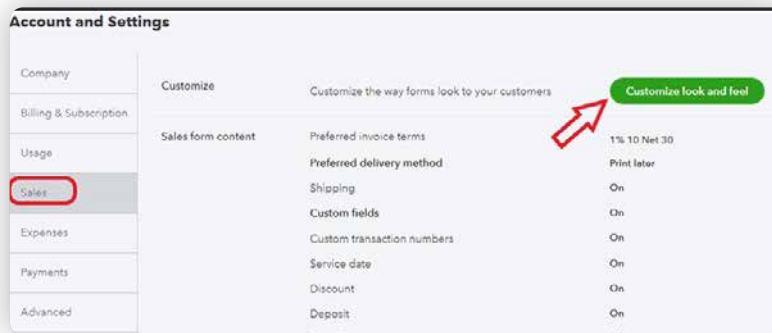
1. Navigate to the Sales Tab in Account and Settings

Customize the design of your invoices in the sales tab of your company settings. Locate the sales tab by clicking on the gear icon in the upper right corner of the QuickBooks Online screen and selecting Account and settings in the first column:



Navigate to Account and settings in QuickBooks Online.

From the Accounts and settings screen, click on Sales in the left menu bar:



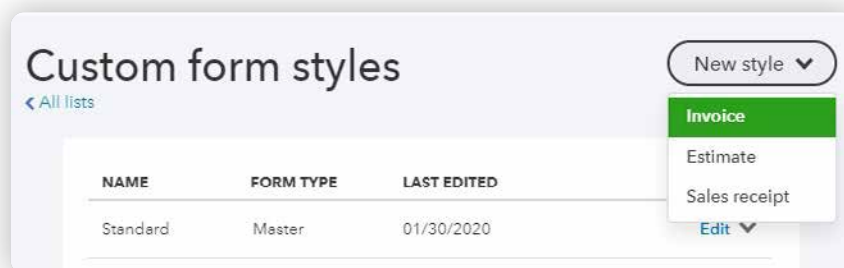
Navigate to the Sales tab in QuickBooks Online.

There are nine areas to customize the options and defaults on your sales forms, which consist of invoices, receipts, and estimates. Later tutorials will walk you through all nine areas, but this tutorial focuses only on the look and feel of your invoices. Click on the green Customize look and feel button in the upper right corner of the sales tab.

2. Design a Custom Invoice in QuickBooks Online

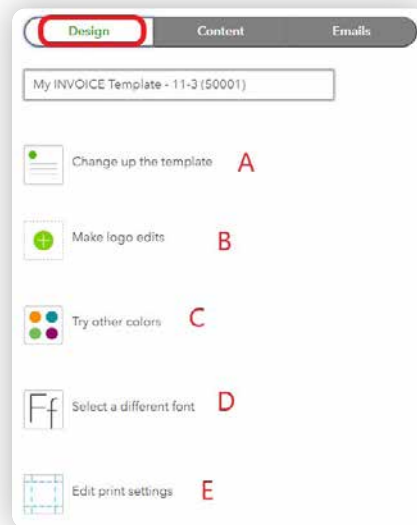
If this is a new company, the only form style available is the default template named “Standard.” If you want to make only a slight adjustment, you can edit the default template by clicking Edit on the far right side of the line. However, for this tutorial, let’s design an invoice from scratch.

Click the drop-down arrow next to the New style button in the upper right corner and then select Invoice:



Create a new Invoice style in QuickBooks Online.

The next screen provides a preview of your invoice on the right. There are three tabs in the upper left corner: Design, Content, and Emails. This tutorial will work through the Design tab while the Content tab is included in [How to Set Up Sales Form Content in QuickBooks Online](#), and the Email tab is in [How to Set Up Messages in QuickBooks Online](#):



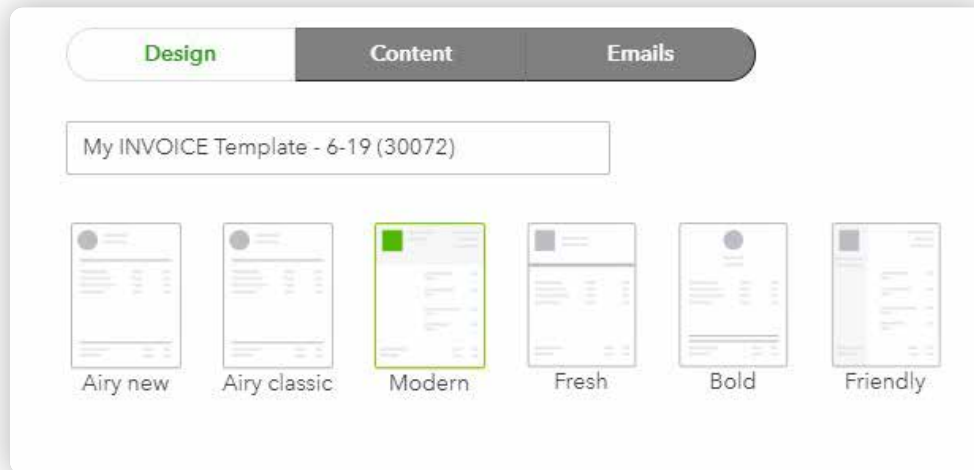
Design options for customizing invoices in QuickBooks Online.

The design tab deals purely with the aesthetics of your invoice. There are five areas to design your invoice. As you make new selections, the preview of your invoice on the right half of the screen will update.

Preview your invoice: The spacing between elements in the invoice preview on the right side of the screen is affected by the dimensions of your screen. To see how your invoice will look, click on Preview PDF in the bottom right corner of the screen.

A. Change Up the Template

After you click on Change up the template under the design tab, you can choose from six different templates:



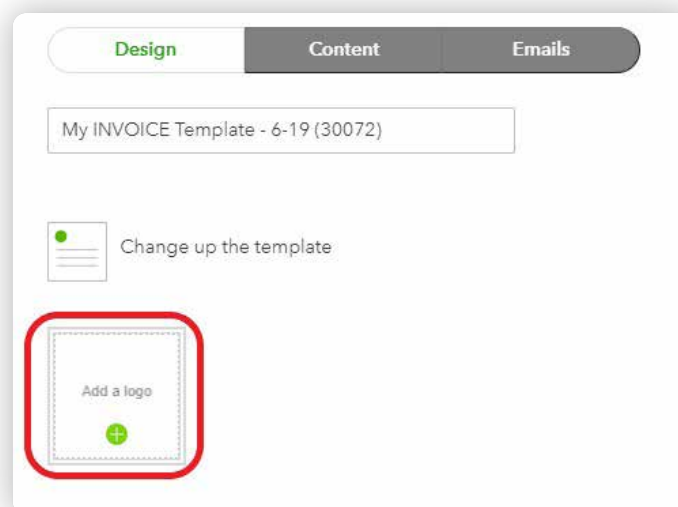
Choose an Invoice Template in QuickBooks Online.

Click on each template to see a preview. Select the template you think best suits your business's image.

B. Add Your Unique Logo

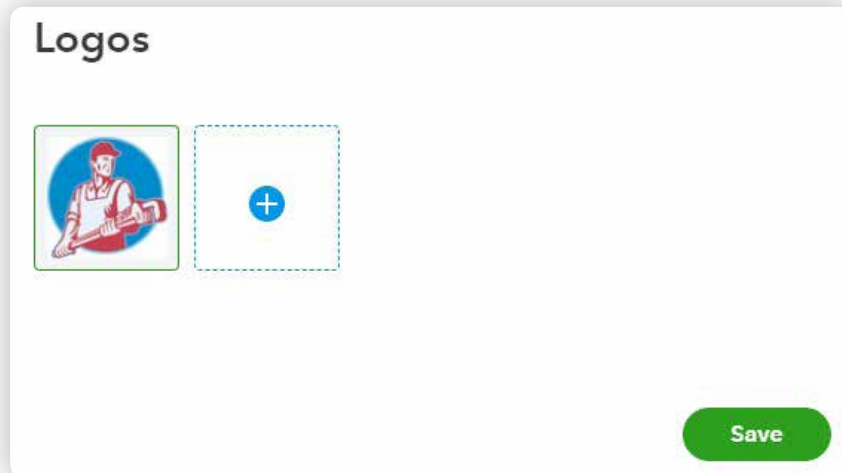
You can add a picture or logo that will make your invoice one of a kind. Your logo must be saved as an image file on your computer. Follow these steps to import your logo in QuickBooks Online:

1. Click Add your unique logo and then click the green plus sign under Add a logo. Notice that after clicking on Add your unique logo for the first time, the description of the button changes to Make logo edits:



Add a logo to your Invoice in QuickBooks Online.

1. The next screen will display all the logos you have previously uploaded to QuickBooks Online. If your logo is already there, select it to add to your invoice template. If this is a new company, or the logo you want isn't shown, click the blue plus sign:

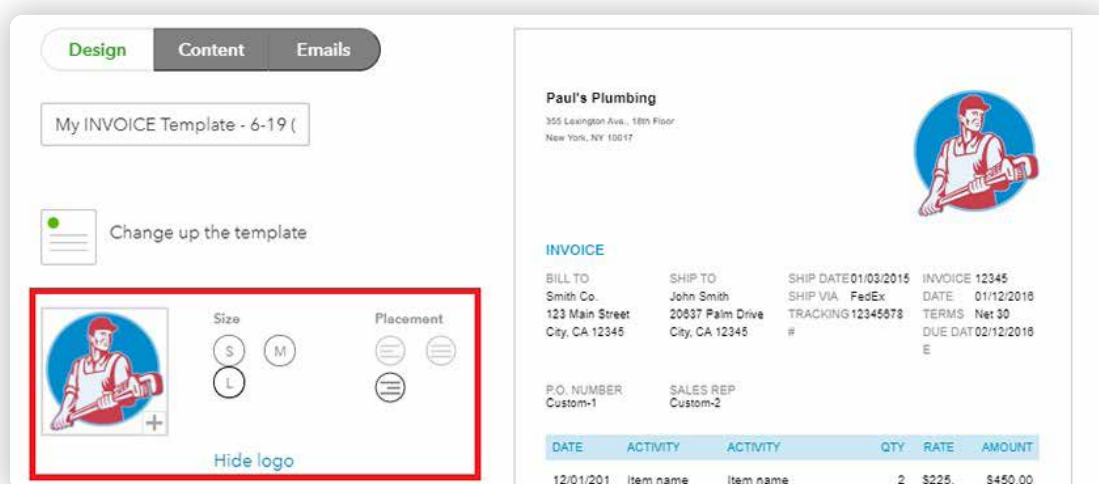


Logos uploaded to QuickBooks Online.

2. QuickBooks provides a window to browse your computer and select the image file of your logo. After selecting the image file, click Open to return to the prior screen where a thumbnail of your new logo appears.

The logo is now stored in your QuickBooks Online account and will be available for the customization of other forms without having to reload it. Make sure the logo you want to add to your invoice is highlighted and then click Save.

3. Your logo now appears under the Design tab with options to change the size and place the logo on the left, center, or right of your invoice:

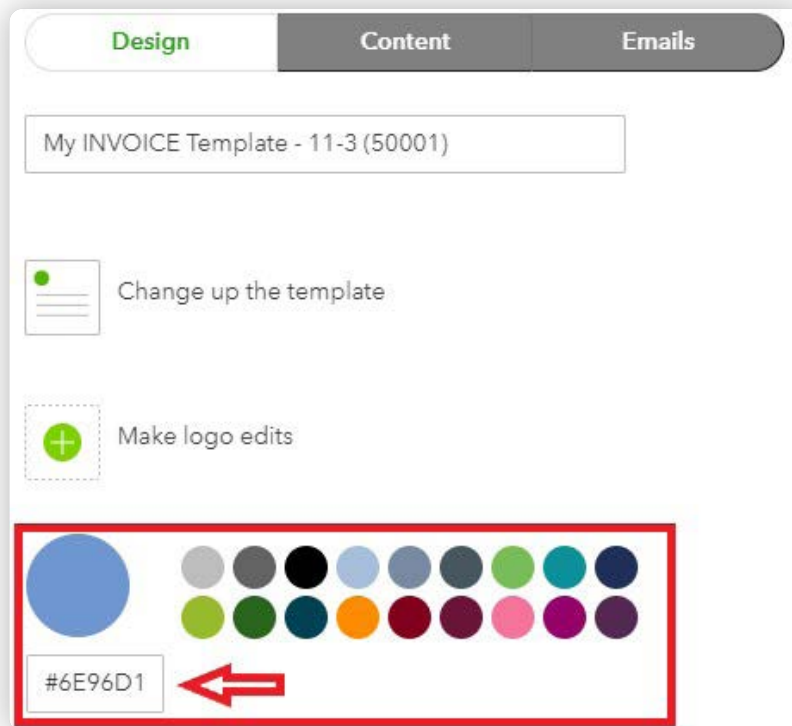


Preview the Logo in your customized invoice in QuickBooks Online.

Unfortunately, the logo can only be placed at the top of the invoice. Play around with the options until you settle on how to display the logo. If you decide you don't want the logo in your invoice, click on Hide logo.

C. Try Other Colors

The next option under the Design tab is to select the color of your template. After clicking Try other colors, you can choose from between 16 colors:



Choose a color for your Invoice in QuickBooks Online.

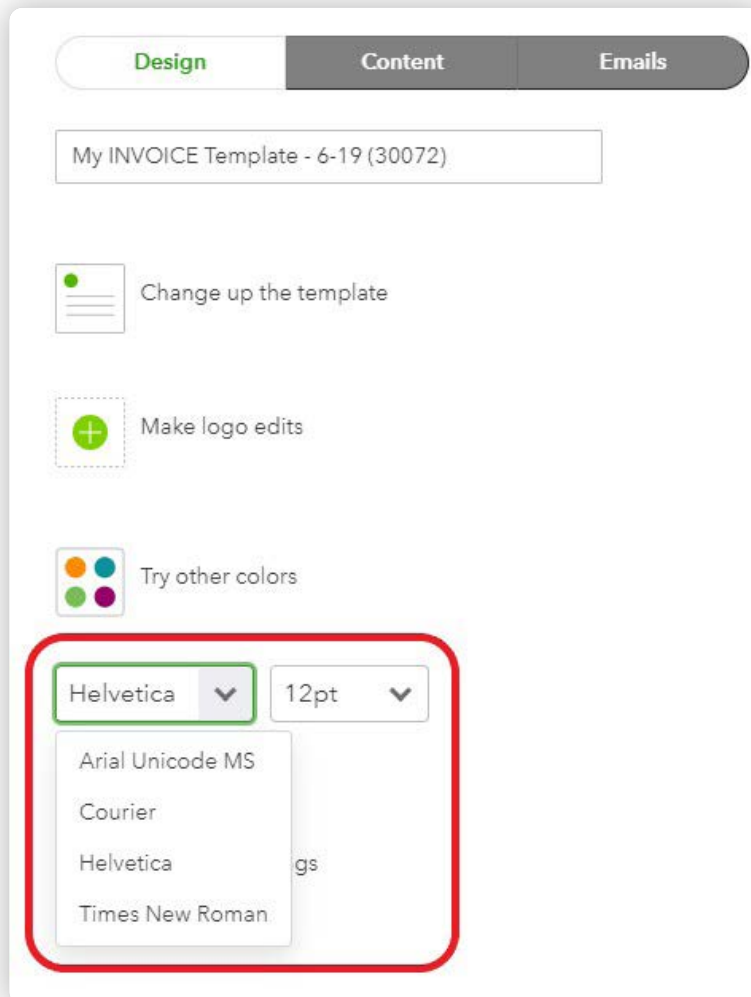
The color selection will affect both the text color and highlight color of the invoice headings. You might want to revisit your template selection as some templates are more colorful than others. For maximum color, try the “bold” template, which shades the entire background of the invoice.



Custom colors: You are not limited to the 16 predefined colors. The text box located under your color selection is an HTML color code, which you can input manually for a nearly infinite selection of color choices. Because none of the predefined colors matched my plumber logo, I visited a [website that provides HTML color codes](#) and selected the color #6E96D1.

D. Get Choosy With Your Font

The next task under the Design tab is to choose your font. Click Get Choosy with your font (or Select a different font if you've clicked there before) to view a selection of four fonts and three sizes:



Choose a font and size for your Invoice in QuickBooks Online.

E. When in Doubt, Print It Out

The final task under the Design tab is to set your print options. Click on When in doubt, print it out (or Edit print settings if you've already clicked there) to view options for printing your invoice:

The screenshot shows the 'Design' tab in QuickBooks with the following options:

- My INVOICE Template - 6-19 (30072)
- Change up the template
- Make logo edits
- Try other colors
- Select a different font
- Page margins** (highlighted with a red box):

Top	Left	Bottom	Right
0"	0.25"	0.5"	0.25"

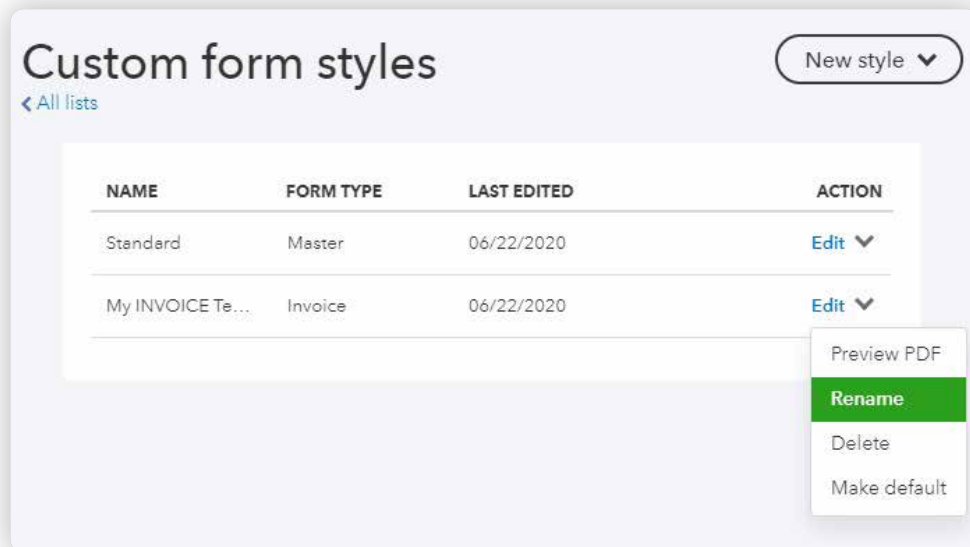
 A 'Reset' button is located to the right of the margin input fields.
- Fit printed form with paystub in window envelope
- Use letterhead paper

Select the Print options for your Invoice in QuickBooks Online.

The Fit printed form with paystub in window envelope will print a dividing line, turning the top portion of your invoice into a payment stub, and print the message "Please detach top portion and return with your payment." This will help you match payments received to outstanding invoices, which is especially useful if you send numerous invoices for the same amount.

The Use letterhead paper option will remove the company name, address, and logo from the top of the invoice. This allows your emailed invoices to include the business information and logo, but the business information and logo can be removed quickly when printing on company letterhead.

When you are satisfied with the custom design of your invoice, click the green Done button in the bottom right corner of the screen. QuickBooks returns you to the Custom form styles screen, where you can see your newly created invoice template with the default name assigned by QuickBooks. You can change the name of your custom invoice by clicking Edit and then Rename:



Rename your custom invoice template in QuickBooks Online.

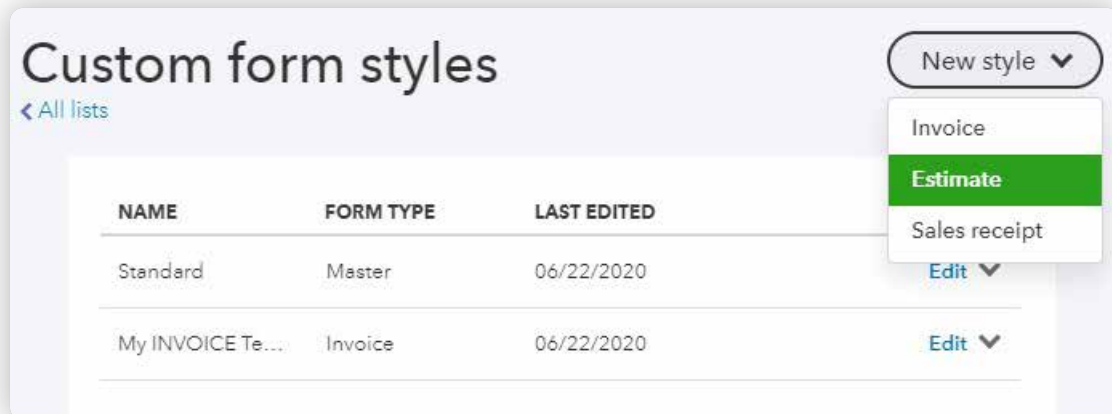


Create multiple templates: You can create multiple invoice templates to be used in different situations. For instance, you can create one template to be printed on company letterhead and another to be emailed. You can choose which template to apply before printing or emailing an invoice.

Now that you know how to create a custom template, you can also create custom templates for estimates and sales receipts.

Create Custom Estimate and Sales Receipts in QuickBooks Online

The steps to create customized estimates and sales receipt templates are identical to the process we used to create your customized invoice. From the Custom form styles screen, click New style and either Estimate or Sales receipt:



Create a customized Estimate template in QuickBooks Online.

You have the same design options for estimates and sales receipts as invoices. I suggest that you make the custom format similar to your invoices but different enough that it is easy to tell each of the forms apart to avoid confusion. It's important customers don't mistake invoices for estimates.

Wrap Up

Congratulations on customizing the design of your sales forms in QuickBooks Online. Consider making multiple invoice templates for different types of sales. For instance, you might want to omit the shipping address and method for service invoices. Our next tutorial is [How to Set Up Sales Form Content in QuickBooks Online](#), where you'll learn how to designate what content will show on your invoices, estimates, and sales receipts.

How to Set Up Sales Form Content in QuickBooks Online

In this tutorial, you'll learn how to set up sales form content and preferences that will flow to invoices, estimates, and sales receipts in QuickBooks Online. First, we'll cover how to specify which fields and options are available within QuickBooks when creating a sales form. Then, we'll discuss how to customize a sales form to show only the fields you choose. We'll also show how to set up automatic invoice reminders and online invoice delivery.

We're excited to help you learn to manage your small business with QuickBooks Online, our top overall pick for [best small business accounting software](#). The best way to learn QuickBooks Online is with hands-on experience, so we hope you can follow along with this tutorial in your own copy of QuickBooks Online. If you don't already have a subscription, new subscribers can choose between a 30-day free trial and 50% off for three months.

[Visit QuickBooks Online](#)

This tutorial is part of Fit Small Business's [Free QuickBooks Tutorials](#). This tutorial can be completed by either watching the video below or reading through the detailed instructions with screenshots at your own pace.

Set up Sales Form Content in QuickBooks Online



Why Setting Sales Form Content in QuickBooks Online Is Important

Setting up your sales form content and preferences allows you to add and remove information quickly to create multiple sales form templates for different purposes. It's important to provide customers with information concerning the due date of their payment and relevant details of the purchase.

Gather Your Information: Sales Form Setup Checklist

You need to make some decisions regarding your sales process before you'll be able to set your sales content options and preferences. You need the following information to complete the setup of your sales form content.

- **Payment terms:** Decide how long you want to give customers to pay their invoices. Common payment terms are Net 10 or Net 30, which provides 10 or 30 days, respectively, to pay.



Avoid due upon receipt: Avoid the payment term "Due upon receipt." It's impractical for most companies to issue a check immediately, so their bills from you are always overdue. If every invoice you send is overdue, when do you start to assess a late fee? Customers won't appreciate not knowing the "real" due date of the invoice. You'll find it much more effective and easier to justify late fees if you give customers a realistic due date like Net 15.

- **Discount:** Some companies offer a discount for customers that pay within a certain number of days.
- **Invoice delivery method:** Decide whether you want the default delivery method to be printed invoices or emailed invoices.
- **Track inventory:** If you purchase goods for resale, you should use QuickBooks Online to track the cost and quantity of your inventory.
- **Late fees:** If you wish to charge a fee for late payments, decide when you want to apply the late fee and how to calculate the late fee.
- **Progress invoicing:** Decide if you need the capability to issue progress invoices for jobs that are in-progress. Contractors often perform progress billing.

How to Set Sales Form Content in QuickBooks Online

You can set the sales form content in QuickBooks Online with the following steps:

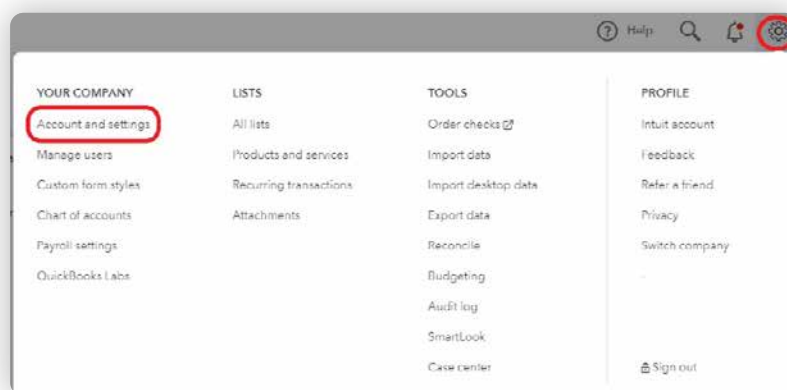
1. Navigate to the company sales form preferences by clicking on the gear icon, selecting Account and settings in the first column, and then clicking Sales.
2. Set preferences for Sales form content, Late fees, Progress invoicing, Reminders, and Online delivery.
3. Set the fields to appear on your sales form by clicking the green Customize look and feel button at the top of the sales preferences screen.

Keep reading for instructions and illustrations for completing these steps.

Setting the Company Sales Form Preferences in QuickBooks Online

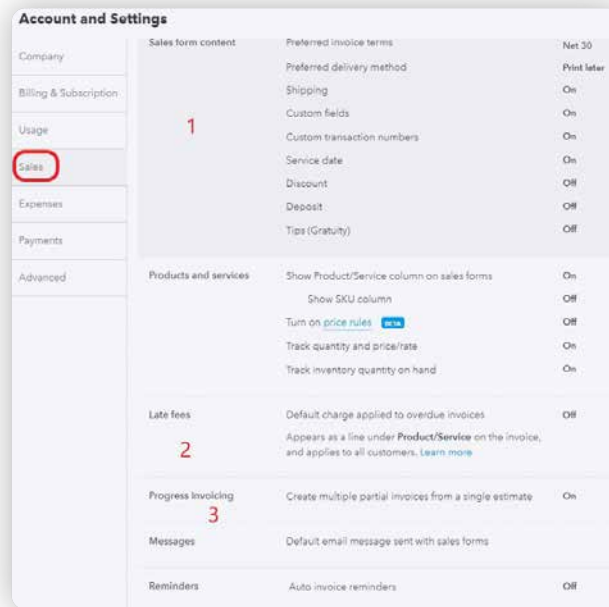
The first step in customizing the content to appear on your sales forms—invoices, estimates, and sales receipts—is to determine which fields should be available within QuickBooks when you create a sales form. The next step will be to customize sales forms by determining which fields to include on the form. If a field is not activated in the sales form preferences, it cannot be added to a sales form template.

The sales form preferences are set in the company's account and settings. Click on the gear icon in the upper-right corner of the screen and then select Account and settings in the first column:



Navigate to Account and Settings in QuickBooks Online.

Next, click Sales in the left menu bar to view the sales options:



Sales preferences under Account and Settings (screen 1 of 2) in QuickBooks Online.

This tutorial will cover the options under Sales form content, Late fees, Progress Invoicing, Reminders, and Online delivery. The options under Customize (not shown) are covered in [How to Customize Invoices in QuickBooks Online](#) and should be completed prior to this tutorial as we will build on the sales forms you start in that tutorial.

1. Sales Form Content

The sales form content options allow you to specify which fields will be available within QuickBooks when you generate a customer sales form. Whether these fields are displayed on the customer's copy of a sales form is determined when you design your custom sales form template, which we will discuss later in this tutorial.



Tip: Any field that will be needed for even one customer must be turned on in this screen to be available when you create a custom sales form template.

Click on Sales form content to open additional details for each option:

Sales form content

Preferred invoice terms [?] Net 30

Preferred delivery method [?] Print later

Shipping [?] On

Custom fields [?] On

Name	Internal	Public
P.O. Number	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sales Rep	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>

Custom transaction numbers [?] On

Service date [?] On

Discount [?] Off

Deposit [?] Off

Tips (Gratuity) [?] Off

Cancel Save

Sales form content options in QuickBooks Online.

Fields can be turned on and off by clicking on the checkbox next to the name of the field:

- **Preferred invoice terms:** Select your preferred invoice terms, such as Net 30 or Net 10.
- **Preferred delivery method:** You can choose either email or print as the default delivery method for your invoices. The delivery method is assigned customer by customer, so the default chosen here will be assigned to newly created customers. The method can be changed for a particular customer by editing the customer information.
- **Shipping:** If shipping is turned on, fields for shipping address, carrier, shipping date, and tracking number will be available to add to sales form templates.
- **Custom Fields:** Sales forms can include up to three custom fields. For instance, in my sample invoice, I've created custom fields for a purchase order number and sales representative. If you want the field to appear on the customer's sales forms, then you must check the box under Public. Otherwise, the field will only appear in QuickBooks for your internal use.
- **Custom transaction numbers:** Custom transaction numbers allow you to change the invoice, estimate, or sales receipt number assigned automatically by QuickBooks. This might be helpful if you want to match QuickBooks transaction numbers to numbers from a separate workflow system so that transactions can be traced easily across systems.
- **Service date:** Including a service date allows you to show the customer the exact date a service was performed, which will often be different than the invoice date. You can include multiple service dates on a single invoice. This is an important option for service-based businesses so that repeat customers can track which service call is being billed.

- **Discount:** If you offer customers payment terms with a discount for early payments, such as “1% 10 Net 30,” then it’s best to include a discount field on the sales form so that customers know the exact amount of the discount.
- **Deposit:** The deposit field allows you to subtract a customer’s deposit, or prepayment, from the amount due on the sales form. This is an important field to include on sales forms if you have customers that prepay for services or materials.
- **Tips:** The tips field provides your customers with the ability to add a gratuity to your invoice. I recommend only including this field if you are in an industry where customers traditionally are expected to tip. Otherwise, customers could be irritated with a request to tip your employees.

When you’re finished selecting the fields to make available for creating sales forms, click on the green Save button at the bottom of the Sales form content options. Next, we’ll set your company’s option for assessing late fees.

2. Late Fees

If you wish to add late fees automatically to invoices that are overdue, click in the Late fees section and place a checkmark next to Default charge applied to overdue invoices to display the options available for late fees:

Late fees On

Default charge applied to overdue invoices

After you turn on late fees, you can customize settings for individual customers from your dashboard under **Customers**.

Type

Flat fee

Percentage of remaining balance

Percent (%) Frequency

Apply an upfront, one-time flat fee

Amount (USD)

Grace period

Grace period begins the day after the due date. Late fees will not accumulate during that time.

Apply Sales Tax

There may be limits on the amounts and types of fees you may charge to your customers. You should confirm the requirements in your jurisdiction and how they relate to you.

Late fee options in QuickBooks Online.

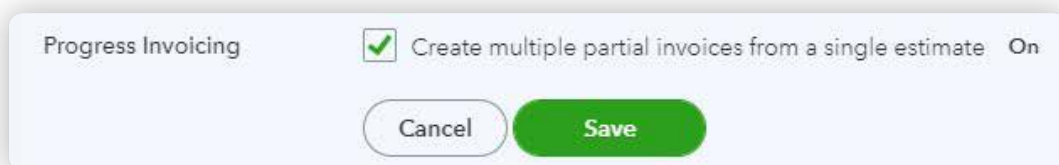
These options determine the company-wide default for adding late fees to invoices. You can adjust the late fee options for particular customers within the customer information screen:

- **Type:** Late fees can either be a flat amount, a percentage of the unpaid balance, or a one-time flat fee followed by a percentage.
- **Grace period:** Unless you specify a grace period, the late fee will apply based on the invoice terms you have specified. If you set the invoice term to “Due upon receipt,” be sure to specify a grace period so that a late fee isn’t assessed on every invoice.
- **Apply sales tax:** Some states may require that you apply sales tax to late fees if the late fee is assessed on a taxable item. You may need to check with a local tax professional to determine the sales tax requirements for your location.

When you are done setting your late fee options, click the green Save button at the bottom of the late fee section. A late fee should now automatically be assessed when you reprint or resend an invoice that is overdue.

3. Progress Invoicing

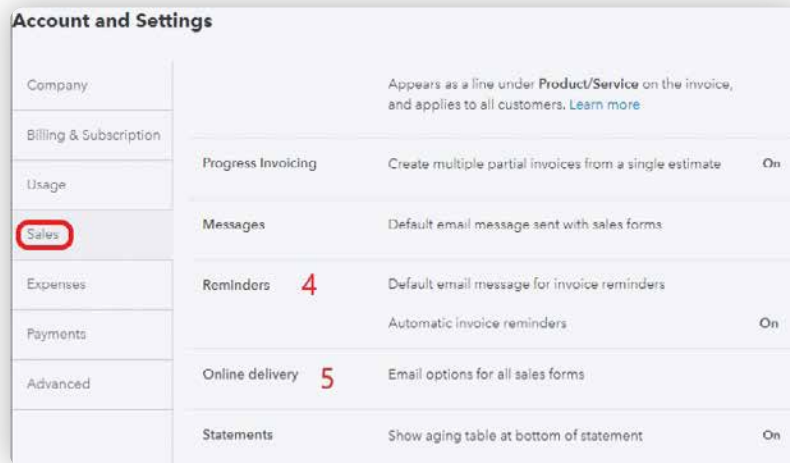
Construction companies often send multiple invoices for a single job as the work is completed. This is known as progress invoicing. QuickBooks Online makes progress invoicing easy by allowing you to create an invoice for only a portion of an estimate. The unbilled estimate can be converted to an invoice later when more work has been completed. Check the box next to Create multiple partial invoices from a single estimate if you want to activate this feature and then click Save:



Activate Progress billing in QuickBooks Online.

You have now specified which fields are available internally when you create a sales form within QuickBooks Online. Next, we'll discuss how to choose which of those fields will appear on your customized invoices, estimates, and sales receipts.

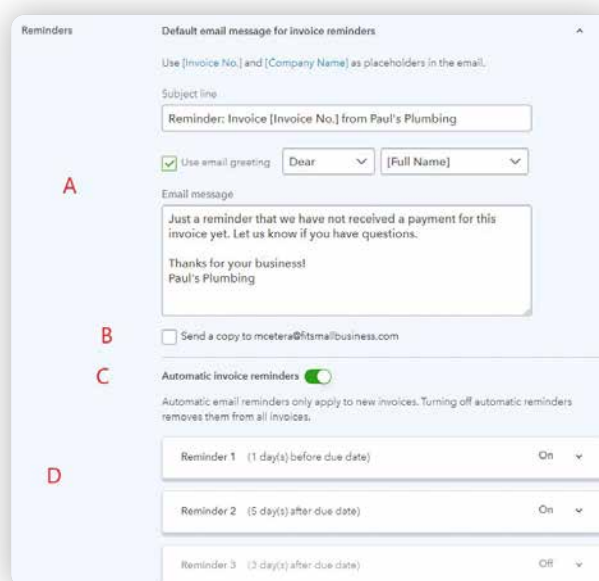
Scroll down in the sales preferences screen to reveal the sections for Reminders and Online delivery:



Sales preferences under Account and Settings (Screen 2 of 2).

4. Activate Automatic Invoice Reminders

QuickBooks Online will send reminder emails automatically to customers with overdue invoices. To set your automatic reminders options, click in the Reminders section:



Activate Automatic invoice reminders in QuickBooks Online.

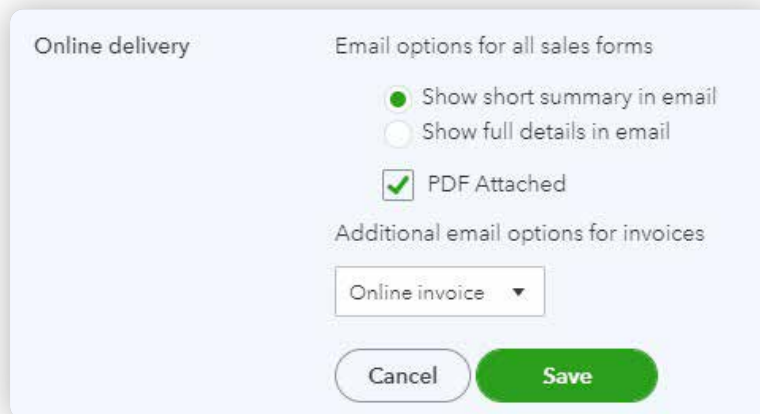
You can set the following options:

- A. Create email template:** You can create a template for your reminder emails, including the subject line, greeting, and text of the message. Unfortunately, you cannot create a separate email template for each reminder. In the above example, customers will receive the same email both one day prior and five days after the due date.
- B. Send a copy:** Check the box to have a copy of every reminder email to be sent to the QuickBooks Online administrator.
- C. Activate reminders:** Flip the switch to green to activate automatic invoice reminders.
- D. Specify reminders:** QuickBooks allows up to three reminder emails. Click on the drop-down arrow for each reminder to specify the day to send the reminder as well as create a custom email message for that reminder.

Click the green Save button at the bottom of the section when you are satisfied with your reminder settings and email.

5. Set Up Online Delivery of Invoices

Click in the Online delivery section to see the last few company sales form options:



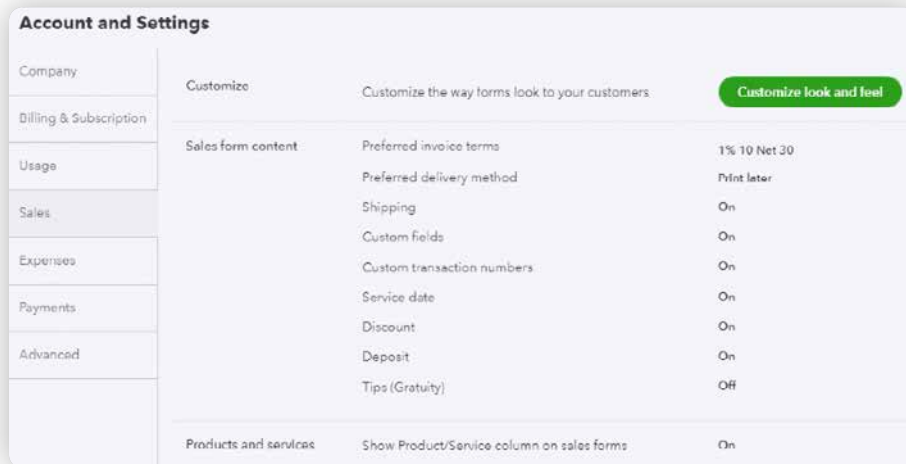
Select Online delivery options in QuickBooks Online.

Select whether you want a short summary or the full detail of the sales form included in the body of the email. You can also attach a PDF copy of the sales form. I recommend including only a short summary in the email and then attaching a PDF that customers can view to see the detail.

The final option applies only to invoices and allows you to format the emailed invoice as an Online invoice, HTML, or Plain text. I recommend keeping this option set to Online invoice.

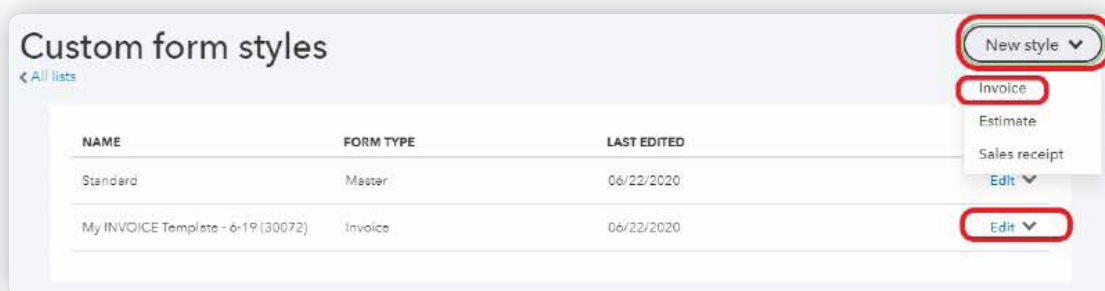
Choose the Content for Your Custom QuickBooks Online Invoice

You designed a customized invoice in the prior tutorial [How to Customize Invoices in QuickBooks Online](#). We'll now discuss how to select which sales content fields to include on your customized invoice. To view your available sales form templates, navigate to the sales tab of the Account and settings screen, and click the green Customize look and feel button in the top right corner:



Choose *Customize look and feel* to create a customized sales form in QuickBooks Online.

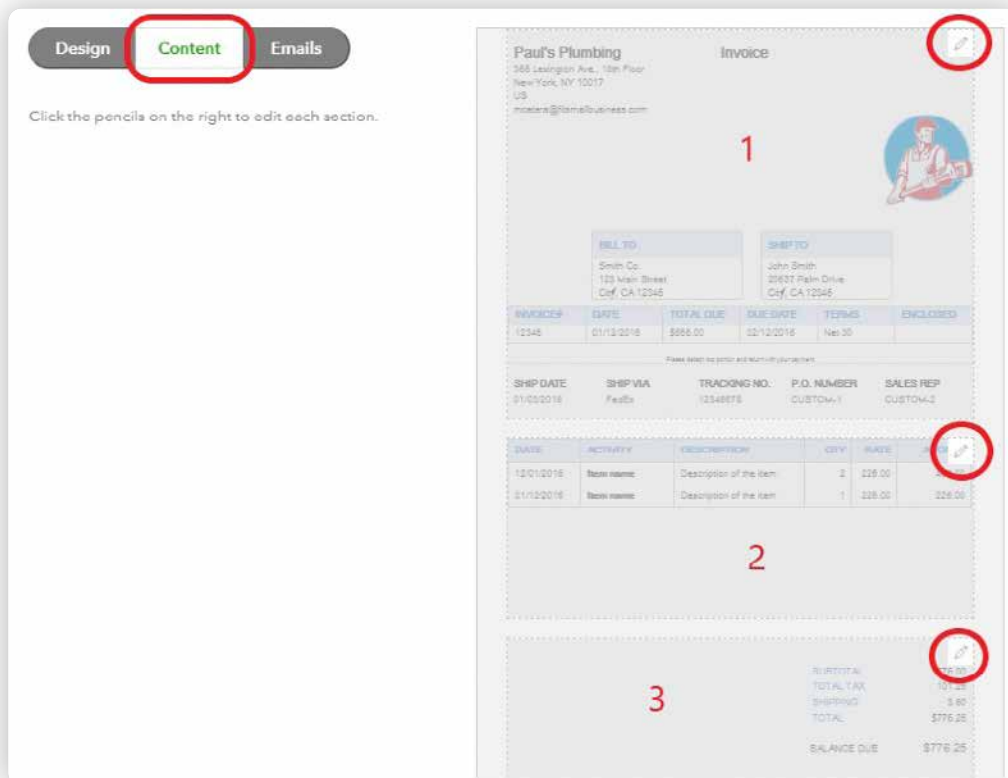
The Custom form styles screen should display the custom invoice you created in the prior tutorial. Click Edit to the right of the customized form you wish to choose. If you prefer, you can create a new invoice template by clicking on New style in the upper right corner and then select Invoice:



Open an existing invoice template or create a new invoice template in QuickBooks Online.

The screen to create a customized invoice contains three tabs: Design, Content, and Emails. The Design tab allows you to customize the style, logo, color, and font of your invoice and was covered in the prior tutorial, [How to Customize Invoices in QuickBooks Online](#). The Emails tab will be discussed in a later tutorial, [How to Set Up Messages in QuickBooks Online](#). The remainder of this tutorial focuses on the options available in the Content tab.

When you click on the Content tab, you'll be given a grayed-out preview of your invoice split into three sections. To edit the information displayed in each section, click the pencil icon in the upper-right corner:



Edit the Content appearing on your QuickBooks Online invoice.

Let's review the information that is available in each of the three sections of your QuickBooks invoice.

1. Select the Information to Appear in the Header Section of Your Invoice

Click on the pencil icon in the upper right corner of the header section to view the information that can be shown in this section:

The screenshot shows the 'Content' tab of the QuickBooks Online interface. It is divided into three main sections: Header, Form, and Display. The 'Header' section has three checked items: 'Business name' (with input 'Paul's Plumbing'), 'Phone' (with input '(123) 456-7890'), and 'Email' (with input 'paul@paulsplumbing.com'). There are also links for '+ Address' and '+ Website'. The 'Form' section has three checked items: 'Form names' (with input 'Invoice'), 'Form numbers', and 'Use custom transaction numbers'. The 'Display' section has four checked items: 'Billing address', 'Shipping', 'Terms', and 'Due date', plus a '+ Custom field' link.

Select the information to appear in the header of your invoice in QuickBooks Online.

Place a checkmark next to any fields you would like to appear in the header of your invoice. The blue fields can be expanded by clicking on the “+” in front of the words. Any changes you make to the default information pulled from your company setup, such as providing a different phone number, will only affect your invoice and not other areas of QuickBooks Online. All changes are reflected in the preview of the invoice on the right half of the screen.

Most of the fields are straightforward, but here are a few that need a little explanation:

- **Form names:** You can specify a custom name to appear at the top of your form instead of the name “Invoice.” This is helpful if your industry traditionally has a different name for bills sent to customers. Don’t use this field to change the purpose of the form. For instance, don’t change this field to “Estimate” because when the form is generated, QuickBooks will record the form as an invoice automatically.
- **Form numbers:** Check this box to print the invoice number on the form, which I highly recommend. Many customers, especially businesses, appreciate the invoice number to keep track of multiple outstanding invoices.
- **Use custom transaction numbers:** This box allows you to input a custom transaction number—not generated by QuickBooks—at the time you generate an invoice. This is helpful if you are using a workflow system outside of QuickBooks and would like to be able to trace a QuickBooks invoice to a transaction in the other system.
- **Billing address:** The billing address is required to be displayed on the QuickBooks invoice and is pulled from the [customer information screen](#).
- **Shipping:** By checking Shipping, the shipping address, ship date, carrier, and tracking number will all be included on the invoice. If only certain invoices require this information, I recommend customizing two invoice templates. You can choose which template to apply when generating a customer invoice.
- **Terms:** The terms set in the customer information screen will display on your invoice. This is an absolute must if you are offering terms with a discount. For instance, “2% 10 Net 30,” which offers a 2% discount if paid within 10 days, and all payments are due in 30 days. If there is no discount offered, then showing the payment terms is unnecessary if the due date is shown.
- **Due date:** The due date is not needed if the payment terms are shown, but you can choose to show both if you prefer. If your customers are individuals rather than businesses, you might want to include the due date since they may not be familiar with payment terms.
- **Custom fields:** You can choose to display three custom fields on your invoice.

Now that you’ve selected the information to appear in the header, let’s look at the information available for the middle section of the invoice.

2. Select the Information to Appear in the Table Section of Your Invoice

Click on the pencil icon in the upper right corner of the middle section of your invoice preview to display the fields and options available for your invoice table:

Design **Content** Emails

Table

Account summary

Show on invoice

Activity table

COLUMNS [EDIT LABELS AND WIDTHS](#)

Date

Product/Service

Include description here

Category

Description

Include Quantity and Rate

Quantity

Rate

Amount

SKU

[Show more activity options](#)

Set the options and fields for the Table section of an invoice in QuickBooks Online.

Click on the box next to Show on invoice under the heading Account summary to include a miniature statement on the customer's invoice. I highly recommend including this summary statement on your invoice so that customers know the total amount they owe if they have more than one unpaid invoice:

DATE	ACCOUNT SUMMARY	AMOUNT
01/12/2016	Balance Forward	100.00
	New charges (details below)	666.00
	Total Amount Due	716.00

Provide an Account Summary in customized invoices in QuickBooks Online.

Next, you can customize the columns that will appear in the invoice table. Place a green checkmark next to any field you would like to appear on your invoice. The order of the columns can be changed by clicking and dragging on the series of nine dots to the left of the green checkmark. The columns can be further customized by clicking Edit Labels and Widths:

Activity table

COLUMNS HIDE LABELS AND WIDTHS

<input checked="" type="checkbox"/>	Date	Date	15
<input checked="" type="checkbox"/>	Product/Service	Activity	20
<input type="checkbox"/>	Include description here		
<input type="checkbox"/>	Category		
<input checked="" type="checkbox"/>	Description	Description	28
<input type="checkbox"/>	Include Quantity and Rate		
<input checked="" type="checkbox"/>	Quantity	Qty	10
<input checked="" type="checkbox"/>	Rate	Rate	10
<input checked="" type="checkbox"/>	Amount	Amount	16
<input type="checkbox"/>	SKU	SKU	

[Show more activity options](#)

Adjust invoice column labels and widths in QuickBooks Online.

The column widths can be adjusted with the blue sliders. QuickBooks keeps the table the same width automatically, so increasing the width of one column will decrease the width of another column automatically.

The default for the activity column of the invoice is to show only the name of the item being billed. This could be the name of the inventory item or service item. You can choose to show more activity detail by clicking on Show more activity options under the column options:

Hide activity options

- Group activity by ▼
- Collapse activity rows
- Show progress on line items (email only)
- Show markup on billable expenses
- Show billable time
 - Include employee name
 - Include hours and rate

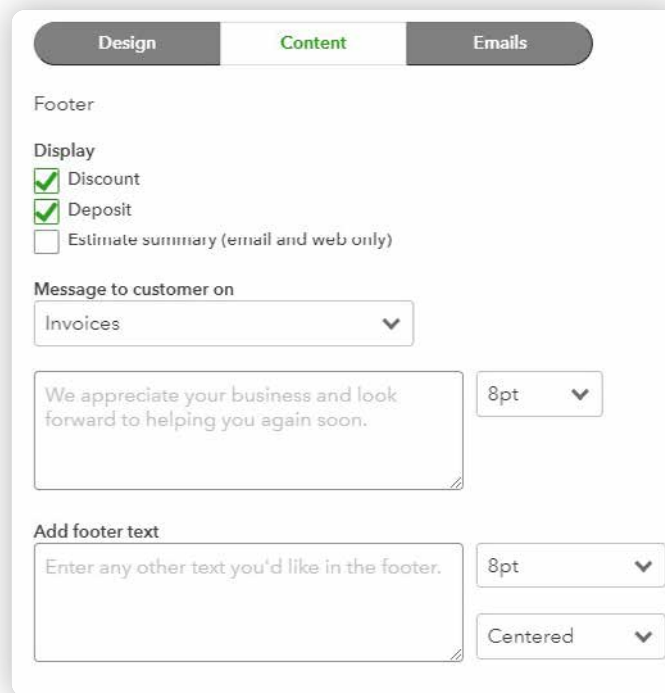
Provide additional activity detail for your invoice in QuickBooks Online.

Providing detailed information to your customers can help them better understand your charges, but it can also make the invoice very long and confusing. I recommend taking some time to think about what your customers will prefer. Perhaps certain invoices will require more detail than others. This can be accommodated by making multiple invoice templates with and without detail. You can choose which invoice template to apply when you generate an invoice.

You can group activity by day, week, month, or item. If the invoice is for a service that was provided over a period of days or weeks, the invoice can be shortened greatly by grouping the activity by days or weeks.

3. Select the Information to Appear in the Footer Section of Your Invoice

Click on the pencil icon in the lowest section of the invoice preview to select the content to be included in the footer of your invoice:



The screenshot shows the 'Content' tab of the invoice settings. Under the 'Footer' section, there are three options: 'Discount' (checked), 'Deposit' (checked), and 'Estimate summary (email and web only)' (unchecked). Below this is a dropdown menu for 'Message to customer on' set to 'Invoices'. There are two text input fields: one for a pre-defined message 'We appreciate your business and look forward to helping you again soon.' with a font size of 8pt, and another for 'Add footer text' with a font size of 8pt and a 'Centered' alignment dropdown.

Select the information to Display in the footer of your QuickBooks Online invoice.

Place a checkmark next to any of the fields you would like to include in your footer:

- **Discount:** If you offer payment terms that include a discount for early payments, then include this field so that customers know the exact amount of the discount.
- **Deposit:** If your customers often prepay a portion of their invoice, you should include the deposit field so customers can easily see the unpaid balance they owe.

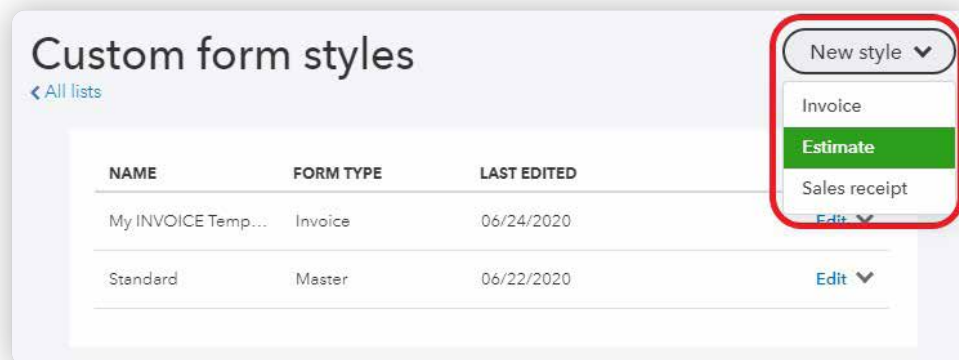
- **Estimate summary:** If an invoice is generated from an estimate, you can provide a summary of that estimate in the emailed invoice.
- **Message to customer on:** You can enter a standard message to your customers that will appear on all invoices. You'll also be able to enter personal messages to customers when you generate their invoices.
- **Add footer text:** Footer text is often used to add information about late fees or other contract terms the customer should know.

When you have selected all the content for your customized invoice, click the Preview PDF button in the bottom right corner of the screen. When you are satisfied with your invoice, close the PDF and click the green Done button in the lower right corner of the screen. This will return you to the custom form styles screen with a list of your customized forms.

You can create multiple customized invoice templates. For instance, you may want one invoice template for customers being billed for services and another for customers being sold merchandise. Alternatively, you might want one invoice template for business customers and another for individuals.

Create Custom Estimates and Sales Receipts

In addition to invoices, sales forms include estimates and sales receipts. From the custom forms style screen, select New style and then either Estimate or Sales receipt:



Create a new custom estimate or sales receipt template in QuickBooks Online.

After creating a new estimate or sales receipt template, you'll find the familiar three tabs for Design, Content, and Emails. The process for creating custom estimates and sales receipts is nearly identical to customizing invoices. As with invoices, you can create as many custom templates for estimates and sales receipts as you desire.

Wrap Up

You can now create custom invoices, estimates, and sales receipts in QuickBooks Online through a two-step process. First, set the company-wide options to indicate which sales form fields you wish to be available internally when you bill a customer. Then, create custom templates to choose the available fields you wish to include on the customer sales forms.

The next tutorial in our QuickBooks Online training course is [How to Set Up Products and Services in QuickBooks Online](#). This tutorial will cover a few of the options that are available for billing services to customers as well as tracking inventory.

How to Set Up Products and Services in QuickBooks Online

This tutorial covers numerous options for displaying and tracking products and services within QuickBooks Online. You'll learn how to set options for displaying product/service information on sales forms and tracking product quantity and price. We'll cover how to create a list of products and services for your company in a later tutorial, or you can skip ahead to [How to Set Up the Products and Services List](#).

Thank you for taking the time to view this tutorial for QuickBooks Online, our best overall pick for [small business accounting software](#). We recommend following along in your own QuickBooks company account. If you don't already subscribe to QuickBooks, you have the choice of a 30-day free trial or 50% off for three months.

[Visit QuickBooks Online](#)

This tutorial is from our series of [Free QuickBooks Tutorials](#). You can watch the video below or read the step-by-step instructions with screenshots.

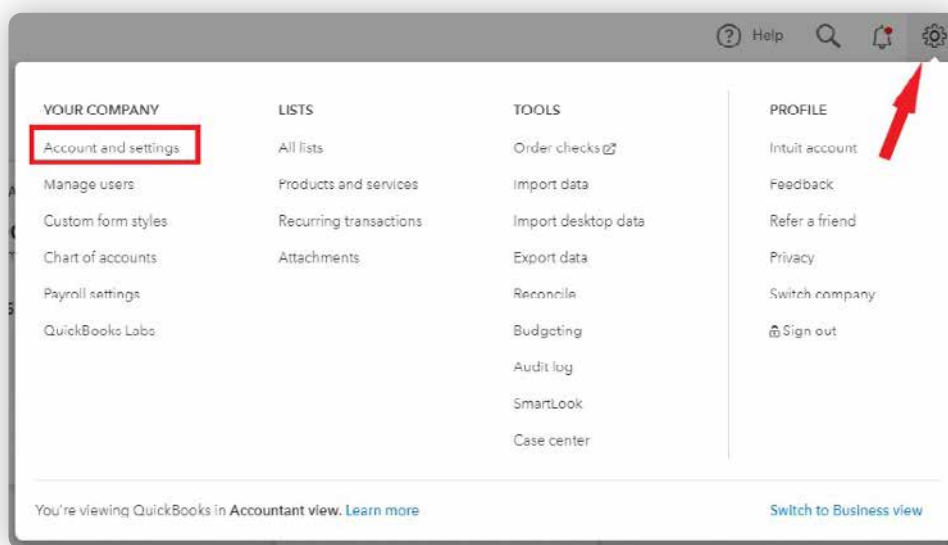


The Importance of Setting Up Products and Services

It is important to set up the product and service options in QuickBooks Online if you plan to provide customers with an invoice or a sales receipt for products or services. These settings determine how much product and service information is included on all sales forms created in QuickBooks Online.

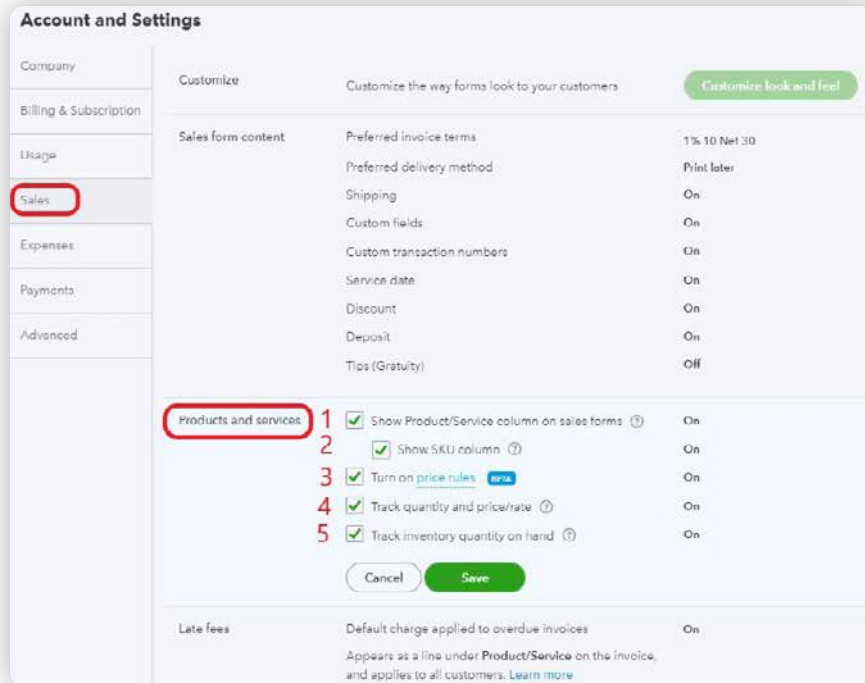
How to Set QuickBooks Online Product and Service Options

The product and service options are located in your company account and settings. Click on the cog wheel in the upper right corner of your dashboard and select **Account and settings** in the first column:



Navigate to Account and Settings in QuickBooks Online.

Then, select Sales from the left menu and click on **Products and services**. This shows the five options you need to set for your products and services:



Products and services options in QuickBooks Online.

1. Show Product/Service Column on Sales Forms in QuickBooks Online

This option will provide a column on all sales forms—including invoices, estimates, and sales receipts—that allows you to select from your list of products and services provided to customers. If you plan on utilizing a list of products and services, which I recommend highly, then you should have this option turned on.

Example: Paul of Paul's Plumbing provides a variety of different types of plumbing services, from clearing residential toilet clogs to providing commercial kitchen sinks to brand new restaurants. Each different product or service that Paul provides is to be included in his products and services list. By turning this option on, Paul can select these products and services easily from his list when creating estimates, invoices, and sales receipts. We'll cover how to create your products and services list in a later tutorial, [How to Set Up the Products and Services List](#).

2. Show SKU Column in QuickBooks Online

A stock keeping unit (SKU) number is an alphanumeric code used for inventory tracking. By turning this option on, all sales forms will include a column for the SKU number. This is very convenient if you use SKU numbers but, otherwise, you should keep this option turned off.



Tip: SKU numbers are different than Universal Product Codes (UPCs) and are created by retailers for their specific inventory tracking needs. If you're interested in learning how SKU numbers can help your business, read [SKU Numbers: What They Are & How to Set Them Up](#).

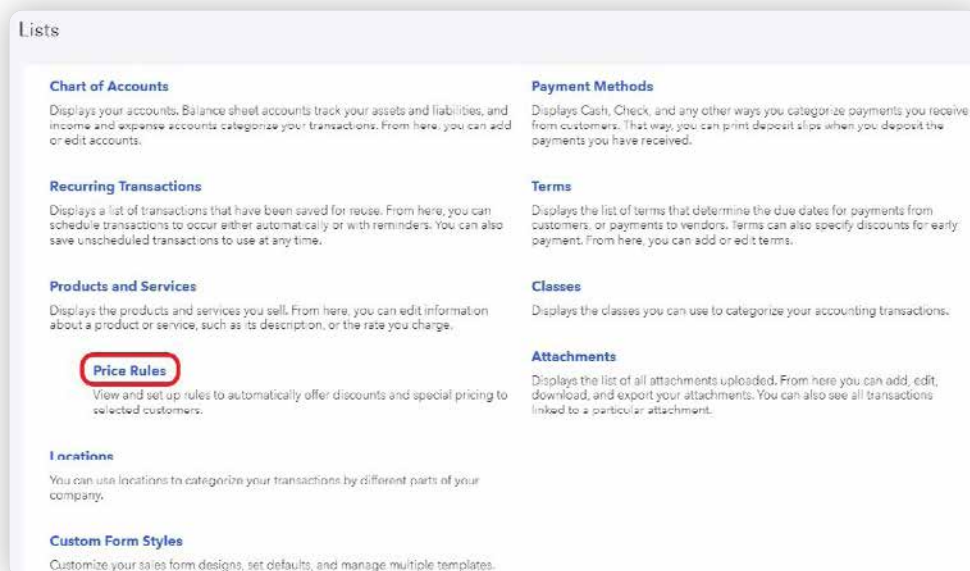
3. Turn on Price Rules in QuickBooks Online

Price rules allow you to provide discounts for specific products to certain customers for a specified period of time. Price rules are very flexible and can be applied to all customers, select customers, or customer types. They can also be applied to all products and services, by product and service category, or to specific products or services.

Example: Paul's Plumbing wants to offer homebuilders 10% off all faucet purchases for June. By creating a price rule, all June invoices to homebuilders for faucets will reflect the 10% discount automatically.



Tip: Price rules are a type of list in QuickBooks Online. To add new price rules, go to the gear icon and select **All Lists** in the second column. If you've turned on the price rules option, the Price Rules list will appear under Products and Services as shown below:



Create a Price Rules list in QuickBooks Online.

4. Turn on Quantity and Price Tracking in QuickBooks Online

If you carry an inventory of products, you must turn on this feature to add a quantity and rate field to the data input screen for invoices, estimates, and sales receipts. Without these fields, QuickBooks cannot properly track inventory quantity and cost. If you don't want your customers to see the quantity and rate fields on their invoices and receipts, you can remove them as we learned in [How to Customize Invoices](#).

5. Track Inventory Quantity on Hand in QuickBooks Online Products & Services Setup

If your business carries inventory, you'll also need to turn on this feature. It will keep track of both the quantity and cost of the products you have in inventory. In addition to calculating the cost of your inventory sold, you'll be notified of how many units of a product are available anytime you add a product to a sales form.

Wrap Up

You should now understand the five options available for displaying and tracking product and service information in QuickBooks Online. The next tutorial in our QuickBooks Online Training Course is How to Set Up Messages in QuickBooks Online. That tutorial will teach you to customize the email messages that are sent with sales forms and how to send automatic payment reminders to your customers.

How to Set Up Messages in QuickBooks Online

In this tutorial, you'll learn how to set up email messages to your customers in QuickBooks Online. First, we'll cover how to set up your companywide default email message to accompany invoices and other sales forms. Then, we'll show you how to override the default message with a custom message for your customized invoices, estimates and sales receipts.

We're glad you've chosen to learn QuickBooks Online, our top overall pick for [best small business accounting software](#). The best way to learn QuickBooks Online is hands-on experience, so we hope you can follow along with this tutorial in your own copy. If you don't already have a subscription, new subscribers can choose between a 30-day free trial and 50% off for three months.

[Visit QuickBooks Online](#)

This tutorial is part of Fit Small Business's [Free QuickBooks Tutorials](#). This tutorial can be completed by either watching the video below or reading the detailed instructions and screenshots at your own pace.



The Importance of Setting Up Messages

Messages allow you to customize the email you send to your customers along with their invoices, sales receipts, and estimates. You can create a different message for each type of sales form. In addition, you can select multiple people in your organization to be copied on all sales form emails.

Gather Your Information: Checklist for Setting Up Messages

You should decide on the following items prior to completing this tutorial. Of course, you can always come back and make changes later.

- Determine the exact wording for your emails that will accompany your:
 - Invoices
 - Estimates
 - Sales receipts
- Decide who in your business should receive copies of outgoing emails.

How to Set Up Messages in QuickBooks

You can set up your messages in QuickBooks Online in six steps:

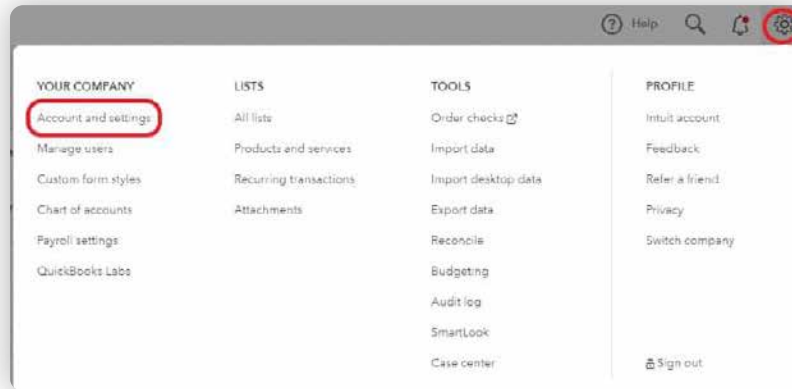
1. Navigate to your sales options, by clicking on the gear icon, selecting Account and settings in the first column, and then choosing Sales in the left menu bar.
2. Open the message options by scrolling down and clicking anywhere in the Messages section.
3. Select a form type from the drop-down box under Sales form. You can review the default email message and options for each of the following forms:
 - Invoice
 - Estimate
 - Credit memo
 - Sales receipt
 - Statement
 - Refund receipt

4. To set a different message to accompany a custom sales form, scroll up and click on the green Customize look and feel button.
5. Select the custom sales form for which you want a custom email message.
6. Click the Emails tab at the top of the edit sales forms screen and provide the text and options for your custom email message.

Keep reading for additional instructions and screenshots illustrating how to complete these steps.

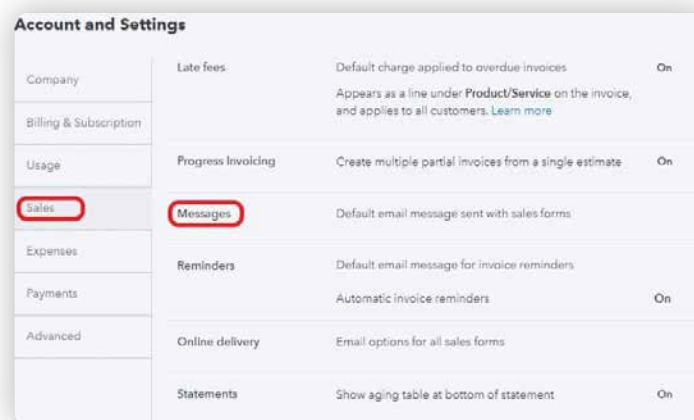
Navigate to the Sales Settings to Set Up Messages in QuickBooks

Messages to accompany sales forms are set up in the sales portion of the company account and settings. Click on the gear icon in the upper right corner of the screen and then select Account and settings in the first column.



Navigate to Account and settings in QuickBooks Online.

Now click Sales in the left menu bar to view the sales options and scroll down.



Navigate to the Sales settings in QuickBooks Online.

Click in the Messages section to show the options available to format your default emails:

Set the message options for emails in QuickBooks Online.

QuickBooks provides a suggested email for each type of form, but you can change the emails with the following fields:

A. Greeting: You can select either “Dear” or “To:” as the salutation and determine how you want the customer’s name to appear in the greeting.

B. Sales form: You can change the suggested email message for each of the following customer forms:

- Invoice
- Estimate
- Credit memo
- Sales receipt
- Statement
- Refund receipt

Select Invoice and then complete the information in the remaining section to create a default invoice message. Then, select Estimate and complete the information to create a default estimate message. Repeat the process for all six forms. Each form can have a completely different email message.

C. Email subject line: You can change the standard email subject line provided by QuickBooks, but I recommend keeping the form number for customers that might receive multiple invoices in a short period of time.

D. Email message: Your email should be customized for your business, but not personalized for any particular customer. If you have a client that you would like to treat special, I recommend you create a custom invoice just for them, which can include a custom email message that we will discuss later in this tutorial.

If you've modified the message and want to return to the original message suggested by QuickBooks, click the green Use standard message button next to Sales form (item A).

E. Email copies: You can check the box to send a copy of every email automatically to the QuickBooks Online administrator, plus provide a list of additional email addresses that should receive copies. These email addresses will receive copies anytime a client is sent this form, so make sure the person wants and needs all these emails.

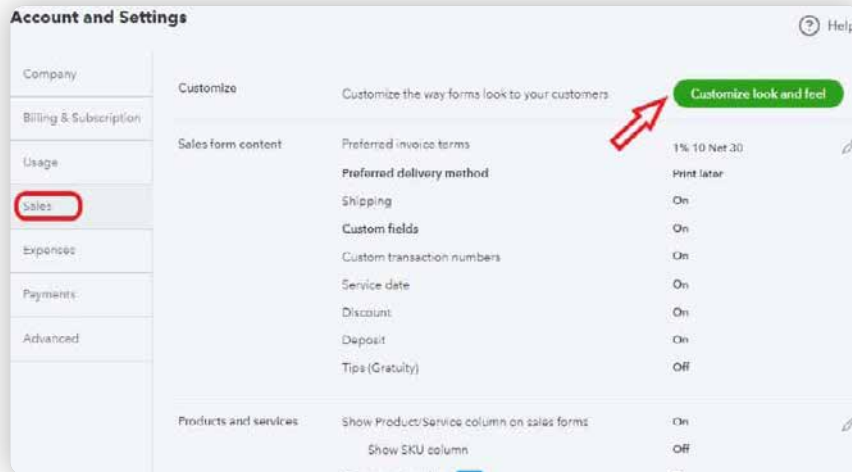
F. Sales form: Leave this field blank. There are two fields labeled "Sales form." The lower field labeled "F" in the above screenshot is obsolete since users can now create a separate email message for each type of form.

When you're satisfied with your email settings for all six customer forms, click the green Save button at the bottom of the Messages section.

If you want the default messages set above to be sent with all your sales forms, then you're done. However, if you have custom sales forms for which you want a different email, then you need to return to the customization options for that form.

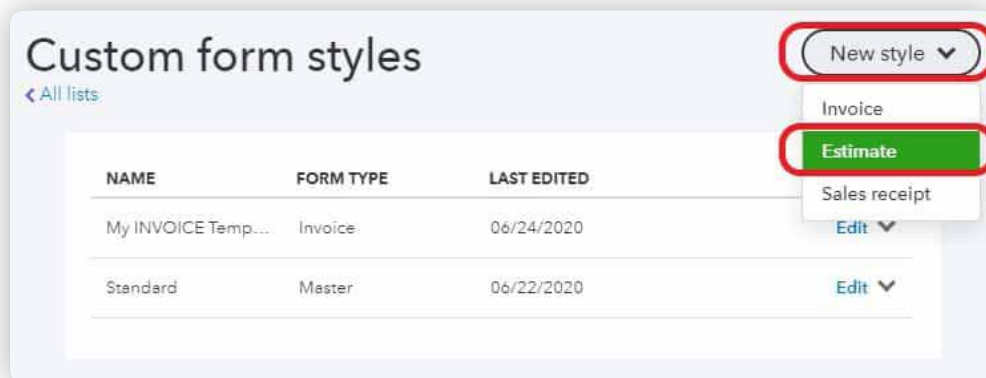
How to Create Email Messages for Custom Invoices and Sales Forms

So far in this tutorial, you have learned how to set up the default email message for various sales forms. Now, I'll show you how to change that default message for customized forms. From the Account and Settings Sales tab click on the green Customize look and feel button:



Navigate to Customize Look and Feel of Sales Forms in QuickBooks Online.

The Custom form styles window displays all the custom sales forms you have created. For this tutorial, let's create a new custom estimate form. Click on New style in the upper right corner and then select Estimate from the dropdown menu:



Create a new customized estimate form in QuickBooks Online.

You've learned to design your custom estimate template in [How to Customize Invoices in QuickBooks Online](#) and how to designate the content in your estimate template in [How to Set Up Sales Form Content in QuickBooks Online](#). Now, we'll work with the third tab in the design window to customize the email that will accompany your estimate. Click on the Emails tab to view the options available:

The screenshot shows the 'Emails' tab selected in the settings interface. Under 'How your estimate appears in emails', 'Summarized details' is selected with a radio button, and 'PDF Attached' is checked with a green checkmark. The 'Standard email' section includes a subject line field with the text 'Estimate [Estimate No.] from Paul's Plumbing'. Below this, 'Use greeting' is checked, and there are two dropdown menus: one for the greeting set to 'Dear' and another for the name set to '[FullName]'. At the bottom, the 'Message to customer' text area contains the text 'this is my custom estimate message' followed by 'Paul's Plumbing' on a new line.

Change Email Settings for Custom Sales Forms in QuickBooks Online.

The default options in this screen should match the options you selected in the prior section for your estimates. The changes you make here will only apply to this particular estimate template. This could be very useful if you want to customize your email messages to a particular set of your customers. To do so, create a custom template for each set of customers and apply that template when you generate an estimate.

Changing the default email message for custom invoices and sales receipts follows the same procedure. From the Custom forms style window, create a new invoice or sales receipt or edit an existing one and go to the Emails tab.

Wrap Up

You've learned how to set companywide messaging options, including creating emails for invoices and other sales forms. In addition, you learned how to customize the default email settings for custom invoices, estimates, and sales receipts.

The next tutorial in our QuickBooks Online training course is [How to Set Up Customer Statements in QuickBooks Online](#). This tutorial will cover a few options that are available for formatting the statements you send to customers.

How to Set Up Customer Statements in QuickBooks Online

This tutorial covers how to set up customer statements in QuickBooks Online. We'll show you how to control the level of detail provided and add an aging table to the bottom of your statement.

We hope you enjoy this tutorial for QuickBooks Online, our best overall pick for small business accounting software. We recommend following along in your own QuickBooks account. If you don't already subscribe to QuickBooks, you have the choice of a 30-day free trial or 50% off for three months.

[Visit QuickBooks Online](#)

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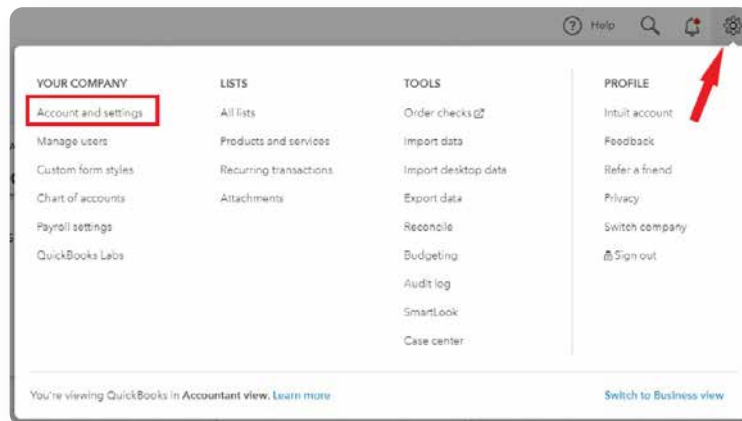


The Importance of Setting Up QuickBooks Customer Statements

Statements provide a summary of goods and services sold to the customer during the statement period, grouped by invoice. If a customer pays their invoices promptly, there is probably no need to send a statement. However, for customers that are slow to pay, statements are a great way to remind your customers of their outstanding invoices.

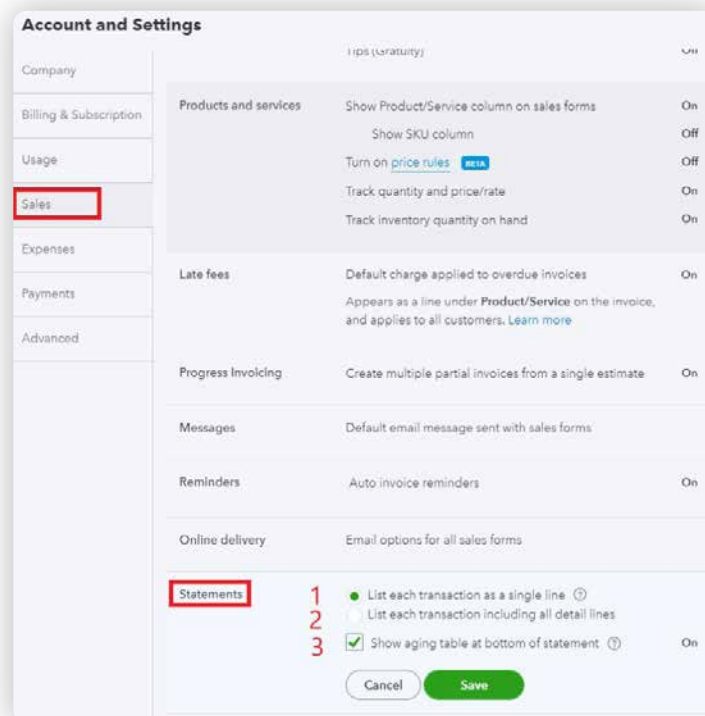
How to Set Up QuickBooks Customer Statements

Your company account and settings includes options for your customer statements. Click on the cog wheel in the upper right corner of QuickBooks Online and select Account and settings in the first column:



Navigate to Account and Settings in QuickBooks Online.

Then, click on **Sales** in the left menu and scroll down to click on **Statements**. This reveals the three options available for QuickBooks customer statements, which allow you to adjust the level of detail provided in the statement.



QuickBooks Customer Statement with summarized information.

1. **List each transaction as a single line:** If you select this option, the statement will only show a summary of the invoice, including the invoice date, number, and amount. Here is an example of a statement from our fictitious company, Paul's Plumbing, with a summary of the invoices:

Paul's Plumbing
355 Lexington Ave., 18th Floor
New York, NY 10017 US
moetara@fit-smallbusiness.com



Statement

TO
Godwin Lighting Depot
808 Escobar Lane
Cole, TN 50592

STATEMENT NO. 1014
DATE 12/31/2020
TOTAL DUE \$2,395.00
ENCLOSED

DATE	DESCRIPTION	AMOUNT	BALANCE
11/30/2020	Balance Forward		250.00
12/10/2020	Invoice #71144	795.00	1,045.00
12/25/2020	Invoice #71145	1,350.00	2,395.00

QuickBooks Customer Statement with detailed transaction information.



Tip: The colors and logos in the statement come from the master sales form that you customized in our tutorial on [How to Customize Invoices](#).

2. **List each transaction, including all detail lines:** This option will provide a complete recap of the transaction. Each line item on an invoice will be summarized and shown separately. This is how a QuickBooks customer statement appears when all detail lines are included:



QuickBooks Customer Statement with detailed transaction information.

The decision to summarize invoices (option 1) or provide detail (option 2) is a personal preference. However, I recommend summarizing the invoices if the customer has already received a detailed invoice.

3. Show aging table at the bottom of the statement: By selecting this option, a summarized [accounts receivable aging report](#) will print at the bottom of the statement showing any amounts that are past due. I recommend showing this table to alert customers of any overdue amounts. The aging table for our sample invoice looks like this:

Current Due	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	90+ Days Past Due	Amount Due
1,350.00	1,045.00	0.00	0.00	0.00	\$2,395.00

Aging Table at the bottom of a QuickBooks customer statement.

Click the green **Save** button once you have selected your statement options.

Wrap up

You now know how to set your statement options in QuickBooks Online. The next tutorial in our QuickBooks Online Training Course is How to Set Up Expenses in QuickBooks Online. That tutorial will cover your available options for tracking and billing expenses to customers and the level of expense detail to provide on expense and purchase forms.

How to Customize Expense Settings in QuickBooks Online

This tutorial presents how to customize the expense settings in QuickBooks Online to match your company's needs. Among other options, we'll show you how to mark up expenses automatically and designate them as billable so they can be charged to customers.

We're pleased to provide you this tutorial for QuickBooks Online, our best overall pick for [small business accounting software](#). To get the most from this tutorial, we recommend following along in your own QuickBooks account. If you don't already subscribe to QuickBooks, you have the choice of a 30-day free trial or 50% off for three months.

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Set Up Expenses in QuickBooks Online

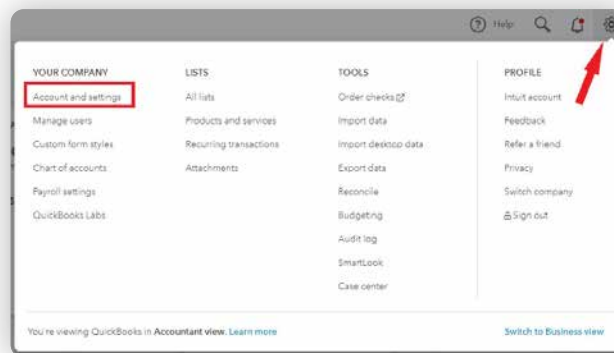


The Importance of Customizing Expense Settings in QuickBooks Online

One of the primary reasons small businesses use QuickBooks is to track their expenses. By customizing your expense settings, your business can do more than track total expenses. You can track expenses by customer to analyze how your profit varies across customers. You can even bill customers for expenses incurred on their behalf, including a markup of expenses if you choose.

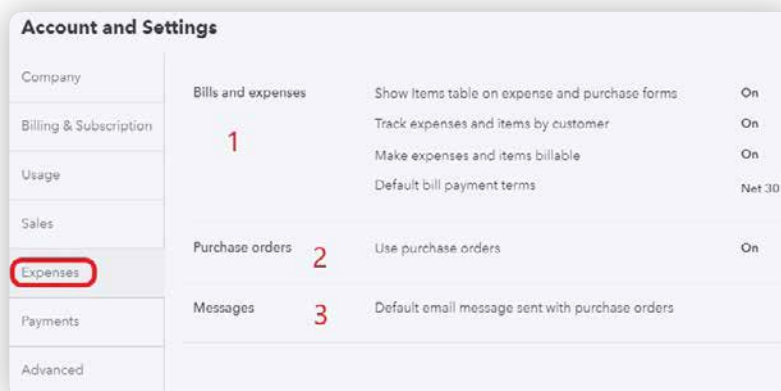
How to Customize Expense Settings

The expense settings are located in your company account and settings. Click on the cog wheel in the upper right corner of the QuickBooks Online screen and select Account and settings under Your Company in the first column:



Navigate to Account and settings in QuickBooks Online.

Then click on Expenses in the left menu to reveal the three categories of expense settings: bills and expenses, purchase orders, and messages:



Expense settings in QuickBooks Online.

1. Customize Bills and Expenses Settings

Click on Bills and expenses to view the detailed settings available:

The screenshot shows the 'Bills and expenses' settings window. The title bar is 'Bills and expenses'. The settings are as follows:

- A** Show Items table on expense and purchase forms ? On
- B** Track expenses and items by customer ? On
- C** Make expenses and items billable ? On
- D** Markup with a default rate of % ?
- E** Track billable expenses and items as income ?
 - In a single account
 - In multiple accounts ?
- F** Charge sales tax ?
- G** Default bill payment terms ?

Buttons: Cancel, Save

Bills and expenses settings in QuickBooks Online.

- A. Show items table on expense and purchase forms:** This setting must be turned on to assign expenses and purchases to “items” instead of directly to expense accounts. Items include the products and services that you sell to customers, so this option must be turned on if you have inventory. The use of items is a powerful feature of QuickBooks, so I highly recommend this option be activated.
- B. Track expenses and items by customer:** To track profit and loss by customer, you must activate this option so that you can assign expenses and items purchased to specific customers. This option must be turned on if you want to bill customers for expenses incurred on their behalf.
- C. Make expenses and items billable:** This feature will provide a checkbox next to each expense and item on expense forms for you to indicate that the expense or item should be billed to the customer. Marked expenses and items will be available to include next time you generate an invoice for that customer.
- D. Markup with a default rate of:** If you’ve decided to provide an option to bill expenses and items to customers, you can choose a default markup rate. If you leave this box unchecked, the expense or item will be billed to the customer at the actual cost. You can change the markup when creating an invoice.
- E. Track billable expenses as income:** There are two methods of accounting for the reimbursement of billable expenses. If you leave this box unchecked, the reimbursement will directly offset the original expense. If you check the box, the reimbursement will be recorded as income. Any markup of expenses will always be shown as income.

If you decide to track billable expenses as income, you must choose whether you want all billable expenses to be tracked in a single account or multiple accounts. If you choose In a single account, all billable expenses will be tracked in an income account named “Billable Expense Income.” If you choose In multiple accounts, a checkbox will be added to every income account information screen so you can indicate which income accounts should be available to use for billable expense income.

- F. Charge sales tax:** If you are required to collect sales tax from customers on billable expenses, check this box. Invoices for billable expenses will then include a field for sales tax.
- G. Default bill payment terms:** Most vendors will provide you the payment terms for their invoices, which can be entered either in the vendor information screen or as the bill is input. The default payment term entered here will apply to bills for which the vendor has not specified payment terms. By setting up payment terms in QuickBooks, you will receive reminders when a bill is coming due.

When you have customized all of your options under Bills and expenses, click the green Save button.

2. Customize Purchase Order Settings

Click on Purchase orders to open the various options available:

The screenshot shows the 'Purchase orders' settings dialog box in QuickBooks Online. The 'Purchase orders' tab is selected and highlighted with a red box. The settings are as follows:

- A:** Use purchase orders ? On
- B:** Custom fields ? On
 - Approved by
 -
 -
- C:** Custom transaction numbers ? On
- D:** Default message on purchase orders
 -

At the bottom of the dialog box are two buttons: 'Cancel' and 'Save'.

Purchase order settings in QuickBooks Online.

- A. Use purchase orders:** Purchase orders can be generated in QuickBooks and then emailed to vendors or printed. Purchase orders can be converted to bills once the order is received. Check the box to enable purchase orders for your company.
- B. Custom fields:** You can add up to three custom fields to print on your purchase orders. In the screenshot above, Paul's Plumbing has created a custom field for "Approved by" so management can easily see who approved each purchase order.
- C. Custom transaction numbers:** If this box is unchecked, QuickBooks will automatically generate purchase order numbers. By checking the box, you can manually input purchase order numbers when they are created. This option is nice if you want to match your purchase order to a vendor's system.
- D. Default message on purchase orders:** You can provide a default message that will print on all purchase orders. This message can be changed and customized when you create a purchase order.

When you are satisfied with your choices, click the green Save button.

3. Customize the Purchase Order Email

The last section of expense settings allows you to design a default email message to accompany purchase orders emailed to vendors. Click on Messages to get started:

Messages

Default email message sent with purchase orders

Use greeting Dear [Full Name]

Use standard message

Email subject line

Purchase Order from Paul's Plumbing

Email message

Please find our purchase order attached to this email.

Thank you
Paul's Plumbing

Email me a copy at mcetera@fitsmallbusiness.com

Cancel Save

Purchase order email message in QuickBooks Online.

Customize the greeting, subject line, and message you wish to send with all purchase orders. You can always change the email message when you send a purchase order. For instance, you might add a personal note when you send a purchase order to a long-time vendor. If you don't like the changes you've made, click the green Use standard message button to return to the original settings. The last option is to have a copy of the email sent to the QuickBooks master administrator.

When you are done customizing your purchase order email, click the green Save button.

Wrap up

You have now customized your expense settings in QuickBooks Online. The next tutorial in our QuickBooks Online Training Course is How to Set Up Advanced Settings in QuickBooks Online. That tutorial will cover a wide array of options that will fine-tune your company file to get the most out of QuickBooks.

How to Set Up Advanced Settings in QuickBooks Online

In this tutorial, we're going to cover how to customize advanced settings in QuickBooks Online. These settings affect what shows up on your financial reports, including your profit and loss statement, balance sheet, and cash flow statement. In addition, the advanced settings fine-tune your QuickBooks Online company account to capture all the information you need while making the process as simple as possible.

We're pleased to provide you this tutorial for QuickBooks Online, our best overall pick for [small business accounting software](#). You'll get the most from this tutorial by following along in your own QuickBooks account. If you don't already subscribe to QuickBooks, you have the choice of a 30-day free trial or 50% off for three months.

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Why Advanced Company Settings in QuickBooks Are Important

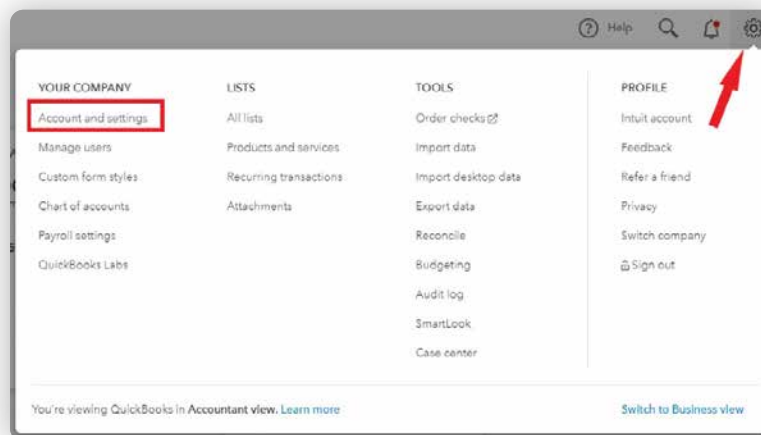
Advanced company settings in QuickBooks Online provides options for your financial reports, including your profit and loss statement, balance sheet, and cash flow statement. If you do not set up this area, reports will use the default settings for your fiscal year, accounting method—like cash or accrual—and chart of accounts. If these default settings do not match your actual business information, it could result in incorrect financial reports and tax returns.

There are also advanced settings that determine whether many of the powerful tools included in QuickBooks Online will be available to your company. You can simplify your QuickBooks by turning off tools you don't need, but you want to make sure you have all the tools available that will help you manage your company. Customizing your advanced settings requires weighing the trade-offs between simplicity and utilizing powerful tools within your QuickBooks company file.

While this is a long tutorial, it is an extremely important one that you shouldn't skip.

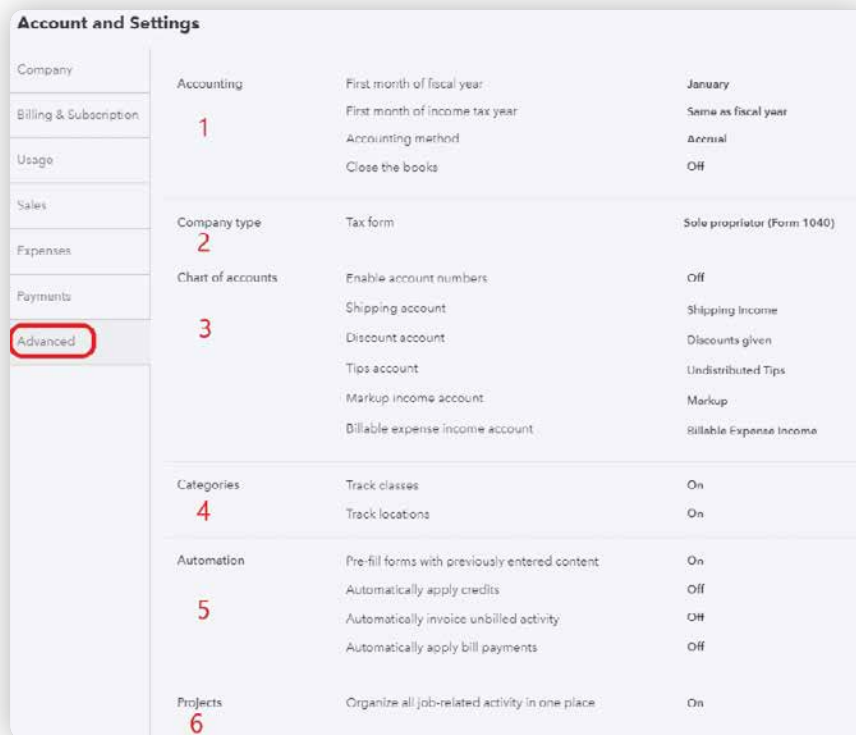
How to Customize Advanced Settings in QuickBooks Online

The advanced settings are located in your company account and settings. Click on the gear icon in the upper right corner the QuickBooks Online screen and select **Account and settings** under Your Company in the first column:



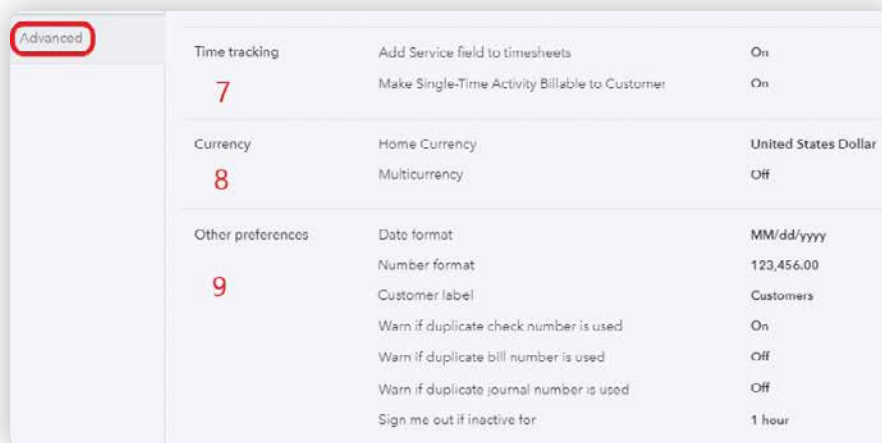
Navigate to Account and settings in QuickBooks Online.

Then click on **Advanced** in the left menu to reveal six of the nine categories of advanced settings:



Advanced settings in QuickBooks Online (screen 1 of 2).

Scroll down to view the remaining three categories of advanced settings:



Advanced settings in QuickBooks Online (screen 2 of 2).

1. Select Your Accounting Method & Fiscal Year

Click anywhere in the accounting section to view the full range of options and edit the settings:

Accounting

A First month of fiscal year [?] January

First month of income tax year Same as fiscal year

B Accounting method [?] Accrual

Close the books [?] 12/31/2019

C Closing date 12/31/2019

Allow changes after viewing a warning [?]

Cancel Save

Advanced accounting settings in QuickBooks Online.

- A. Fiscal and income tax year:** Select the fiscal year and tax year for your business. Most businesses use the calendar year, January 1 through December 31, for both their fiscal and tax year. If you're a new business, consult a tax professional before choosing a tax year other than the calendar year as there are restrictions on doing so.
- A. Show items table on expense and purchase forms:** This setting must be turned on to assign expenses and purchases to "items" instead of directly to expense accounts. Items include the products and services that you sell to customers, so this option must be turned on if you have inventory. The use of items is a powerful feature of QuickBooks, so I highly recommend this option be activated.
- B. Accounting method:** You also need to set your default accounting method – cash or accrual – but you'll still be able to select either method when printing reports. This is a powerful feature of QuickBooks since many small businesses use the cash method of accounting for their tax return and the accrual method of accounting for their internal reports. If you plan on generating customer invoices and inputting unpaid bills in QuickBooks, then I recommend you set your default accounting method to accrual.
- C. Close the books:** Closing the books is an important control feature for any bookkeeping system. It prevents inadvertent changes to prior accounting periods, which will cause an error in your beginning balance sheet for the current period. I recommend turning this feature on by entering the ending date of your prior fiscal year. You can select to either view a warning before making a prior-period change or requiring a password to make such a change.



Advanced tip: You should never modify or add transactions in a year for which a tax return has already been filed unless the change is so significant that you are willing to file an amended tax return. Otherwise, record the correction in the current year. You should consult your tax advisor to determine what type of changes justify an amended return.

2. Select Your Company Type

In the second section, you need to select how your company is organized for income tax purposes:

Company type settings in QuickBooks Online.

Choose one of the following types of entities from the drop-down box:

- **Sole proprietor:** A business with one owner that has not filed with a state to be a corporation is a sole proprietor. Also, limited liability companies (LLCs) with one owner report their business income on Schedule C of their Form 1040.
- **Partnership:** A business with two or more owners that has not filed with a state to be a corporation is a partnership. Partnerships report their business income on Form 1065.
- **S corporation:** A corporation or LLC that has made an election with the IRS to be treated as a small business corporation reports their business income on Form 1120S.
- **C corporation:** A corporation not electing to be treated as a small business corporation reports its business income on Form 1120.
- **Limited liability:** Choose this option if your business is an LLC, but you're not sure if you will file taxes as a sole proprietor, partnership, or S corporation.
- **Nonprofit organization:** Nonprofit organizations are corporations that have received tax-exempt status from the IRS. They report their annual activity on Form 990.

If you don't know how your business is organized, choose Not sure/Other/None. Click the green Save button to continue to the Chart of accounts section.

3. Customize Your Chart of Accounts

The chart of accounts is a list of accounts used to categorize business assets, liabilities, income, and expenses. QuickBooks provides you with a standard chart of accounts list based on the industry you selected when you created your company. We'll cover how to add and remove accounts in a later tutorial, [How to Set Up the Chart of Accounts](#). For now, there are a few advance settings you can adjust to customize your chart of accounts:

Chart of accounts settings in QuickBooks Online.

Chart of accounts settings in QuickBooks Online.

- A. Enable account numbers:** Accountants often use account numbers to help organize their chart of accounts. For instance, all revenue accounts might begin with a four and expense account numbers might begin with a five. If you enable account numbers, you can choose whether to have them show on reports. Whether to use account numbers is a personal preference and can be changed later.
- B. Shipping account:** You can specify which of your income accounts you would like to use to track your shipping income. I recommend using the default account of "Shipping Income."
- C. Discount account:** If you provide a discount to customers for early payments, you can specify which account to use to track the discounts.
- D. Tips account:** Tips collected are a current liability until you distribute them to your employees. You can specify which account to track unpaid tips. If you decide to use an account other than the default of Undistributed Tips, be sure the account you select is a current liability.



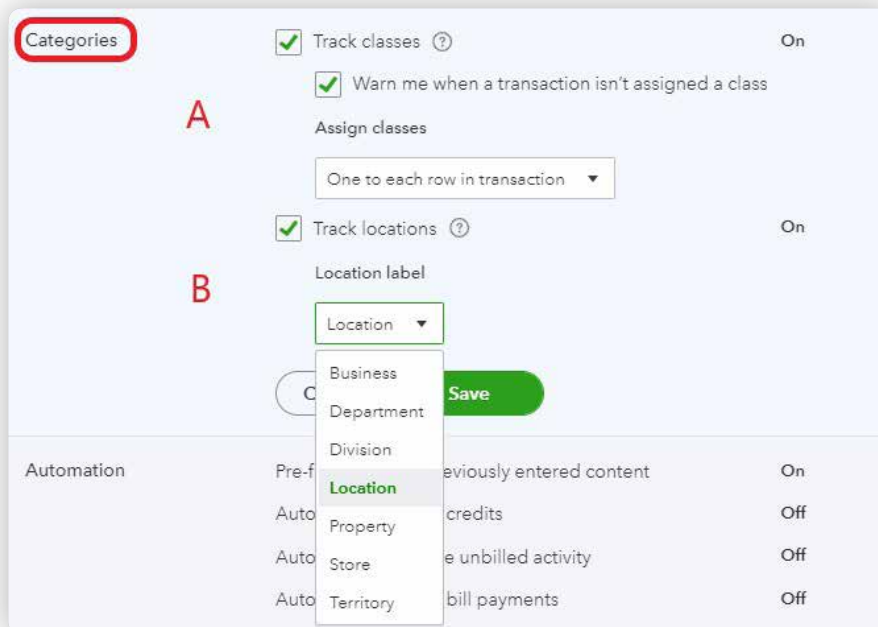
Tip: If your screen is missing the options for Shipping account, Discount account, or Tips account, it is because Shipping, Discount, or Tips (respectively) is turned Off in the sales form content settings as discussed in [How to Set Up Invoices, Sales Receipts, and Estimates](#).

- E. **Markup income account:** If you've chosen to markup expenses that are billed to customers in [How to Set Up Expenses](#), you can choose which income account to track the markups.
- F. **Billable expense income account:** In [How to Set Up Expenses](#), you had the option to treat customer expense reimbursements as income or a reduction of expense. If you chose to treat them as income, this is where you specify an income account to track the billable expenses.

When you're satisfied with your settings, click the green Save button and then click anywhere in the Categories section.

4. Create Categories to Allow for Detailed Reporting

A powerful feature of QuickBooks Online Plus and Advanced is the ability to track profit and loss by both classes and locations. For instance, a retailer can examine profit for a particular product (class) sold at a particular store (location). I highly recommend turning on both classes and locations:



Category settings in QuickBooks Online.

- A. Track classes:** This feature adds a class field to all sales and expense forms to enable the reporting of income and expenses by department or product line. I recommend enabling the warning if a transaction isn't assigned a class. Finally, I recommend assigning classes to each row of a transaction – rather than one class for the entire transaction – since some transactions will likely involve multiple classes.
- B. Track locations:** This option adds a location field to all sales and expense forms. The definition of what constitutes a location is very flexible. You can change the label on the location field to business, department, division, property, store, or territory.



Tip: You can add your classes and locations by clicking on the gear icon and selecting All lists in the second column. There is one list for locations and another for classes. Open each list, click the green New button, and type the name of the location or class.

5. Set Options for QuickBooks Online Automations

QuickBooks Online can make your bookkeeping faster by applying certain rules automatically. To turn automations on and off, click anywhere in the Automation section:

Automation

A Pre-fill forms with previously entered content ? On

B Automatically apply credits ? On

C Automatically invoice unbilled activity ? On

Remind me to create invoices ▼

Schedule

Monthly ▼ on day ▼ 1st ▼ of every 1 months(s)

D Automatically apply bill payments ? On

Cancel Save

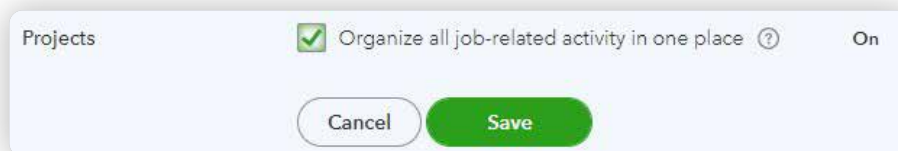
Automation settings in QuickBooks Online.

I recommend turning on each of these automations to evaluate whether or not it is helpful. You can return to this screen later easily and disable any automations you don't like. These automations prefill a transaction, but any of the prefilled information can be changed before saving.

- A. Prefill forms:** This automation will prefill information based on the last form saved for that employee, vendor, or customer.
- B. Apply credits automatically:** QuickBooks will apply customer credits automatically to a newly created invoice. It's good business practice to do so, and your customers will appreciate it.
- C. Invoice unbilled activity automatically:** I recommend setting this option to "Remind me to create invoices" vs allowing QuickBooks to generate an invoice automatically. Perhaps once you are proficient in QuickBooks and confident that unbilled activity should always be invoiced, you can change the setting to allow automatic invoices.
- D. Apply bill payments automatically:** As you'll learn later, most expenses are first inputted as bills and then paid for with a special check referred to as a bill payment. This option will apply a bill payment to the oldest outstanding bill automatically.

6. Turn on Projects in QuickBooks Online

QuickBooks Plus and Advanced users can track all income and expense items by Project. This is especially helpful for contractors or other businesses that have multiple jobs for the same customer and want to track each job separately. Click anywhere in the Projects section to enable project tracking:



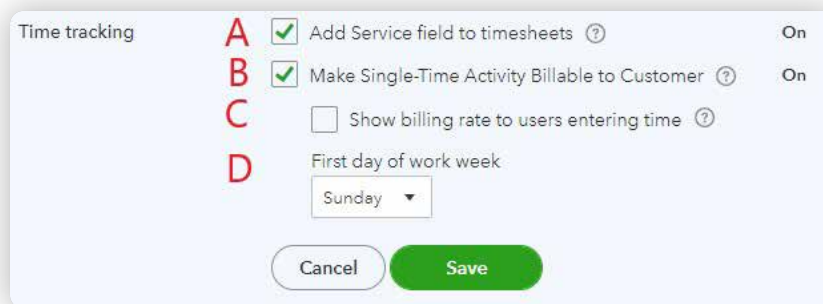
Project settings in QuickBooks Online.

I highly recommend turning on projects to at least evaluate the feature. By turning this option on, there will be a "Projects" item in the left menu of your dashboard that you can explore.

Example: Paul typically works on multiple projects for a single customer. He would like to see all income and expenses during and after the project so he can determine if the project was profitable.

7. Set Time Tracking Options in QuickBooks Online

It's important to track employee time in QuickBooks even if you don't use QuickBooks to process your payroll. This is especially true if you bill customers according to time spent on a job. By tracking the details of the time spent by your employees, you can analyze expenses and profitability by class, location, customer, or project. Click anywhere in the Time tracking section to set the available options:



Time tracking

A Add Service field to timesheets ? On

B Make Single-Time Activity Billable to Customer ? On

C Show billing rate to users entering time ?

D First day of work week
Sunday ▼

Cancel Save

Time tracking settings in QuickBooks Online.

Employee time can be input through either weekly time sheets or single-time activity forms.

- A. Add service field to time sheets:** This option provides a field when inputting employee time via a weekly timesheet to designate the service from your list of products and services that the employee was performing. I recommend enabling this option as it provides valuable information to help manage your employees.
- B. Make single-time activity billable to customers:** This option must be activated to designate a time entry as billable on either a timesheet or single-time activity form.
- C. Show billing rate to users entering time:** You have the option to show the employee's billing rate to whoever is inputting the hours.
- D. First day of workweek:** You can designate the first day of the week shown on weekly time sheets. This should match the first day of your weekly payroll periods, if applicable. If you don't have weekly payroll, it's a personal preference, but most people pick either Sunday or Monday.



Advanced tip: Employees and contractors can input their own hours by setting them up as a time-tracking only user as we explain in the tutorial [How to Set Up Multiple Users](#). If your company requires robust time management and reporting, such as professional service firms or contractors, I recommend adding [QuickBooks Time \(formerly TSheets\)](#) to your QuickBooks Online subscription.

8. Set Currency Options in QuickBooks Online

QuickBooks Online Essentials, Plus, and Advanced can record transactions in multiple currencies. Click anywhere in the Currency section to explore your options:

Currency

Home Currency: USD - United States Dollar

Multicurrency ⓘ Off

Multicurrency may be right for you if you have financial transactions in more than one currency.
[Need help deciding about multicurrency?](#)

Once you turn on Multicurrency:

- You can't turn it off
- You can't change your home currency
- Extra fields, columns and more are added to QuickBooks

I understand I can't undo Multicurrency

Cancel Save

Currency options in QuickBooks Online.

Click on the drop-down box next to Home Currency to select your currency. You cannot change this selection once multicurrency is turned on.

Turn on multicurrency only if you have customers or vendors that you deal with in a currency other than your home currency. Once turned on, multicurrency cannot be turned off, so I recommend [learning more about multicurrency](#) before making a decision. If you decide you need multicurrency, you must click the box next to Multicurrency as well as the box to confirm you understand it cannot be turned off.

9. Set Other Preferences in QuickBooks Online

Click anywhere in the Other Preferences to set your final group of advanced options:

The screenshot shows the 'Other preferences' dialog box in QuickBooks Online. It is titled 'Other preferences' and contains several settings. The settings are grouped into sections A, B, C, and D. Section A includes 'Date format' (MM/dd/yyyy) and 'Number format' (123,456.00). Section B includes 'Customer label' (Customers). Section C includes three checked checkboxes: 'Warn if duplicate check number is used', 'Warn if duplicate bill number is used', and 'Warn if duplicate journal number is used'. Section D includes 'Sign me out if inactive for' (1 hour). At the bottom are 'Cancel' and 'Save' buttons.

Other preferences in QuickBooks Online.

- A. Date & number format:** Select your preferences for how dates and numbers appear by making selections from the drop-down boxes.
- B. Customer label:** Select how you would like customers referred to on your forms. For instance, professional service firms usually refer to customers as clients and hotels refer to customers as guests.
- C. Warn if duplicate numbers:** I recommend turning on the warning for whenever a check, bill, or journal entry number has already been used. A good accounting system should have a unique number for each transaction, and these warnings will alert you to potential problems. There may be circumstances where you want to use a number twice, which you will be allowed to do after acknowledging the warning.
- D. Sign me out:** You can choose to be signed out after one, two, or three hours of inactivity. I recommend choosing one hour unless your computer is in a secure area where nobody else has access.

Wrap up

You've now set all your advanced options in QuickBooks Online! The next tutorial in our QuickBooks Online Training Course is [How to Import Banking Transactions](#). That tutorial will cover both how to connect a bank account to update transactions automatically and how to import transactions from a comma-separated values (CSV) file.

How to Import Bank Transactions Into QuickBooks: Excel & More

In this tutorial, we're going to cover how to connect your bank accounts to QuickBooks Online. We'll explain how to link your bank account to QuickBooks automatically as well as how to import banking transactions manually using a QuickBooks Online or comma-separated values (CSV) file.

If you cannot locate your bank in QuickBooks Online or if you need to download older banking transactions, you'll need to import your banking transactions using a QuickBooks Online file or Excel and a CSV file. We'll cover how to do that [later in this tutorial](#).

We're pleased to provide you this free tutorial for QuickBooks Online, our best overall pick for [small business accounting software](#). We recommend following along with the tutorial in your own QuickBooks account. If you don't already subscribe to QuickBooks, you have the choice of a 30-day free trial or 50% off for three months.

[Visit QuickBooks Online](#)

This tutorial is one in our series of [Free QuickBooks Tutorials](#). You can watch the video below or follow the step-by-step instructions that include illustrations.

Import Bank Transactions In QuickBooks Online



The Importance of Connecting Your Bank Account to QuickBooks

Downloading your banking transactions into QuickBooks Online automatically instead of inputting them manually is an enormous time-saver. Most big banks allow you to connect to QuickBooks quickly and easily. If your bank does not connect with QuickBooks, you can still transfer your banking transactions with Excel and a CSV or QuickBooks Online file.



Tip: Do not combine personal and business activity in the same checking account. You'll waste time and effort in dealing with personal transactions in your company's books. Instead, open a checking account specifically for your business. If your business is a sole proprietorship or you are self-employed, the checking account can be a second personal account. If your business is a partnership, limited liability company (LLC), or corporation, read our [Best Free Business Checking Accounts](#).

How to Import Banking Transactions Automatically in QuickBooks Online

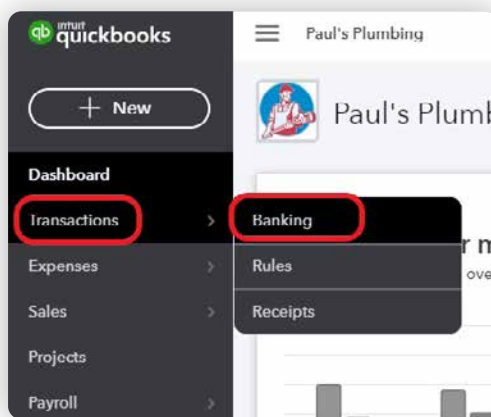
The only information you need to connect your bank account to QuickBooks is the username and password used to login to your bank's website. Once you input your username and password, QuickBooks will stay connected and download transactions daily.

Then click on **Advanced** in the left menu to reveal six of the nine categories of advanced settings:

Scroll down to view the remaining three categories of advanced settings:

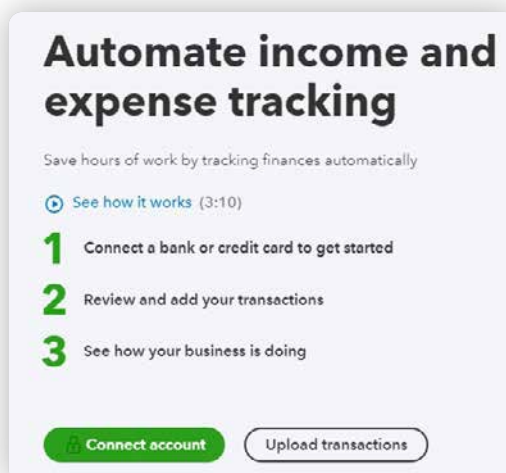
Step 1: Locate Your Bank

Select Transactions and then Banking from the left menu bar of your QuickBooks Online company dashboard:



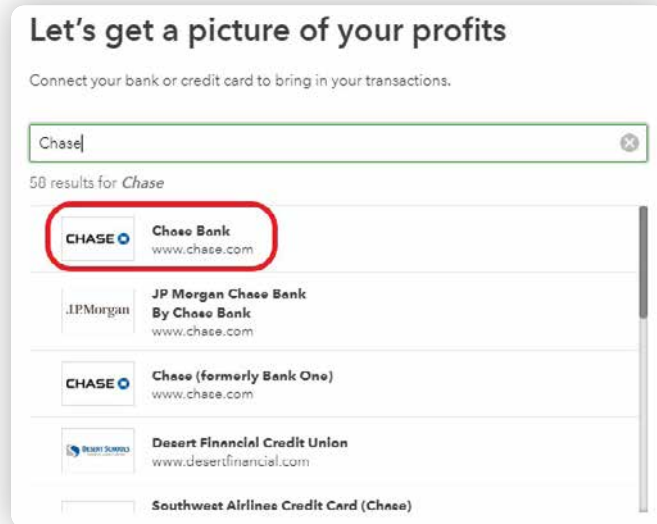
Go to the Banking Center in QuickBooks Online

Then, click the green Connect account button to add your bank account:



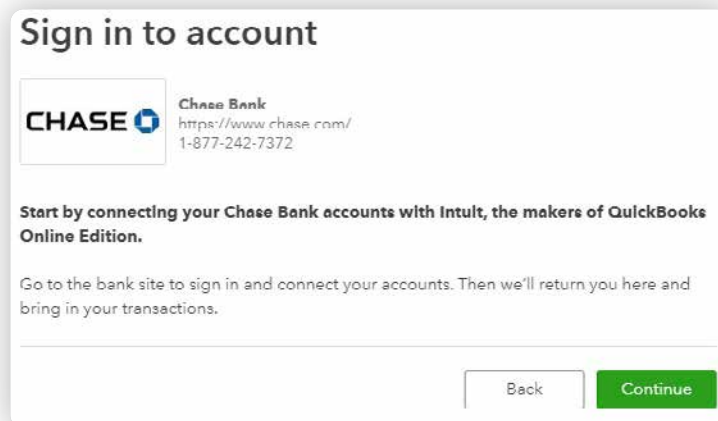
Connect your first bank account in QuickBooks Online.

Search for your bank by entering either the bank name or the bank's website URL. Our fictitious sample company, Paul's Plumbing, has their checking account with Chase.



Connect your first bank account in QuickBooks Online.

If your bank is not listed, you'll have to import your bank transactions with a QuickBooks Online file or through Excel using a CSV file.

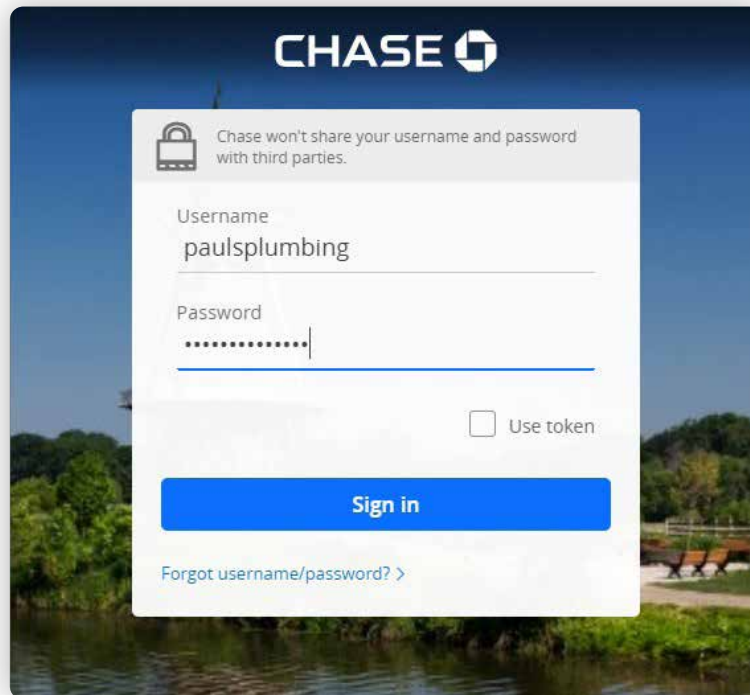


Continue to your bank sign-in page.

After selecting your bank, click the green Continue button to be taken to your bank's sign-in page automatically.

Step 2: Log Into Your Bank Account

QuickBooks will open a new browser window for you to sign in to your bank account:

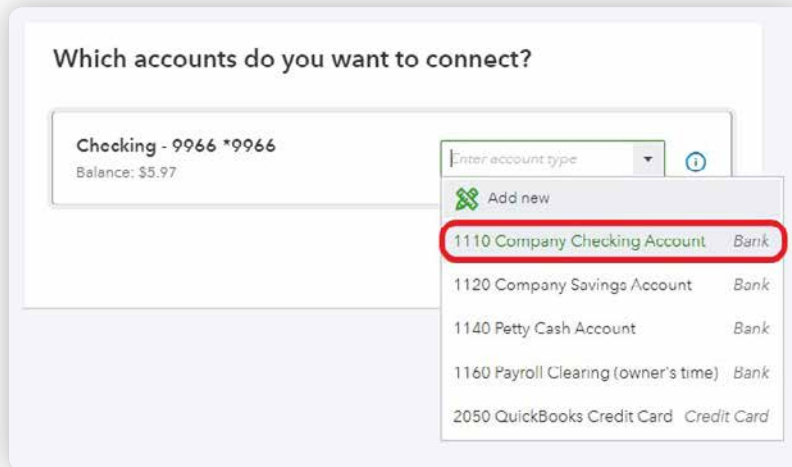


Bank sign-in page opens in a new window.

After signing in, your bank might ask you to confirm that you want to share your banking information with Intuit and provide a summary of the information to be shared. If you agree, click the appropriate button on your bank's confirmation page, and you will be taken back to QuickBooks.

Step 3: Link Bank Accounts to Chart of Accounts

Upon returning to QuickBooks, you are provided a list of accounts you have with that bank:



Select bank account and link to Chart of Accounts.

Select all of the bank accounts you would like to link to QuickBooks Online. After you click on an account, a drop-down box will list the bank accounts included in your Chart of Accounts. If your checking account is already included in your Chart of Accounts, select it. Paul's Plumbing only has one checking account with Chase, and we'll link it to the account titled Company Checking Account that is already included in the Chart of Accounts.

Creating a New Checking Account in the Chart of Accounts

If your Chart of Accounts (in the drop-down box) doesn't include the checking account you are connecting, click Add new:

Account

Account Type: Bank

* Detail Type: Checking

* Name: Chase Checking Account

Number: [Empty]

Description: Checking account with Chase bank

Is sub-account

Parent account: Error parent account

Cancel Save and Close

Add new bank account to Chart of Accounts in QuickBooks Online.

The Account Type must be Bank, and the Detail Type must be Checking. You must name the account, and I recommend the name of the bank plus “Checking Account.” If you have more than one checking account with the same bank, you might also include the last four digits of the account number. When you have entered all the information, click the green Save and Close button, and you will be returned to the prior screen with the new account selected.

Step 4: Selecting the Right Date Range

After assigning your bank account to an account from your Chart of Accounts, you must decide how far back QuickBooks should go to pull transactions.

Which accounts do you want to connect?

Checking - 9966 *9966
Balance: \$5.97

1110 Company Checking ✓

We will pull transactions from the selected accounts from 01/01/2020. Or you can select a different date to pull transactions from. Some bank limitations may apply.

This year (01/01/2020)

Connect

Select the beginning date to transfer bank transactions.

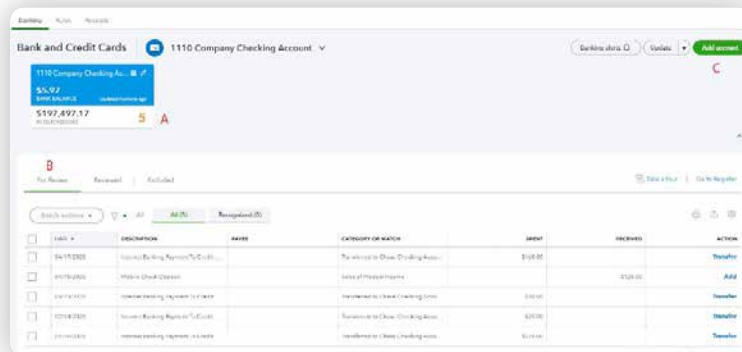
The default start date to pull transactions is the beginning of the year. You should try to pull transactions back to the date you wish to start using QuickBooks Online. If your bank or QuickBooks doesn't allow you to go back that far, you'll have to transfer the older transactions using a QuickBooks Online or CSV file.

You need to decide the date you will begin using QuickBooks Online. For a new company, it should be when the company was formed. For an existing company, I recommend using the first day of the current year or quarter. This is an important decision because this is your only chance to automatically import old transactions. If you import transactions that are too old—from before you started using QuickBooks Online—you'll need to delete each transaction manually.

Paul's Plumbing is importing bank transactions back to the beginning of the current year. Click the green Connect button when you are done. It may take a few minutes for QuickBooks to connect your bank account.

Step 5: Review Downloaded Transactions in the Banking Center

QuickBooks Online will take you to the Banking Center after connecting your bank account:



Review transactions in the Banking Center.

- A. Transactions for review:** The orange number in the upper left corner of the Banking Center is the number of transactions that were imported from your bank account and are ready to review. Paul's Plumbing's checking account had only five transactions imported.
- B. Review Tab:** The tab labeled For Review lists all the transactions imported from your bank account that are ready for review.
- C. Add account:** To connect another bank to QuickBooks Online, click the green Add account button in the upper right-hand corner of the screen and repeat the process.

We need to complete a few more set-up tutorials before we go through the process of reviewing and classifying the imported transactions. However, you can peek ahead at [How to Manage QuickBooks Online Bank Feeds](#) if you'd like to learn more now.

Now that your bank is connected, new transactions will be imported automatically into QuickBooks Online daily. If you visit the Banking Center anytime by clicking Transactions and then Banking from the left menu bar as you did at the beginning of this tutorial.

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

There are two scenarios when you must manually import transactions from a CSV or similar file. First, some banks will not connect with QuickBooks Online, allowing for an automatic import. Second, you might need to import older transactions that were not imported in the previous section.

It's likely that some of the transactions you are importing will already be entered in QuickBooks. For instance, bank transactions are created when you print checks from QuickBooks. This will not create duplicate entries. During your review of imported transactions, you can match them to existing transactions to avoid any duplication.

How to Manually Import Transactions Into QuickBooks Online With a CSV or Similar File

Step 1: Download a Transfer File from Your Bank

QuickBooks Online can import bank transactions from the following types of files:

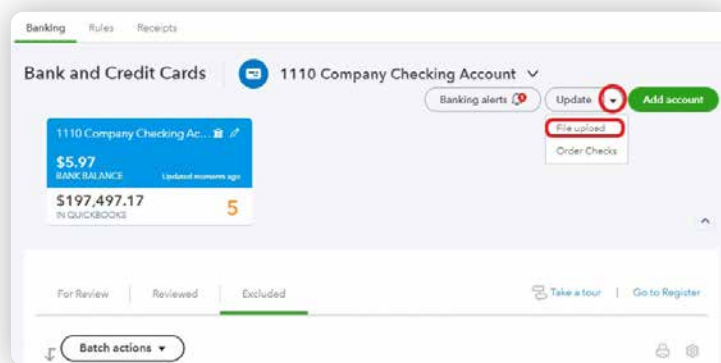
- **CSV:** These files are used commonly to export data for a multitude of purposes. An advantage of using CSV files is they can be opened and edited with Excel.
- **QuickBooks Online:** QuickBooks Online files are QuickBooks WebConnect files specifically designed for exporting information from bank accounts to QuickBooks.
- **QFX:** QFX files are financial exchange files created for exporting information to Quicken but will also work with QuickBooks Online.
- **OFX:** An OFX file is a text file specifically designed for exporting financial data.
- **TXT:** Text files can be imported but might require some editing first. You might want to open the TXT file with Excel and convert it to a CSV file for a smoother transfer.

To obtain a transfer file, log into your bank account, and find the option that allows you to download your account transactions. You will likely have to select a file format to download your transactions. Choose the QuickBooks Online or QFX format if available since these file types are designed specifically for QuickBooks and will require less work. The next best option is an OFX file, but if that is not available, a CSV or TXT file will suffice.

Save the transfer file to a location on your computer that you can remember to import the file automatically.

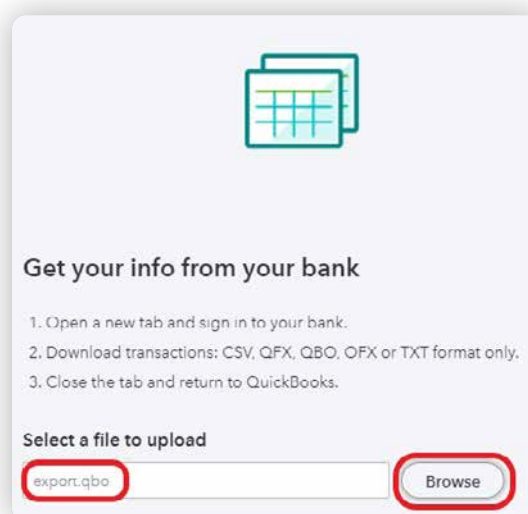
Step 2: Select the Transfer File to Upload in QuickBooks

From the Banking Center, open the drop-down menu next to Update in the upper right corner and then select



Select File upload from the Banking Center in QuickBooks Online.

Click the Browse button and select the transfer file that you downloaded from your bank and save it to your computer.



Select the transfer file to import into QuickBooks Online.

Our sample company, Paul's Plumbing, was able to download a QuickBooks Online file from their local credit union, where it has a second checking account. When you have selected your transfer file, click the green Next button in the bottom right corner of the screen.

Step 3: Select a QuickBooks Account

Select a QuickBooks account for each bank account you want to upload

Bank file
export.qbo

UPLOADED ACCOUNT → QUICKBOOKS ACCOUNT

Checking
2020-07-01 - 2020-07-14

Local FCU

Select an account to record imported transactions in QuickBooks Online.

Next, you must select an account from your Chart of Accounts to record the imported bank transactions:

If needed, you can click Add new to set up a new checking account as [demonstrated earlier](#). Paul's Plumbing created a new QuickBooks account named Local FCU. After you have selected a QuickBooks account to record the imported transactions, click the green Next button in the lower right-hand corner.

If your transfer file is a QuickBooks Online, QBX, or an OFX file, you're done and can skip to [Step 6](#).

If your transfer file is a CSV or TXT file, you have a few more steps to complete.

Step 4: Map Columns to QuickBooks Fields (CSV and TXT Files Only)

Before completing this step, you should open your CSV or TXT file in Excel to determine exactly what information your bank exported and how it is formatted. Paul's Plumbing exported the following CSV file from their local credit union account:

	A	B	C	D	E
1	Date	Transaction	Name	Memo	Amount
2	7/1/2020	CREDIT	Deposit	Download from local FCU	515
3	7/2/2020	DEBIT	Check	Download from local FCU	-840
4	7/3/2020	DEBIT	Check	Download from local FCU	221.35
5	7/7/2020	DEBIT	Check	Download from local FCU	-288.09
6	7/8/2020	DEBIT	Electronic Wit	Download from local FCU	-62.85
7	7/10/2020	DEBIT	Electronic Wit	Download from local FCU	-24
8	7/10/2020	DEBIT	Electronic Wit	Download from local FCU	-135.05
9	7/10/2020	DEBIT	Check	Download from local FCU	-988.55
10	7/13/2020	CREDIT	Deposit	Download from local FCU	10
11	7/13/2020	DEBIT	Electronic Wit	Download from local FCU	-10.8

CSV file for import into QuickBooks Online.

Notice that transaction amounts are shown in column E with deposits shown as positive numbers and withdrawals shown as negative numbers. Some banks might include deposits in one column and withdrawals in another column.

After completing step 3, if you're importing a CSV or TXT file, you should be on the following QuickBooks screen:

Map columns from a CSV file to QuickBooks Online.

You need to tell QuickBooks where it can find the date, description, and amount in your transfer spreadsheet.

- A. First row in file is a header row:** Place a checkmark in this box if the first row in your transfer spreadsheet provides the title for each column.
- B. Date:** Click the drop-down arrow and select the column in your transfer spreadsheet that contains the date of the transaction. In the next field, select how your spreadsheet formats the date.
- C. Description:** Select the column that contains a description of the transaction. Paul's Plumbing chose the Memo column as the description.
- D. Amount:** First, choose whether your spreadsheet has all amounts in one column or if deposits and withdrawals are in separate columns. As we saw above, Paul's Plumbing's spreadsheet has all the amounts in one column, which is located in column E. If you indicate amounts are shown in two columns, you'll need to specify one column for money spent and another for money received.

When you are satisfied with your mapping, click the green Next button in the bottom right corner of the screen.

Step 5: Select Transactions for Import (CSV and TXT files only)

You can select which transactions from your file to import. I highly recommend importing all transactions in the file. Even personal transactions in your business account need to be imported and accounted for. Transactions already recorded in QuickBooks can also be imported and will not be duplicated as you can match them to existing transactions when you review your bank feed later.

Make sure all transactions are selected and then click the green Next button in the bottom right corner of the screen



Tip: If there are no transactions listed on this screen, make the following changes to your file:

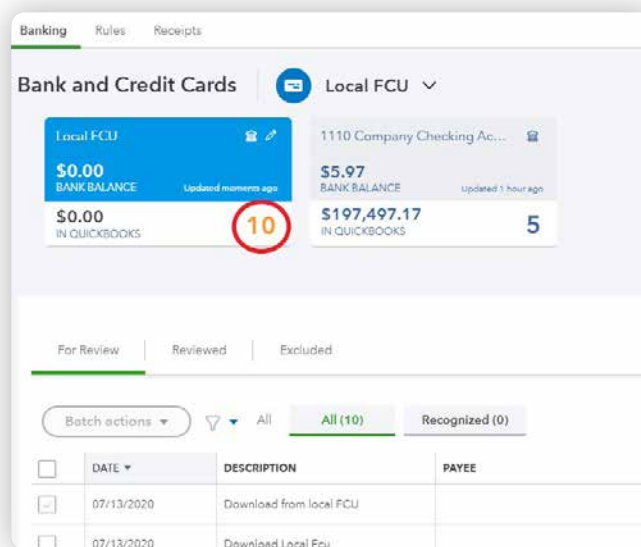
- You should remove all formatting from the amount column, even dollar signs.
- Blank rows must be removed so that everything begins at row 1, column 1 of the spreadsheet.

to complete the import of your transactions.

After you make changes to your spreadsheet, you must save it and then back up to step 2 and reselect the file to import.

Step 6: Return to the Banking Center

Click on Transactions and then Banking from the left menu bar to return to the Banking Center. Your bank account now is shown in the upper left corner with the number of transactions awaiting review.



Banking Center with transactions awaiting review.

We'll learn how to review the transactions and accept, exclude, or match them to an existing transaction in [How to Manage QuickBooks Online Bank Feeds](#).

Wrap up

You've now learned to connect your bank to QuickBooks Online and to import bank transactions manually when an automatic bank connection is not available. We'll return to [managing bank feeds](#) in a later tutorial but, first, we must finish setting up your QuickBooks Online company. The next tutorial in our QuickBooks Online Training Course is [How to Import Credit Card Transactions](#). That tutorial will cover both how to connect a credit card account to update transactions automatically and how to import transactions from a CSV file.

How to Import Credit Card Transactions Into QuickBooks Online

In this tutorial, you'll learn to connect your credit card to QuickBooks Online and import the credit card transactions. We'll also explain when and how to import credit card transactions into QuickBooks Online using a QuickBooks Online (QBO) file or Excel and a comma-separated values (CSV) file. If you've completed the prior tutorial, [How to Import Bank Transactions](#), then this tutorial will be a breeze as the process is very similar.

Thank you for taking the time to study this free tutorial for QuickBooks Online, our best overall pick for [small business accounting software](#). You'll get the most benefit from the tutorial by following along in your own QuickBooks account. If you don't already subscribe to QuickBooks, you have the choice of a 30-day free trial or 50% off for three months.

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This tutorial is one in our series of [Free QuickBooks Tutorials](#). You can watch the video below or follow the step-by-step instructions that include illustrations.

Connect Credit Card In QuickBooks Online



The Importance of Connecting Your Credit Card to QuickBooks

Connecting your credit card account to download transactions automatically is one of the biggest time-savers offered by QuickBooks Online. Once connected, all you need to do is sign in to QuickBooks and classify the transactions that will transfer daily automatically. Most credit card companies allow you to connect to QuickBooks using your online sign-in credentials. If your credit card does not allow a connection to QuickBooks, you can still import your credit card transactions using a QBO file or a CSV file with the help of Excel.



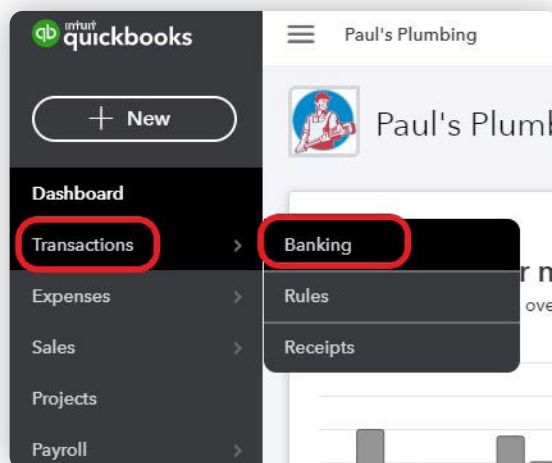
Tip: Combining personal and business activity on the same credit card makes for messy bookkeeping, wastes your time, and will likely drive up your accounting fees at tax time. I highly recommend that you get a business credit card and use it purely for business.

How to Import Credit Card Transactions Automatically in QuickBooks Online

To connect your credit card to QuickBooks, you need the username and password that is used to sign-in to your online credit card account. If you haven't set up online access to your credit card account, you must do so before continuing with these steps. Visit your credit card company's website for information on how to activate your online access.

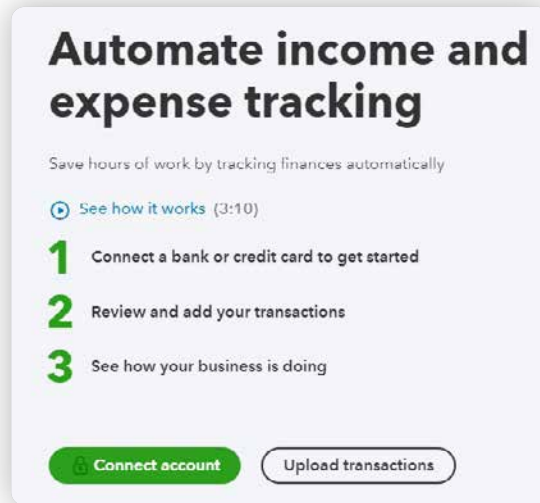
Step 1: Locate Your Credit Card Company in QuickBooks Online

Select Transactions and then Banking from the left menu bar of your QuickBooks Online company dashboard:



Go to the Banking Center in QuickBooks Online.

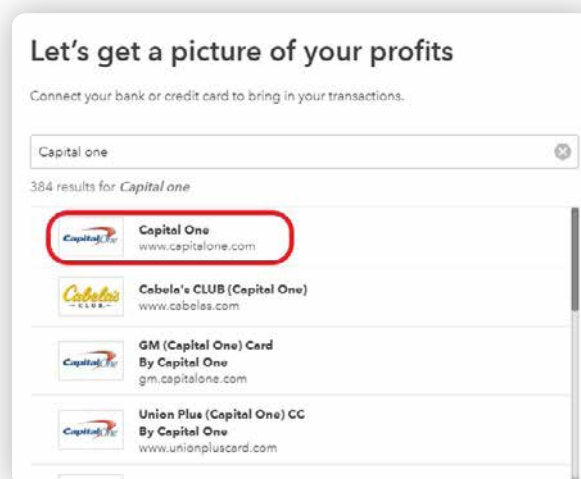
If this is the first bank or credit card account you are connecting to QuickBooks, you'll see the following screen and you should click the green Connect account button to add your credit card account:



Connect your first bank account in QuickBooks Online.

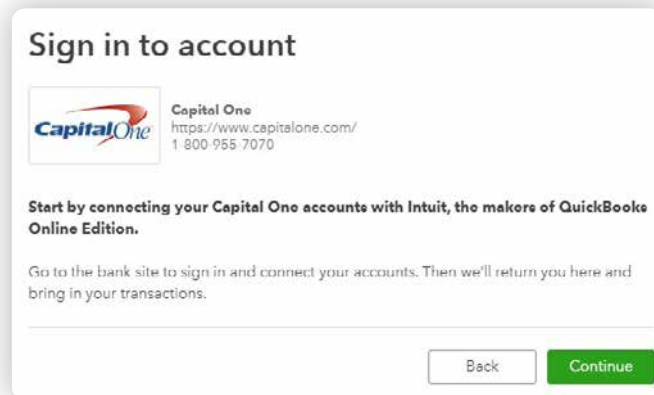
If you've already connected another bank or credit card account, you'll be taken to the Banking Center. Click the green Add account button in the upper right corner (not shown).

Enter your credit card company's name to determine if it's available to connect to QuickBooks Online. Our fictitious sample company, Paul's Plumbing, has a business credit card with Capital One.



Search for your credit card company in QuickBooks Online.

If your company is not listed, you'll have to import your credit card transactions with a QBO file or through Excel using a CSV file:

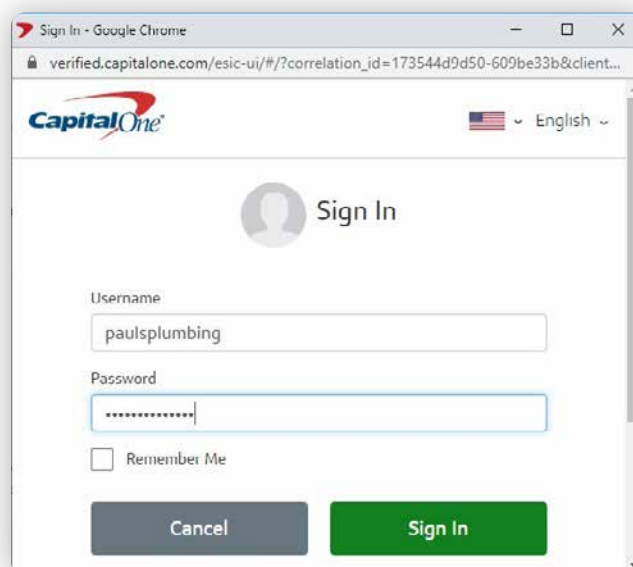


Continue to your credit card sign-in page.

After selecting your bank, click the green Continue button to be taken to your bank's sign-in page automatically.

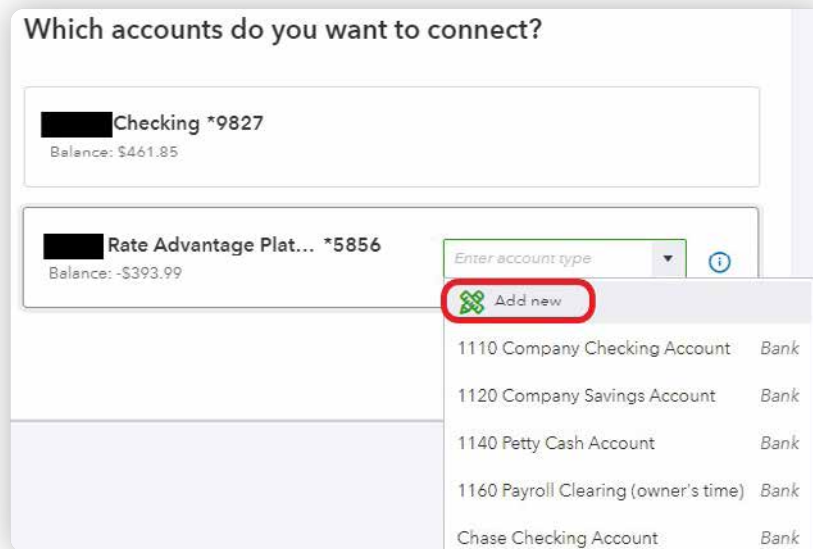
Step 2: Log Into Your Credit Card Account

QuickBooks will open a new browser window for you to sign in to your credit card account:



After signing in, your bank might ask you to confirm that you want to share your banking information with Intuit and provide a summary of the information to be shared. If you agree, click the appropriate button on your bank's confirmation page, and you will be taken back to QuickBooks.

Step 3: Link Credit Card Account to Chart of Accounts



Select the bank account or accounts that you want and link to Chart of Accounts.

Upon returning to QuickBooks, you are provided a list of accounts you have with that credit card company or bank:

Select all of the bank accounts you would like to link to QuickBooks Online. If you have a checking and credit card account at the same bank, you connect them both during this step. After you click on an account, a drop-down box will list the bank accounts included in your Chart of Accounts. If your credit card account is already included in your Chart of Accounts, select it.

Paul's Plumbing needs to create a new account for their Bank of America credit card, so we'll click Add new at the top of the drop-down box.

Creating a New Credit Card Account in the Chart of Accounts

After clicking Add new, you're asked to provide information to add an account to your Chart of Accounts. You can glance ahead to [How to Set Up the Chart of Accounts](#) if you want to learn more but, for now, you can provide a few details.

Add new credit card to Chart of Accounts in QuickBooks Online

The Account Type and Detail Type must be Credit Card. An account name is required, and I recommend including the credit card company name for easy identification. If you have more than one credit card with the same company, you might also include the last four digits of the credit card. When you have entered all the information, click the green Save and Close button, and you will be returned to the prior screen with the new account selected.

Step 4: Selecting the Right Date Range

After linking your credit card to an account from your Chart of Accounts, you must decide when QuickBooks should begin importing transactions:

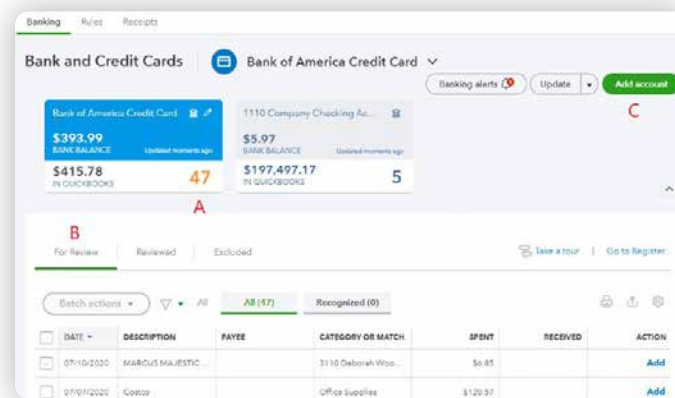
Select the beginning date to transfer bank transactions.

The default start date to pull transactions is the beginning of the year. You should try to pull transactions back to the date you wish to start using QuickBooks Online. If your credit company or QuickBooks doesn't allow you to go back that far, you'll have to transfer the older transactions using a QBO or CSV file.

Paul's Plumbing is importing credit card transactions starting on January 1 of the current year. Click the green Connect button when you are done.

Step 5: Review Downloaded Transactions in the Banking Center

QuickBooks Online will take you to the Banking Center after connecting your bank account:



Review transactions in the Banking Center.

- A. Transactions for review:** The orange number in the Bank of America box is the number of transactions that have been imported, but not yet reviewed and classified. Paul's Plumbing has 47 credit card transactions to review.
- B. Review Tab:** The tab labeled For Review lists all the transactions imported from your selected bank or credit card that are awaiting review.
- C. Add account:** To connect another bank or credit card company to QuickBooks Online, click the green Add account button in the upper right-hand corner of the screen and repeat the process.

You can peek ahead at [How to Manage QuickBooks Online Bank Feeds](#) if you'd like to learn more about classifying transactions, but I recommend waiting until we complete a few more setup tutorials. It's important to have your Chart of Accounts finalized before you start assigning transactions.

Now that your credit card account is connected, new transactions will be imported automatically into QuickBooks Online daily, or you can click Update in the upper right corner to import any new transactions immediately. You can visit the Banking Center anytime by clicking Transactions and then Banking from the left menu bar (as you did at the beginning of this tutorial).

When to Import Credit Card Transactions Manually Into QuickBooks Online

There are two reasons to import transactions from a CSV, QBO, or similar file. Some credit card companies will not connect with QuickBooks Online to allow an automatic import. Also, you might need to import transactions that are too old to import automatically, even if the credit card is connected to QuickBooks Online.

Importing credit card transactions that have already been entered into QuickBooks manually, such as using a credit card to pay a vendor bill, will not create duplicate transactions. During your review of imported transactions, you can match them to existing transactions, thus avoiding duplication.

How to Import Credit Card Transactions Manually Into QuickBooks Online With a CSV or Similar File

Step 1: Download a Transfer File From Your Credit Card Company

QuickBooks Online can import credit card transactions from the following types of files:

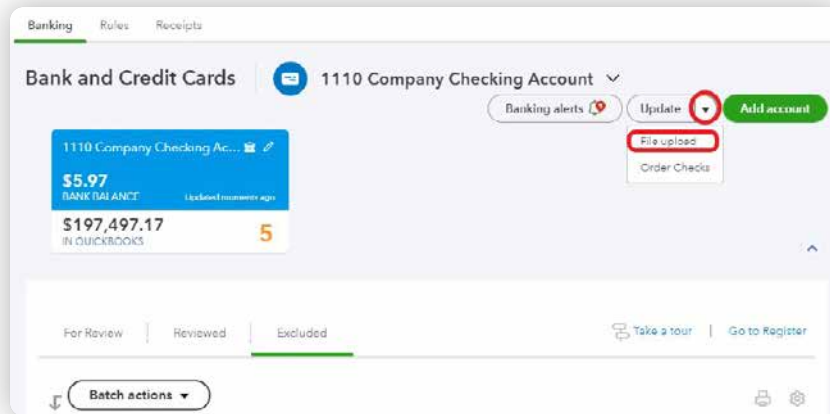
- **CSV:** These files are commonly used to export data for a multitude of purposes and can be opened and edited with Excel.
- **QBO:** QBO files are QuickBooks WebConnect files specifically designed for exporting information from bank or credit card accounts to QuickBooks.
- **QFX:** QFX files are financial exchange files created for exporting information to Quicken, but they will also work with QuickBooks Online.
- **OFX:** An OFX file is a text file specifically designed for exporting financial data.
- **TXT:** Text files can be imported but might require some editing first. You might want to open the TXT file with Excel and convert it to a CSV file for a smoother transfer.

To obtain a transfer file, log into your credit card account, and locate the option to download your account transactions. You will likely have the option to download your transactions in multiple formats. Choose the QBO or QFX format, if available, since they are designed specifically for QuickBooks. The next best option is an OFX file. If none of those file types are available, a CSV or TXT file will suffice but require a couple of extra steps.

Save the transfer file to a location on your computer that you can remember easily to import the file.

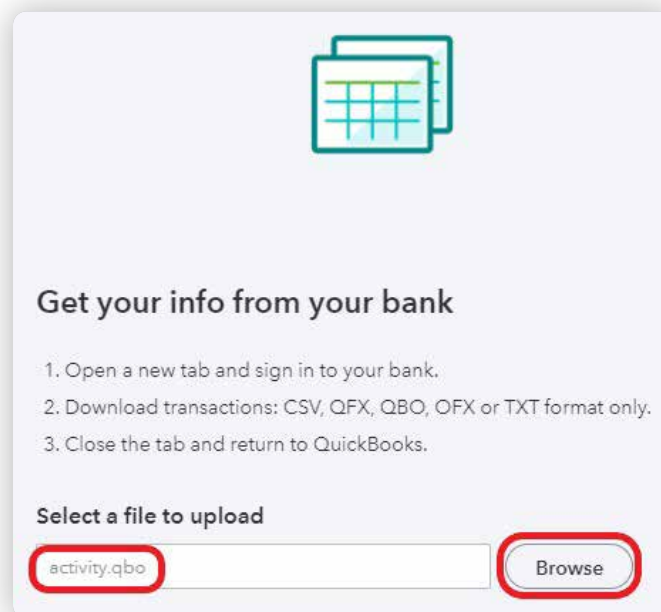
Step 2: Select the Transfer File to Upload in QuickBooks

From the Banking Center, open the drop-down menu next to Update in the upper right corner and then select



Select File upload from the Banking Center in QuickBooks Online.

Click the Browse button and select the transfer file you downloaded from your credit card account:

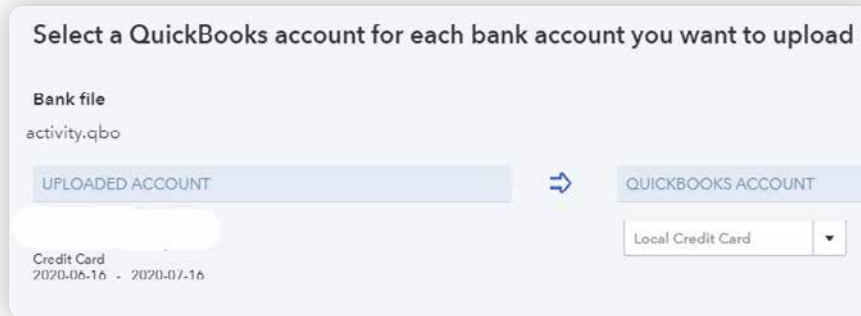


Select the transfer file to import into QuickBooks Online.

Our sample company, Paul's Plumbing, was able to download a QBO file with credit card activity from a local bank. After selecting your transfer file, click the green Next button.

Step 3: Select a QuickBooks Account

Next, you must select an account from your Chart of Accounts to record the imported bank transactions:



The screenshot shows a dialog box titled "Select a QuickBooks account for each bank account you want to upload". It contains the following information:

- Bank file:** activity.qbo
- UPLOADED ACCOUNT:** Credit Card (with dates 2020-06-16 to 2020-07-16)
- QUICKBOOKS ACCOUNT:** Local Credit Card (selected from a dropdown menu)

Select an account to record imported transactions in QuickBooks Online.

If needed, you can click Add new to set up a new credit card account as [demonstrated earlier](#). Paul's Plumbing created a new QuickBooks account named Local Credit Card. After you have selected a QuickBooks account to record the imported transactions, click the green Next button in the lower right-hand corner.

If your transfer file is a QBO, QBX, or OFX file, you're done and can skip to [step 6](#).

If your transfer file is a CSV or TXT file, you have a couple more steps to complete.

Step 4: Map Columns to QuickBooks Fields (CSV and TXT files only)

Before completing this step, you should open your CSV or TXT file in Excel to determine exactly what information your bank exported and how it is formatted. Paul's Plumbing exported the following CSV file from their local credit union account.



Tip: When you open a CSV file in Excel, you may be asked to save the file as an Excel file to preserve features. Don't do this because the file must remain a CSV file to be imported into QuickBooks.

	A	B	C	D	E	F	G
1	Date	Description	Amount	Extended Detail	Appears On Your Statement As	Reference	Category
2	7/12/2020	ETRAILER	129.6	6JX6JQBQ	ETRAILER CORPORATIONWENTZ	'32020194048	Merchandise &
3	7/12/2020	KUM & GO	2	000013931	KUM & GO BELLEVUE	'32020195050	Transportation
4	7/11/2020	Walmart Supercenter	26.69	01940011406	WAL-MART SUPERCENTERBELLEVUE	'32020194049	Merchandise &
5	7/10/2020	SPAGHETTI WORKS	27.8	73011000194	SPAGHETTI WORKS 92470MAHA	'32020193046	Restaurant-Re:
6	7/9/2020	ONLINE PAYMENT - THA	-988.55		ONLINE PAYMENT - THANK YOU	'320201910450114520'	
7	7/8/2020	AUTOZONE	7.48	353087	AUTOZONE #3789 00000BELLEVU	'32020191043	Transportation
8	7/8/2020	KUM & GO	1.06	000010760	KUM & GO BELLEVUE	'32020191044	Transportation
9	7/6/2020	SHEET MUSIC PLUS	4.21	587530902	SHEET MUSIC PLUS (800)743-38	'32020189041	Merchandise &

CSV file for import into QuickBooks Online.

Notice that transaction amounts are shown in column C with credit card charges shown as positive numbers and payments to reduce the credit card balance as negative numbers. Some credit card companies might include charges in one column and payments in another column. Either way is fine, but you'll need to know how the amounts are organized in the next step.

After completing step 3, if you're importing a CSV or TXT file, QuickBooks requires you to designate which column in your CSV file should be imported for each of three fields:

Map columns

For each bank account field, select a QuickBooks field

A
 First row in file is a header row

QuickBooks Online fields	⇒	Your statement fields
Date	B	Column 1 :Date MM/dd/yyyy
Description	C	Column 5 :Appears On You
Amount	D	Column 3 :Amount

File has amounts in:

1 column: both positive and negative numbers

2 column: separate positive and negative numbers

CSV file for import into QuickBooks Online.

You need to tell QuickBooks where it can find the date, description, and amount in your transfer spreadsheet:

- A. First row in file is a header row:** Place a check mark in this box if the first row in your transfer spreadsheet provides the title for each column.
- B. Date:** Click the drop-down arrow and select the column in your transfer spreadsheet that contains the date. In the next field, select how your spreadsheet formats the date.
- C. Description:** Select the column that contains a description of the transaction. I recommend selecting whichever column is going to provide you the most information to help classify the transaction without doing further research. Paul's Plumbing chose the "Appears On Your Statement As" column instead of the "Description" column because of the more detailed information.
- D. Amount:** First, choose whether your spreadsheet has all amounts in one column or if charges and payments are in separate columns. As we saw above, Paul's Plumbing's spreadsheet has all the amounts in one column and are located in column C. If you indicate amounts are shown in two columns, you'll need to specify one column for money spent (charges) and another for money received (payments).

When you are satisfied with your mapping, click the green Next button in the bottom right corner of the screen.

Step 5: Select Transactions for Import (CSV and TXT files only)

You can select which transactions from your file to import. I highly recommend importing all transactions in the file. Even personal transactions on your business credit card account need to be imported. Reconciling your credit card account from QuickBooks to your credit card statement is an important step to make sure your books are accurate. The reconciliation is not possible if you don't import all transactions.

Make sure all transactions are selected and then click the green Next button in the bottom right corner of the screen



Tip: If there are no transactions listed on this screen, make the following changes to your file:

- Remove all formatting from the amount column, including dollar signs
- Remove blank rows so that everything begins at row 1, column 1 of the spreadsheet

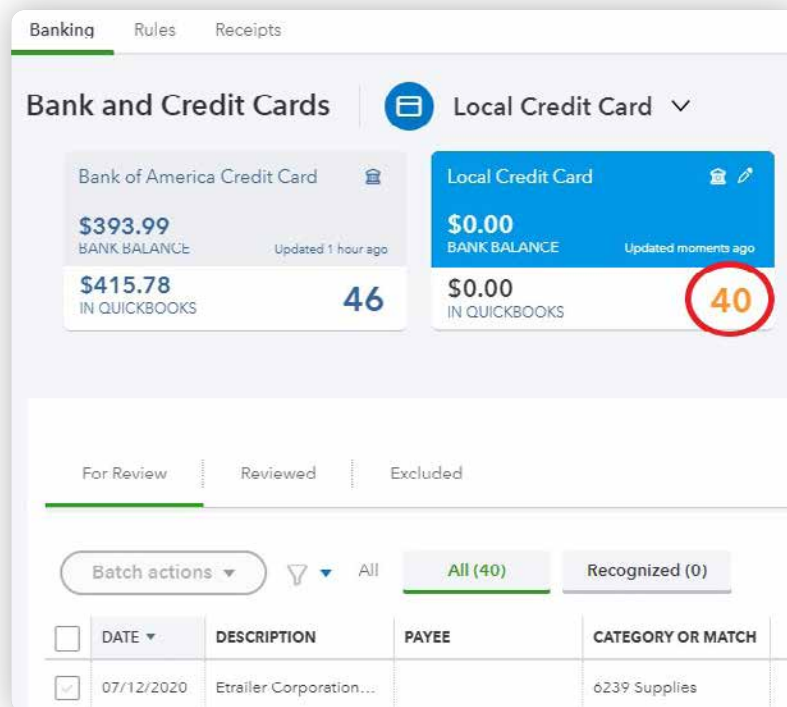
to complete the import of your transactions.

If you make changes to your spreadsheet, you must save it and then back up to step 2 and reselect the file to import.

Step 6: Return to the Banking Center

Click on Transactions and then Banking from the left menu bar to return to the Banking Center. Your bank account is now shown in the upper left corner with the number of transactions awaiting review. You may have to refresh your browser for your banking center to reflect your freshly imported transactions:

We'll learn how to review the transactions and accept, exclude, or match them to an existing transaction in [How to Manage QuickBooks Online Bank Feeds](#), but I recommend completing the tutorials in order.



Banking Center with transactions awaiting review.

Wrap up

You've now learned to connect your credit card to QuickBooks Online and to import credit card transactions manually when necessary. We'll return to [managing bank feeds](#) in a later tutorial. First, however, we must finish setting up your QuickBooks Online company. The next tutorial in our QuickBooks Online Training Course is [How to Set Up Multiple Users](#), where you'll learn how to allow your external accountant and as well as other employees full access to your QuickBooks Online.

QuickBooks Online Multiple Users Setup

In this tutorial, you'll learn how to add standard users, company admins, reports-only users, and time-tracking-only users. You'll also learn how to invite your accountant to your QuickBooks account so that they have constant access to your data.

We hope you enjoy this free tutorial for QuickBooks Online, our best overall pick for [small business accounting software](#). It's best if you follow along in your own QuickBooks account. If you don't already subscribe to QuickBooks, you have the choice of a 30-day free trial or 50% off for three months.

[Visit QuickBooks Online](#)

This tutorial is one in our series of [Free QuickBooks Tutorials](#). You can watch the video below or follow the step-by-step illustrated instructions.

Set Up Multiple Users In QuickBooks Online



Why Setting Up Multiple Users in QuickBooks Online Is Important

Multiple users can use QuickBooks Online at the same time for no additional cost. However, to take advantage of this capability, you need to determine the level of access that you wish to grant each user and then invite the additional users to join your QuickBooks company.

You can also invite your accountant to access your QuickBooks Online account. By doing so, you are providing them real-time access to your most current data. The number of accountants and users you can invite to your QuickBooks Online account vary based on your subscription level.

QuickBooks Online Maximum Users Allowed

	Simple	Essentials	Plus	Advanced
Standard & Admin Users	1	3	5	25
Accountants	2	2	2	3
Time Tracking Only Users	0	Unlimited	Unlimited	Unlimited
Reports Only Users	0	0	Unlimited	Unlimited

How to Give Your Accountant Access to Your QuickBooks Online Account

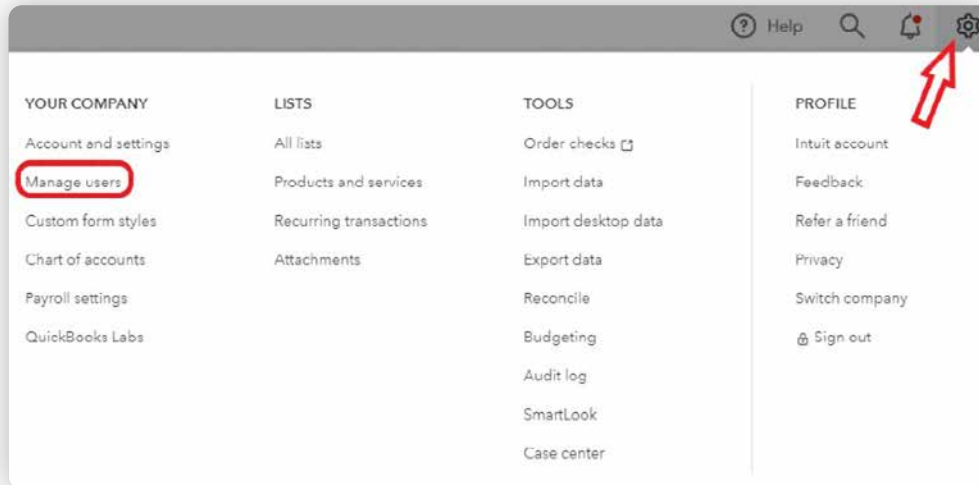
You can invite your accountant to access your QuickBooks Online account in just a few steps.



Tip: Your accountant must have QuickBooks Online Accountant to access your books. If they don't already have it, send them this link so they can sign up for free.

Step 1: Navigate to Manage Users

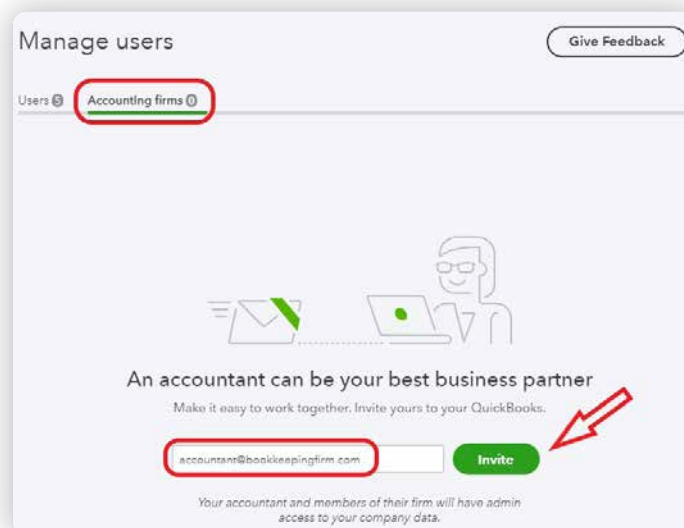
Click on the gear icon in the upper right hand corner of the QuickBooks Online screen and then select Manage users under the first column:



Navigate to manage users in QuickBooks Online.

Step 2: Send Invite to Your Accountant

In the Manage users screen, click on the Accounting firms tab. Enter your accountant's email address and click the green Invite button:



Invite an accountant in QuickBooks Online.

Your accountant can share their access with other bookkeepers in their firm, so there is no need to invite two accountants from the same firm.

Step 3: Your Accountant Is Notified and Setup Is Complete

After you send the invite:

- Your accountant will receive an email that contains a link to sign into your QuickBooks Online account.
- Once your accountant signs in, their status on the Manage users page will change from Invited to Active.
- Your accountant will be given administrator privileges to all areas of your QuickBooks Online company.



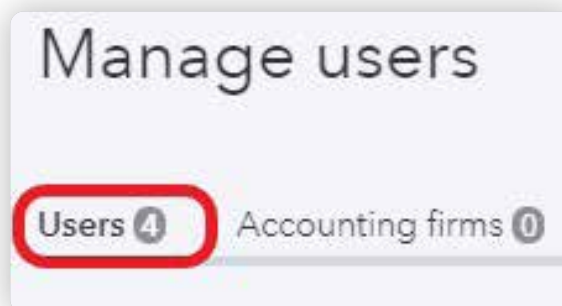
Tip: Give your accountant a heads-up that you have sent this invitation so that they can check their spam or junk folder if the invitation doesn't show up. You can resend the invite from the Accounting firms tab of the Manage users screen.

How to Give QuickBooks Online Access to Multiple Users

You can invite additional users to your QuickBooks Online account while limiting the data they have access to by choosing an appropriate user role.

Step 1: Create a New User

Click on the Users tab in the Manage users screen:



Navigate to the Users tab in QuickBooks Online.

If this is the first user you are adding, you'll automatically be taken to the add a new user screen. If you've already added users, you'll see a list of users and need to click the green Add user button (not shown).

Step 2: Select User Type

There are four types of users to choose from when granting someone access to your QuickBooks Online company:

Add a new user

Select user type

These count toward your user limit.

A Standard user
You can give them full or limited access, without admin privileges.

B Company admin
They can see and do everything. This includes sending money, changing passwords, and adding users. Not everyone should be an admin.

These don't count toward your user limit.

C Reports only
They can see all reports, except ones that show payroll or contact info.

D Time tracking only
They can add their own time sheets.

User types in QuickBooks Online.

Company employees that will be participating in the bookkeeping process should be granted either Standard user or Company admin access:

- 1. Standard user:** Most QuickBooks users should be set up as Standard users. You will be able to customize their access in the next step.
- 2. Company admin:** The QuickBooks Online master administrator is the person that purchased the subscription to QuickBooks. If that is the company owner, then they probably want to give their controller or head bookkeeper Company admin rights so they can manage QuickBooks users and the QuickBooks account.

Reports only and Time tracking only users have very limited access to QuickBooks and do not count toward your company's maximum number of users. Simple Start subscribers will need to upgrade to allow Reports only or Time tracking only users.

3. **Reports only:** Reports only users can view all QuickBooks reports except for payroll or employee contact information. This user type is great for employees that aren't involved in inputting data into QuickBooks but are interested in tracking data like cost reports for projects they are managing.
4. **Reports only:** Reports only users can view all QuickBooks reports except for payroll or employee contact information. This user type is great for employees that aren't involved in inputting data into QuickBooks but are interested in tracking data like cost reports for projects they are managing.

The built-in time tracking system in QuickBooks Online is very basic. QuickBooks Time (formerly TSheets) is a much more powerful time-tracking system that can be added to QuickBooks Online. QuickBooks Time has some amazing features like remote clock-in with facial recognition, GPS tracking, and detailed job costing with budget analysis. If your business has employees that work out of the office, I recommend adding QuickBooks Time to your QuickBooks Online subscription.

Step 3: Set User's Access Rights

If you're adding a standard user, you'll need to assign them access rights in this step. If you are adding any other type of user, you can skip to the next step. Select Standard user from the add a new user screen shown above and click the green Next button:

Select access rights

How much access do you want this user to have?

- All **A**
- Payroll access
- None **B**
- Limited **C**
 - Customers
 - Vendors

All access

This user can see and do everything with:

- ✓ Customers and Sales
- ✓ Vendors and Purchases

They can also:

- ✓ Add, edit, and delete employees
- ✓ Add, edit, and delete payroll transactions
- ✓ Change preferences
- ✓ View activity log
- ✓ Create, edit, and delete budgets
- ✓ Add, edit, and delete accounts
- ✓ Make deposits and transfer funds
- ✓ Reconcile accounts and make journal entries
- ✓ View all reports
- ✓ Turn on sales tax for the company
- ✓ Change the setup for existing sales tax information
- ✓ Make sales tax adjustments and file sales tax returns
- ✓ Set up multicurrency
- ✓ Perform home currency adjustments

Set user access in QuickBooks Online.

As you select different access levels on the left of the screen, a description of the access rights assigned to each level is given on the right of the screen:

1. **All:** These users have unlimited access to all QuickBooks data. This includes adding, editing and deleting transactions related to all vendors, customers, sales and purchases. If you place a checkmark next to Payroll access, they also have access to employee and payroll information. The only access not included is administrative rights, which you can assign in the next step.
2. **None:** The purpose of creating a user with no access rights is to allow someone to perform some administrative tasks without giving them access to the accounting features. You also have the option (on the following screen) to provide these users with access to input their own time.



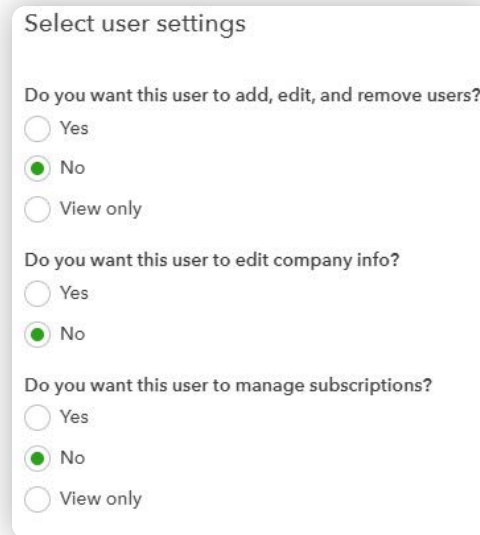
Tip: If a user needs to input their own timesheet, but doesn't need any administrator rights, they should be set up as a time-tracking-only user so they don't count towards your maximum number of users. Return to step 2 and change the user type from standard user to time tracking only.

3. **Limited:** You can provide limited access rights to members of the accounting team that don't require access to everything. If you select Limited, you must then select access to Customers, Vendors, or both. Limited:Customers is appropriate for an employee that generates invoices and collects payments from customers, such as an A/R clerk. Limited:Vendors is best for an employee that inputs and pays bills, such as an A/P clerk.

After you have selected the level of access rights to provide the new user, click the green Next button to assign administrator rights.

Step 4: Select Administrator Rights

A user needing full administrator rights should be designated as a Company admin user in step 2. However, you can assign the following administrator rights to any standard user:



Select user settings

Do you want this user to add, edit, and remove users?

Yes

No

View only

Do you want this user to edit company info?

Yes

No

Do you want this user to manage subscriptions?

Yes

No

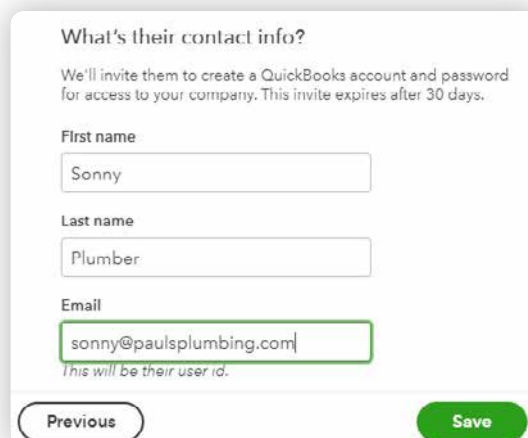
View only

Assign administrator rights to Standard users in QuickBooks Online.

After deciding which administrator rights the new user should have, click the green Next button to provide the user's contact information.

Step 5: Provide Contact Information

Provide the new user's First name, Last name, and Email. Then click the green Save button.



What's their contact info?

We'll invite them to create a QuickBooks account and password for access to your company. This invite expires after 30 days.

First name

Sonny

Last name

Plumber

Email

sonny@paulsplumbing.com

This will be their user id.

Previous Save

Provide user contact information in QuickBooks Online.

The user will receive an email inviting them to your QuickBooks Online company. Their user ID is their Email address. The new user will generally be prompted to create a password. If they are not prompted to create a password, then there is already an Intuit password associated with that email address.



Tip: Intuit (the owner of QuickBooks) requires users to use the same password across all Intuit programs and websites. For example, if the new user had previously signed up for TurboTax or Mint (other Intuit products), the password for those products must also be used for QuickBooks Online.

Wrap up

Congratulations on setting up your additional users in QuickBooks Online. The next tutorial in our QuickBooks Online Training Course is [How to Setup the Chart of Accounts](#). Customizing the Chart of Accounts for your business is an important step to simplify your bookkeeping and get the most out of QuickBooks.

How to Set Up the Chart of Accounts in QuickBooks Online

In this tutorial, you'll learn how to add, delete, and modify accounts in the QuickBooks Online Chart of accounts list. We'll also teach you how to import a chart of accounts from an Excel spreadsheet or comma-separated values (CSV) file.

We are happy you've taken the time to complete this free tutorial for QuickBooks Online, our best overall pick for [small business accounting software](#). You'll gain the most from this tutorial if you follow along in your own QuickBooks account. If you don't already subscribe to QuickBooks, you can choose from a 30-day free trial or 50% off for three months.

[Visit QuickBooks Online](#)

This tutorial is one in our series of [Free QuickBooks Tutorials](#). The video below and the step-by-step illustrated instructions that follow present the same information.

Set Up Chart of Accounts in QuickBooks Online



The Importance of Setting Up the Chart of Accounts

The chart of accounts is the backbone of your bookkeeping and accounting system. All of the transactions that you enter into QuickBooks are categorized behind the scenes using the chart of accounts so that financial statements, such as your profit and loss statement or income statement, can be generated.

Review Your QuickBooks Online Chart of Accounts List

QuickBooks Online creates a default chart of accounts list based on the industry you selected when you set up your QuickBooks company. I recommend reviewing this default chart of accounts to determine what accounts need to be added, edited, or deleted. First, however, we need to discuss how QuickBooks Online organizes and classified accounts.

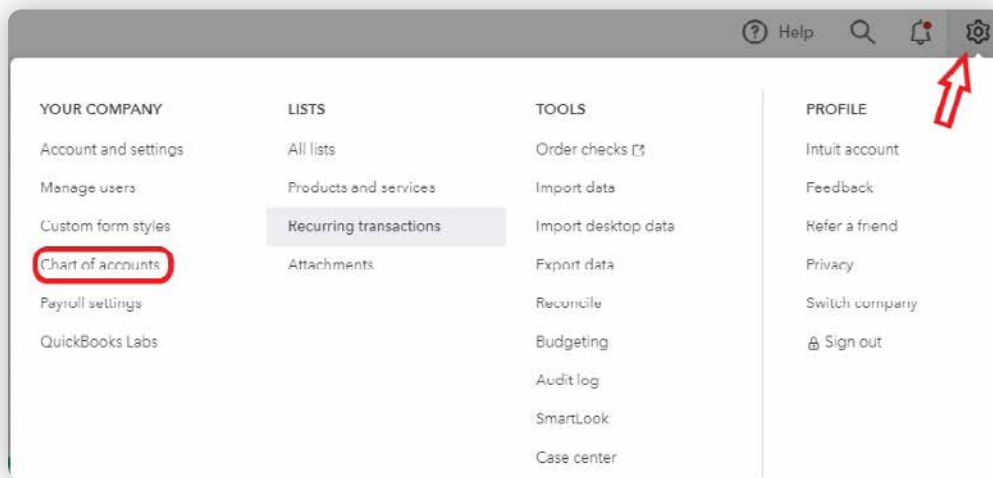
QuickBooks Online Account Types and Detail Types

QuickBooks Online requires detailed information for each account, including both an Account Type and Detail Type. It's very important that you properly classify accounts so that QuickBooks Online can operate effectively. For instance, you must list your Accounts Receivable account with the Account Type "Accounts Receivable." Otherwise, QuickBooks Online will not know to increase this account whenever you issue a new customer invoice. Similarly, your inventory account must have Detail Type "Inventory" so that QuickBooks Online knows which account to increase when you purchase products.

You need to review the default chart of accounts created by QuickBooks. While the default chart is a good place to start, most companies will want to make adjustments to fit their exact needs.

How to View and Print Your Chart of Accounts

From your QuickBooks Online Dashboard, click the settings icon at the top right of the screen and then select Chart of accounts in the first column:



Navigate to Chart of accounts in QuickBooks Online

Your chart of accounts is now displayed. If you would like a printed or PDF copy of your chart of accounts, click Run Report in the upper right-hand corner of the screen.

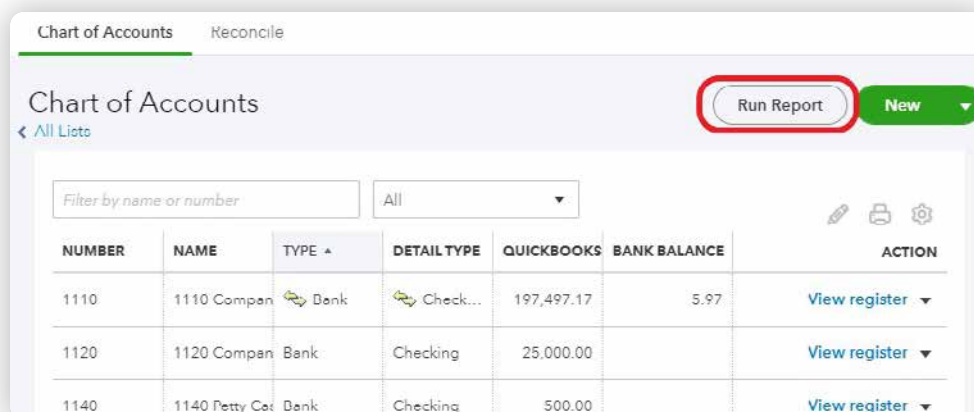


Chart of accounts screen in QuickBooks Online.

Suggestions for Your Chart of Accounts

Because the chart of accounts is the backbone of your bookkeeping system, it pays to take time now to make sure your list of accounts is complete and appropriate for your business. I recommend having at least the following accounts included in your chart of accounts:

Account Type	Detail Type	Recommendation
Bank	Cash on hand	Create an account to track cash not intended for deposit into a bank account like petty cash
Bank	Checking	Create a separate account for each checking, savings, or money market account
Accounts Receivable (A/R)	A/R	At least one A/R account is required to issue invoices to customers
Other Current Assets	Inventory	You must have at least one inventory account if you buy and sell inventory
Other Current Assets	Undeposited funds	Every company should have one undeposited funds account to track cash and checks waiting for deposit
Fixed Assets	Varies	If the company owns fixed assets, it needs at least one account to track the cost of fixed assets
Fixed Assets	Accumulated depreciation	Companies with fixed assets need at least one account to track the amount of depreciation deducted
Accounts Payable (A/P)	A/P	You must have at least one A/P account to input and track unpaid bills from vendors
Credit Card	Credit card	Each credit card account the company possesses should have a separate account in the Chart of Accounts

Other Current Liabilities	Line of credit (LOC)	Create a LOC account if the company has a LOC with a bank
Other Current Liabilities	Payroll tax payable	Companies that pay employees must have at least one payroll tax payable account
Other Current Liabilities	Sales tax payable	Companies that collect sales tax from customers must have at least one sales tax payable account
Long Term Liabilities	Notes payable	Create a separate notes payable account for each loan the company must repay, including a mortgage
Equity	Retained earnings	Each company should have a retained earnings account
Income	Varies	You should have at least one income account for your primary sources of income
Other income	Interest earned	Create an interest earned account if the company receives interest like from a checking, savings, or money market account
Expenses	Varies	Create an expense account for each of your major categories of expenses
Other Expenses	Depreciation	If the company owns depreciable assets, you must have a depreciation expense account

Once you have decided what accounts you would like to add, edit, or delete, you are ready to make the necessary changes in QuickBooks.

How to Add an Account to the Chart of Accounts List

From the Chart of accounts screen, click the green New button in the upper right corner of the screen to access the following account setup screen for your new account:

Account setup screen in QuickBooks Online.

The following fields can be completed for each account:

- A. Account type:** You must specify an account type from the drop-down menu.
- B. Detail type:** Select a detail type from the drop-down menu. The available detail types will vary based on the account type selected. The gray box below the detail type provides an explanation of the detail type selected.
- C. Name:** Provide a name for your account that will make it easy for you to distinguish when choosing accounts to post transactions. For instance, instead of “Checking Account,” it might be better to include the bank name and the last four digits of the account number, like “US Bank Checking x1234.”
- D. Number:** Providing a number for your account is optional. If you wish to use account numbers and this field is not available, you must enable account numbers as shown in [How to Set Up Advanced Settings](#).

- E. Description:** You may provide an optional description of the new account.
- F. Sub-account:** You can organize your accounts with parent and sub accounts. For instance, you might create a “Utilities Expense” parent account and then create sub accounts for “Electric Expense” and “Gas Expense.” If this is a sub-account, place a check mark next to Is sub-account. Then, select the parent account from the down-down box below Is sub-account.
- G. Start tracking:** Enter the date you started tracking your finances with QuickBooks Online.

When you are satisfied with your answers, either click the green Save and Close button or the drop-down arrow next to it and select Save and New to add another account.

How to Edit an Account in the Chart of Accounts List

To edit an existing account, find the account on the Chart of accounts screen and click the drop-down arrow next to View register. Then, select Edit to open the account setup screen.

NUMBER	NAME	TYPE ▲	DETAIL TYPE	QUICKBOOK	BANK BALANCE	ACTION
1110	1110 Compa	Bank	Chec...	197,497.17	5.97	View register ▼
1120	1120 Compa	Bank	Checking	25,000.00		View register ▼
1140	1140 Petty C	Bank	Checking	500.00		
1160	1160 Payroll	Bank	Checking	0.00		
	Chase Check	Bank	Checking	0.00		

Connect bank

Edit

Make inactive (won't reduce usage)

Run report


Edit an account in QuickBooks Online.

The fields available in the account setup screen are the same as discussed in the previous section. Make the needed changes to the account and then click the green Save and Close button.

How to Delete an Account in the Chart of Accounts List

Instead of deleting accounts in QuickBooks Online, you must mark them as inactive. If the account has never been used in a transaction, the account will no longer count towards your maximum number of accounts. If the account has been used in a transaction, the history of the account will be retained, and the account will continue to count towards your maximum.

From the Chart of accounts screen, click the drop-down arrow next to View register for the account you wish to make inactive. Then, select Make inactive from the drop-down list:



1160	1160 Payroll	Bank	Checking	0.00	View register
	Chase Check	Bank	Checking	0.00	
1210	1210 Accour	Accounts...	Accounts...	44,903.08	
1121	1121 Invento	Other Cu...	Inventory	52,749.60	

Make an account inactive in QuickBooks Online.

In the example above, Paul's Plumbing is making account number 1160, Payroll clearing account, inactive. Since the account has been used in at least one transaction, the account will still count toward the maximum number of accounts Paul's Plumbing can use.

How to Import Accounts to the Chart of Accounts List

If you are transferring your books from another bookkeeping software, you might be able to export your chart of accounts from the prior software into an Excel spreadsheet or CSV file, which can then be imported into QuickBooks Online. Accounts imported will be added to your current chart of accounts, not replace your chart of accounts.

1. Prepare Your Spreadsheet

Your spreadsheet must contain columns for the account name, account type, and detail type. You can also include a column for account number if you wish. The spreadsheet can contain other columns, but they won't be imported into QuickBooks Online. The first line of the spreadsheet should contain a label for each column, which doesn't necessarily have to match the field name in QuickBooks Online.

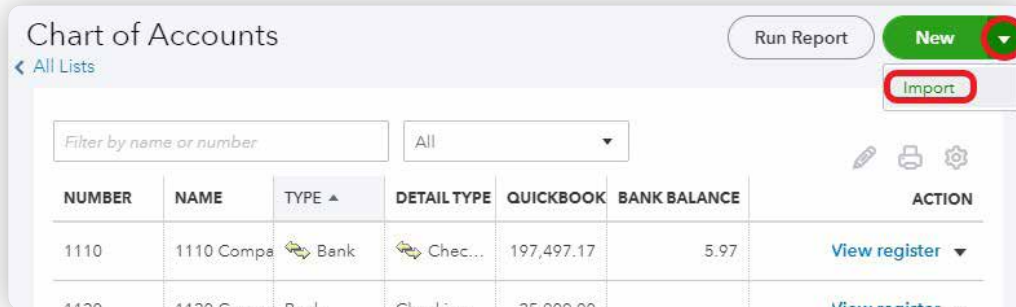
Here is an example spreadsheet ready for import:

	A	B	C	D
1	Account Number	Account Name	Type	Detail Type
2	1170	Checking Account - Bank of America	Bank	Checking
3	1180	Money Market - First National Bank	Bank	Money Market
4	4200	Product Sales Revenue	Income	Sales of Product Income
5	5050	Cost of Materials	Cost of Goods Sold	Supplies & Materials
6				

Spreadsheet to import accounts into QuickBooks Online.

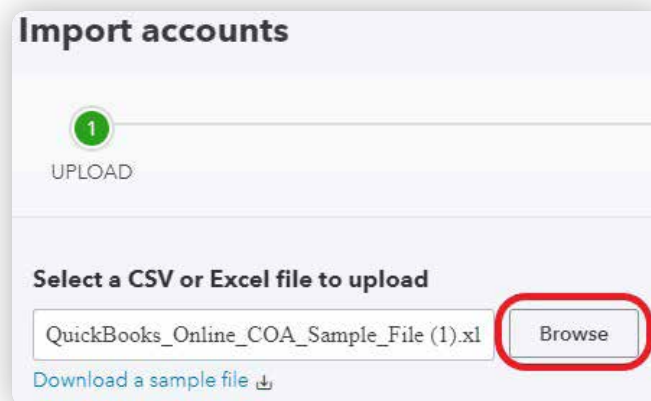
2. Import Your Spreadsheet

From the Chart of accounts screen, click the drop-down arrow next to the green New button and select Import:



Import accounts into QuickBooks Online.

Now, click the Browse button and select the spreadsheet you prepared for the import:



After selecting your spreadsheet, click the green Next button in the bottom right corner of the screen.

The next screen requires you to map the data in your spreadsheet to the four fields imported by QuickBooks Online. For each QuickBooks Online Field, select the column in your spreadsheet that contains the data:

QUICKBOOKS ONLINE FIELD	YOUR FIELD
Detail Type	Detail Type ✓
Account Name	Account Name ✓
Account number	Account Number ✓
Type	Type ✓

Mapping account data for importing into QuickBooks Online.

When you are satisfied with your mapping, click the green Next button.

The final screen before importing provides your last opportunity to change any account information or deselect any accounts you don't wish to import:

<input type="checkbox"/>	ACCOUNT NUMBER	ACCOUNT NAME	TYPE	DETAIL TYPE
<input checked="" type="checkbox"/>	112720	Checking Account - B	Bank	Checking
<input checked="" type="checkbox"/>	112730	Money Market - First T	Bank	Money Market
<input checked="" type="checkbox"/>	410790	Product Sales Revenue	Income	Sales of Product Incom
<input checked="" type="checkbox"/>	500780	Cost of Materials	Cost of Goods Sold	Supplies & Materials -

Verify account details before importing to QuickBooks Online.

After verifying the information is correct, click the green Import button to complete the importing process. The new accounts should now be included in your chart of accounts.



Avoid duplicate accounts: QuickBooks Online will not import an account if there is another account with the same name either already in your chart of accounts or in your import file. After importing your accounts, QuickBooks Online will provide a list of accounts that did not import due to duplicates.

Wrap up

Congratulations on completing another tutorial in our QuickBooks Online Training Course where you learned to add, edit, delete, and import accounts for your chart of accounts list. The next tutorial in our QuickBooks Online Training Course is [How to Set Up the Products and Services List](#). The list of product and service items in QuickBooks Online is extremely important and is central to how QuickBooks simplifies the bookkeeping process.

How to Set Up the Products and Services List in QuickBooks Online

In this tutorial, we're going to cover how to set up your products and services list in QuickBooks Online. We'll teach you how to create products and services manually and then teach you how to import products and services from an Excel or comma-separated values (CSV) file.

We're glad you're taking the time to learn QuickBooks Online, our best overall pick for [small business accounting software](#). You'll get the most out of this tutorial if you follow along in your own QuickBooks Online account. New subscribers can choose from a 30-day free trial or 50% off for three months

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This tutorial is one of our [Free QuickBooks Tutorials](#). You can either watch the video below, read through the step-by-step instructions, or do both.



The Importance of Setting Up Your Products and Services List in QuickBooks Online

You should set up a product or service item in QuickBooks Online for anything you sell to your customers, as well as any products you buy, even if not resold. The information you use to set up products and services becomes the default information when you create sales and purchase forms, but you can change the information before saving any transaction.

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

- Create invoices and purchase forms quickly that will populate the description and price for the product or service automatically
- Keep track of your sales by product or service
- Keep track of your costs by product
- Keep track of the quantity of inventory on-hand so that you never run out
- Allocate the cost of purchasing inventory between the cost of goods sold (COGS) and ending inventory automatically using the first-in, first-out (FIFO) method

Gather Your Information: Products and Services Checklist

Plan on spending considerable time gathering the necessary information to complete this tutorial. The time you spend now gathering your product and service information will be recouped easily when you can create detailed invoices, record purchases, and track your inventory effortlessly at a glance.

It's best to gather the information in a spreadsheet with one row for each product or service and a column for each piece of information gathered. The second part of this tutorial will guide you through importing your spreadsheet of products and services automatically into QuickBooks. You don't need to import all items at once. You can import multiple spreadsheets, which will add to your existing list of items.

Information for Products You Buy or Sell

Include all products you buy and/or sell, even if you don't need to keep track of exact quantities, such as nuts and bolts. Be as detailed as possible. For example, don't have one item for "sinks." Instead, have separate items for each model of sink you buy and sell. Collect the following information on your products, preferably in a spreadsheet:

- Name of product
- Description of product to print on sales forms
- Description of product to print on purchasing forms
- Stock keeping unit (SKU) number (optional)
- Price at which you wish to sell the product
- Current price at which you can buy the product
- Preferred vendor for purchasing the product
- Whether the sale of the product is subject to sales tax
- If you wish to keep track of the quantity of this item, you need:
 - Initial quantity on hand prior to starting to use QuickBooks
 - Quantity at which you wish to reorder the product

Information for Services You Sell

You'll need the following information for all services that you sell:

- Name of service
- Description of the service to print on sales forms
- Sales price or rate you wish to charge customers
- Whether the sale of this service is subject to sales tax

- If you purchase the service from a subcontractor:
 - Description of service to print on purchase forms
 - Cost charged to you by the subcontractor
 - Name of preferred subcontractor

Setting Up the Product and Services List in QuickBooks Online

Before importing a spreadsheet of products and services, I encourage you to follow these instructions and add a few products and services by hand. Entering a few by hand will give you a better understanding of the information collected and where it can be accessed in QuickBooks.

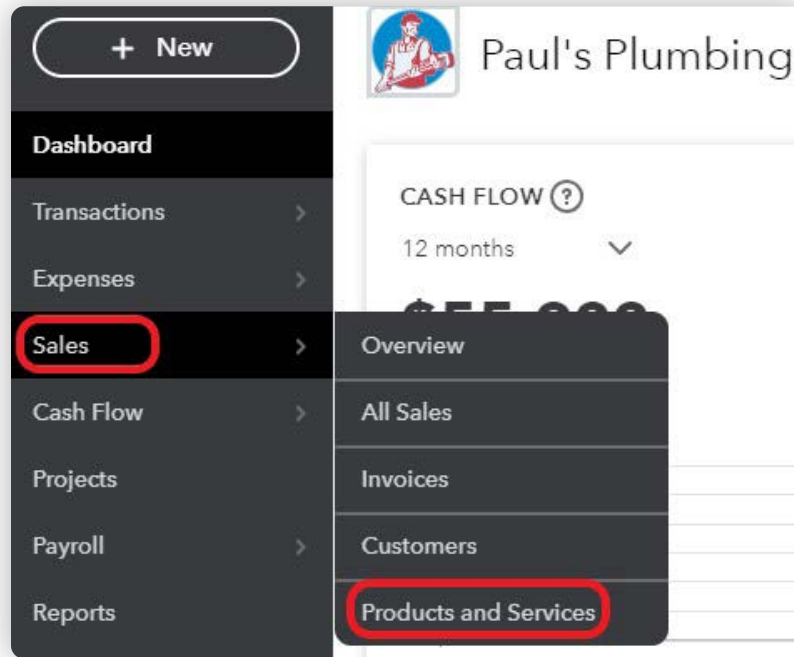
Products and services can be added to QuickBooks Online in four steps:

1. View the product and services list by hovering over Sales in the left menu bar and then clicking on Products and Services.
2. Click on the green New button in the upper right corner of the screen.
3. Select whether the item you are adding is Inventory, a non-inventory product, a service, or a bundle of products or services.
4. Complete the information requested for the item type you are adding, and then click Save and close.

The next sections provide more detail and illustrations for adding products and services to QuickBooks Online.

Navigate to the Products and Services List

After you sign into your QuickBooks Online account, select Sales in the left menu bar and click on Products and Services:



Navigate to Products and Services in QuickBooks Online.

Create New Item

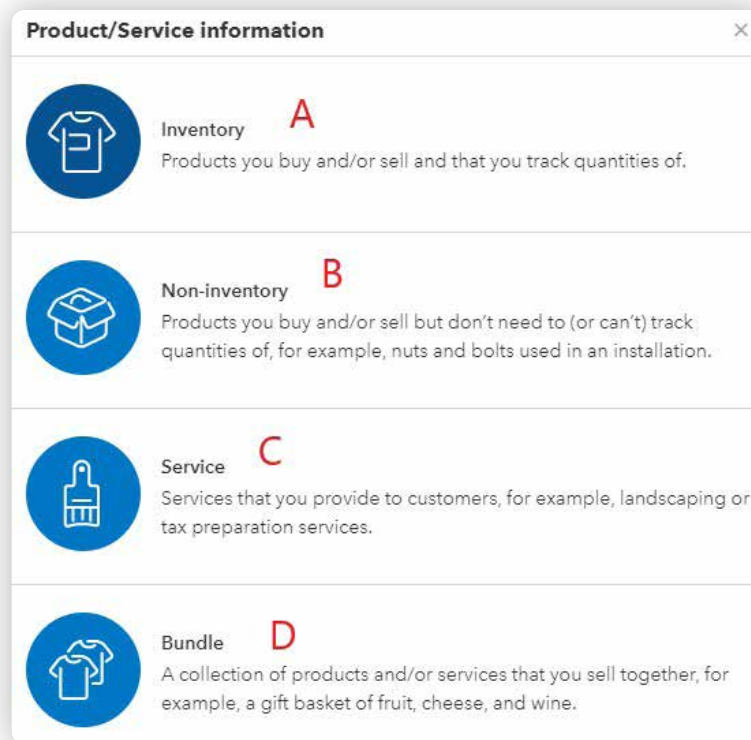
From the products and services screen, click the green New button in the upper right corner to create a new product or service item:



Create New product or service in QuickBooks Online.

Select Item Type

The Product/Service information screen that appears after clicking New provides the four types of items that can be created for products and services:



Product/Service Information screen in QuickBooks Online.

A. Setting up an Inventory Item

Select this option if you need to track cost and quantity of items that you buy and sell. Inventory items allow you to keep an eye on stock levels as items are sold so that you know when to place an order with the supplier.

After clicking on Inventory (A) in the above screenshot, you'll be able to provide the inventory details below:

Product/Service information

Inventory [Change type](#)

1 Name*
Stainless Steel Faucet

2

3 SKU

4 Is sub-product/service
Bath/Vanity Fixtures

5 Class
Bath/Vanity

Initial quantity on hand* **6** 0

As of date* **7** 06/11/2020
What's the as of date?

Reorder point **8** 10
What's the reorder point?

8 Inventory asset account
1121 Inventory Asset

9 Description
Stainless Steel Faucet

Product/Service Information screen in QuickBooks Online.

By completing as many fields as possible while setting up the inventory item, you'll be able to issue purchase orders and generate invoices with very little data entry required. Here is a brief description of the available fields for inventory items:

1. **Name:** Give the item a name for your internal use that will help distinguish this item from others.
2. **Picture of item:** You can upload a picture of the item.
3. **SKU:** You can record the product's SKU number.
4. **Sub-product:** You can organize inventory items into groups of similar products. For instance, you might create a parent inventory item for "Sinks." Each different type of sink would then be a separate inventory item and designated as a Sub-product of Sinks. You wouldn't use the parent inventory item of Sinks for any purchase or sales transactions, and it wouldn't have any quantity information. It would only be used to group the Sub-product items together.

- 5. Class:** You can separate your business activity into several different classes that allow you to evaluate profit and loss separately. For instance, a plumbing company might create classes for new construction and repairs. You should leave the Class field blank if the inventory item you are setting up might be sold in multiple classes. In that case, you'll need to identify the Class separately on each invoice. If the inventory is used only in one Class of the business, you can designate that class here, and it will auto-populate on invoices.



Enable class tracking: If the class field does not appear in your QuickBooks Online, you need to enable class tracking when [setting your advanced options](#).

- 6. Initial quantity on-hand:** Report the number of units on-hand for this inventory item. Only report units here where the purchase of the inventory will not be recorded in QuickBooks, such as if you're moving to QuickBooks from another bookkeeping software. This is a required entry, so if you don't have any units on-hand, you must enter zero. You're also required to enter the date you measured the units on-hand.
- 7. Reorder point:** Specify the number of units on-hand that should trigger the ordering of additional inventory.
- 8. Inventory asset account:** Specify the balance sheet account you would like to use to track the cost of this inventory item. Most businesses use only one inventory asset account. I recommend using "Inventory Asset" for all your inventory items, which is the default balance sheet inventory account created by QuickBooks Online.



Do not change asset account: Do not change the inventory asset account for an inventory item after it has been created as this can cause inaccurate inventory cost calculations.

- 9. Description (sales forms):** Enter a default description of the product that you would like to appear on sales forms like estimates and invoices.
- 10. Sales price/rate:** Enter the standard sales price for this product. If needed, you can change the sales price when creating an invoice.
- 11. Income account:** Specify the income statement account to record the revenue from this inventory item. I recommend that all inventory items use the Sales of Product Income account, which is the QuickBooks default. There is no need to create additional income statement accounts for each product because you can print reports that show income by product item.

Scroll down on the screen above to reveal these additional inventory details to input:

The screenshot shows the 'Product/Service Information' screen in QuickBooks Online. The form includes the following fields and values:

- Sales price/rate** (10): 200
- Income account** (11): Sales of Product Income
- Sales tax category** (12): Taxable - standard rate
- Purchasing information** (13): Stainless Steel Faucet
- Cost** (14): 100
- Expense account** (15): Cost of Goods Sold
- Preferred Vendor** (16): Norton Discount Warehouse

At the bottom of the form, there is a 'SHOW MORE' link and a 'Save and close' button.

Product/Service Information screen in QuickBooks Online.

- 12. Sales tax category:** Specify whether sales of this product is subject to sales tax.
- 13. Purchasing information:** Enter a description of the product that should appear on purchasing forms like purchase orders.
- 14. Cost:** Input the standard purchase price per unit for this product. You can change the purchase price when you input bills or purchase orders.
- 15. Expense account:** This is the income statement account to report the expense from the purchase of this product. I recommend all inventory items use the QuickBooks default account, Cost of Goods Sold.
- 16. Preferred vendor:** You can specify a preferred vendor for purchasing this product. This will auto-populate any purchase orders for this product but can be changed if the purchase order is to a different vendor.

B. Setting up a Non-inventory Item

Select the non-inventory option from the product/service information screen if you need to track the cost, but not quantity for items that you buy or sell. Non-inventory items include things like supplies and special order products.

After clicking on Non-inventory (B) from the product/service information screen, you'll be able to provide details for the non-inventory item. Most of the information collected is the same as for inventory, so the numbers in the screenshots below correspond to the descriptions given above:

Product/Service Information

Non-inventory [Change type](#)

Name* **1** **2**

SKU **3**

Is sub-product/service **4**

Enter parent product/service

Class **5**

Assign a class

Description **9**

I sell this product/service to my customers.

Description on sales forms

Non-inventory information in QuickBooks Online (1 of 2).

Sales price/rate **10** Income account **11**

4100 Revenue

Sales tax category ☺ **12**

Taxable - standard rate

Purchasing information

I purchase this product/service from a vendor.

Description on purchase **13**

Cost **14** Expense account **15**

Preferred Vendor **16**

Select a preferred vendor

Save and close

Non-inventory information in QuickBooks Online (2 of 2).

The information collected for non-inventory items is the same as inventory items discussed in the previous section, with the following exceptions:

- Non-inventory items do not require any quantity information
- Non-inventory items are not assigned an inventory asset account
- Non-inventory items are assigned to a variety of expense accounts, not only COGS
- While products sold to customers should go to the COGS account, other products, like office supplies, should be assigned to other expense accounts.

C. Setting up a Service Item

Select Service (C) for services that you sell to customers. Plumbing, bookkeeping, and housekeeping services are examples of service items.

The fields that should be completed for a service item are described below:

Product/Service information

Service Change type

Name* **1**
Plumbing Repairs

SKU

Is sub-product/service **3**
Enter parent product/service

Class **4**
Repairs

Description
 I sell this product/service to my customers.
Repairs to plumbing system **5**

Sales price/rate **6** 100 Income account **7** 4100 Revenue

Sales tax category ⓘ **8**
Taxable - standard rate

Purchasing information **9**
 I purchase this product/service from a vendor.

Service item information in QuickBooks Online.


1. **Name:** Enter the name of the service for your internal use.
2. **Picture:** Attach a picture if you wish.
3. **Sub-service:** As with inventory items, you can create sub-services grouped under a parent service. If this is a sub-service, select the parent service here.
4. **Class:** If your company separates income and expense by class, designate the class for this service item. Leave the field blank if this service can be assigned to multiple classes.
5. **Description:** Enter a description of the service that you would like to appear on sales forms, such as invoices
6. **Rate:** Input the rate you charge customers for this service. This can be either an hourly rate or a flat rate charged per engagement. The actual amount charged can always be changed on an invoice.
7. **Income account:** Select the income statement account that you want to use to track income for this service. It's not necessary to create an income account for each service since you can easily view income by service items.
8. **Sales tax category:** Indicate whether this service is subject to sales tax.
9. **Purchasing information:** Leave this area blank if employees perform the services. If you purchase the services from a subcontractor, check the box and provide a description, cost, expense account, and preferred vendor.

D. Setting Up a Bundle

A Bundle is a combination of products and services that often are sold together. Bundles have no quantity on hand. They are a convenient way to record the sale of multiple products and services at once. Prior to setting up a bundle, you must create all the inventory, non-inventory, and service items that will be part of the bundle.

After clicking Bundle (D) on the product/service information screen, you can enter the following information:

Product/Service information ✕

 Bundle [Change type](#)

Name* 1

River Rock chandelier with install



SKU

Description 2

Purchase and installation of River Rock Chandelier with Faux Alabaster Glass

Products/services included in the bundle 3

Display bundle components when printing or sending transactions

	PRODUCT/SERVICE 4	QTY	
⋮	 2337-08-59 River Rock with Faux Alabaster Glass	1	✕
⋮	 Chandelier installation	0.75	✕

[+ Add lines](#)

Bundle item information in QuickBooks Online.

1. **Name:** Provide a name for your bundle of products and services for your internal use.
2. **Description:** Provide a description of the bundle to appear on invoices to customers.
3. **Display components:** Check the box if you wish to display the detail of the products and services composing the bundle on invoices to customers.
4. **Product/Service:** Choose the product and service items, along with their quantity, to include in the bundle. All product and service items must be created prior to assigning them to a bundle.

Run Products and Services List Report

Once you have added all of your products and services, you can run a report to see the entire list. From the Products and Services screen, select the drop-down menu next to More in the upper-right corner, then click on Run Report as indicated below.



Run Product and Services list report in QuickBooks Online.

A report similar to the one below should display on your screen and be reviewed for accuracy:

Paul's Plumbing					
PRODUCT/SERVICE LIST					
PRODUCT/SERVICE	TYPE	DESCRIPTION	PRICE	COST	QTY ON HAND
Accounting Fees	Service				
Bath/Vanity Fixtures	Inventory		0.00		
Bath/Vanity Fixtures:5029-03-55	Inventory	Brushed Nickel with Opal Glass	25.00	18.50	72.00
Bath/Vanity Fixtures:5030-03-02	Inventory	Solid Brass with Etched Glass, 2 ...	66.00	32.00	0.00
Bath/Vanity Fixtures:5030-04-02	Inventory	Solid Brass with Etched Glass, 4 I...	42.00	19.00	60.00
Bath/Vanity Fixtures:6520-01-03	Inventory	White with Satin White Glass	32.00	15.00	5.00
Bath/Vanity Fixtures:P3261-06	Inventory	Pearl Nickel, 5 Light	95.00	45.00	58.00
Bath/Vanity Fixtures:P3298-15	Inventory	Polished Chrome, 4 Light	47.00	28.00	73.00
Bath/Vanity Fixtures:P3335-30	Inventory	Polished Brass, 6 Light	72.00	30.00	33.00
Bath/Vanity Fixtures:SG 4726-33	Inventory	Beveled Mirror with Etched Ribb...	48.00	22.00	13.00
Bathroom Sink	Inventory	Bathroom Sink	125.00		8.00
Ceiling fixtures	Inventory		0.00		
Ceiling fixtures:2014-01-02	Inventory	Brass Pendant with Ribbed Glass	58.00	32.00	80.00

Product and Service List report in QuickBooks Online.

How to Modify a Product or Service on the List

You can modify a product or service that you previously set up. Locate the product or service you want to edit on the Product and Services screen. Click the Edit option on the far right side of the item's information and make any necessary changes.

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

You cannot delete a product or service from QuickBooks once you have used it in a transaction like having created an invoice for a customer. However, you can inactivate an item that you no longer need. Inactive items will no longer appear on the products and services list but will still appear in financial reports if used in a transaction.

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

How to Import Product and Service Items

It is much quicker to enter product and service details into a spreadsheet than to use the data input screens in QuickBooks Online. I recommend doing the first few items manually, as shown above, to become familiar with the requested fields. However, if you have many items, it will be much faster to enter the data in an Excel spreadsheet and import the spreadsheet following these instructions.

Product and service items can be imported into QuickBooks in four steps:

1. Create a spreadsheet with a row for each item and a column for each field.
2. Initiate the import from the products and services screen by clicking on the drop-down arrow next to New and selecting Import.
3. Select the spreadsheet to import and map its columns to QuickBooks fields.
4. Review the data and then click Import.

Prepare Your Spreadsheet

Your spreadsheet should have one row for each product or service item you wish to import. Each column represents a field to be imported into QuickBooks Online. The first row of your spreadsheet should contain labels for each column, but the labels don't have to match the field names from QuickBooks Online. You'll be able to map each column to a particular field in QuickBooks during the import process.

Below are the fields that can be imported for products and services. You can review a more detailed description of the fields in the section on how to enter product and service items manually.

- Product/Service name
- Sales description
- SKU
- Type (Inventory, Noninventory, or Service)
- Sales price/rate
- Taxable (Yes/No)
- Income account (must be set up in chart of accounts prior to import)
- Purchase description
- Purchase cost
- Expense account (must be set up in chart of accounts prior to import)
- Quantity on hand (inventory items only)
- Reorder point (inventory items only)
- Inventory asset account (inventory items only and must be set up in chart of accounts prior to import)
- Quantity as-of date: (inventory items only)

You only need to include columns for which you want to import information. It is fine for some columns to be missing. Your spreadsheet should look something like this:

Product/Service Name	Sales Description	SKU	Type	Sales Price	Taxable	Purchase Description	Purchase Cost	Quantity on Hand	Reorder Point
Design	Custom landscape design		Service	150.00	No				
Fountain	Garden rock fountain	341253	Inventory	275.00	Yes	Rock fountain	150.00	15	5
Gardening	Weekly gardening service		Service	75.00	No				
Garden supplies:Rocks	Garden rocks - 20 lb. bag	142563	Inventory	75.00	Yes	Garden rocks - 20 lb.	50.00	110	10
Garden supplies:Soil	Garden soil - 5 lb. bag	145632	Noninventory	20.00	Yes	Garden soil - 5 lb. bag	15.00		
Trimming	Tree and shrub trimming		Service	50.00	No				

Spreadsheet of Product and Service items to import into QuickBooks Online.



Use the first tab: Only the first worksheet (or tab) within an Excel workbook will be imported. Ensure your worksheet is located on the first tab in the lower-left corner of your Excel file.

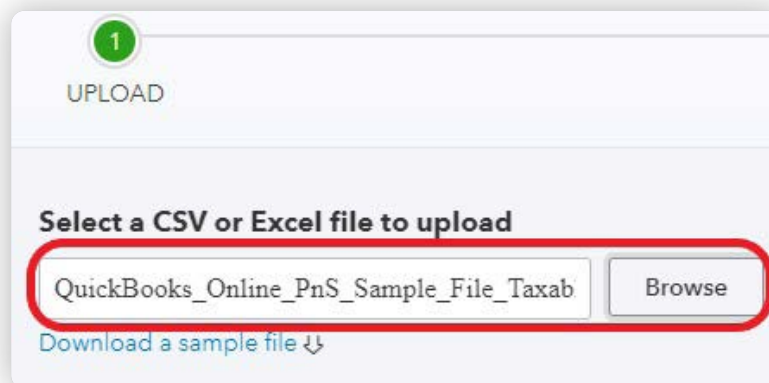
Upload Your Excel or CSV File

From the Products and Services screen, click on the drop-down arrow next to New in the upper right corner and select Import:



Select Import from the Products and Services screen in QuickBooks Online.

From the Import screen, click Browse and select the Excel or CSV file you wish to import:













Select the File to import products and services into QuickBooks Online.

After selecting your file, click on the green Next button in the bottom right corner of the screen.

Map Your Columns to QuickBooks Fields

This screen allows you to decide which of your columns will import to each field collected by QuickBooks Online:

Map your fields to QuickBooks fields	
QUICKBOOKS ONLINE FIELD	YOUR FIELD
Product/Service Name	Product/Service Name <input type="text"/> <input type="button" value="v"/> 
SKU	SKU <input type="text"/> <input type="button" value="v"/> 
Type	Type <input type="text"/> <input type="button" value="v"/> 
Sales Description	Sales Description <input type="text"/> <input type="button" value="v"/> 
Sales Price/Rate	Sales Price / Rate <input type="text"/> <input type="button" value="v"/> 
Taxable	Taxable <input type="text"/> <input type="button" value="v"/> 
Income Account	No Match <input type="text"/> <input type="button" value="v"/>
Purchase Description	Purchase Description <input type="text"/> <input type="button" value="v"/> 
Purchase Cost	Purchase Cost <input type="text"/> <input type="button" value="v"/> 
Expense Account	No Match <input type="text"/> <input type="button" value="v"/>
Quantity On Hand	Quantity on Hand <input type="text"/> <input type="button" value="v"/> 
Reorder Point	Reorder Point <input type="text"/> <input type="button" value="v"/> 

Map spreadsheet columns to QuickBooks Fields to import.

In the left column are the fields available for import into QuickBooks. The right column tells QuickBooks which column in your spreadsheet holds the information for that field. If one of the QuickBooks fields on the left is not in your spreadsheet, indicate No Match—as done for the Income Account in the example above.

Once you have mapped all of your columns to QuickBooks fields, click the green Next button in the bottom right corner of the screen.

Review your Data

The final screen allows you to review your data that will be imported into QuickBooks Online. You can make any last-minute changes directly on this screen. The number of products and services to be imported should equal the number of rows in your spreadsheet, minus one for your header row:

SELL	BUY	TRACK	NAME	SKU	TYPE	SALES DESC
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Design		Service	Custom landscap
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Fountain	341253	Inventor	Garden rock
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Gardening		Service	Weekly garc
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Garden sup	142563	Inventor	Garden rock

Review product and service items to be imported into QuickBooks Online.

After reviewing your information, click the green Import button in the bottom-right corner of the screen to complete the import. You should receive a message that the import was successful, and the new items will appear on the Products and Services screen.

Wrap up

You now know how to set up product and service items in QuickBooks Online. The next tutorial in our QuickBooks Online Training Course is [How to Set Up Customers in QuickBooks Online](#). In that tutorial, you will learn how to set up contact and payment information for your customers.

How to Set Up Customers in QuickBooks Online

In this QuickBooks Online tutorial, we'll explain how to set up customers in QuickBooks Online. We will show you how to add customers manually in QuickBooks and import customer data from an Excel or comma-separated values (CSV) file.

We're excited to help you learn QuickBooks Online, our best overall pick for [small business accounting software](#). We encourage you to follow along in your own account. If you don't already subscribe to QuickBooks Online, you can sign up now with your choice of a free 30-day trial or 50% off for three months.

[Visit QuickBooks Online](#)

This tutorial is one of our [Free QuickBooks Tutorials](#). To complete this tutorial, you can watch the video below, read the step-by-step instructions, or do both.



The Importance of Setting Up Customers in QuickBooks Online

You should set up profiles in QuickBooks Online for all customers you intend to invoice. You can then create an invoice quickly by selecting the customer from a drop-down menu, which will populate most fields on the invoice automatically.

Setting up your customers will allow you to:

- **Expedite customer billing:** Create invoices for your customers quickly with data pulled from the customer profile
- **Track sales by customer:** Track items purchased by your customers to learn what your customers like and personalize your marketing strategy

First, we'll explain how to add customers in QuickBooks Online manually and then show you how to import a list of clients from an Excel or CSV file into QuickBooks Online.

Gather Your Information: Checklist for Adding Customers to QuickBooks

Before starting this tutorial, you should gather all the information you have for each of your customers. Unless you're only adding a few customers, you should gather the necessary information in a spreadsheet so it can be imported into QuickBooks. If you already have client information in another software, determine if that information can be exported to a spreadsheet.



Print to PDF: If your existing software won't export customers to a spreadsheet or CSV file, try printing the customer list to a PDF and then converting that to a spreadsheet or CSV. It might take some research and a trial subscription to software capable of the conversion, but if you have a hundred or more clients, it will be worth it.

Gather the following information for each client:

- Company name
- Contact name
- Address
- Email address
- Website address
- Telephone numbers
- Opening balance (what the customer owes you)

If you're gathering the information in a spreadsheet, look ahead to the Prepare Your Spreadsheet section to make sure you separate the information in the correct columns for easy import. Even if you are importing your client information, I recommend reading how to add the information manually so that you have a good understanding of the fields available for client information.

How to Add Customers in QuickBooks Manually

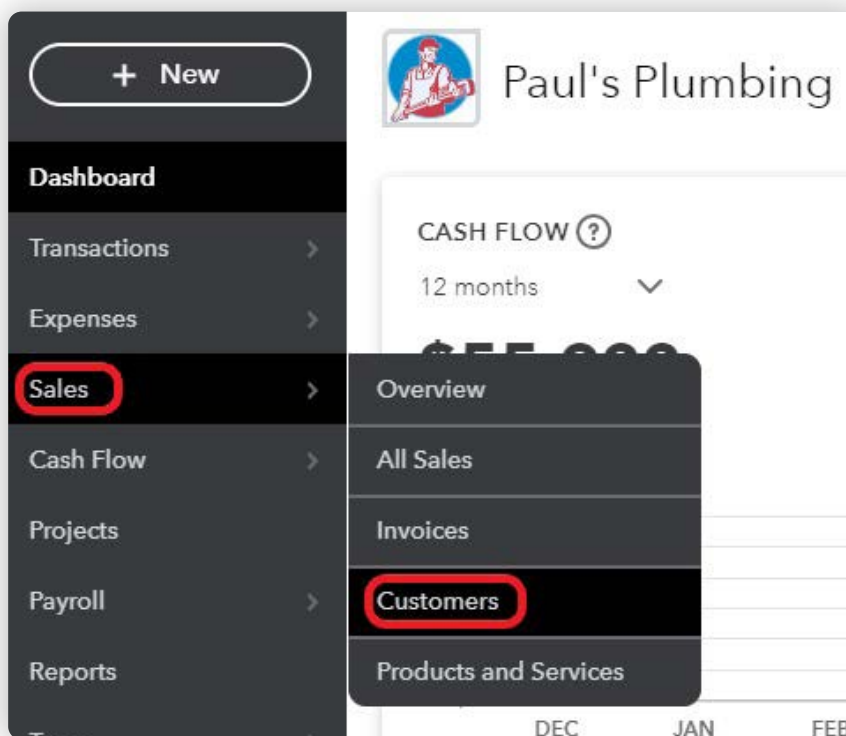
You can add customers in QuickBooks Online in three easy steps:

1. Navigate to the customer center by hovering over Sales in the left menu bar and then clicking on Customers.
2. Click on the green New customer button in the upper-right corner of the customer center.
3. Enter the new customer's information and click Save.

Next, we will provide an illustrated discussion of adding customers to QuickBooks, along with a description of the customer fields available.

1. Navigate to the Customer Center

To set up customers in your company file, navigate to the customer center by hovering over Sales and then Customers on the left menu bar:



Navigate to the Customer Center in QuickBooks Online.

2. Create New Customer

Click on the green New customer button in the upper right-hand corner, as shown below:



Select New customer in QuickBooks Online.

3. Enter Customer Information

At a minimum, you need to enter basic contact information for your customers. This includes contact name, business name, bill to address, email address, and telephone number. Below is a sample customer we are setting up for our fictitious company, Paul's Plumbing:

 A screenshot of the 'Customer information' form in QuickBooks Online. The form is titled 'Customer information' and has a close button (X) in the top right corner. It contains several sections:

- Contact Information:** Fields for Title, First name (Jane), Middle name, Last name (Smith), Suffix, and Email (janesmith@gmail.com).
- Company Information:** Fields for Company name, Phone (123) 456-7890, Mobile (987) 654-3210, Fax, Other, and Website.
- Display Name:** A dropdown menu for '*Display name as' with 'Jane Smith' selected.
- Check Information:** A checkbox for 'Print on check as' with 'Use display name' checked, and a field for 'Jane Smith'.
- Sub-customer:** A checkbox for 'Is sub-customer' and a dropdown for 'Enter parent customer'.
- Address Information:** Tabs for 'Address', 'Notes', 'Tax info', 'Payment and billing', 'Language', 'Attachments', and 'Additional Info'. The 'Address' tab is active, showing 'Billing address' and 'Shipping address' fields, both with '5432 Beverly Blvd' and 'Los Angeles, CA 90038'.

 At the bottom, there are 'Cancel', 'Privacy', and 'Save' buttons.

New Customer information screen in QuickBooks Online.

The fields in the customer information screen will carry to multiple forms throughout QuickBooks and make generating customer-related forms both easy and accurate.

- A. **First and last name:** Provide the name of the customer, or the name of the contact person if the customer is a company.
- B. **Company:** Enter the company name or leave it blank if the customer is an individual.
- C. **Display name as:** This field will auto-populate based on the information entered in the customer name field but can be changed if you wish. This is how your customer will appear on your customer list in QuickBooks.
- D. **Print on check as:** You must specify how to print the customer's name on checks. You may check the box to use the "Display name as" field or type in a different name.
- E. **Address tab:** The billing address specifies the address to print on invoices you send to your customers.
- F. **Shipping address:** This is the address that will be used to ship products to your customers. The default setting is to use the same as the billing address.
- G. **Email address:** The email address will be used if you choose to email invoices to your customers.
- H. **Phone/Mobile/Fax:** The contact telephone numbers can be stored by QuickBooks for your future reference.

4. Enter Payment & Billing Information

By setting payment terms, QuickBooks can alert you when a customer invoice is past due. You can also indicate your customer's preferred payment method—check, cash, or credit card—preferred invoice delivery method—email or United States mail—and their opening balance if the customer owes you money.

Below is the Payment and billing tab that we have set up for our fictitious company, Paul's Plumbing:

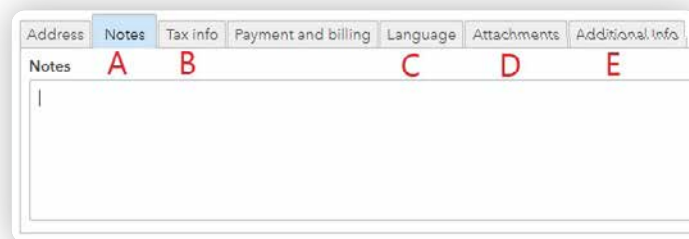
Address	Notes	Tax info	Payment and billing	Language	Attachments	Additional Info
Preferred payment method			Terms			
Check A			C Net 30			
Preferred delivery method			Opening balance as of			
Send later B			D [] 06/09/2020			

Customer Payment and billing information in QuickBooks Online.

- A. **Preferred payment method:** The preferred payment method determines the default payment method applied when you receive a payment from the customer. However, it can be changed to another form of payment easily, if needed, when payments are received.
- B. **Preferred delivery method:** You can override the default delivery method that we set up for all customers during the tutorial on [How to Set Up Your Invoices](#).
- C. **Payment terms:** Unless you specify a payment term here, the default payment term you have set up for all customers will be used for this new customer.
- D. **Opening balance:** The opening balance is any amount this customer owes you where the transaction occurred prior to starting to use QuickBooks. For example, enter the total outstanding invoices your customer has from your prior bookkeeping system before converting to QuickBooks. When that customer sends you a check, you can apply it to this opening balance in QuickBooks.

5. Enter Other Customer Information

The remaining tabs are optional, but can store some very helpful information:



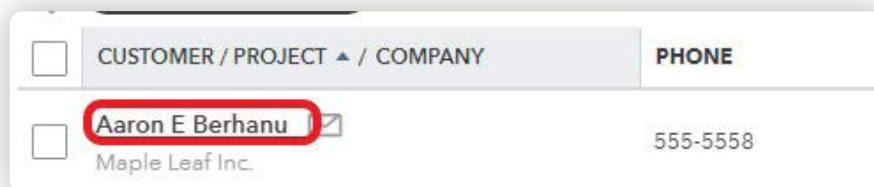
Other customer information tabs in QuickBooks Online.

- A. **Notes:** Use the Notes tab to store any helpful information about the customer, such as who referred them or their relationship with other customers
- B. **Tax info:** Indicate whether the customer is subject to sales tax and store their exemption number, if applicable
- C. **Language:** Select from six different languages for each customer's invoices:
 - a. English
 - b. French
 - c. Spanish
 - d. Italian
 - e. Chinese (traditional)
 - f. Portuguese (Brazil)

- D. **Attachments:** Attach documents to keep on file for this customer, such as signed contracts or a copy of email correspondence
- E. **Additional Info:** Assign the customer a Customer type in the Additional Info tab; Customer types can be used to group your customers into different segments for analysis

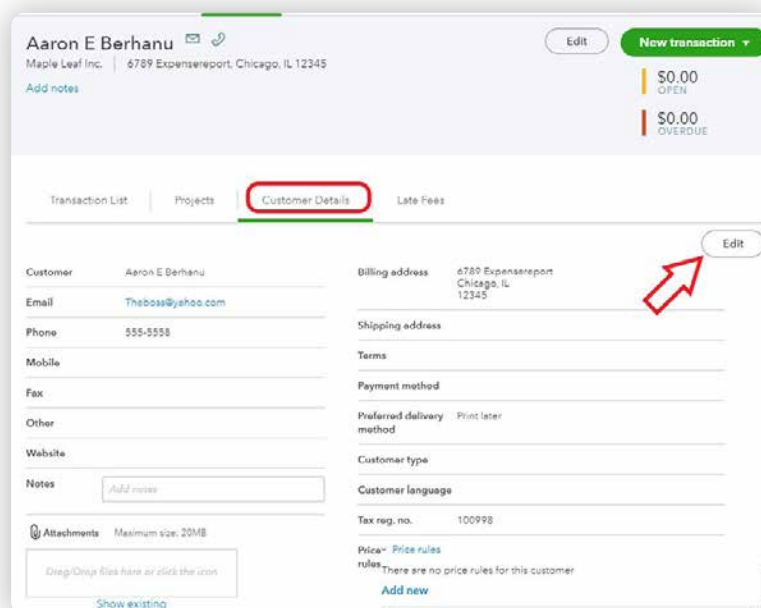
6. Save & Review the Customer Information

Click the green Save button in the lower right corner of the customer information screen to save the information you've input. If you're not already there, navigate to the Customer Center by clicking on Sales and then Customers from the left menu bar. To review a customer's information, click on the customer name:



Select Customer in the Customer Center in QuickBooks Online.

You can now review the customer information screen by clicking the Customer Details tab. Click Edit in the top right corner to change any of the information:



Edit Customer information in QuickBooks Online.

When to Add Customers in QuickBooks Using an Excel or CSV File

If you have more than 10 customers to add to QuickBooks, I recommend that you put the information in an Excel document and import the data into QuickBooks Online. This will allow you to create customer profiles much faster than adding them manually in the customer information screen.

Many bookkeeping systems allow you to export customer information to an Excel or CSV file. If you're converting to QuickBooks Online from another system, try to export the customer information so that it can be imported into QuickBooks Online as shown next.

How to Add Customers in QuickBooks Using an Excel or CSV File

You can import customers into QuickBooks Online in five steps:

1. Prepare your Excel or CSV file by creating columns for each variable you are importing into QuickBooks.
2. Navigate to the import screen from the customer center by clicking the drop-down arrow next to New customer and selecting Import customers.
3. Select your spreadsheet file to import and map its columns to the corresponding QuickBooks fields.
4. Review your data and click Import.

Next, we'll provide a more detailed analysis of how to import customer data.

1. Prepare Your Spreadsheet

Each row in your Excel or CSV file should contain one customer. Likewise, each column should contain a piece of information you would like to import. Here is the customer information, or fields, that can be imported into QuickBooks Online for customers:

- Name
- Company
- Customer type
- Email address
- Phone number

- Mobile number
- Fax number
- Website
- Street
- City
- State
- ZIP code
- Country
- Opening balance
- Date of opening balance

It is OK if some of the fields are left blank or columns are omitted. Additional columns are also OK, but they won't be imported into QuickBooks. The titles of your columns don't matter because you'll be able to assign each column to the appropriate field during the import.



Use only Sheet1: Only the first worksheet or tab within an Excel Workbook will be imported. Make sure your customer information is on the first worksheet of the Excel Workbook.

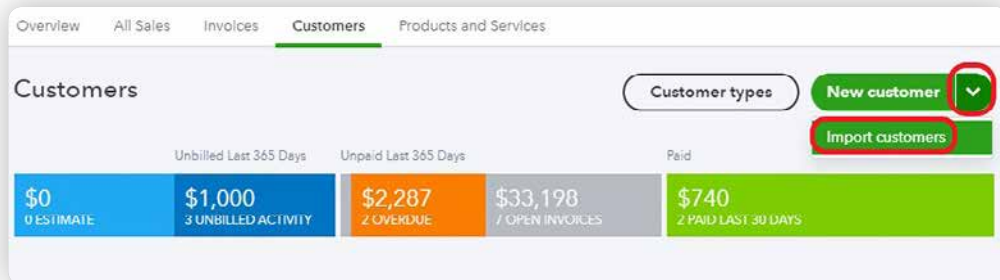
Here is an example of a worksheet with just some of the basic fields included:

	A	B	C	D	E	F	G	H	I
1	Name	Company	Customer Type	Email	Phone	Mobile	Fax	Website	Street
2	Byran Tublin	RDP Inc.	Wholesale Trade	iloveQBO@hotmail.com	555-5555	555-555-1234	555-5550	http://www.rdpinc.co	123 Accounti
3	Adam Saraceno	InnoVate LLC		Bigtimer@gmail.com	555-5556	555-555-2345	555-5557	http://www.innovate	45 Chart of Ac
4	Kristen Berman	Heavyinvoicer LLC	Retail Trade	Startupright@billingmanager.com	555-5557	555-555-3456	555-5558	http://www.heavyin	67 Invoiceme
5	Aaron E Berhanu	Maple Leaf Inc.		Theboss@yahoo.com	555-5558	555-555-4567	555-5559	http://www.maplele	6789 Expense
6	Tommy Loop	Timef.atzher LLC	Retail Trade	Timeismoney@anl.com	555-5559	555-555-5678	555-5550	http://www.timerat	56 Mnney
7	Nicholas Anderson	MountainMan Inc.	Wholesale Trade	Upforstuff@gmail.com	555-5560	555-556-6789	555-5561	http://www.mountai	689 Billit
8	Jennie Tan	Wordsmithr	Construction	Simplicity@aol.com	555-5561	555-556-7890	555-5562	http://www.wordsmi	89 salesrepor
9	Bridget O'Brien	Customerskus LLC		QBcrocks@yahoo.com	555-5562	555-556-8901	555-5563	http://www.custome	4890 easy
10	Jon D Fasoli	Account-dracula Inc.		Accountantsarefunpeopletoo@yahoo.co	555-5563	555-556-9012	555-5564	http://www.account-123	Accounts

Sample Customer information worksheet for import into QuickBooks Online.

2. Navigate to Import Screen

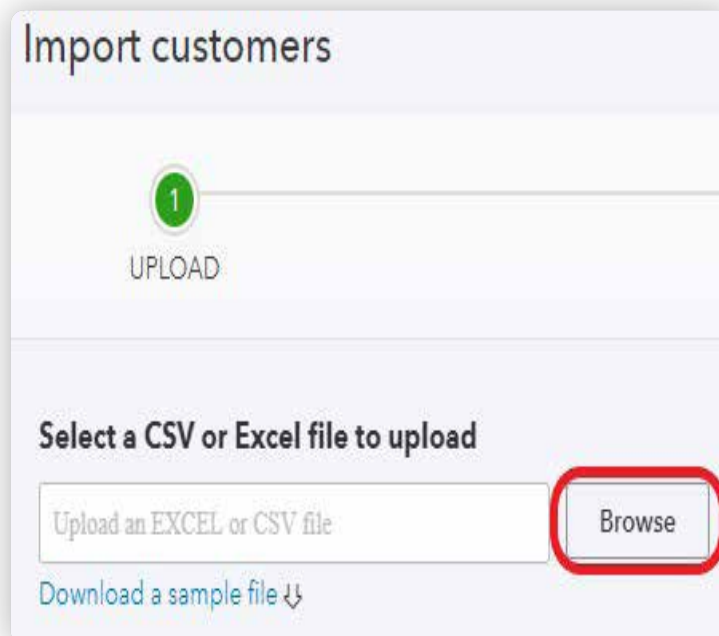
To import customers into QuickBooks Online from the Customer Center, click the drop-down arrow to the right of the New customer button and select Import customers, as indicated below:



Select Import customers in QuickBooks Online.

3. Select the Excel Document to Upload











Click the Browse button to locate your Excel file and then click Next in the bottom right corner to go to the next screen:



Select the Excel document to import customer data into QuickBooks Online.

4. Map Your Data

Next, indicate which column in your spreadsheet should flow to which available QuickBooks Online field:

Map your fields to QuickBooks fields	
QUICKBOOKS ONLINE FIELD	YOUR FIELD
Name	Name <input type="text"/> <input type="button" value="v"/> 
Company	Company <input type="text"/> <input type="button" value="v"/> 
Email	Email <input type="text"/> <input type="button" value="v"/> 
Phone	Phone <input type="text"/> <input type="button" value="v"/> 
Mobile	Mobile <input type="text"/> <input type="button" value="v"/> 
Fax	Fax <input type="text"/> <input type="button" value="v"/> 
Website	Website <input type="text"/> <input type="button" value="v"/> 
Street	Street <input type="text"/> <input type="button" value="v"/> 
City	City <input type="text"/> <input type="button" value="v"/> 
Province/Region/State	State <input type="text"/> <input type="button" value="v"/> 

Map QuickBooks Online fields to worksheet columns.

The left column provides all the available QuickBooks Online customer fields that may be imported. The right column provides the column in your spreadsheet that contains the information corresponding to the field in the first column. Click on the drop-down menu in each row to select the appropriate column in your spreadsheet. QuickBooks Online will populate these fields automatically based on your column headers, but you can change these assignments, as necessary. Any field in the first column that is not in your spreadsheet should be assigned to “No Match.”

Once you assign all your columns to QuickBooks Online customer fields, click Next in the bottom right corner of the screen.

5. Perform a Final Review of the Data Before Import

This is your final opportunity to review the customer data and how it will import into QuickBooks Online. The number of records being imported should agree with the rows in your spreadsheet (minus one for your header row). Also, make sure all the information appears in the correct field. If something is not right, click the Back button to go back and make any necessary changes to the mapping. Select Import from the bottom right corner of the screen once you are ready to proceed.

10 customers are ready to be imported

<input checked="" type="checkbox"/>	NAME	COMPANY	EMAIL	PHONE	MOBILE	FAX
<input checked="" type="checkbox"/>	Byran Tublin	RDP Inc.	lloveQBO@hotmail.com	555-5555	555-555-1234	555-555-1234
<input checked="" type="checkbox"/>	Adam Saracen	InnoVate LLC	Bigtimer@gmail.com	555-5556	555-555-2345	555-555-2345
<input checked="" type="checkbox"/>	Kristen Bermar	Heavyinvoicer	Startupright@t	555-5557	555-555-3456	555-555-3456
<input checked="" type="checkbox"/>	Aaron E Berhai	Maple Leaf Inc	Theboss@yahoo.com	555-5558	555-555-4567	555-555-4567
<input checked="" type="checkbox"/>	Tommy Leep	TimeCatcher L	Timeismoney@	555-5559	555-555-5678	555-555-5678

Final review of customer data before importing into QuickBooks Online.

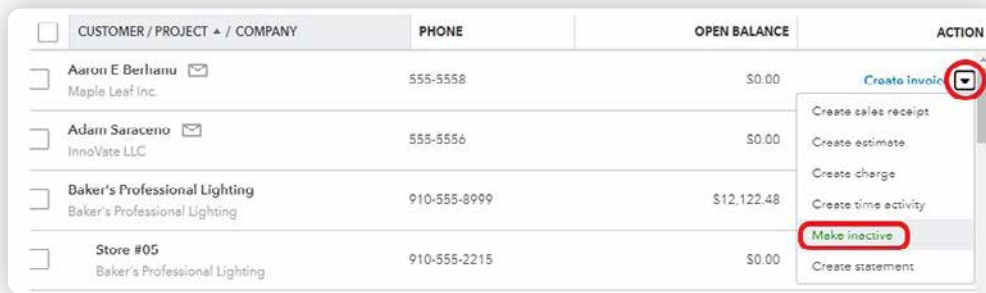
6. Import Is Complete

Once the import is complete, you will receive a message that the import was successful. You can now view the customers' information in the Customer Center.




How to Delete a Customer in QuickBooks Online

You cannot delete a customer once you have used them in a transaction because doing so would delete the transaction and create an error in your financial statements. However, you can inactivate a customer if you no longer plan to do business with them. Inactivated customers won't appear in the Customer Center, but they will still appear in all financial records where there has been a transaction.

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



The screenshot shows a table of customers in QuickBooks Online. The table has four columns: 'CUSTOMER / PROJECT * / COMPANY', 'PHONE', 'OPEN BALANCE', and 'ACTION'. The 'ACTION' column for the first customer, 'Aaron E Berhamu', is open, showing a dropdown menu with several options. The 'Make inactive' option is highlighted with a red circle. The 'Create invoice' option is also circled in red.

CUSTOMER / PROJECT * / COMPANY	PHONE	OPEN BALANCE	ACTION
<input type="checkbox"/> Aaron E Berhamu  Maple Leaf Inc.	555-5558	\$0.00	Create invoice  Create sales receipt Create estimate Create charge Create time activity Make inactive Create statement
<input type="checkbox"/> Adam Saraceno  InnoVate LLC	555-5556	\$0.00	
<input type="checkbox"/> Baker's Professional Lighting Baker's Professional Lighting	910-555-8999	\$12,122.48	
<input type="checkbox"/> Store #05 Baker's Professional Lighting	910-555-2215	\$0.00	

How to inactivate a customer in QuickBooks Online.

Wrap up

That wraps up the tutorial on how to set up customers in QuickBooks Online. The next tutorial in our QuickBooks Online Training Course is [How to Set Up Vendors in QuickBooks Online](#). This tutorial will cover how to add or import vendor information manually to your QuickBooks Online account.

How to Set Up Vendors in QuickBooks Online

In this tutorial, we're going to cover how to set up vendors in QuickBooks Online. We'll teach you to add vendors manually and import vendor information from an Excel or comma-separated values (CSV) file to QuickBooks Online.

We hope you enjoy this tutorial for QuickBooks Online, our best overall pick for [small business accounting software](#). You can subscribe to QuickBooks Online to follow along in your own account. New subscribers have the choice of a 30-day free trial or 50% off for three months.

[Visit QuickBooks Online](#)

This tutorial is one in our series of [Free QuickBooks Tutorials](#). To complete this tutorial, you can either watch the video below, read through the step-by-step instructions, or do both.



Why Setting Up Vendors in QuickBooks Is Important

Setting up vendors in QuickBooks will save time when you enter a bill. Instead of inputting all the details of a bill, you can select the vendor from a drop-down list, and many of the fields will autopopulate.

Setting up vendors in QuickBooks will allow you to:

- **Expedite bill processing:** Enter vendor bills quickly with information like Remit to Address and Due Date prepopulated automatically from the vendor profile.
- **Track expenses by vendor:** Run reports showing both the total amount spent and the items purchased from each vendor.

First, we'll explain how to set up vendors manually in QuickBooks, and then explain how to import vendor information from an Excel or CSV file.

Gather Your Information: Checklist for Setting Up Vendors

Before starting this tutorial, you need to gather the necessary information for each of your vendors. I recommend gathering the information in an Excel spreadsheet or CSV file. If you are currently using a different program to manage your vendors, you may be able to save a lot of time by exporting your vendor information from that program.

Collect the following information for each vendor:

- Company name
- Contact name
- Address
- Email address
- Phone numbers
- The rate you pay to service vendors
- The rate you charge your clients for service vendors work
- The amount you owe the vendor prior to the start of using QuickBooks
- Employer identification number (EIN)

How to Set Up Vendors in QuickBooks Manually

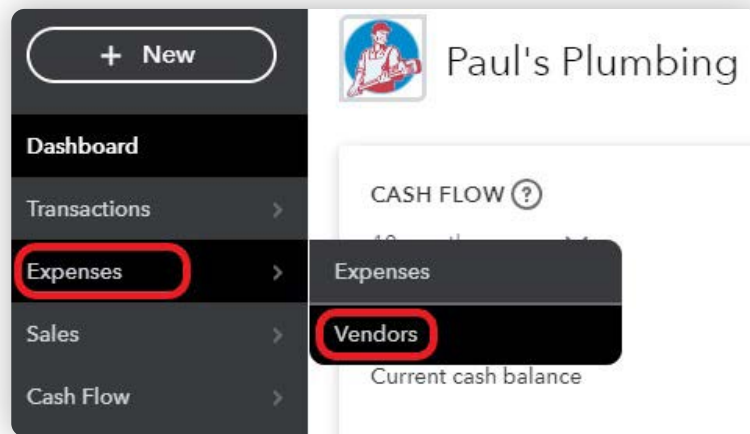
You can set up vendors manually in QuickBooks Online in three steps:

1. Hover over Expenses in the left menu and then click Vendors.
2. Click New vendor in the upper right corner of the Vendor Center.
3. Input the vendor information and click Save.

The following sections provide detailed illustrations of manually adding vendors to QuickBooks Online.

1. Navigate to the Vendor Center

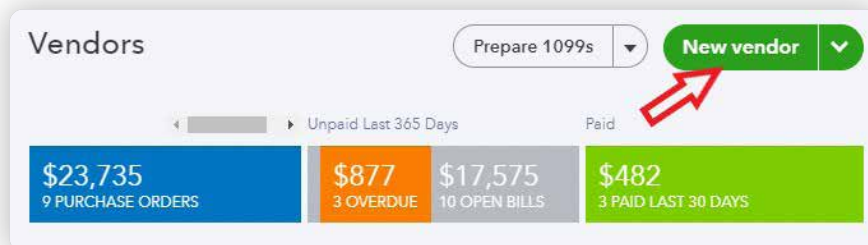
Navigate to the Vendor Center by clicking on Expenses and then Vendors from the left menu bar:



Navigate to the Vendor Center in QuickBooks Online.

2. Create New Vendor

Click the green New Vendor button in the upper right-hand corner of the Vendor Center:



Create New vendor in QuickBooks Online.

3. Enter Vendor Information

Enter as much information as possible for your vendor:

The screenshot shows the 'Vendor Information' form in QuickBooks Online. The form is divided into several sections:

- Name:** Fields for Title, First name, Middle name (marked A), Last name, and Suffix.
- Company:** A field for the company name.
- Display name as:** A dropdown menu (marked B).
- Print on check as:** A checkbox for 'Use display name' and a text field (marked C).
- Address map:** Fields for Street, City/Town (marked D), State/Province, ZIP code, and Country.
- Notes:** A large text area for additional information.
- Attachments:** A field for uploading documents (marked E), with a note 'Maximum size: 20MB'.
- Contact information:** Fields for Email (with a note 'Separate multiple emails with commas'), Phone, Mobile, and Fax (marked F).
- Other:** Fields for Website, Cost rate (/hr), and Billing rate (/hr) (marked G).
- Terms:** A dropdown menu for 'Enter Term' (marked H).
- Opening balance:** Fields for 'Opening balance' and 'as of' (marked I).
- Account no.:** A field for the account number (marked J).
- Business ID No./ Social Security No.:** A field for the business or social security number (marked K).
- Track payments for 1099:** A checkbox (marked L).

At the bottom of the form, there are buttons for 'Cancel', 'Make inactive', 'Privacy', and 'Save'.

Vendor profile information in QuickBooks Online.

The following is an explanation of the fields and how QuickBooks will use that information:

- A. Name:** Provide the company name and the name of your contact person.
- B. Display name as:** This field will populate automatically based on the information entered in the company name field but can be changed if you wish. This is how your vendor will show up on your Vendor list in QuickBooks.
- C. Print on check as:** When you write checks to pay vendor bills, the payee information will come from here. Type the payee name here if it is different from the vendor name.
- D. Address:** This should be the address where you need to mail your vendor payments like remit to address.
- E. Attachments:** Vendor documents, such as contracts, Form W-9, or proof of insurance, can be dragged and dropped to this screen to attach them to the vendor information screen for easy future reference.
- F. Contact information:** You can enter all the vendor's contact information for easy future reference.
- G. Rates:** The rate you pay and the rate you charge customers can be input here if this vendor only provides one service.

- H. **Payment terms:** In the [How to Set Up Expenses tutorial](#), we set up default payment terms like Net 30 for all vendors. Here, you can change the default payment term for any vendor.
- I. **Opening balance:** A vendor's opening balance is the amount you owe the vendor for periods prior to your QuickBooks Online start date for which you won't be entering invoices. This is common if you are transferring from a different bookkeeping software. You'll be able to apply future payments to the vendor against this opening balance.
- J. **Account no:** Input your account number with the vendor to automatically print it on all checks.
- K. **Business ID no:** The Business ID No. can be either an individual's Social Security number or a federal EIN from the vendor's Form W-9. Place a checkmark next to Track payment for 1099 if you need to issue this vendor a Form 1099.
- L. **Default expense account:** Scroll down to see the default expense account field. You can save time when inputting bills from this vendor by selecting a default expense account from the drop-down list.

Click the green Save button when you have entered as much information as possible.

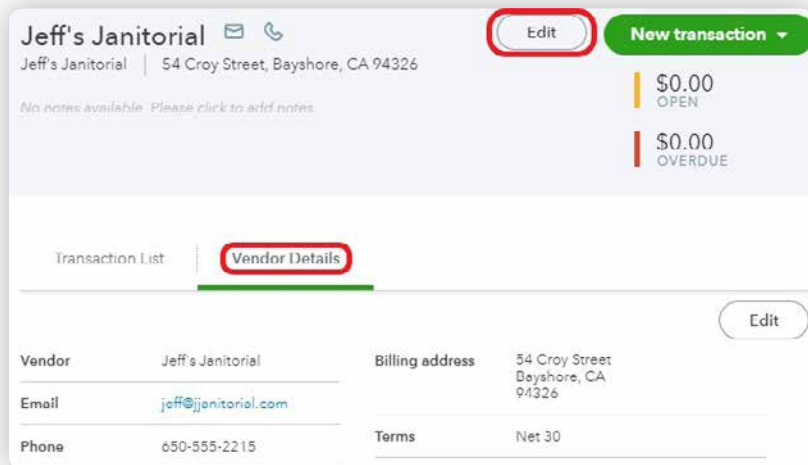
4. Review Vendor Set-up

The new vendor will now appear in the Vendor Center. Click on the vendor's name to go to the vendor information screen.

<input type="checkbox"/>	VENDOR / COMPANY	PHONE	EMAIL	OPEN BALANCE	ACTION
<input type="checkbox"/>	Jeff's Janitorial	650-555-2...	jeff@jjanitor...	\$0.00	Create bill

View Vendor in QuickBooks Online.

Within the vendor information screen, click on the Vendor Details tab. Click the Edit button in the upper right corner if you wish to make any changes to the vendor information:



View and edit Vendor Details in QuickBooks Online.

When to Add Vendors Using an Excel or CSV File

It's much faster to type the vendor information into an Excel worksheet rather than input the data manually into QuickBooks Online. I recommend you enter a few vendors by hand to understand the system and data required better, and then import the remaining vendors with a spreadsheet.

If you're transferring from a different bookkeeping system, you might be able to export your vendors from the old system into an Excel worksheet that can then be imported into QuickBooks Online. That could save you hours of data entry.

How to Import Vendor Information into QuickBooks Online Using an Excel or CSV File

Vendors can be imported into QuickBooks Online in four steps:

1. Create a spreadsheet with one row for each vendor and one column for each field to be imported.
2. From the vendor screen, click the drop-down arrow next to New vendor and select Import vendors.
3. Select the spreadsheet to be imported and map the spreadsheet columns to corresponding QuickBooks fields.
4. Review and edit the data and then click Import.

The next few sections provide a detailed illustration of importing vendors in QuickBooks Online.

1. Prepare your Spreadsheet

Each row in your spreadsheet must contain one vendor. Each column represents a field that you wish to import into QuickBooks Online. The following fields are available for import, but you may choose to import only a few of them:

- Company name
- Contact name
- Email address
- Phone number
- Mobile number
- Fax number
- Website
- Street
- City
- State
- ZIP code
- Country
- Opening balance
- Opening balance date
- Tax identification number

The first row in your spreadsheet should be a label for each column, but the labels don't have to correspond to the exact field names in QuickBooks Online. You'll have the opportunity to map each of your columns to one of the fields listed above during the import process. It's OK if you're missing columns for fields that you don't want to import.



Use only the first tab: Only the first worksheet or tab within an Excel Workbook will be imported. Make sure your vendor information is on the first worksheet of the Excel Workbook.

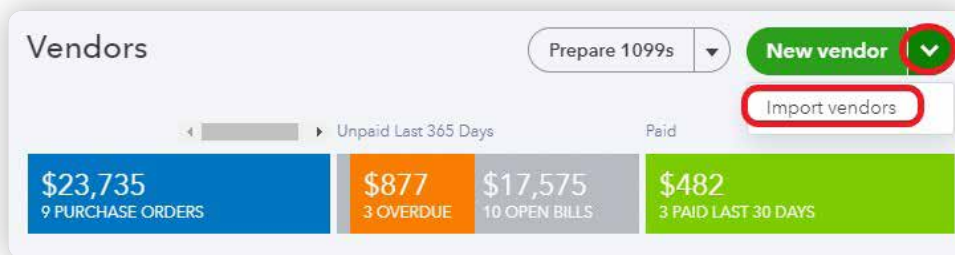
Here is a worksheet with some of the basic fields included:

	A	B	C	D	E	F	G	H
1	Name	Company	Email	Phone	Mobile	Fax	Website	Street
2	Byran Tublin	RDP Inc.	lloveQBO@hotmail.com	555 5555	555 555 1234	555 5556	http://www.rdpinc.com	123 Accountin
3	Adam Saraceno	InnoVate LLC	Bigtimer@gmail.com	555-5556	555-555-2345	555-5557	http://www.innovate.com	45 Chart of Ac
4	Kristen Berman	Heavyinvoicer LLC	Startupright@billingmanag.com	555-5557	555-555-3456	555-5558	http://www.heavyin.com	67 Invoiceme
5	Aaron E Berhanu	Maple Leaf Inc.	Theboss@yahoo.com	555-5558	555-555-4567	555-5559	http://www.maple.com	6789 Expense
6	Tommy Leep	TimeCatcher LLC	Timeismoney@aol.com	555-5559	555-555-5678	555-5550	http://www.timecat.com	56 Money
7	Nicholas Anderson	MountainMan Inc.	upforstuff@gmail.com	555-5560	555-556-6789	555-5561	http://www.mountain.com	689 Billit
8	Jennie Tan	WordSmithier	Simplicity@aol.com	555-5561	555-556-7890	555-5562	http://www.wordsm.com	89 salesreport
9	Bridget O'Brien	CustomersRus LLC	QROrocks@yahoo.com	555-5562	555-556-8901	555-5563	http://www.customersrus.com	4890 easy
10	Jon D Fasoli	Account-dracula Inc.	Accountantsarefunpeople.com	555-5563	555-556-9012	555-5564	http://www.account.com	123 Accounts

Vendor worksheet for import into QuickBooks Online.

2. Navigate to the Import Screen

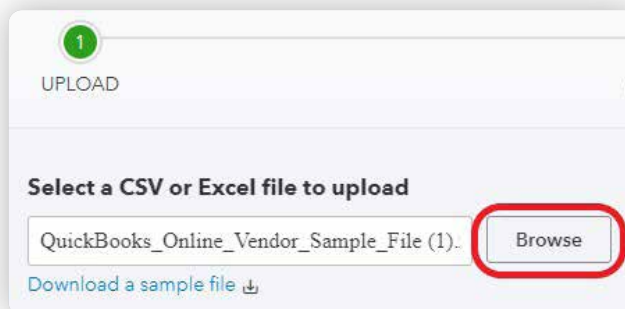
Navigate to the Vendor Center by clicking on Expenses and then Vendors in the left menu bar. Select the drop-down menu next to New vendor and select Import vendors.



Select Import vendors in QuickBooks Online.

3. Select the Excel Document to Upload

Click the Browse button to locate and select your Excel or CSV file for import. Then, click the Next button in the lower right-hand corner:



Select Excel file to import into QuickBooks Online.

4. Map Your Data

In this screen, you must assign each column in your spreadsheet to the correct QuickBooks Online field:

Map your fields to QuickBooks fields		
QUICKBOOKS ONLINE FIELD	YOUR FIELD	
Name	Name	✓
Company	Company	✓
Email	Email	✓
Phone	Phone	✓
Mobile	Mobile	✓
Fax	Fax	✓
Website	Website	✓
Street	Street	✓
City	City	✓
Province/Region/State	State	✓
ZIP code	ZIP	✓

Map your spreadsheet columns to QuickBooks Online fields.

The left column is the QuickBooks Online fields available for import. The right column provides a drop-down box to select the column from your spreadsheet to assign to the corresponding QuickBooks Online field. QuickBooks Online will make a selection automatically if one of your column headers matches the QuickBooks Online field. However, these are only suggestions, and you can change them as needed.

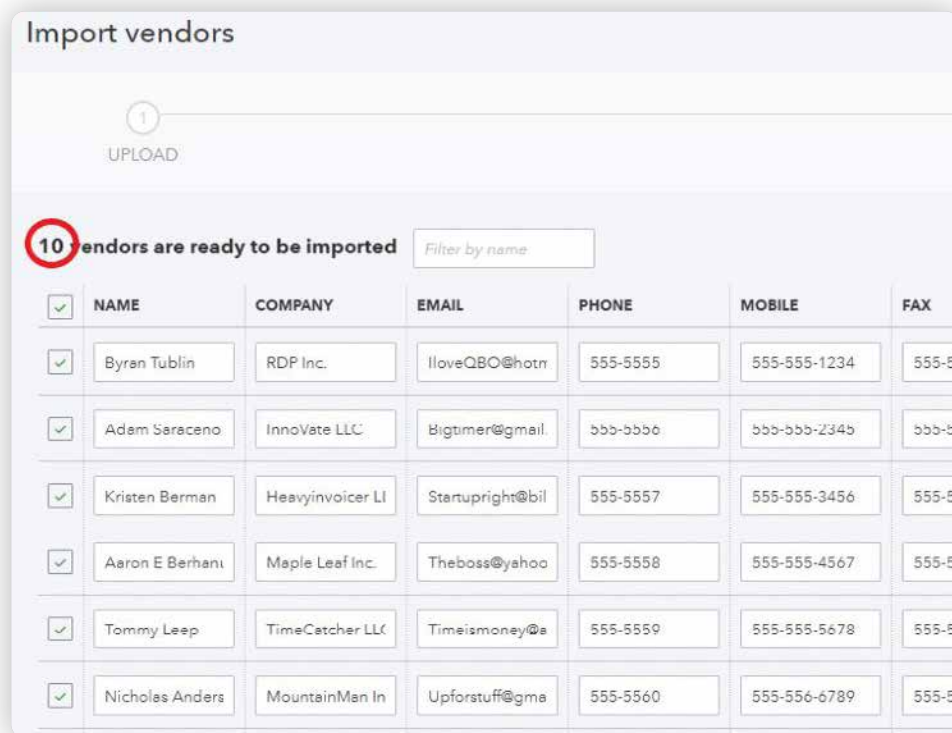
It's OK if your spreadsheet has extra columns. The only columns that will import into QuickBooks are the columns you match to a QuickBooks field. You also don't have to have a column for each QuickBooks field. You can indicate No Match for the fields that you don't have a matching column

5. Final Review of Data Before Import

This is your final opportunity to review the data and how it will import into QuickBooks Online. Be sure to verify that the number of records agrees to the number of rows in your spreadsheet, minus one for your header row.

If the mapping is not right, click the Back button to go back and make any necessary changes. You can change any vendor information on this screen if you wish. Deselect any records that you do not want to be imported.

Select Import in the lower right-hand corner once you are ready to proceed:



Import vendors

1
UPLOAD

10 vendors are ready to be imported

<input checked="" type="checkbox"/>	NAME	COMPANY	EMAIL	PHONE	MOBILE	FAX
<input checked="" type="checkbox"/>	Byran Tublin	RDP Inc.	lloveQBO@hotmail	555-5555	555-555-1234	555-555-1234
<input checked="" type="checkbox"/>	Adam Saraceno	InnoVate LLC	Bigtimer@gmail	555-5556	555-555-2345	555-555-2345
<input checked="" type="checkbox"/>	Kristen Berman	Heavyinvoicer LI	Startupright@bil	555-5557	555-555-3456	555-555-3456
<input checked="" type="checkbox"/>	Aaron E Berhani	Maple Leaf Inc.	Theboss@yahoo	555-5558	555-555-4567	555-555-4567
<input checked="" type="checkbox"/>	Tommy Leap	TimeCatcher LLC	Timeismoney@a	555-5559	555-555-5678	555-555-5678
<input checked="" type="checkbox"/>	Nicholas Anders	MountainMan In	Upforstuff@gma	555-5560	555-556-6789	555-556-6789

Review vendor data before importing into QuickBooks Online.

6. Import Is Complete

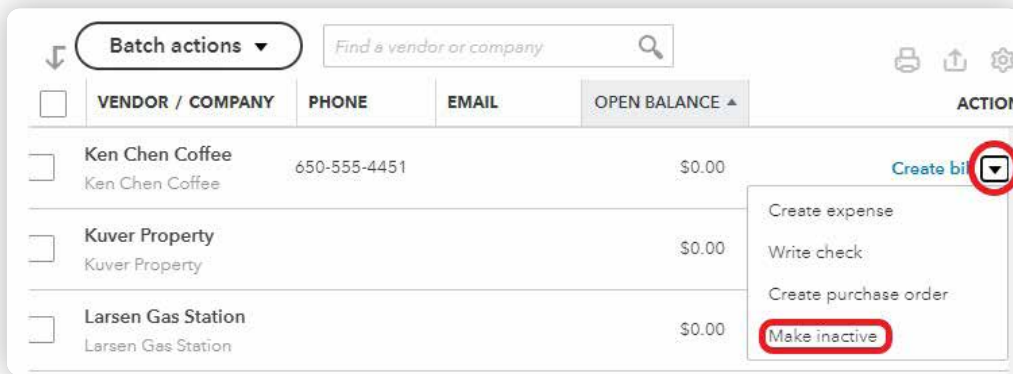
Once the import is complete, you will receive a message that the import is successful. You can now view the imported vendors in the Vendor Center.

How to Delete a Vendor in QuickBooks Online

You cannot delete a vendor once you have used them in a transaction. For example, once you have created a check to pay a vendor, that vendor cannot be deleted. However, the vendor can be made inactive so that they don't appear in the Vendor Center.

Navigate to the Vendor Center by clicking on Expenses then Vendors in the left menu bar. Locate the vendor you wish to make inactive and click on the drop-down menu on the far right side of the vendor's line.

Select Make inactive and then confirm you want to make this vendor inactive by selecting Yes to the pop-up question:



Make a vendor inactive in QuickBooks Online.



Vendors with an outstanding balance: If you try to inactivate a vendor that has an outstanding balance, QuickBooks will give you a warning message and ask if it is OK to make an adjusting transaction. You should answer No and then record the payment of the outstanding balance prior to inactivating the vendor. If you do not plan to pay the outstanding balance, you should void the outstanding bills before inactivating the vendor.

Wrap up

You now know how to set up vendors in QuickBooks Online. The next tutorial in our QuickBooks Online Training Course is [How to Create Estimates in QuickBooks Online](#). That tutorial will cover how to create quotes and bids to send to customers.

How to Create Quotes, Bids, and Estimates in QuickBooks Online

In this tutorial, you will learn how to create estimates in QuickBooks Online. Estimates can be used to provide quotes and bids to customers for proposed jobs.

We hope you enjoy this free tutorial for QuickBooks Online, our best overall pick for **small business accounting software**. The tutorial is designed for you to follow along in your own QuickBooks account. If you don't already subscribe to QuickBooks Online, you can choose from a 30-day free trial or 50% off for three months.

[Visit QuickBooks Online](#)

This tutorial is part of our series of **Free QuickBooks Tutorials**. The video below and the illustrated instructions that follow present the same information.




The Importance of Estimates in QuickBooks Online

An estimate, also known as a quote or a bid, is a document that provides prospective customers with a list of the products and/or services that you will provide and how much you will charge. While this form is optional, it helps potential customers determine if they want to hire you.

Below is a sample of a completed estimate created in QuickBooks Online for our fictitious company, Paul's Plumbing:

Paul's Plumbing
355 Lexington Ave., 18th Floor
New York, NY 10017 US
mcetera@fit-small-business.com

Estimate



ADDRESS

Cole Home Builders
7685 Dead End Rd.
Stoneville, CA 97865

SHIP TO

Cole Home Builders
7685 Dead End Rd.
Stoneville, CA 97865

ESTIMATE #	DATE	EXPIRATION DATE
71010	09/01/2020	09/15/2020

SALES REP
JG

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
10/05/2020	Installation	Install sinks in kitchen and bathrooms	3	150.00	450.00
10/05/2020	Kitchen Sink	Kitchen Sink	1	125.00	125.00
10/05/2020	Bathroom Sink	Bathroom Sink	2	125.00	250.00
TOTAL					\$825.00

Thank you for this opportunity!

Accepted By

Accepted Date

Example estimate in QuickBooks Online.

Why You Should Create Estimates in QuickBooks Online

While the main purpose of creating estimates or quotes in QuickBooks is to communicate your pricing to potential customers clearly, they also serve several other purposes:

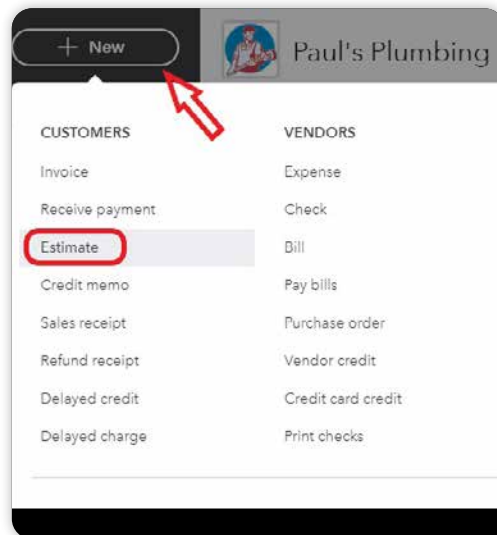
- **Marketing tool:** Estimates provide the information potential customers need to help them decide if they want to purchase your goods or services.
- **Written approval:** When a customer signs an estimate, it serves as written approval of the pricing and start date for the job.
- **Expedite customer billing:** When estimates are done in QuickBooks Online, you can turn the estimate into an invoice with the click of a button.
- **Run reports to analyze estimated vs actual costs:** You can run reports in QuickBooks that will help you compare your estimates to actual income and costs after the work is completed.

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

How to Create Estimates in QuickBooks Online

1. Navigate to Create Estimates

Click New at the top of the left menu bar and then select Estimate in the first column under customers:



Create new estimate in QuickBooks Online.

2. Create Estimate

The create estimate screen provides fields to be completed that will carry information to the estimate form. The exact fields provided are determined by the sales form settings you choose in [How to Set Up Sales Form Content](#).

Estimate #71010 ? Help X

Customer: **A** Cole Home Builders/Custom Old | Email: cole@homebuilders.com | Amount: **\$825.00**

Billing address: Cole Home Builders, 7683 Dead End Rd, Danville, CA 97605 | Estimate date: 09/01/2020 | Expiration date: 09/15/2020 | Estimate no.: 71010

Shipping to: Cole Home Builders, 7683 Dead End Rd, Danville, CA 97605 | Ship via: | Shipping date: | Tracking no.: | Location: | P.O. Number: | Sales Rep: JQ

#	SERVICE DATE	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS
1	10/05/2020	Installation	Install sinks in kitchen and bathrooms	3	150	450.00	✓	Bath/Venety
2	10/05/2020	Kitchen Sink	Kitchen Sink	1	125	125.00	✓	Bath/Venety
3	10/05/2020	Bathroom Sink	Bathroom Sink	2	125	250.00	✓	Bath/Venety
4								

Subtotal: **\$825.00**

Buttons: Cancel, Reset, Print or Preview, Make recurring, Customize, More, Save, Save and close

Input estimate in QuickBooks Online.

A. Customer: Select the customer and job, if applicable. If this is a new customer, select Add new at the top of the customer drop-down list and set up the customer as shown in [How to Set Up Customers](#). When the customer is set up properly, the fields for Email, Billing address, and Shipping should populate automatically.

B. Estimate date: Enter the date you are creating the estimate.

C. Expiration date: I highly recommend including an expiration date on your estimate. An expiration date avoids problems that might arise when a customer accepts an estimate months later when the cost of materials may have changed.

D. Service date: The service date is when you expect to start working on the job.

E. Product/Service: Select the product or service being proposed from the drop-down box. If this is a new product or service, select Add new at the top of the drop-down list and set up the product or service as explained in [How to Set Up Products and Services List](#). When the product or service is set up properly, the Description, Rate, Tax, and Class should populate automatically.

F. Qty: Enter the quantity of the goods or services that you are proposing. Once the quantity is entered, the Amount should populate automatically as quantity times rate.



Take the time to set up your company: Creating estimates is a great example of why it is so important to complete your company set up. The majority of the estimate automatically populates if your Customers and Products/Services are set up properly. Creating estimates will be even faster if you customize your sales form content to include only the fields you need.

Managing the Status of Estimates in QuickBooks Online

Below the customer field in the estimate input screen is the estimate status. The example estimate above has a status of pending:

Set the status of estimates in QuickBooks Online.

Click on the drop-down arrow next to Pending to change the estimate status. You can choose from four statuses to help track your outstanding estimates.

A. Pending: An estimate is pending after it is sent to a potential customer until the customer accepts or rejects the estimate or the estimate expires.

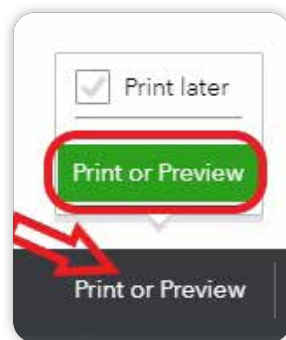
B. Accepted: Accepted estimates have been approved by the customer, and a signed copy of the estimate has been received.

C. Closed: QuickBooks will change the status of an estimate automatically to closed when the estimate is converted to an invoice.

D. Rejected: If a client informs you that they are not accepting your estimate, or the expiration date of the estimate expires, you should change the status of the estimate to rejected.

3. Preview Estimate

To preview your estimate, click on Print or Preview in the bottom menu bar of the create invoice window and then select Print or Preview again:



Print or preview an estimate in QuickBooks Online.

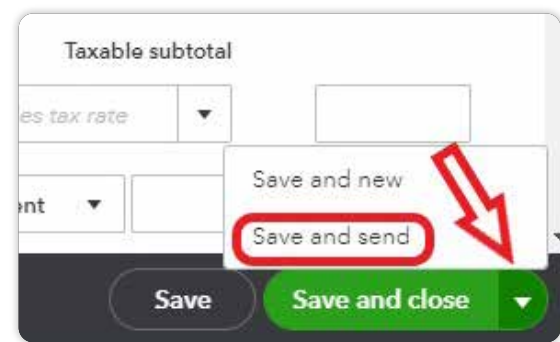
If you wish to make changes to the estimate, you may close the print preview window to return to the input screen.

4. Send the Estimate

Once you are satisfied with your estimate, you can either print and mail your estimate from the print preview screen above or email the estimate directly from QuickBooks Online.

Save and Send Estimate via Email

From the estimate input screen, click on the drop-down arrow next to the green Save and close button and then choose Save and send. An email template form will open where you can accept the email defaults that you set up in [How to Set Up Messages](#), or you can type a custom message for this estimate. A copy of the estimate will automatically be attached to the email when you click the green Send and close button.



Send estimate from QuickBooks Online.

Wrap up

You've now completed another tutorial in our QuickBooks Online Training Course. You can now create estimates and mail or email them to prospective customers. The next tutorial in our QuickBooks Online Training Course is [How to Create and Send Invoices](#).

How to Create and Send Invoices in QuickBooks Online

In this tutorial, you will learn how to create an invoice in QuickBooks Online. QuickBooks Online invoices can be converted from estimates or made from scratch, and then emailed to customers from within QuickBooks Online.

Please enjoy this free tutorial for QuickBooks Online, our best overall pick for **small business accounting software**. The tutorial is designed for you to follow along in your own QuickBooks account. If you don't already subscribe to QuickBooks Online, you can choose from a 30-day free trial or 50% off for three months.

[Visit QuickBooks Online](#)

This tutorial is part of our series of **Free QuickBooks Tutorials**. The video below and the illustrated instructions that follow present the same information.



What Is an Invoice?

An invoice provides customers with a detailed description and cost of the products or services that you have provided. Invoices are required for sales where the customers do not pay you immediately. QuickBooks Online invoices are tracked so that you know how much each customer owes you and when payment is due. When a customer pays for a service or product immediately, they should be issued a sales receipt instead of an invoice.

Here is an example of an invoice from our fictitious company, Paul's Plumbing:

Paul's Plumbing
355 Lexington Ave., 18th Floor
New York, NY 10017 US
mcetera@fitsmallbusiness.com

Invoice



BILL TO

Godwin Lighting Depot
808 Escobar Lane
Cole, TN 50592

SHIP TO

Godwin Lighting Depot
Godwin Lighting Depot
808 Escobar Lane
Cole, TN 50592

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
71143	08/21/2020	\$420.00	08/31/2020	Net 10	

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
11/30/2020	5030-04-02	Solid Brass with Etched Glass, 4 light	10	42.00	420.00
BALANCE DUE					\$420.00

QuickBooks Online invoice.

Why Should I Create Invoices in QuickBooks?

When you create an invoice in QuickBooks, your financial statements reflect the income from the sale as well as the receivable owed to you from the customer. QuickBooks Online will track your accounts receivable and provide tools to help collect payment from your customers, including built-in payment links and automatic reminder emails.

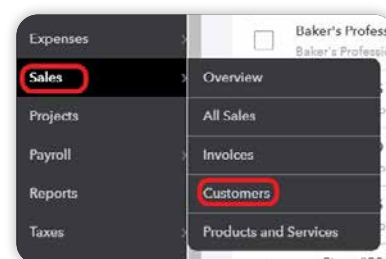
Invoices can be generated in QuickBooks by converting existing estimates into invoices. If you did not provide the customer with an estimate, invoices can be created from scratch.

How to Convert an Estimate to an Invoice in QuickBooks Online

If you've already created an estimate for this job, it can easily be converted to an invoice.

1. Open the Existing Estimate

On the left menu, hover over Sales and then click Customers:



Navigate to customers in QuickBooks Online.

Scroll down to find the customer for which you issued an estimate and click on their name to display a list of customer activity. Then open the existing estimate by clicking on Estimate:

Cole Home Builders | Custom Order Lot 19A Edit New transaction ▾

Cole Home Builders | 7685 Dead End Rd., Stoneville, CA 97865

Add notes

\$0.00 OPEN

\$0.00 OVERDUE

Transaction List | Projects | Customer Details | Late Fees

Batch actions ▾ Filter ▾

	DATE	TYPE	NO.	PROJECT	MEMO	DUE DATE	BALANCE ▾	TOTAL	STATUS	ACTION
<input type="checkbox"/>	09/01/2020	Estimate	71010			09/01/2020	\$0.00	\$825.00	Pending	Create inv... ▾

Open an existing estimate from the customer transaction list.

QuickBooks Online now opens the estimate screen that you learned about in the last tutorial, [How to Create Quotes, Bids, and Estimates](#).

2. Convert the Estimate to an Invoice

Click on Create invoice to convert the estimate to an invoice:

Estimate #71010 Help

Customer: Cole Home Builders:Custom Ord | Email: cole@homebuilders.com

Create invoice ▾ **\$825.00** AMOUNT

Pending ▾ Send later Col/Bac

Billing address: Cole Home Builders, 7685 Dead End Rd, Stoneville, CA 97865

Estimate date: 09/01/2020 | Expiration date: 09/15/2020 | Estimate no.: 71010

Shipping to: Cole Home Builders, 7685 Dead End Rd, Stoneville, CA 97865

Ship via: | Shipping date: | Tracking no.: | Location: ▾

P.O. Number: | Sales Rep: JG

Create an invoice from an existing estimate in QuickBooks Online.



Missing Create invoice button: The status of the invoice shown under the Customer field in the upper right corner must be either Pending or Accepted for the Create invoice button to be available.

You can choose to convert the entire estimate to an invoice, or just a portion of the invoice. This is useful for progress billing on larger jobs. Choose what portion of the estimate to convert to an invoice and then click the green Create invoice button:

How much do you want to invoice?

Total of all estimate lines = \$825.00

50% of each line = \$412.50

Custom amount for each line

[Create invoice](#)

Select the portion of the estimate to convert to an invoice.

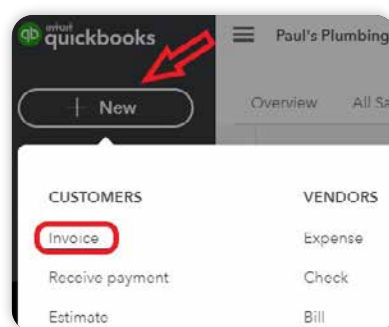
After clicking the Create invoice button, QuickBooks Online will open the create invoice screen with all the fields populated automatically from the estimate information. You can then make any changes that you wish. For more information about the information on the create invoice screen, read the next section on creating an invoice from scratch.

How Do I Create an Invoice in QuickBooks Online?

You don't need to create an estimate to produce an invoice. If you don't need an estimate, create a new invoice by following these steps.

1. Navigate to Create Invoices

Click New at the top of the left menu bar and then select Invoice in the first column under Customers:



Create a new invoice in QuickBooks Online.

2. Enter New Invoice Information

The create invoice screen should appear for you to provide the necessary information for the invoice. This screen is very similar to the create estimate screen you learned about in the last tutorial:

Invoice #71151

Customer: **A** Cole Home Builders/Custom One | Customer email: cole@homebuilders.com | Send later | **\$825.00** BALANCE DUE | Receive payment

Billing address: Cole Home Builders, 7485 Dead End Rd., Stoneville, CA 97865

Shipping to: Cole Home Builders, 7485 Dead End Rd., Stoneville, CA 97865

Terms: Net 30 | **Invoice date:** 08/21/2020 | **Due date:** 09/20/2020 | **Invoice no.:** 71151 | **Location:**

Shipping info: Ship via, Shipping date, Tracking no., **Rate less supply**, P.O. Number, Sales Rep: JG

#	SERVICE DATE	PRODUCT/SERVICE	DESCRIPTION	DUE	QTY	RATE	AMOUNT	TAX	CLASS
1	10/05/2020	Installation	Install sinks in kitchen and bedrooms	450.00 of 450.00	3	150	450.00	✓	Bath/Vanity
2	10/05/2020	Kitchen Sink	Kitchen Sink	125.00 of 125.00	1	125	125.00	✓	Bath/Vanity
3	10/05/2020	Bedroom Sink	Bedroom Sink	200.00 of 200.00	2	125	200.00	✓	Bath/Vanity
4									

Buttons: Add lines, Clear all lines, Add subtotal, Subtotal: \$825.00

Footer: Cancel, Print or Preview, Make recurring, Customize, More, Save, Save and close

Create invoice screen in QuickBooks Online.

The exact fields that will display for your invoice depend upon the settings you selected in [How to Customize Invoices](#), but below are the most common fields you will have to complete:

A. Customer: Select the customer and job, if applicable, that will receive the invoice. If this is a new customer, click Add new from the customer drop-down box and provide the necessary customer information as shown in [How to Set Up Customers](#). Once a customer is selected, the fields for email, billing and shipping addresses, terms, and location should populate automatically.

B. Invoice date: The invoice date should be the date you wish to send this invoice.

C. Service date: Enter the date you provided the service or shipped the product.

D. Product/Service: Select the product or service that you provided from your list of products and services. If this is a new Product/Service, choose Add new and provide all the necessary information as explained in the prior tutorial [How to Set Up the Products and Services List](#). Once a product or service has been selected, the fields for description, rate, tax, and class should populate automatically.

E. Due: This field is calculated automatically when converting from an estimate or can be input when creating an invoice. It shows the portion of the total amount that is currently due for this product or service. This should be the full amount unless this is a partial invoice.

F. Quantity: Enter the quantity of each product or service sold. Once the quantity is entered, the amount will be calculated automatically as quantity times rate.

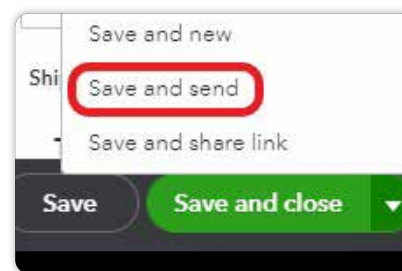
3. Print or Preview the Invoice

You can preview the invoice by clicking on Print or Preview in the bottom menu bar of the invoice screen. Print the invoice if you wish to mail the invoice or want a hard copy of the invoice for your records.

If you aren't emailing the invoice, click the green Save and Close button in the bottom right corner of the screen.

4. Email the invoice

If you wish to email the invoice, click the drop-down box next to the green Save and close button and select Save and send:



Invoice email message in QuickBooks Online.

Save and Email an Invoice in QuickBooks Online

QuickBooks will create an email automatically based on the default settings you created in [How to Set Up Messages](#). You can customize the default email message for this invoice if you wish. The invoice is previewed to the right of the email message and will be attached automatically. Click the green Send and close button when you are ready to send the email.

Send email

From: Paul's Plumbing <quickbooks@notification.insuit.com>

To: cole@homebuilders.com

Subject: Invoice 71151 from Paul's Plumbing

Body: Dear Cole Home Builders: Custom Order Lot 19A, This is the company invoice message that I created in account and settings

Invoice email message in QuickBooks Online.

Wrap Up

Congratulations on completing another tutorial in our QuickBooks Online Training Course. You can now create invoices from scratch or by converting accepted invoices. The next tutorial in our QuickBooks Online Training Course is [How to Receive Payments](#).

How to Receive Payments in QuickBooks Online

In this tutorial, you will learn how to receive payments in QuickBooks Online while offsetting the accounts receivable created when you issued an invoice. The [next tutorial](#) will discuss how to receive a payment when no invoice has been issued. We'll also discuss the importance of the undeposited funds account to group multiple checks into a single bank deposit.

We appreciate you completing this free tutorial for QuickBooks Online, our best overall pick for [small business accounting software](#). You will get the most benefit from this tutorial if you follow along in your own QuickBooks account. If you don't already subscribe to QuickBooks Online, you can choose from a 30-day free trial or 50% off for three months.

[Visit QuickBooks Online](#)

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Why Receiving Payments in QuickBooks Online Is Important

When a customer pays an invoice, it is important to apply the payment against the invoice as demonstrated in this tutorial. If you record the invoice payment using a sales receipt or bank deposit, the income will be double-counted, and the invoice will still be shown as outstanding. Your customer might become upset if you try to collect on an invoice they have already paid.

Common issues that may arise when payments are not recorded properly in QuickBooks are:

- Paid invoices remain open: If payments are not applied to the right invoice, the invoice shows as outstanding even though the customer has paid it. This will lead to inaccurate collection efforts and could affect your relationship with customers.
- Overstated accounts receivable balances: The amount owed by customers will be inaccurate if payments are not correctly applied.
- Overstated sales (income): Payments received and incorrectly recorded as deposits or on sales receipts will be recorded as income. However, income was already recorded when the original invoice was created.

I recommend the following steps to ensure payments are recorded properly:

1. Search for open invoices: When a payment is received from a customer, check to see if the customer has any open invoices. If so, then follow the steps in this tutorial to record the payment received.

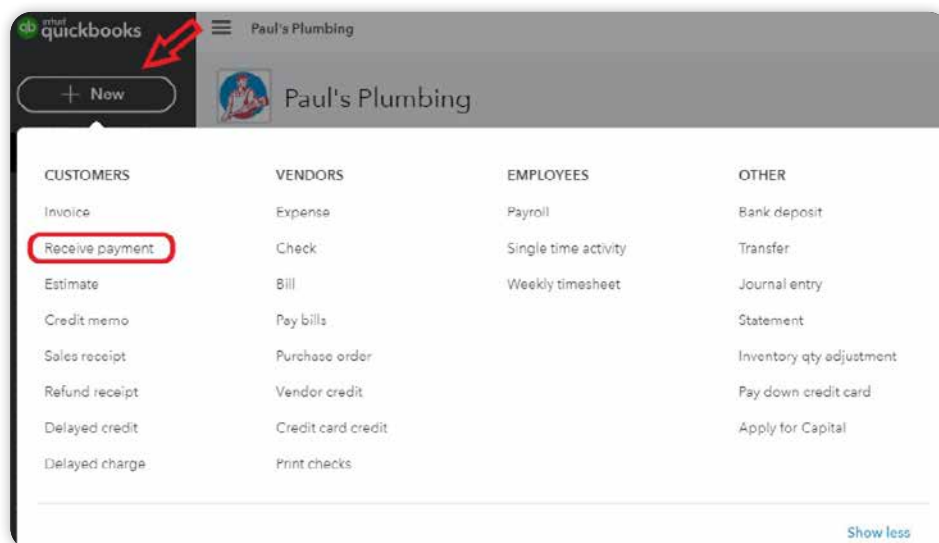
2. Record a sales receipt: If the customer does not have any open invoices, then follow the steps in the [sales receipt tutorial](#) to record the payment.

How to Receive a Payment in QuickBooks Online

Receiving a payment in QuickBooks Online consists of locating the open invoice and applying the payment. However, it's an important process, and some details require close attention.

1. Open the QuickBooks Online Receive Payment Screen

To open the Receive Payment screen, click on the New button at the top of the left menu bar and then select Receive payment in the first column under Customers:



Navigate to the QuickBooks Online Receive Payment screen.

2. Locate the Open Invoice

It is important to apply the payment received to the correct customer invoice. To locate the proper invoice, choose the customer in the top-right corner of the receive payment screen. All of the invoices with an outstanding balance for that customer will then appear in the Outstanding Transactions section:

QuickBooks Online Receive Payment screen.

A. Customer: Select the customer from which you received a payment.

B. Payment date: Input the date you received the payment.

C. Payment method: Select either Check or Cash as the method of payment. If your customer is paying by credit card, see our tutorial [How to Manage Credit Card Sales](#).

D. Reference no.: Enter the check number or leave it blank if cash was received.

E. Deposit to: If this is the only check to be deposited, you can select the appropriate bank account. However, if this check will be combined with other checks or cash, then you should record the payment received in Undeposited Funds. You might wish to peek ahead at [How to Record Bank Deposits](#) to understand what happens to customer checks after being posted to Undeposited Funds. For newer QBO accounts, the default name for the undeposited funds account is Payments to Deposit.



The reasons behind Undeposited Funds: Undeposited Funds allows you to group multiple checks and cash into a single deposit in your check register. Without Undeposited Funds, each check received shows as a separate deposit in the check register, making it difficult to trace to the bank statement where checks are combined into a single deposit amount.

F. Amount received: Input the amount of the cash or check received.

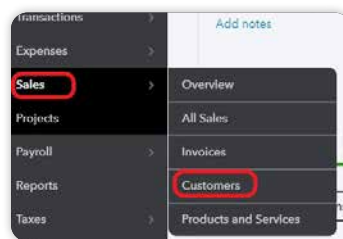
G. Invoice detail: The invoice detail will automatically appear for each outstanding invoice once a customer is selected in field A. Multiple invoices will appear if a customer has more than one outstanding invoice.

H. Payment: Enter the portion of the amount received in F to apply to each invoice listed in G. This will usually populate automatically but can be changed as long as the total payments applied equal the total amount received.

When you are satisfied with your payment details, click the green Save and close button to record the transaction.

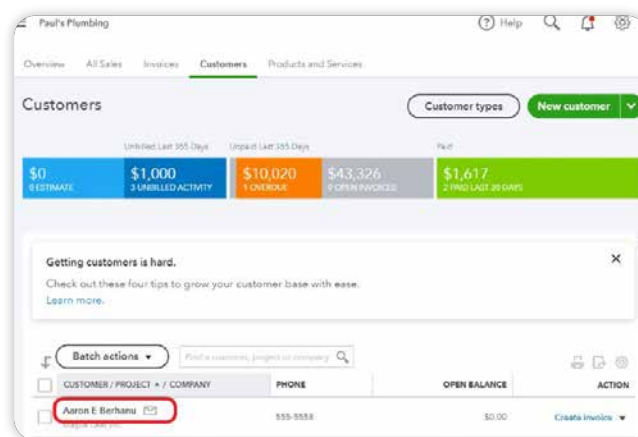
3. Confirm the Payment Was Correctly Applied

From the left menu bar, hover over Sales and then select Customers:



Navigate to customer listing in QuickBooks Online.

Now locate the customer for which you recorded a payment and click on their name:



Display customer detail in QuickBooks Online.

QuickBooks Online now displays a list of recent transactions for this customer. I recommend verifying two items:

Aaron E Berhanu

Maple Leaf Inc. | 6789 Expensereport, Chicago, IL 12345

Add notes

Transaction List | Projects | Customer Details | Late Fees

Batch actions Filter

< First Previous 1-5 of 5 Next Last >

<input type="checkbox"/>	DATE	TYPE	NO.	PROJECT	MEMO	DUE DATE	BALANCE	TOTAL	STATUS	ACTION
<input type="checkbox"/>	08/03/2020	Payment	1101			08/03/2020	\$0.00	\$-150.00	Closed	B
<input type="checkbox"/>	07/31/2020	Payment	1000			07/31/2020	\$0.00	\$-45.00	Closed	
<input type="checkbox"/>	07/09/2020	Billable ...			50% ma...	08/08/2020	\$0.00	\$150.00	Closed	
<input type="checkbox"/>	07/09/2020	Invoice	71148			08/08/2020	\$0.00	\$150.00	Paid	A Print
<input type="checkbox"/>	06/23/2020	Invoice	71141			07/23/2020	\$0.00	\$45.00	Paid	Print

Customer transaction details in QuickBooks Online.

A. Invoice marked Paid: Verify that the invoice for which payment was received is now marked as “Paid”.

B. Payment recorded: Verify that the payment recorded is marked as “Closed.” If a payment is marked as “Open,” it has not been applied against an invoice properly.

Wrap Up

You’ve completed another tutorial in our QuickBooks Online Training Course. You now know how to record payments received on outstanding customer invoices, and you understand the importance of using the undeposited funds account. The next tutorial in our QuickBooks Online Training Course is How to Create & Send QuickBooks Online Sales Receipts, where you will learn to receive payments from customers when an invoice has not been created.

How to Create and Send QuickBooks Online Sales Receipts

In this tutorial, you will learn when and how to generate a QuickBooks Online sales receipt while recording a customer payment. QuickBooks sales receipts should only be used when receiving a payment for which an invoice has not been issued. The [prior tutorial](#) discussed receiving payments for outstanding invoices.

Thank you for completing this free tutorial for QuickBooks Online, our best overall pick for [small business accounting software](#). You will get the most benefit from this tutorial if you follow along in your own QuickBooks account. If you don't already subscribe to QuickBooks Online, you can choose from a 30-day free trial or 50% off for three months.

[Visit QuickBooks Online](#)

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What a QuickBooks Sales Receipt Is

Similar to an invoice, a sales receipt provides customers with a detailed description of the products or services that they have purchased. Invoices are issued to request payment from the customer. Sales receipts are used when the customer pays for services or products without being issued an invoice. QuickBooks sales receipts record both the revenue from the sale and the cash received.



Difference between a QuickBooks sales receipt and invoice: Customers should never receive both an invoice and sales receipt for the same sale. If they need to be sent a bill before paying, then issue them an invoice. After they pay, you can provide them an invoice marked “paid.” If they pay without being sent a bill, then issue them a sales receipt at the time of payment.

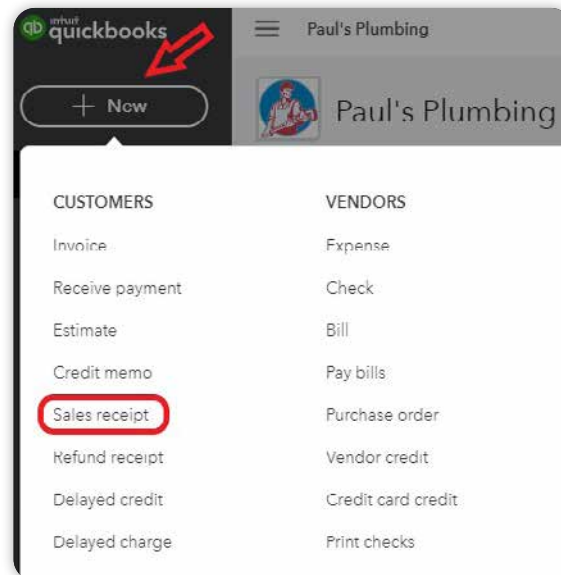
Importance of Creating a QuickBooks Online Sales Receipt

Creating a QuickBooks Online sales receipt serves several purposes. It provides your customer with the details of exactly what they purchased along with proof of payment. Creating the sales receipt also records the revenue for your income statement. Finally, the sales receipt records the customer payment and places it in undeposited funds until the next bank deposit is made.

How to Create a Sales Receipt in QuickBooks Online

1. Navigate to the Create Sales Receipt Menu

Click New at the top of the left menu bar and then select Sales receipt in the first column under Customers:



Navigate to create sales receipt in QuickBooks Online.

2. Create the Sales Receipt

QuickBooks Online will display the sales receipt screen. The fields that display on the screen will depend upon the settings you specified in [How to Set Up Sales Form Content](#) and [How to Set Up Advanced Settings](#).

Sales Receipt #71149 Help X

Customer: **A** Email: AMOUNT
\$57.00

Billing address:

 Sales receipt date: **B** Sales receipt no.:

Shipping to: Ship via: Shipping date: Tracking no.: Location:

Payment method: **C** Reference no.: **D** Deposit to: **E**

Amount payments in QuickBooks

	F	G	H							
	#	SERVICE DATE	PRODUCT/SERVICE	SKU	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS
	1	06/04/2020	Bath/Vanity Fixtures:6020-03-S		Brushed Nickel with Opal Glass	1	25	25.00		Bath/Vanity
	2	06/04/2020	Bath/Vanity Fixtures:6520-01-Q		White with Satin White Glass	1	32	32.00		Bath/Vanity

Buttons: Cancel, Print or Preview, Make recurring, Customize, More, Save, Save and send

Create sales receipt form in QuickBooks Online.

A. Customer: Select the customer's name from the drop-down list or select Add New to create a new customer. Once you select a customer, the email and address fields should populate automatically, provided the customer information is complete.

B. Sales receipt date: Typically, QuickBooks will default to the current date, but you can change this date if the sale is on a different date.

C. Payment method: Select either check, cash, or credit card for the payment method. If the payment is by credit card, you may need to skip ahead to [How to Manage Credit Card Sales](#).

D. Reference no.: If the customer paid by check, enter the check number in this field.

E. Deposit to: Select Undeposited Funds from the drop-down box. This will place the check or cash in the Undeposited Funds account until the next bank deposit is recorded. In newer QBO accounts, the undeposited funds account is named Payments to Deposit by default.



The Undeposited Funds account allows multiple checks to be grouped into a single deposit that will appear in the check register as a single amount. This amount can easily be traced to the bank statement at month-end when the bank statement is reconciled. Without Undeposited Funds, each check will appear as a separate deposit, making it difficult to trace to the combined deposit amounts shown on the bank statement.

F. Service date: The service date will default to the sales receipt date, but it can be adjusted if you provided the service or product on an earlier date.

G. Product/Service: Select each Product/Service from the drop-down list or add a new product/service by selecting Add New. Once a Product/Service is selected, the Description and Rates fields should automatically be populated, but you can adjust them if needed.

H. Qty: Enter the quantity for each product or service provided. Once you enter the quantity, the Amount column should populate automatically.

There are additional fields to complete based on the prior options you have assigned. For instance, if you selected to track information by class and location in the advanced options, then you should complete the Class field for each Product/Service and the Location field for each receipt.


3. Preview and Print the Sales Receipt

Once you have completed all of the necessary fields, you can preview the invoice. Click the Print or Preview button at the bottom of the screen. If needed, you can print or download the invoice after previewing. If you need to make changes, close the preview to return to the prior screen.

Here is a preview of the sales receipt created above:

Paul's Plumbing
355 Lexington Ave., 18th Floor
New York, NY 10017 US
mcetera@fitsmallbusiness.com

Sales Receipt



BILL TO
Aaron E Berhanu
Maple Leaf Inc.
6789 Expensereport
Chicago, IL 12345

SALES #	DATE
71149	08/04/2020

PMT METHOD
Check

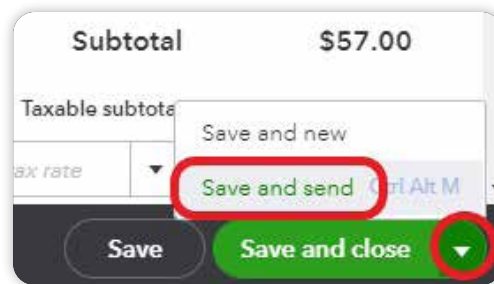
DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
08/04/2020	5029-03-55	Brushed Nickel with Opal Glass	1	25.00	25.00
08/04/2020	6520-01-03	White with Satin White Glass	1	32.00	32.00
TOTAL					57.00
AMOUNT RECEIVED					57.00
BALANCE DUE					\$0.00

Sample sales receipt from QuickBooks Online.

4. Send the QuickBooks Sales Receipt to Your Customer

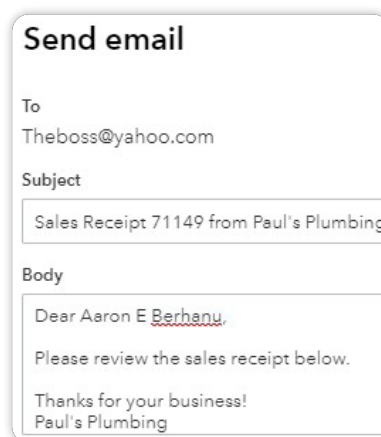
You can email the completed sales receipt directly from QuickBooks. Your customer will receive an email with a PDF copy of the sales receipt attached.

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



Save sales receipt and send it via email in QuickBooks Online.

The next screen provides a preview of the text that will appear in the body of the email:



Email message for sales receipt in QuickBooks Online.

All of the information will automatically populate based on the information you provided in How to Set Up Sales Form Content. You can make changes, but they will not be reflected in future sales receipt emails. When you are satisfied with your email, click the green Send and Close button.

Wrap Up

Congratulations on another successful tutorial in our QuickBooks Online Training Course. You can now create and send sales receipts and understand how they are different from invoices. The next tutorial in our QuickBooks Online Training Course is How to Write and Print Checks.

How to Write & Print Checks in QuickBooks Online

In this tutorial, you will learn to write and print checks in QuickBooks Online for bills that have not yet been entered. A later tutorial will cover [how to pay bills](#) that have already been entered in QuickBooks.

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[Visit QuickBooks Online](#)

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Why You Should Write and Print Checks in QuickBooks Online

Creating and printing checks in QuickBooks Online generally is better than writing checks by hand for several reasons:

- Checks created and printed in QuickBooks are entered in the check register automatically and will make your bank reconciliation easier.
- Your expenses are more up-to-date since your bank register is always current.
- Printing checks is not only easier than writing them by hand, but also looks more professional.

There are two methods of paying expenses in QuickBooks Online. The first is to wait until the expense payment is due and then write a check, which is the method illustrated in this tutorial. The second method is to enter a bill when an invoice is received and then pay the bill when it is due. The second method is covered in the next two tutorials.

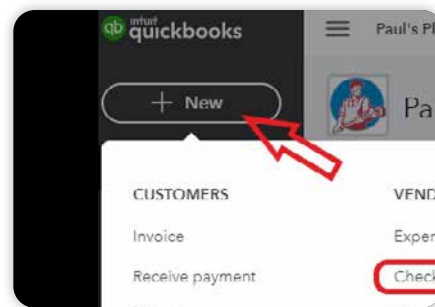


Avoid recording expenses twice: If you create a check as shown in this tutorial for a bill that has already been entered, the expense will be recorded on your books twice, and the bill will still be shown as outstanding.

How to Write and Print Checks in QuickBooks Online

1. Navigate to Write Checks

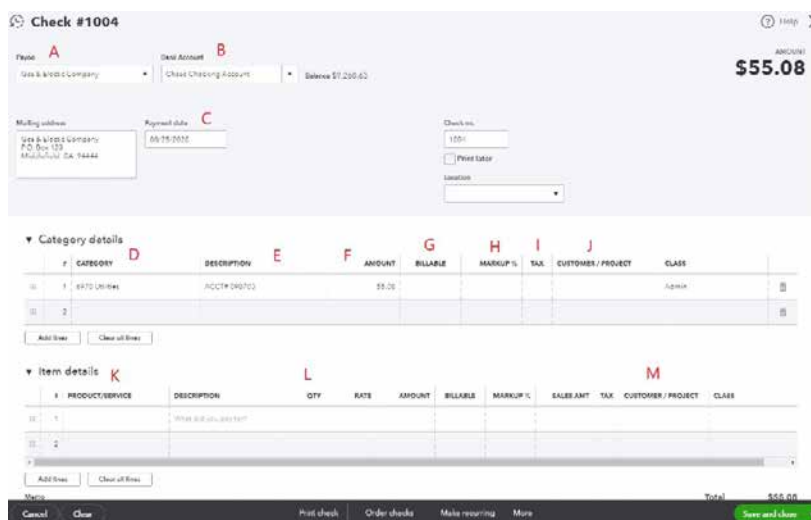
Click the New button at the top of the left menu bar and then select Check under Vendors in the second column:



Navigate to create checks in QuickBooks Online.

2. Create the Check

QuickBooks Online displays an input screen to create a new check. The exact fields shown on the screen will vary based upon your selections in How to Set Up Advanced Settings:



Create check screen in QuickBooks Online.

A. Payee: Select the vendor you are paying from the drop-down box. If the check is to a new vendor, click Add new at the top of the drop-down list and set up the new vendor as shown in [How to Set Up Vendors](#). After selecting a vendor, the billing address should automatically populate.

B. Bank Account: Select the bank account from which you are writing a check.

C. Payment date: Enter the date the check will be issued.

D. Category: Expenses should be assigned to either a Category or an Item (K). If you wish to assign the expense to a category, select it here. If you select a category, you must complete fields E through J.

E. Description: Provide a description of the payment.

F. Amount: Enter the amount of the payment to assign to this category. By default, QuickBooks will enter the entire payment amount. However, the total check amount can be split between multiple categories and items if you wish.

G. Billable: Place a checkmark here if the amount charged to this category will be billed to a customer. However, the preferred method of recording expenses billable to customers is to use items instead of categories as shown in [How to Set Up Products and Services](#).

H. Markup %: If you wish to charge the customer more for this expense than you are paying, enter the markup percentage here.

I. Tax: Place a checkmark here if you are required to charge the customer sales tax when billing them this expense.

J. Customer/Project: Select the customer and project, if applicable, to which you wish to bill this expense. If it is a new customer or project, click Add new at the top of the drop-down box and add the customer or project as shown in [How to Set Up Customers](#).

K. Product/Service: Choose a product or service item to charge the expense. If you need to create a new product or service item, select Add new at the top of the drop-down box and create the item as shown in [How to Set Up Products and Services](#). Once you select an item, the fields for Rate, Billable, Markup %, Tax, and Class will populate automatically.



Choose category or item: The same expense cannot be charged to both a category (D) and a product or service item. However, the same check can include some expenses charged to categories and some expenses charged to product and service items.

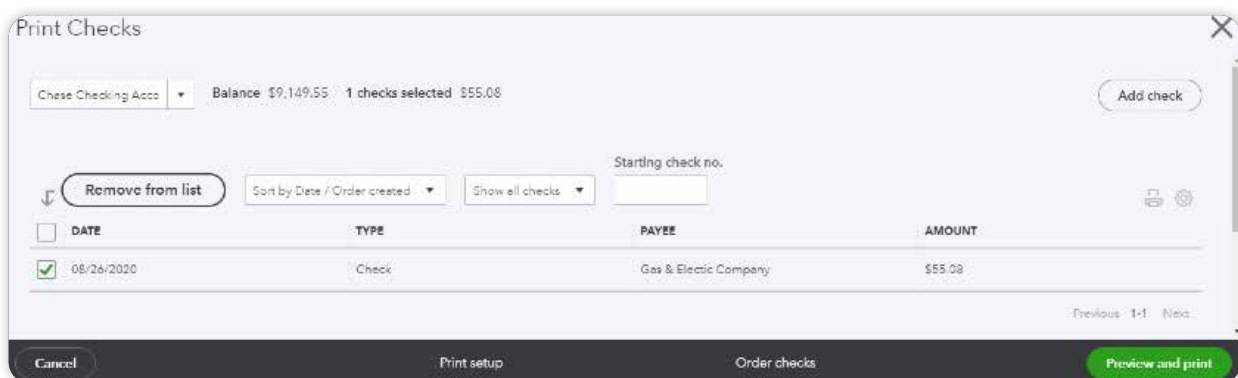
L. Qty: Enter the quantity of the item being purchased. This is especially important for inventory items. Once you enter the quantity, the amount will be calculated as rate times quantity.

M. Customer/Project: Choose the customer and project to bill for this item. This field is required if there is a checkmark in Billable.

3. Print and Save the Check

You have two options for printing the check:

- **Print later:** You can choose to print the check later by placing a checkmark in the Print later field located under the check number. Printing later is convenient if you are creating multiple checks.
- **Print now:** To print the check immediately, click Print check in the bottom menu bar of the input screen. This will bring up a list of checks to print that will include the current check, plus any other checks you have previously selected to print later. Place a checkmark next to all checks you wish to print and click the green Preview and print button at the bottom of the window.



Select checks to print in QuickBooks Online.

Print setup: The first time you print checks, QuickBooks Online will guide you through setting up and aligning your printer for your particular style of checks.

When you are finished printing or choosing to print later, click the green Save and close button at the bottom of the create check screen.

Wrap Up

You've finished another tutorial in our QuickBooks Online Training Course! You can now write and print checks for expenses that have not been recorded as bills. The next tutorial in our QuickBooks Online Training Course is [How to Enter Bills](#), where you will learn the benefit of entering bills as they are received.

How to Enter Bills in QuickBooks Online

In this tutorial, you will learn how to enter bills in QuickBooks Online. Entering bills in QuickBooks Online allows you to track upcoming payments as well as provides up-to-date expense figures.

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[Visit QuickBooks Online](#)

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Why Entering Bills in QuickBooks Is Important

Vendors that allow you to make purchases on credit will send a bill with a due date for payment. By entering bills when received, QuickBooks Online can help you track upcoming due dates to make sure bills are paid on time. It is also helpful to know the total amount of bills, or accounts payable (A/P), that your company owes. In a later tutorial, you will learn to **run an A/P aging report**, which depends upon all bills being entered.

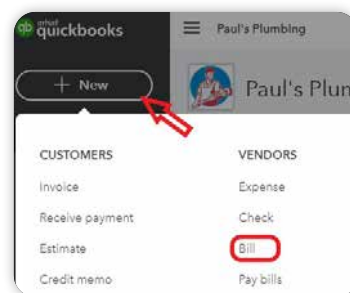
By entering bills in QuickBooks and paying them as close to the due date as possible without being late, you will have better control over your cash flow. Cash flow is often a problem for small businesses, and better control of your cash flow is a major benefit of a good bookkeeping system like QuickBooks Online.

How to Enter Bills in QuickBooks Online

Prior to entering bills, it is important to [set up your vendors](#) and [set up your product and services items](#). The information contained in these components will flow automatically to the create bill screen and populate much of the required information automatically. However, you will have the opportunity to add new vendors and new products and services items as you create bills.

1. Navigate to Enter Bills

Click New at the top of the left menu bar and then select Bill under Vendors in the second column:



Create a new bill in QuickBooks Online.

2. Enter Bill

QuickBooks Online will display a screen to input the bill information. The actual fields that appear for your company will depend on your choices when you [set up your advanced settings](#):

 A screenshot of the 'Bill' entry screen in QuickBooks Online. The screen is titled 'Bill' and has a 'Help' icon in the top right corner. Below the title, there is a 'Vendor' dropdown menu labeled 'A'. To the right, the 'BALANCE DUE' is shown as '\$0.00'. Below the vendor field, there are several input fields: 'Mailing address', 'Terms' (set to 'Net 30'), 'Bill date' (labeled 'B', set to '08/26/2020'), 'Due date' (labeled 'C', set to '09/25/2020'), and 'Bill no.' (labeled 'D'). There is also a 'Location' dropdown menu. Below these fields, there are two tables: 'Category details' and 'Item details'. The 'Category details' table has columns for #, CATEGORY, DESCRIPTION, AMOUNT, BILLABLE, MARKUP %, TAX, CUSTOMER / PROJECT, and CLASS. It contains two rows, with the first row labeled 'E' through 'K'. The 'Item details' table has columns for #, PRODUCT/SERVICE, DESCRIPTION, QTY, RATE, AMOUNT, BILLABLE, MARKUP %, SALES AMT, TAX, CUSTOMER / PROJECT, and CLASS. It contains two rows, with the first row labeled 'L' through 'N'. At the bottom of the screen, there are 'Cancel', 'Make recurring', 'Save', and 'Save and close' buttons.

Create bill screen in QuickBooks Online.

The information to create a bill is very similar to the information needed to create a check, as you learned in the previous tutorial.

A. Vendor: Choose the vendor that sent you the bill or choose Add new to set up a new vendor. Once you select a vendor, the fields for Mailing address and Terms will populate automatically.

B. Bill date: Enter the invoice date from the bill. The due date is determined by applying the payment terms to the invoice date, so the bill date must be the invoice date and not the date the bill was received or entered.

C. Due date: The due date should calculate automatically based on the terms and bill date, but I recommend verifying the calculated date matches any due date shown on the bill.

D. Bill no.: Enter the bill or invoice number from the vendor's bill. This will be very helpful if you need to contact the vendor with questions about the bill.



Avoid entering bills twice: QuickBooks Online will provide you a warning message if you try to enter the same bill twice based on the vendor name and invoice number. Therefore, by providing the invoice number, you can avoid duplicate entries.

E. Category: Expenses not billed to customers should be assigned to a category. Select the category from the drop-down list or click Add new to set up a new account.

F. Description: Provide a description of the expense.

G. Amount: Enter the amount of the expense.

H. Billable: Place a checkmark here to make the expense billable to the customer. However, the better way to handle billable expenses is to assign them to product or service items instead of a category.

I. Markup %: If you wish to bill the customer more than the actual expense, enter a markup percentage here.

J. Tax: Place a checkmark here if you are required to collect sales tax when the expense is billed to the customer.

K. Customer/Project: Select the customer/project that you wish to bill the expense. If it is a new customer or project, select Add new to set up a customer/project.

L. Product/Service Item: Purchases of items you will sell to customers must be assigned to an inventory item. Services and expenses billed to customers must be assigned to a service item. Select a product/service item or click Add new to set up a new product/service item. Once you select a product/service item, the fields for Description, Rate, Billable, Markup%, Tax, and Class will automatically populate.

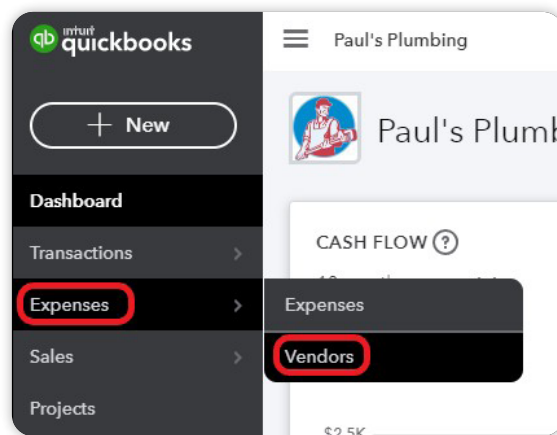
M. Qty: Enter the quantity of goods or hours of services purchased. After you enter quantity, the amount will calculate automatically as quantity times rate, and the sales amount will calculate as amount times markup percentage.

N. Customer/Project: Choose the customer or project to bill the item or select Add new to create a new customer or project.

When you are finished inputting the required information, click the green Save and close button in the bottom right-hand corner.

3. Review Bills

After entering a bill, you can verify the bill is correct by navigating to the Vendor center. Hover over Expenses in the left menu bar and then click Vendors:



Navigate to the vendor center in QuickBooks Online.

In the vendor center, scroll down to the vendor for which you entered a bill. The Open Balance column for that vendor reflects the amount of all outstanding bills:

Expenses		Vendors			
<input type="checkbox"/>	VENDOR / COMPANY	PHONE	EMAIL	OPEN BALANCE ▲	ACTION
<input type="checkbox"/>	Your State Taxes				
<input type="checkbox"/>	Verizon Wireless			\$221.35	Make payment ▼

Total bills outstanding in the vendor center.

To see the detail of the total bills outstanding, click on the vendor's name:

Verizon Wireless

No notes available. Please click to add notes.

Transaction List | Vendor Details

Batch actions | Filter

DATE	TYPE	NO.	PAYEE	CATEGORY	MEMO	TOTAL	ACTION
08/26/2020	Bill		Verizon Wireless	6320 Teleph		\$221.35	Schedule pay...

Vendor transaction list in QuickBooks online.

The bill you just entered should appear in the vendor's transaction list.

Wrap Up

Congratulations on another completed tutorial in our QuickBooks Online Training Course. You can now enter vendor bills as you receive them. The next tutorial in our QuickBooks Online Training Course is [How to Pay Bills](#), where you will learn how to pay bills by either printing checks or making electronic payments.

How to Pay Bills in QuickBooks Online

In this tutorial, you will learn how to pay bills in QuickBooks Online. You'll learn how to pay bills by printing checks as well as how to submit electronic payments for free through the QuickBooks Online bill paying feature.

We appreciate you completing this free tutorial for QuickBooks Online, our best overall pick for **small business accounting software**. To get the most from this tutorial, we encourage you to follow along in your own QuickBooks account. If you don't already subscribe to QuickBooks Online, you can choose from a 30-day free trial or 50% off for three months.

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This tutorial is part of our series of **Free QuickBooks Tutorials**. The video below and the illustrated instructions that follow present the same information.



Why You Should Use QuickBooks Online Bill Paying

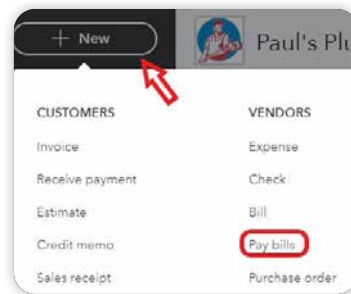
The QuickBooks Online bill paying service is ideal for businesses that want more control over exactly when bill payments clear their bank account. If you have several bills and have had difficulty making on-time payments, QuickBooks Online bill paying can help.

To use the QuickBooks Online bill paying service, you must first **enter your bills into QuickBooks** and then pay them using the QuickBooks Online bill payment feature. QuickBooks automatically will make the accounting entry to show your bills are paid and no longer outstanding.

How to Pay Bills in QuickBooks Online

1. Navigate to Pay Bills

Click the New button at the top of the left menu bar and then select Pay Bills in the second column under Vendors:



Navigate to QuickBooks Online bill payments.

2. Select Bills for Payment

The Pay Bills screen will provide a list of all bills that have been entered and are still outstanding. Place a checkmark next to the bills you wish to pay:

Pay Bills

Payment account: Chase Checking Acct. Balance: \$9,149.55

Payment date: 08/27/2020

Starting check no.: 1004

Print later:

TOTAL PAYMENT AMOUNT: **\$721.35**

Filter: Last 365 Days

9 open bills, 1 overdue

<input type="checkbox"/>	PAYEE	REF NO.	DUE DATE	OPEN BALANCE	CREDIT APPLIED	PAYMENT	TOTAL AMOUNT
<input checked="" type="checkbox"/>	City of Bayshore		05/06/2020	\$500.00	Not available	500.00	\$500.00
<input checked="" type="checkbox"/>	Verizon Wireless		09/25/2020	\$221.35	Not available	221.35	\$221.35
<input type="checkbox"/>	Peacock Bulb Manufac...	76850-2	02/01/2025	\$76.50	Not available		\$0.00
<input type="checkbox"/>	Michael Kretschmar	Commission Jan - Jun	07/11/2025	\$3,990.80	Not available		\$0.00
<input type="checkbox"/>	Peacock Bulb Manufac...		12/15/2025	\$2,450.00	Not available		\$0.00

Cancel Schedule payments online

Select bills for payment in QuickBooks Online.

A. Payment account: Select the checking account that you wish to use to make the payments.

B. Payment date: Enter the date to print on the checks. This is usually the current date.

C. Starting check no.: Provide the starting check number. Alternatively, you can place a checkmark next to Print later to save the checks and print them at another time.

D. Select bills: Select bills to pay by placing a checkmark in the box to the left of the bill.

E. Payment: After you select a bill to pay, QuickBooks will default the payment amount to the entire open balance. However, you can change the payment to a lesser amount if you want to make a partial payment.

3. Pay the Bills

You can pay bills by printing, signing, and mailing checks, or you can use the free QuickBooks Online bill payment option.

Option 1: Print Checks

If you want to print checks, click the drop-down box next to the green Schedule payment online button and select Save and print. If you've printed checks in the past, the green button might already be Save and print. If that's the case, you should click there.

The Print Checks screen will show all checks that have been saved and are waiting to be printed:

The screenshot shows the 'Print Checks' interface. At the top, it displays 'Chase Checking Acct', 'Balance \$8,428.20', and '2 checks selected \$721.35'. There is an 'Add check' button. Below this, there are controls for 'Remove from list', 'Sort by Date / Order created', 'Show all checks', and 'Starting check no.' (set to 1004). The main table lists the following checks:

	DATE	TYPE	PAYEE	AMOUNT
<input checked="" type="checkbox"/>	08/27/2020	Bill Payment (Check)	City of Rayshore	\$500.00
<input checked="" type="checkbox"/>	08/27/2020	Bill Payment (Check)	Verizon Wireless	\$211.35

At the bottom, there are buttons for 'Cancel', 'Print setup', 'Order checks', and 'Preview and print'. A 'Previous: 1-2 Next' link is also visible.

Print checks in QuickBooks Online.

Verify the checking account in the drop-down box in the upper-left corner of the screen is the correct account. The screen will only show checks that have been written from the specified checking account. Place a checkmark next to the checks you wish to print, provide a starting check number, and click the green Preview and print button. Finally, follow the on-screen instructions to preview and print your checks.



Printing checks later: This Print Checks screen can be accessed anytime by clicking on New at the top of the left menu bar and then selecting Print checks in the second column under Vendors.

Option 2: Use QuickBooks Online Bill Pay

To pay your bills online, click the green Schedule payments online button at the bottom of the Pay Bills screen discussed in step two. The first time you use Bill Pay, QuickBooks Online will walk you through the setup process. You'll have the choice of paying with a bank transfer or debit card for free or paying with a credit card for a 2.9% fee. Regardless of your method of payment, the vendor can receive the payment either by a paper check mailed on your behalf or a direct deposit into their bank account.

The Schedule Payments screen will show the bills you have selected for payment and allow you to input a different deduction date, payment method, and delivery method for each bill:

VENDOR	DEDUCTION DATE	DELIVERY DATE	PAYMENT METHOD	DELIVERY METHOD	AMOUNT
City of Bayshore	Select date	Not finalized	Set method	Set method	\$500.00
Verizon Wireless	Select date	Not finalized	Set method	Set method	\$221.35

TOTAL PAYMENT AMOUNT
\$721.35

Schedule QuickBooks Online bill payments.

Click on the Vendor name for each bill to open a screen to input the necessary information to make an online payment:

TOTAL
\$500.00

PAY TO
Vendor: City of Bayshore Invoice #
Due date: May 6, 2020 No invoice number

PAY FROM

- Select payment method **A**
- Funds deduction date **B**

VENDOR RECEIVES

- Select how vendor receives **C**
- Estimated payment delivery **D**

A. Select payment method: Choose the method you want to use to make the payment. After clicking in this section, you will have the following options:

- A.** Bank account (free)
- B.** Debit card (free)
- C.** Credit card (2.9%)

The first time you use each of the payment options, you'll need to provide the details for your payment account.



Pay any vendor with a credit card: QuickBooks Online Bill Pay provides a convenient way to pay any vendor with a credit card, even if the vendor doesn't otherwise accept them.

B. Funds deduction date: Select the date you want the funds deducted from your account. Generally, transfers are not instantaneous, so you might need to choose a deduction date a few days before the due date.

C. Select how vendor receives: Specify how you would like the vendor to receive your payment. Both options are free:

- Bank transfer, or automated clearing house (ACH) in one to four business days
- Paper check in five to seven business days

D. Estimated payment delivery: QuickBooks will provide an estimated date that the vendor will receive your payment. If this is after the due date, you will need to specify an earlier deduction date or faster delivery method.

Once you have provided the detail for each bill payment, click the green Schedule all payments button. QuickBooks Online will then make all your payments as well as make the accounting entries in QuickBooks.

Wrap Up

You've completed another tutorial in our QuickBooks Online Training Course! You can now pay bills by either printing checks or using the free QuickBooks Online bill payments feature. The next tutorial in our QuickBooks Online Training Course is How to Enter Bank Transactions.

How to Enter Bank Transactions in QuickBooks Online Manually

In this tutorial, you'll learn how to enter bank transactions manually in QuickBooks Online. We provide links to our tutorials that cover each of the common bank transactions. We also show you how to enter bank transactions directly in the check register of QuickBooks Online, although this is generally not the best way to add transactions.

Thank you for taking the time to complete this free tutorial for QuickBooks Online, our best overall pick for **small business accounting software**. We hope you will follow along in your own QuickBooks account. If you don't already subscribe to QuickBooks, you can choose from a 30-day free trial or 50% off for three months.

[Visit QuickBooks Online](#)

This tutorial is one in our series of **Free QuickBooks Tutorials**. The video below and the step-by-step illustrated instructions that follow present the same information. I encourage you to read the section on why you should not input transactions directly in the check register before viewing the video.

Enter Bank Transactions In QuickBooks Online



Why You Should Not Enter Bank Transactions Directly in the Check Register

One of the strengths of QuickBooks Online is the use of easy-to-understand screens for inputting transactions. These input screens provide fields for all the information QuickBooks needs to account for the transactions properly and provide in-depth reporting. The check register does not provide all the necessary fields. For instance, the check register does not provide fields for:

- **Items:** The check register does not allow you to assign transactions to **Items** in your products and services list. The register only allows assigning amounts directly to an account, sometimes called a category in QuickBooks Online. Any purchase or sale of inventory must be assigned to the correct Inventory Item for QuickBooks Online to track your inventory quantity and cost. Any sale of services should be assigned to the correct Service Item so that QuickBooks Online can provide a helpful breakdown of your revenue by service.
- **Multiple accounts:** The entire bank transaction recorded in the check register must be assigned to a single account. Amounts recorded through the proper input screens can be assigned to any combination of multiple accounts and items.
- **Customer/Project:** Amounts entered in the check register cannot be assigned to a customer or project, which prevents QuickBooks Online from preparing accurate profit and loss reports by customer or project.
- **Billable/markup:** An expense entered in the check register cannot be classified as billable, and a markup percentage cannot be provided. It's vital to mark expenses that will be billed to a customer as "billable" so that the expense is available to add to the customer invoice.

In addition, checks added in the check register manually cannot be applied against outstanding bills from the vendor. Similarly, payments received from a customer cannot be applied against their invoice if you enter the deposit in the check register.

Transactions entered in the input screens will flow automatically to the check register. If you've already entered a transaction in the check register, you can open the appropriate input screen by selecting the transaction in the register and clicking "Edit." Below is a list of our tutorials that demonstrate the best way to input bank transactions using the input screens:

TRANSACTION	TUTORIAL
Enter a Check or EFT to Pay a Bill	How to Pay Bills
Enter a Check or EFT When a Bill Has Not Been Entered	How to Write & Print Checks
Receive a Payment on a Customer Invoice	How to Receive Payments
Receive a Customer Payment When an Invoice Has Not Been Entered	How to Create and Send Sales Receipts
Record Other Bank Deposits	How to Record Bank Deposits
Transfer Funds Between Accounts	How to Transfer Funds Between Bank Accounts

When to Consider Entering Bank Transactions Directly in the Check Register

Entering transactions in the check register is considerably faster than using the input screens. You might consider entering transactions directly in the register if you are doing the bookkeeping after the fact. For instance, if you are doing the 2020 bookkeeping in March 2021, it will be faster to enter all bank transactions as checks and deposits in the check register.

You'll give up some of the functionality of QuickBooks, such as inventory accounting, profit and loss by customer/employee, and revenue by product, but the data is so old by the time you're entering it that the reports will be of limited value. Hopefully, you can start keeping the books in real-time going forward, in which case I highly recommend using the input screens discussed above.



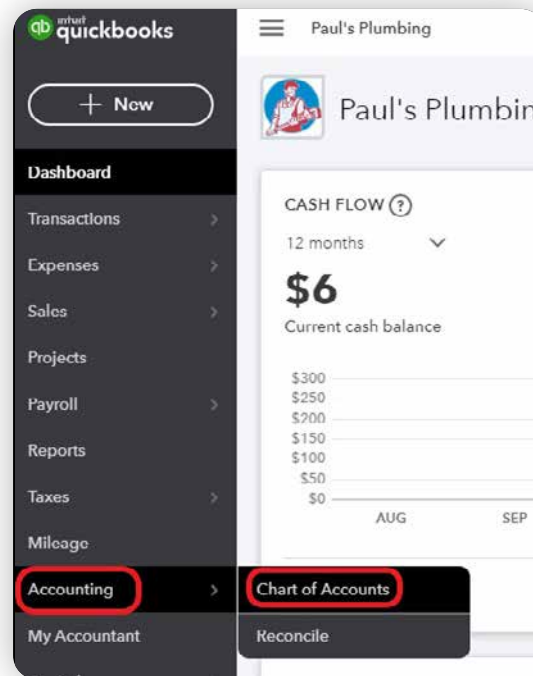
How to Enter Bank Transactions in QuickBooks Online Manually

Before entering bank transactions in QuickBooks Online, make sure your bank account is set up in your chart of accounts as we discussed in [How to Set Up the Chart of Accounts](#). I also recommend trying to [import your bank transactions](#) before resorting to entering them manually, as done in this tutorial.

While not ideal because of the lack of detailed information, entering bank transactions in the QuickBooks Online check register is very fast. All you need to do is navigate to the register and input the transaction.

1. Navigate to the QuickBooks Online Check Register

Select Accounting in the left menu bar and then click Chart of Accounts to display your chart of accounts list:



Navigate to Chart of Accounts in QuickBooks Online.

2. Open the QuickBooks Check Register

Find your bank account in the chart of accounts and click on View register in the far right column. We're going to input transactions for Paul's Plumbing's checking account with Bank of America:

 A screenshot of the QuickBooks Online 'Chart of Accounts' report. The report is titled 'Chart of Accounts' and includes a 'Reconcile' button. There are 'Run Report' and 'New' buttons in the top right. A search filter is set to 'All'. The table below lists three accounts:

NUMBER	NAME	TYPE	DETAIL TYPE	QUICKBOOK	BANK	ACTION
1110	1110 Company Checking Account	Bank	Chec...	197,497.17	5,...	View register
1120	1120 Company Savings Account	Bank	Checking	24,924.05		View register
112720	112720 Checking Account - Bank of America	Bank	Checking	0.00		View register

 The 'View register' link for the '112720 Checking Account - Bank of America' is highlighted with a red circle.

View checking account register in QuickBooks Online.

3. Review the QuickBooks Check Register

All transactions affecting your bank balance will be reflected in the check register, regardless of whether you entered the transactions directly in the register, entered them through the appropriate input screen, or accepted them from your list of imported bank transactions. I highly recommend you complete all fields for each transaction, but the only fields required are Date, Amount, Type, and Account:

Bank Register 112720 Checking Account A

ENDING BALANCE \$300.00 Reconcile

Go to: 1 of 1 < First Previous 1-2 of 2 Next Last >

DATE B	REF NO. C TYPE	PAYEE D ACCOUNT E	MEMO F	CLASS G LOCATION	PAYMENT H	DEPOSIT I	BALANCE K
07/01/2020	Deposit	Aaron E Berhanu 410790 Product Sales Rev...	Supplies purchased	Accessories Store		\$500.00	\$500.00
07/15/2020	11000 Check	Accounting Firm 6277 Professional Fees:Ac...	Bookkeeping assistance	Admin Store	\$200.00		\$300.00

Check register in QuickBooks Online.

A. Bank register: This field allows you to see what bank account register you are in quickly. You can switch to a different bank account easily by clicking the drop-down arrow and selecting a different bank account.

B. Date: Indicate the date of the transaction you are inputting.

C. Ref no./type: Enter the transaction number, such as check number, as the reference number. The transaction type is selected when you create a new transaction and will appear here.

D. Payee: For payments, select the vendor or employee for this field. For deposits, select the customer.

E. Account: Choose the account from the chart of accounts where the payment or deposit should be characterized. For example, if you are entering a check to pay the monthly rent, choose rent expense.

F. Memo: Provide a brief description of the transactions. For example, "July rent check."

G. Class/Location: Assign the transaction to your user-defined Classes and Locations. If these fields don't appear (and you want to track activity by Class or Location), you need to activate Track Classes and/or Locations, as shown in How to Set Up Advanced Settings.

H. Payment: Enter the amount of the check or leave blank for a deposit.

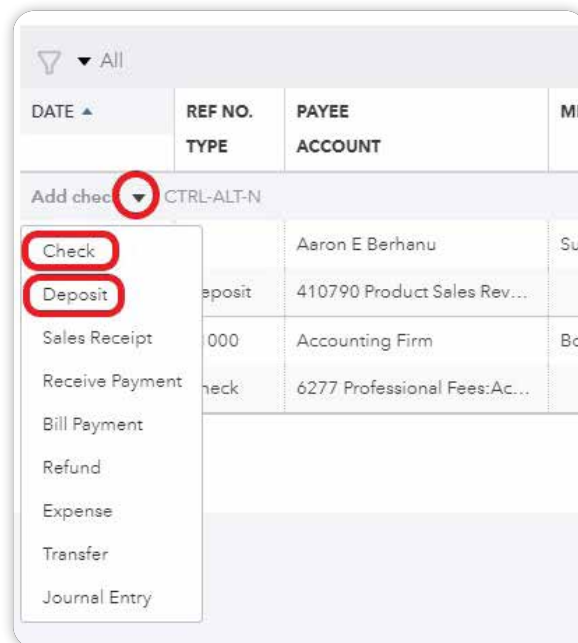
I. Deposit: Enter the amount of the deposit or leave blank for a check.

J. Reconciled: A checkmark will appear in the column once you indicate the transaction has cleared your bank during the bank reconciliation.

K. Balance: This is the account balance after each transaction.

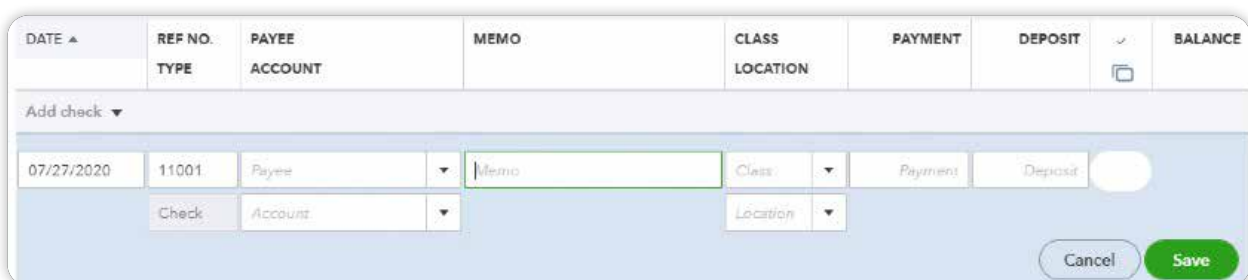
4. Enter Bank Transactions Into the QuickBooks Check Register

To enter a new transaction, click on the drop-down menu immediately beneath column headers in the check register and select either Check or Deposit. There are many other types of bank transactions that will flow from input screens, but everything input directly in the check register can only be designated as either a check or deposit:



Create a new check or deposit in QuickBooks Online.

The register will now provide a line for you to input the fields as described above. Be sure to click the green Save button when you are finished:

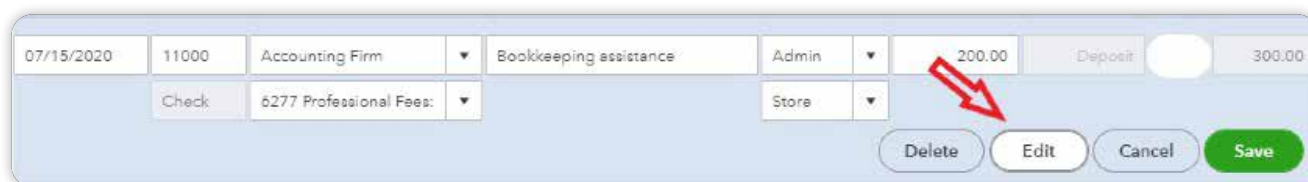




Tip: Never enter a payment received from a customer for an outstanding invoice as a deposit or a payment made to a vendor on an outstanding bill as a check. Doing so will double-count income or expense rather than offset the outstanding invoice or bill. You can learn the correct way to enter these transactions in our tutorials [How to Receive Payments](#) and [How to Pay Bills](#).

How to Modify Bank Transactions in QuickBooks Online

In the bank register, highlight the transaction you want to modify. This will enable you to change any of the information you input in the register. You can go to the input screen to add or change additional information by clicking Edit:



Modify a bank transaction from the check register in QuickBooks Online.

You can find information about the input screens for each type of bank transaction by referring to the other tutorials in the table at the top of this article.

Wrap Up

You've completed another tutorial in our QuickBooks Online Training Course. You've learned why it's usually not a good idea to enter bank transactions directly into the check register, but also how to do so if the need arises for quick data entry. The next tutorial in our QuickBooks Online Training Course is [How to Manage QuickBooks Online Bank Feeds](#). That tutorial will teach you how to accept imported bank transactions as well as how to match them to existing transactions within QuickBooks Online.

How to Manage QuickBooks Online Bank Feeds

In this tutorial, we're going to cover how to manage QuickBooks Online bank feeds. After connecting your bank accounts to QuickBooks, you should review each transaction to ensure the date, amount, and account are correct. By using the QuickBooks Online Banking Center, you can then add them to the QuickBooks check register as a new transaction or match them to an existing transaction already entered in QuickBooks.

We're happy you're completing this free tutorial for QuickBooks Online, our best overall pick for [small business accounting software](#). We encourage you to follow along in your own QuickBooks Online account. If you don't already subscribe to QuickBooks Online, you can choose from a 30-day free trial or 50% off for three months.

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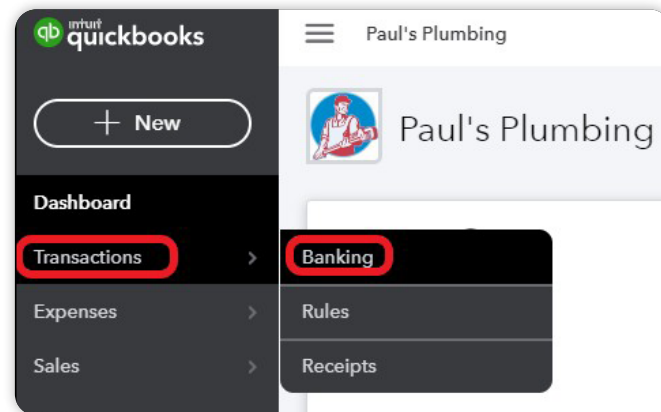


Why It's Important to Manage QuickBooks Online Bank Feeds

Bank transactions imported into QuickBooks Online from your connected bank accounts are not entered into the check register automatically. You must review each transaction in the Banking Center, match it to any existing transaction already in QuickBooks Online, and then click to add it or exclude it from the check register. In this tutorial, we will show you how to review and categorize your transactions so they can be added to the check register.

QuickBooks Online Banking Center Layout

To open the QuickBooks Online Banking Center, hover over Transactions from the left menu bar and then click Banking:



Navigate to the QuickBooks Online Banking Center.

The QuickBooks Online Banking Center includes a tile across the top for each bank and credit card account that is connected to QuickBooks. Each tile includes the name of the financial institution, the current bank balance, and the current account balance in QuickBooks. If your bank is not shown in a tile at the top of the screen, it is not yet connected to your QuickBooks Online account. Visit our prior tutorial, [How to Import Bank Transactions](#), to connect your bank account.

DATE	DESCRIPTION	PAYEE	CATEGORY OR MATCH	SPENT	RECEIVED	ACTION
07/10/2020	Aon Insurance		6180 Insurance	\$24.00		Add
07/03/2020	Verizon Wireless	Verizon Wireless	1 record found Bill Payment 100 07/02/2020 \$221.35 Verizon Wireless	\$221.35		Match

QuickBooks Online Banking Center.

A. Bank balance: This is the actual balance in your bank account as of the last time QuickBooks imported your banking transactions. In the above example, the bank account was “Updated moments ago.”

B. In QuickBooks: The balance in QuickBooks will be different from the bank balance as a result of bank transactions that have not been added to the check register.

C. Bank feed transactions: Transactions imported through your bank feed are organized into three tabs:

- **For Review:** Imported transactions initially appear in the For Review tab where you must add, match, or exclude them.
- **Review:** Transactions that have been added or matched move from the For Review tab to the Reviewed tab.
- **Excluded:** The Excluded tab lists imported transactions that you have chosen to not transfer to your QuickBooks check register. Excluding should be extremely rare and likely only used when correcting for a previous error. All bank transactions—even if personal—must be entered into the QuickBooks check register.



Finding errors: The QuickBooks balance (B) and bank balance (A) should match after you have added and matched all transactions for review. Certain errors, such as adding a transaction that should have been matched to an existing transaction or excluding a bank transaction, can cause differences. These errors will be easiest to find when you reconcile your account as we will teach you in [How to Process Bank Reconciliations](#).

How to Manage QuickBooks Online Bank Feeds

Navigate to the Banking Center as described above, then follow these few easy steps to review and add the imported transactions to the check register.

1. Examine Transactions in the For Review Tab

All newly imported banking transactions will appear in the For Review tab at the bottom of the Banking Center screen:

DATE	DESCRIPTION	PAYEE	CATEGORY OR MATCH	SPENT	RECEIVED	ACTION
07/10/2020	Aon Insurance		6180 Insurance	\$24.00		Add
07/03/2020	Verizon Wireless	Verizon Wireless	1 record found Bill Payment 100 07/02/2020 \$221.35 Verizon Wireless	\$221.35		Match

Review Transactions in the Banking Center.

Each transaction in the For Review tab must be added to the check register, matched to an existing transaction already in QuickBooks, or excluded from QuickBooks.

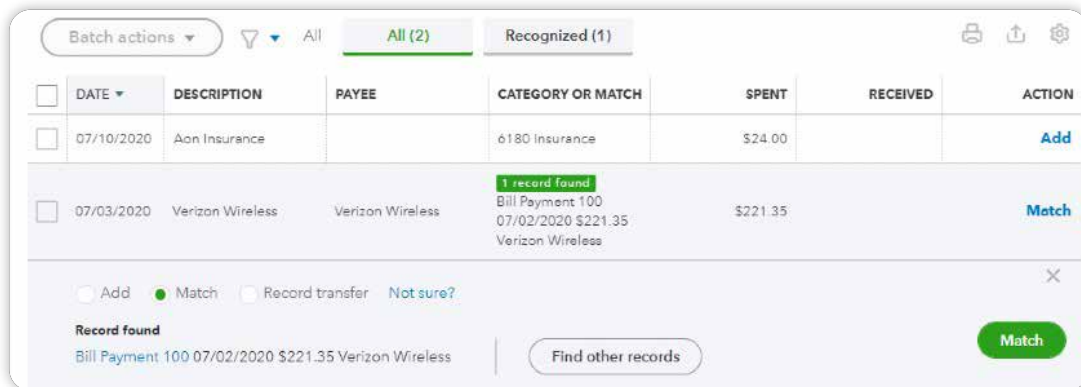
2. Match Imported Transactions to Existing Transactions

It's critical that imported transactions are matched to any existing transactions, instead of being added as new transactions. If you add transactions that already exist, the check register will include them twice, and your bank account and financial statements will be wrong. Some examples of imported bank transactions that will already exist in QuickBooks include:

- Checks printed from QuickBooks
- Deposits of customer payments

A great feature of QuickBooks Online is that payments can be matched against outstanding bills, even if you haven't recorded the payment in QuickBooks. When you match a payment to an outstanding bill, QuickBooks will create a bill payment transaction and record it in the check register.

QuickBooks Online will automatically propose any matches for your imported transaction. To review the details of the match, click anywhere on the transaction. When you are satisfied that the match is correct, click on the green Match button:

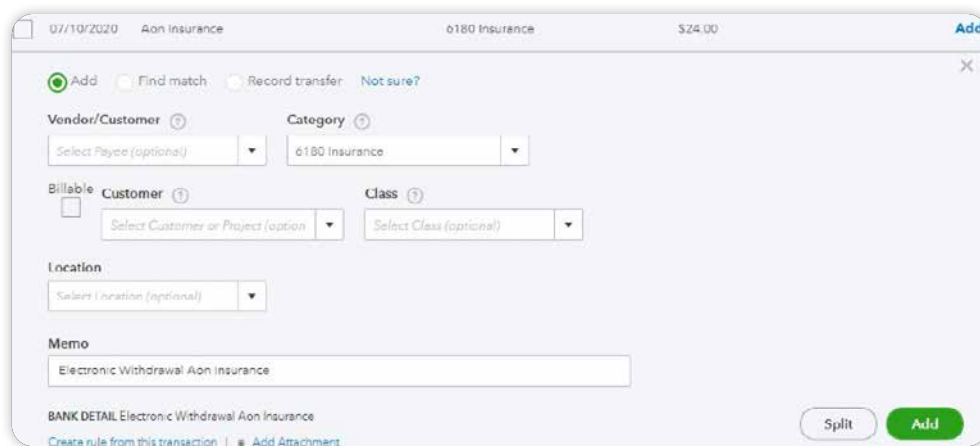


Match Imported Bank Transactions in QuickBooks Online.

The matched transaction will move from the For Review tab to the Review tab. You can undo the match by clicking on the Reviewed tab, locating the transaction, and clicking Undo.

3. Add New Transactions

Imported transactions that have not been entered into QuickBooks can be added as new transactions to the check register. An example might be an electronic payment of an expense where the bill was not recorded in QuickBooks. To add a transaction, click anywhere on the transaction to open more detail.



Add Imported Bank Transactions to Check Register in QuickBooks Online.

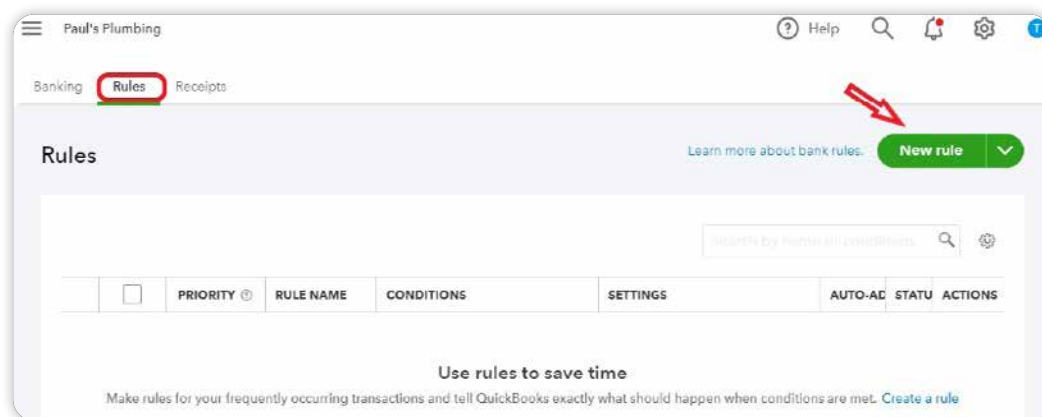
The only requirement to add a new transaction is to provide a Category, or account, from your chart of accounts. However, I highly recommend that you also provide the Vendor, Customer/Project, Class, and Location so that QuickBooks has all the available information to run useful management reports. If Class and Location do not appear on your screen, you need to enable Class and Location tracking in the [Advanced Options](#).

How to Create Bank Rules to Streamline QuickBooks Online Bank Feeds

You can reduce the amount of time it takes to code and record transactions in the Banking Center by setting up bank rules. QuickBooks will use these bank rules to code transactions for you automatically, but you'll still have the opportunity to review the transactions (as above) before you add them.

1. Navigate to Manage Rules and Create a New Rule

Click on the Rules tab at the top of the banking center, then click the green New rule button:
Create a New Banking Rule in QuickBooks Online



Create a New Banking Rule in QuickBooks Online.

2. Set Up Conditions for New Rule

The Create rule screen collects data regarding how to identify intended transactions and then how to classify them:

Design a Banking Rule in QuickBooks Online.

A. Name: Provide a name for the rule that will make it easy to identify later.

B. Transactions: You can specify whether you want the rule to apply to transactions that are Money out or Money in to either all bank accounts or specific bank accounts.

C. Conditions: You can specify one or more conditions that the transaction should meet to be classified under your new rule. If you specify multiple conditions, you can choose whether the transaction must meet all the conditions or at least one of the conditions.

Conditions can reference the transaction's description, bank text, or amount. If the condition is based on the transaction's description or bank text, you can specify that it must contain, doesn't contain, or exactly matches the text you enter. Conditions that reference the amount of the transaction can specify the amount must be equal to, not equal to, greater than, or less than the value you specify.

Here are some examples of conditions you could specify to make a rule:

Field	Comparative Statement	Text or Amount
Amount	Equals	22.17
Amount	Is less than	100.00
Description	Contains	Telephone
Bank Text	Contains	Verizon

D. Assign transaction: In the final section, you tell QuickBooks Online how to assign the transaction. You can specify the following fields for each transaction that meets the criteria in C:

- Transaction type
- Category or account
- Payee

By expanding the link [Assign more](#), you can also specify:

- Class
- Location
- Add memo

Be sure to click the green **Save** button when you are done creating your rule.

Wrap Up

Congratulations on the completion of another tutorial in our QuickBooks Online Training Course. You've learned how to classify transactions imported from your connected bank accounts and to create rules that will automatically classify transactions. The next tutorial in our QuickBooks Online Training Course is [How to Record Bank Deposits](#). That tutorial will teach you to record the deposit of individual checks and groups of checks using the undeposited funds account.

How to Record Bank Deposits in QuickBooks Online

In this tutorial, you will learn to record bank deposits in QuickBooks Online. Recording bank deposits in QuickBooks Online is a two-step process. First, checks from customers are received and placed in the Undeposited Funds account. Second, checks from the Undeposited Funds account are grouped and combined with noncustomer checks to create a single deposit.

Thank you for taking the time to complete this free tutorial for QuickBooks Online, our best overall pick for **small business accounting software**. This tutorial will be more useful if you follow along in your own QuickBooks account. If you don't already subscribe to QuickBooks, you can choose from a 30-day free trial or 50% off for three months.

[Visit QuickBooks Online](#)

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Record Bank Deposits in QuickBooks Online



Why Recording Deposits in QuickBooks Online Is Important

A tenet of good bookkeeping is tracking all of the activity running through your bank account. Therefore, it's important that any deposits to your bank account be recorded in your accounting records. This is true even for deposits that are not income, such as investments by the business owner.

How to Record a Deposit in QuickBooks Online

1. Receive Customer Checks and Record as Undeposited Funds

Before recording a deposit in QuickBooks Online, you must record the receipt of customer checks as Undeposited Funds, which has been demonstrated in previous tutorials. In new QBO accounts, the undeposited funds account has a default name of Payments to Deposit. To review how to record the receipt of checks from customers that have been issued an invoice, see [How to Receive Payments](#). The receipt of checks from customers when no invoice was issued was covered in [How to Create QuickBooks Online Sales Receipts](#).



Why use Undeposited Funds: Using the Undeposited Funds account makes tracing from your check register to the bank statement easy. Undeposited Funds groups an unlimited number of customer checks onto a single deposit slip that will show up in the check register as a single amount. This is important because the deposit will appear on the bank statement as a single amount as well.

2. Create a New Deposit

To create a new deposit, click the New button above the left menu bar and then select Bank deposit from the far-right column:



Create a new bank deposit in QuickBooks Online.

The top of the bank deposit screen requires you to choose a bank account and input the date of the deposit:

Select the bank account and date for a Bank Deposit.

While QuickBooks allows you to choose current asset accounts, such as prepaid expenses, it would be very unusual to do so. Be sure to select the bank account where you will be depositing the funds. Then, scroll down to the next section, which allows you to choose the customer checks that will be included in the deposit.

3. Add Customer Checks From Undeposited Funds

Think of Undeposited Funds as an envelope where you place all the customer checks as you receive and record them in step one. Making the bank deposit is like taking the checks out of the envelope and listing them on the deposit slip:

<input checked="" type="checkbox"/>	RECEIVED FROM	DATE	TYPE	PAYMENT METHOD	MEMO	REF NO.	AMOUNT	
<input checked="" type="checkbox"/>	Aaron E Berhenu	07/31/2020	Payment	Check		1000	45.00	
<input checked="" type="checkbox"/>	Baker's Professional Lighting: Store #15	07/31/2020	Payment	Check		5899	1,422.00	
							Total	1467.00
							Selected Payments Total	1467.00

Select checks in Undeposited Funds to include in the QuickBooks Online deposit.

QuickBooks Online provides a list of the checks you have received from customers and placed in Undeposited Funds. All the information on this screen is carried over from when you recorded receipt of the payment. Place a checkmark next to each customer check that will be included in this deposit and then scroll down to add noncustomer checks in the next step.

4. Add Other Checks to the Deposit

The next section of the bank deposit screens allows you to add checks that are not included in Undeposited Funds. These are generally noncustomer checks such as tax refunds, insurance proceeds, or vendor refunds:

#	RECEIVED FROM	ACCOUNT	DESCRIPTION	PAYMENT METHOD	REF NO.	AMOUNT	CLASS
1	State Tax Agency	Taxes	Tax Refund	Check	14524	1,243.25	Admin
2							
3							

Other funds total: \$1,243.25

Add noncustomer checks to a QuickBooks Online bank deposit.

If the check is a refund of an expense, select the account where the original expense was recorded. For instance, in this example, Paul’s Plumbing is recording their tax refund as a reduction in the Taxes account. I recommend including the number of the check being deposited to leave a trail if you need to investigate any problems later. Be sure to include a Class if you’ve enabled class tracking in your **advanced settings**.

5. Record Cash Back and Print Your Bank Deposit

The bottom of the bank deposit screen allows you to record any cash back you receive from the deposit:

Record cash bank from a bank deposit in QuickBooks Online.

If you receive cash back at the time of the deposit, you must specify the amount and an account or category. Any cash back will reduce the deposit recorded in your check register to match the actual deposit on your bank statement.

If you're making the deposit in person, I recommend printing a deposit summary to give the teller. To do this, click on the Print button at the bottom of the screen and select Deposit Summary. Be sure to click the green Save and close button to complete the deposit.

Wrap Up

Congratulations on completing another tutorial in our QuickBooks Online Training Course. You've learned how to deposit customer checks previously received and placed in Undeposited Funds. You've also learned to deposit noncustomer checks and how to record cash back on your deposit. The next tutorial in our QuickBooks Online Training Course is [How to Transfer Funds Between Bank Accounts](#).

How to Transfer Funds Between Bank Accounts in QuickBooks Online

This tutorial will cover how to transfer funds between bank accounts in QuickBooks Online. We'll show you how to record the transfer and then review or edit the transfer of funds in the bank account check register. Finally, we'll discuss a faster way to record the transfer if the bank account is connected to QuickBooks Online.

Thank you for taking the time to complete this free tutorial for QuickBooks Online, our best overall pick for **small business accounting software**. This tutorial will be more useful if you follow along in your own QuickBooks account. If you don't already subscribe to QuickBooks, you can choose from a 30-day free trial or 50% off for three months.

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This tutorial is one in our series of [Free QuickBooks Tutorials](#). The video below and the illustrated instructions that follow present the same information.

How to Transfer Funds Between Bank Accounts in QuickBooks Online



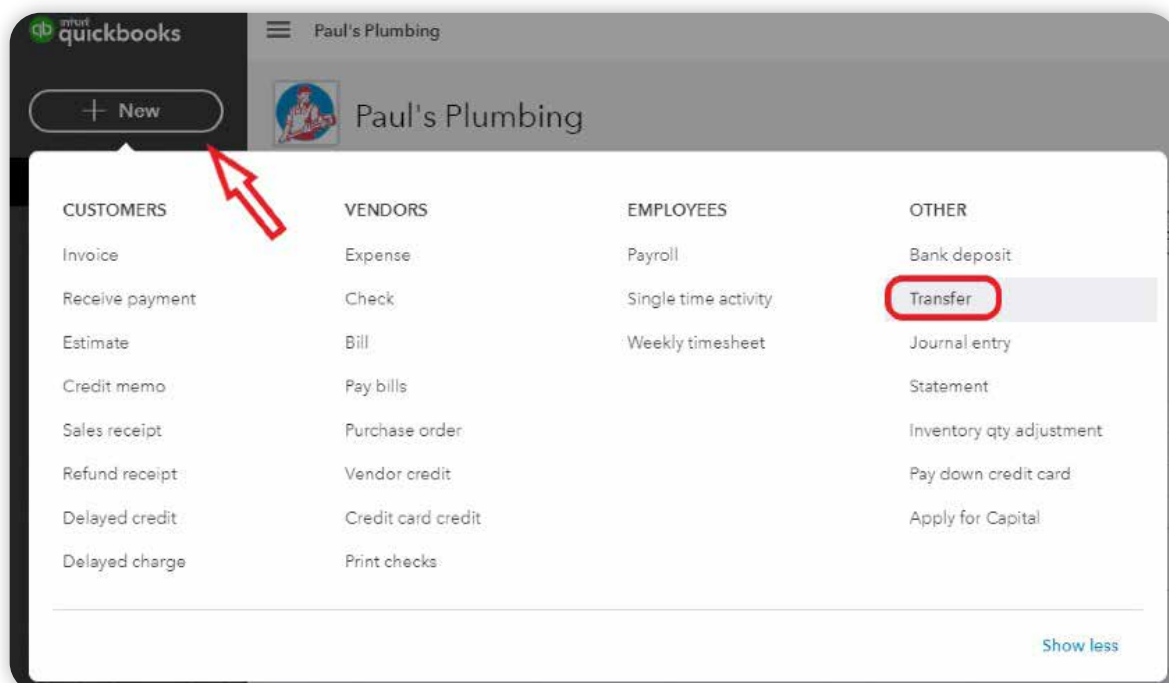
Why It Is Important to Transfer Funds Between Bank Accounts in QuickBooks Online

Companies often have multiple bank accounts. For instance, a company might have one checking account for payroll and another checking account for other activities. It's important to record any fund transfers between the checking accounts so that QuickBooks Online has an accurate account balance. Transfers not recorded could lead to inaccurate balances, overdrafts, and even bounced checks.

How to Transfer Funds in QuickBooks Online

1. Open the Transfer Screen

Click on the New button at the top of the left menu bar and select Transfer from the far right column:



Record an account transfer in QuickBooks Online.

2. Enter the Bank Transfer Information

Enter bank transfer information in QuickBooks Online.

A. Transfer funds from: Select the bank account from which the funds will be withdrawn. The balance in the account selected will be shown to the right of the account. Make sure you have enough funds in the account to cover the transfer.

B. Transfer funds to: Select the bank account where the funds will be deposited. If this is a new bank account, select Add New to create a new account as shown in [How to Set Up the Chart of Accounts](#).

C. Transfer amount: Enter the amount of the transfer.

D. Date: Enter the date the transfer will be recorded by the bank where the funds are being withdrawn.

E. Memo: Provide a brief description of the transfer.

When you are satisfied with the information you entered, click the drop-down box next to Save and new and select Save and close.

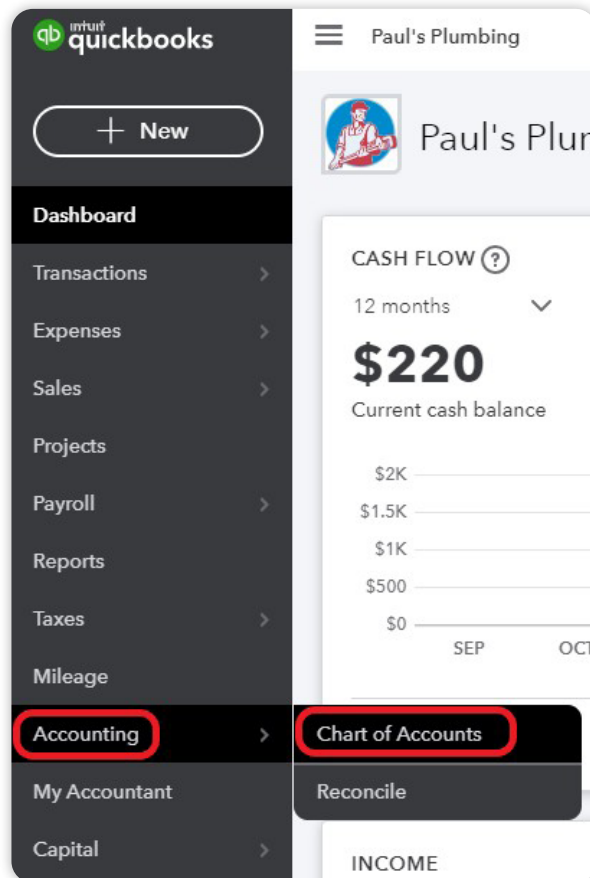
Entering the transfer on this screen does not initiate a transfer at your bank, even if the bank account is connected to QuickBooks Online. This screen records the transfer in your books. If both bank accounts are connected to QuickBooks Online, you can skip recording the transfer here and accept the bank transfer uploaded from the bank feed as described in [How to Manage Bank Feeds](#).

How to Review and Edit Bank Transfers

To review and edit a bank transfer, you must first find the transfer in your checking account register.

1. Open the Chart of Accounts

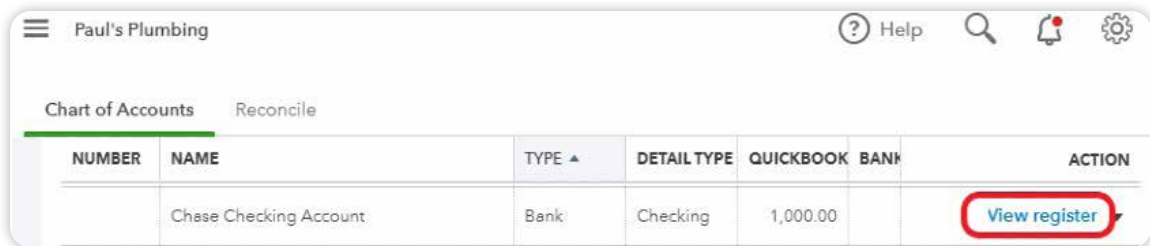
To find the checking account register, hover over Accounting in the left menu bar and then click Chart of Accounts:



Navigate to Chart of Accounts in QuickBooks Online.

2. View the Check Register

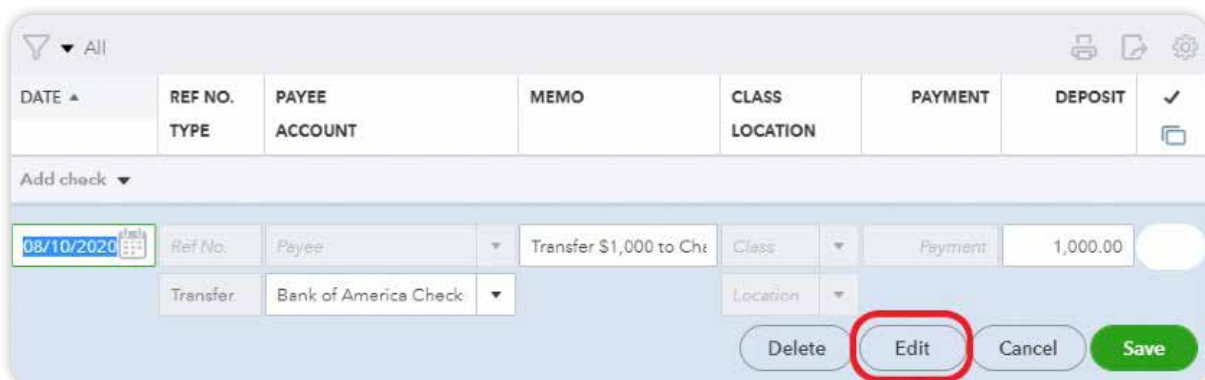
In the Chart of Accounts, find the bank account where funds were deposited and select View register in the far right column. If you prefer, you can view the register of the bank account from which the funds were withdrawn:



View the check register in QuickBooks Online.

3. Review and Edit the Transfer

Scroll to the transfer to verify that it has been recorded. By default, the register is sorted by date to make the transfer easy to find. If you need to edit the transfer, click anywhere on the transaction and then click Edit:



Edit a bank transfer in QuickBooks Online.

Clicking Edit will open the transfer screen where you entered the transfer originally. Make any necessary adjustments and then click Save and close.

Wrap Up

Congratulations on the completion of another QuickBooks Online Training Course. You've learned how to record, review, and edit bank transfers within QuickBooks Online. The next tutorial in our QuickBooks Online Training Course is How to Record a Bounced Check in QuickBooks Online. That tutorial will teach you how to reverse the deposit of a customer's bad check, restore the accounts receivable from the customer, and record any associated bank fee.

How to Transfer Funds Between Bank Accounts in QuickBooks Online

In this tutorial, you'll learn how to record a bounced check in QuickBooks Online. QuickBooks doesn't have a bounced check feature, so the process requires several steps.

Thank you for taking the time to complete this free tutorial for QuickBooks Online, our best overall pick for **small business accounting software**. This tutorial will be more useful if you follow along in your own QuickBooks account. If you don't already subscribe to QuickBooks, you can choose from a 30-day free trial or 50% off for three months.

[Visit QuickBooks Online](#)

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What a Bounced Check Is

A bounced check is a check you receive from a customer that is returned by their bank because of insufficient funds. A bounced check has multiple effects on your accounting records and requires several adjustments. Your bank will likely charge a fee for a bounced check, which most businesses choose to pass through to the customer.

The Importance of Recording a Bounced Check in QuickBooks

When a check bounces, the bank balance shown in QuickBooks Online is overstated since the bounced check is shown as a deposit. It's important to immediately adjust your QuickBooks bank balance so the correct amount is displayed. You also must show that the customer still owes you for the original invoice as well as any fee you charge for returned checks.

Recording a bounced check is complicated and requires several steps. There are multiple ways to record a bounced check, but we present what we believe is the most efficient way while still maintaining a paper trail and making reconciling your QuickBooks banking activity as simple as possible.

How to Record a Bounced Check in QuickBooks Online in 4 Steps

To record a bounced check, you must complete the following steps:

1. Decrease the bank balance for the deposited check that bounced.
2. Reopen the original invoice showing that it has not been paid.
3. Record the nonsufficient funds (NSF) fee charged by your bank.
4. Bill your customer an NSF fee.

Let's follow a hypothetical example with Paul's Plumbing to illustrate how to record a bounced check.

- On June 24, 2020, Paul's Plumbing issued Cole Home Builders Invoice #71142 for \$10,000.
- On July 5, Cole Home Builders paid the full invoice with check #1010.
- Also on July 5, Paul's Plumbing **recorded the check** as received and placed it in undeposited funds.
- On July 6, Paul's Plumbing **deposited check #1010** along with other customer checks in its Bank of America checking account.
- On July 13, Bank of America notified Paul's Plumbing that check #1010 was returned for nonsufficient funds and charged them an NSF fee of \$25.

1. Record the Decrease in Bank Balance

We must decrease the Bank of America checking balance on July 13 when we learn that the \$10,000 check from Cole Home Builders has bounced. We'll do this by recording an expense out of the Bank of America account. Click the **New** button at the top of the left menu bar and then select Expense in the second column under Vendors:



Create new expense in QuickBooks Online.

The expense entry should decrease the bank account and increase accounts receivable (A/R) since the customer now owes us for the check that bounced. Here is the expense entry to decrease the Bank of America checking account for our hypothetical example:

 A screenshot of the 'Expense' entry form in QuickBooks Online. The form is titled 'Expense' and shows the following details:

- Payee:** A (Cole Home Builders)
- Payment account:** B (Bank of America Checking)
- Amount:** \$10,000.00
- Payment date:** C (07/13/2018)
- Payment method:** D (Cash)
- Ref. no.:** (empty)
- Location:** (empty)
- Category details table:**

#	CATEGORY	DESCRIPTION	AMOUNT	BILLABLE	MARKUP%	TAX	CUSTOMER / PROJECT	CLASS
1	1210 Accounts Receivable	Record bounced check #1010	10,000.00					
2								

A. Payee: Select the customer whose check bounced

B. Payment account: Select the bank account where the bounced check was deposited

C. Payment date: Enter the date the bank notified you of the bounced check

D. Payment method: Select cash as the payment method

E. Category: The category must be Accounts Receivable, which is an asset account and records the amount owed to you by the customer

F. Description: Provide a description indicating that this entry is being made to record a bounced check

G. Amount: Enter the amount of the bounced check

Click the green **Save and close** button when you have entered all the information.

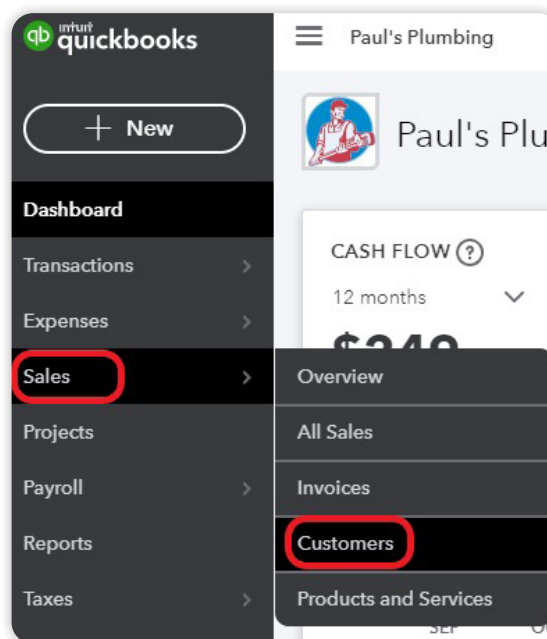


Avoid a common mistake: While it's tempting, do not account for a bounced check by deleting receipt of the original check. This removes the paper trail, might misstate undeposited funds and the checking account, and makes it difficult to reconcile your QuickBooks account to the bank statement. The bank statement will show the original deposit, followed by a reduction for the bounced check. You want your QuickBooks account to show the same transactions.

2. Reopen the Original Invoice

The customer invoice was marked as paid when the original check was received. However, now that the check has bounced, the invoice needs to be reopened and sent to the customer.

Navigate to customers by hovering over Sales in the left menu bar and then click on **Customers**:



Navigate to customers in QuickBooks Online.

Scroll down to find the customer whose check bounced and click on their name to open a list of their transactions. In the list of the customer's transactions, locate the original invoice and the original payment received:

<input type="checkbox"/>	07/05/2020	Payment	1010		07/05/2020	\$0.00	\$-10,000.00	Closed	
<input type="checkbox"/>	06/24/2020	Invoice	71142		07/24/2020	\$0.00	\$10,000.00	Paid	Print ▼

Customer transaction list in QuickBooks Online.

Notice that the original invoice #71142 for \$10,000 is marked as paid. To reopen invoice #71142, we need to edit how the payment received with Check #1010 was applied. Click Closed in the right column of the payment line to open the receive payment screen:

Receive Payment #1010

Customer: Cole Home Builders
 Deposits amount of \$10,000.00 was deposited on 07/06/2020

Payment date: 07/05/2020

Payment method: Check | Reference no.: 1010 | Deposit to: 1500 Undeposited Fu

Amount received: 10,000.00

AMOUNT RECEIVED
\$10,000.00

Outstanding Transactions

First Invoice No: [] Filter: All

<input type="checkbox"/>	DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Check (07/13/2020)	07/13/2020	10,000.00	-10,000.00	[]
<input checked="" type="checkbox"/>	Invoice # 71142 (06/24/2020)	07/24/2020	10,000.00	-10,000.00	10,000.00

< First Previous 1-2 of 2 Next Last >

Amount to Apply: \$10,000.00
 Amount to Credit: \$0.00

Clear Payment

Unapply payment received to invoice in QuickBooks Online.

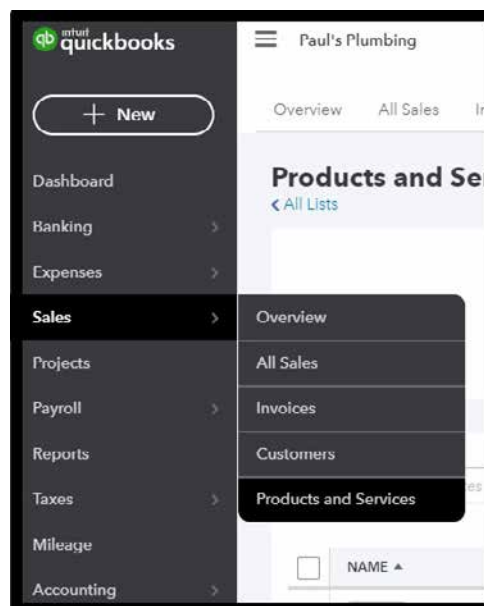
The receive payment screen applies check #1010 to the invoice #71142, which is no longer correct since the payment bounced. To reopen the invoice, uncheck the box to the left of the invoice and check the box to the left of the check that was created in step one. Now, click the green **Save and Close** button, and the invoice in the transaction list should now have a status of Open or perhaps Overdue.

You can now email or print and mail the invoice to the customer as discussed in [How to Create and Send Invoices](#).

3. Record the NSF Fee

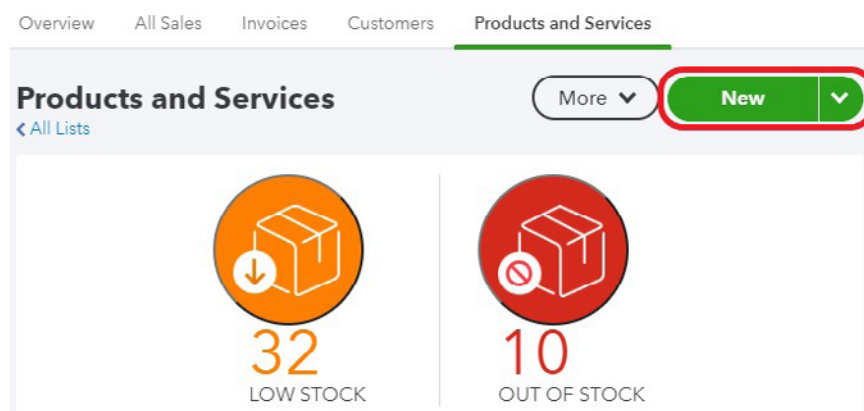
Next, we must record the NSF fee that was charged by your bank. If this is the first time you are recording an NSF fee, you should first create a Service Item so the fee can be marked-up and billed to the customer.

The details of adding Service Items was discussed in [How to Set Up Products and Services](#), but we'll cover it again so we can talk about the specifics applicable to setting up the NSF Fee. Hover over **Sales** in the left menu bar and then click **Products and Services**:



Navigate to Products and Services in QuickBooks Online.

From the products and services screen, click the green New button in the upper right corner to create a new product or service item:



Create new product or service in QuickBooks Online.

The Product/Service information screen that appears after clicking New provides the four types of items that can be created for products and services. Click on the third item, which is Service. Here is an example of how to complete the add Service screen that will appear:

Product/Service information

Service [Change type](#)

Name* **A**
NSF Fee

SKU
[Empty field]

Is sub-product/service

Enter parent product/service [Dropdown]

Class
Assign a class [Dropdown]

Description
 I sell this product/service to my customers. **B**
Charge for checks returned for insufficient funds. **C**

Sales price/rate **D** **Income account** **E**
50 4990 Misc. Revenue [Dropdown]

Sales tax category **F**
Nontaxable [Dropdown]

Add Service Item in QuickBooks Online (1 of 2).

A. Name: Name the Service Item NSF Fee or something similar.

B. Sell service to customer: Check the box indicating you sell this service to your customer. This will make it easier to add an NSF Fee to your customer's invoice.

C. Description: Enter a description of the charge you would like to appear on your customer's invoice.

D. Sales price/rate: Input the amount you would like to charge your customers for a bounced check. This does not necessarily have to be the same amount as the bank charges you. There is nothing wrong with charging the customer for your inconvenience, but it's a good idea to state your charge for returned checks at the bottom of all your invoices.

E. Income account: Select the income account where you want to record the fees collected from your customers.

F. Sales tax category: Select nontaxable if NSF fees charged to clients are not subject to sales tax in your state.

Scroll down to complete the purchasing information for the NSF Fee Service Item:

Purchasing information

I purchase this product/service from a vendor. **G**

NSF Fee **H**

Cost **I** 25 Expense account **J** 6115 Bank Service Charges

Preferred Vendor

Select a preferred vendor

SHOW MORE

Save and close

Add Service Item in QuickBooks Online (2 of 2)

G. Purchase this service: Check the box to indicate that you purchase this service from a vendor.

H. Description: Provide a description to appear on your internal purchase and expense forms.

I. Cost: Enter the amount of your bank's NSF fee.

J. Expense account: Select the expense account where you want to record the NSF fee charged to you by your bank.

When you are finished, click the green **Save and close** button.

Now that we have created a Service Item for the NSF fee, recording the expense of the fee will be easy. Open a new expense screen by clicking on New at the top of the left menu bar and then selecting Expense as done in step 1.

Here is an example of how to record the NSF fee for the example with Paul's Plumbing:

Expense

Payee **A**: Bank of America
 Payment account **B**: Bank of America Checking
 Balance: \$363.02
 AMOUNT: **\$25.00**

Payment date **C**: 07/13/2020
 Payment method **D**: Cash
 Ref. no.:
 Location:

▶ Category details

▼ Item details

#	PRODUCT/SERVICE E	SKU	DESCRIPTION	QTY	RATE	AMOUNT	BILLABLE F	MARKUP %	SALES AMT	TAX	CUSTOMER / PROJECT G	CLASS
1	NSF Fee E		NSF Fee	1	25	25.00	<input checked="" type="checkbox"/> View	100%	50.00		Cole Home Builders	
2												

Buttons: Add lines, Clear all lines

Memo: _____

Total: **\$25.00**

Recording an NSF fee in QuickBooks Online.

A. Payee: Select the bank that charged you an NSF fee as the payee. If the bank is not yet set up as a customer, select Add New and provide the bank's information.

B. Payment account: Select the account where the NSF fee was charged.

C. Payment date: Enter the date the NSF fee was charged to you.

D. Payment method: Select cash for the payment method.

E. Product/Service: Under Item details (not Category details), select the NSF Fee item you set up in the first part of this step. Once you select the item, the Description, Qty, Rate, and Amount will autopopulate based on the information you provided when you set up the item.

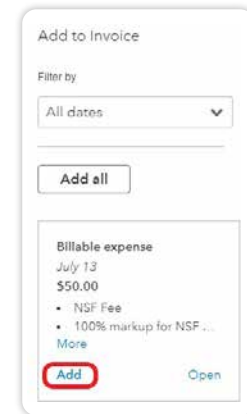
F. Billable: If you want to charge your client a fee for the bounced check, place a checkmark under Billable. This will autopopulate Markup% and Sales Amt. This box must be checked for the charge to be available when you create a customer invoice in the next step.

G. Customer/Project: If you've marked the expense as billable, you must select the customer whose check bounced.

When you're finished entering your data, be sure to click the green **Save and close** button. If you want to bill your client for an NSF fee, then continue to step four. Otherwise, you are done recording the bounced check activity.

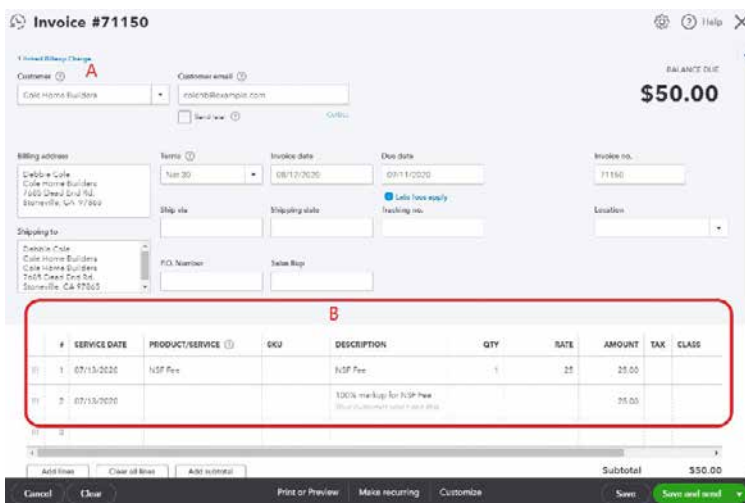
4. Bill an NSF Fee

The last step is to bill your customer an NSF fee, which is optional. Click on New on the top of the left menu bar and then select Invoice under Customers in the first column. A new invoice screen will appear. In the Customer field, select the customer whose check bounced. A list of billable expenses will then appear to the right of the invoice:



Add NSF Fee to invoice in QuickBooks Online.

Locate the billable NSF fee you created in the prior step and click Add. The billable expense will autopopulate the billing detail of the invoice. Here is the completed invoice screen for our example with Paul's Plumbing:



Create an NSF fee invoice in QuickBooks Online.

A. Customer: Select the customer whose check bounced. After selecting the customer, all the other customer information fields will autopopulate. Of course, you can change them if needed.

B. Service information: This entire section autopopulated when you added the billable expense in the previous screenshot.

Click **Save and send** to finish the process. For additional information on saving, printing, and emailing invoices, review the prior tutorial [How to Create and Send Invoices](#).

Wrap Up

Congratulations on finishing what could be the most complex tutorial in our QuickBooks Online Training Course. Hopefully, you won't have to do it often, but you now know all the steps needed to record a bounced check and bill the customer an NSF fee. The next tutorial in our QuickBooks Online Training Course is How to Process Bank Reconciliations. That tutorial will teach you to reconcile your QuickBooks Online banking activity with your bank statement to make sure you have recorded all the activity.

How to Process Bank Reconciliations in QuickBooks

In this tutorial, you'll learn how to do a bank reconciliation in QuickBooks Online. You should understand how to reconcile in QuickBooks to verify that all the activity in your bank account is recorded in QuickBooks Online accurately.

We're happy you are completing this free tutorial for QuickBooks Online, our best overall pick for **small business accounting software**. You'll get the most from this tutorial by following along in your own QuickBooks account. If you don't already subscribe to QuickBooks Online, you can choose from a 30-day free trial or 50% off for three months.

[Visit QuickBooks Online](#)

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How to Process Bank Reconciliations in Quickbooks Online



Why Bank Reconciliation in QuickBooks Is Important

It is important that you reconcile your business bank accounts on a monthly basis. Reconciling is the process of matching the transactions on your bank statement to what you have recorded in your accounting software.

Reconciling your bank accounts in QuickBooks accomplishes three main goals:

- All bank transactions are recorded: Reconciling your bank account to QuickBooks ensures that all transactions listed in your bank account are recorded in QuickBooks.
- All QuickBooks transactions occurred: Sometimes, a transaction in QuickBooks can be created inadvertently. If this transaction involves a bank account, a bank reconciliation will identify the bogus transaction.
- Transaction amounts are correct: Not only does a bank reconciliation ensure transactions exist on both the bank statement and within QuickBooks, it requires the amounts to be the same.

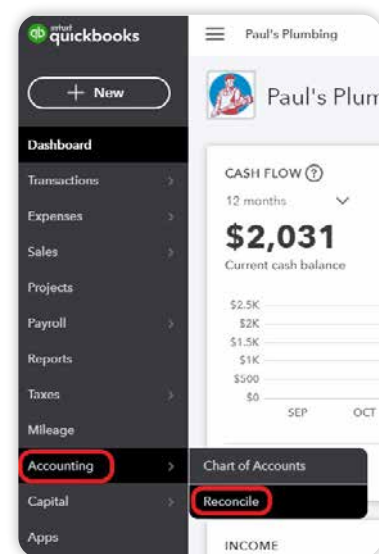
Benefits of Preparing Bank Reconciliations in QuickBooks Online

Bank reconciliations in QuickBooks Online will help ensure the number and amount of your transactions are correct. You'll find that most discrepancies between the bank and your QuickBooks records are bookkeeping errors or omissions. For instance, forgetting to record automatic withdrawals in QuickBooks is a common mistake. However, banks do occasionally make mistakes, and it is imperative to stay vigilant with your reconciliations. A bank reconciliation will also catch any fraudulent transactions in your bank account since they won't be recorded in your QuickBooks.

How to Reconcile in QuickBooks Online in 5 Steps

1. Navigate to Bank Reconciliation in QuickBooks Online

In the left menu bar, hover over Accounting and click on Reconcile:



Navigate to the reconciliation window in QuickBooks Online.

2. Select the Bank Account to Reconcile

Choose the bank account that you want to reconcile and enter the ending account balance and date from your bank statement. You can also enter service charges and interest earned, but only if these amounts aren't already entered in QuickBooks:

Reconcile an account
Open your statement and let's get started.

Which account do you want to reconcile?

Account **1**
Chase Checking Account

Add the following information

Beginning balance	Ending balance *	Ending date *
0.00 2	3 10,026.22	08/31/2020 4

Enter the service charge or interest earned, if necessary

Date *	Service charge	Expense account
5 08/31/2020	10.00	6115 Bank Service C...

Date	Interest earned	Income account
6	0.00	Account

Start reconciling

Enter information for bank reconciliation in QuickBooks.

1. Account: Select the bank account you wish to reconcile from the drop-down menu.

2. Beginning balance: This is the beginning balance of your bank account and must agree to your bank statement. This example is a newly opened account, so the beginning balance is zero. In subsequent months, the beginning balance will roll over automatically from the prior month's ending balance.



Difference in beginning balance: Once a transaction has been reconciled, the amount should never be changed in QuickBooks. If it is changed, the beginning balance on this screen will not match the beginning balance on your bank statement. When this occurs, QuickBooks will provide a warning that the beginning balance is off and provide a link for help identifying the previously reconciled transaction that has changed.

3. Ending balance: Enter the ending balance from your bank statement.

4. Ending date: Select the ending date of your statement period.

5. Service charge: Enter the date, amount, and expense account to charge for any service charge shown on the statement that has not already been entered into QuickBooks.

6. Interest earned: Interest earned on your bank balance that hasn't already been entered in QuickBooks can be entered here.

When you've entered all the information from your bank statement, click the green Start reconciling button to continue.

3. Begin Matching Transactions

Chart of accounts > Bank register > Reconcile

Reconcile Chase Checking Account
Statement ending date: August 31, 2020

Edit info Save for later

\$10,026.22 STATEMENT ENDING BALANCE	-	\$-10.00 CLEARED BALANCE	A	\$10,036.22 DIFFERENCE
\$0.00 BEGINNING BALANCE	-	\$10.00 1 PAYMENT	+	\$0.00 0 DEPOSITS

DATE	TYPE	REF. NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (USD)	DEPOSIT (USD)
08/10/2020	Transfer		Bank of America...		Transfer \$1,000 to Chase		1,000.00
08/15/2020	Check	1000	6277 Profession...	Accounting Firm	Bookkeeping assistance	200.00	
08/18/2020	Deposit		1800 Undeposit...	Cole Home Build...			10,000.00
08/20/2020	Check	1001	1140 Petty Cash ...	Deborah Wood (...)	Petty Cash	500.00	
08/25/2020	Check	1003	- Split -	Gretton Insuranc...	WC Policy # 87023 Jan07	231.84	
08/29/2020	Expense		6320 Telephone	Call Phone Com...		263.78	
08/30/2020	Check	1002	6295 Rent	Xavier Property	January Rent	503.75	
08/31/2020	Check	SVCCHRG	6115 Bank Servi...		Service Charge	10.00	

QuickBooks bank reconciliation screen before reconciliation.

A. Cleared transactions summary: The beginning balance and statement ending balance is from the prior screen. The cleared balance is calculated as the beginning balance minus payments cleared plus deposits cleared. Payments and deposits are the sum of transactions below that have the radial button clicked. To the right of the summary is the difference between the statement ending balance and the cleared balance. This difference must be zero for your reconciliation to be finished.

B. List of transactions: The list of transactions includes all QuickBooks transactions in this account that have not cleared the bank prior to this statement period. Any transactions not cleared this month will appear again next month.

C. Radial buttons: Click the radial button on the right side of a transaction if that transaction cleared the bank on this period's statement.

Trace the transactions from the detailed list on this screen to your bank statement. When you have a match, click the radial button next to the transaction on this screen and place a checkmark next to the transaction on your bank statement. When you click a radial button, the transaction will be reflected in the summary of cleared activity at the top of the screen.



Problems tracing deposits: The deposits on your bank statement will likely have multiple checks grouped into a single transaction. If your QuickBooks transactions show a separate deposit for each customer check, it will be difficult to trace your deposits. In the future, you should always deposit customer checks into the undeposited funds account, where they will later be grouped into a single bank deposit, as shown in [How to Receive Payments in QuickBooks Online](#).

4. Confirm the Bank Reconciliation in QuickBooks Has a Difference of Zero

Once you have matched all transactions from QuickBooks and your bank statement, the difference shown at the top of the screen should be zero. Here is an example of the completed reconciliation for Paul's Plumbing Chase checking account:

Chart of accounts > Bank register > Reconcile

Reconcile Chase Checking Account
Statement ending date: August 31, 2020

\$10,026.22 STATEMENT ENDING BALANCE **\$10,026.22** CLEARED BALANCE

\$0.00 BEGINNING BALANCE **\$973.78** 4 PAYMENTS **\$11,000.00** 2 DEPOSITS

\$0.00 DIFFERENCE

Statement ending date: Clear filter / View all Payments Deposits All

DATE	TYPE	REF. NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (USD)	DEPOSIT (USD)
08/10/2020	Transfer		Bank of America...		Transfer \$1,000 to Chase...		1,000.00
08/15/2020	Check	1000	6277 Profession...	Accounting Firm	Bookkeeping assistance	200.00	
08/18/2020	Deposit		1500 Undeposit...	Cola Home Build...			10,000.00
08/20/2020	Check	1001	1140 Petty Cash...	Deborah Wood [...]	Petty Cash	500.00	
08/25/2020	Check	1003	- Split -	Gretton Insurenc...	WC Policy # 8/023 Jan07	231.84	
08/29/2020	Expense		6320 Telephone	Cell Phone Com...		263.78	
08/30/2020	Check	1002	6295 Rent	Kuver Property	January Rent	983.75	
08/31/2020	Check	SVCCHRG	6115 Bank Servi...		Service Charge	10.00	

Completed reconciliation in QuickBooks Online.

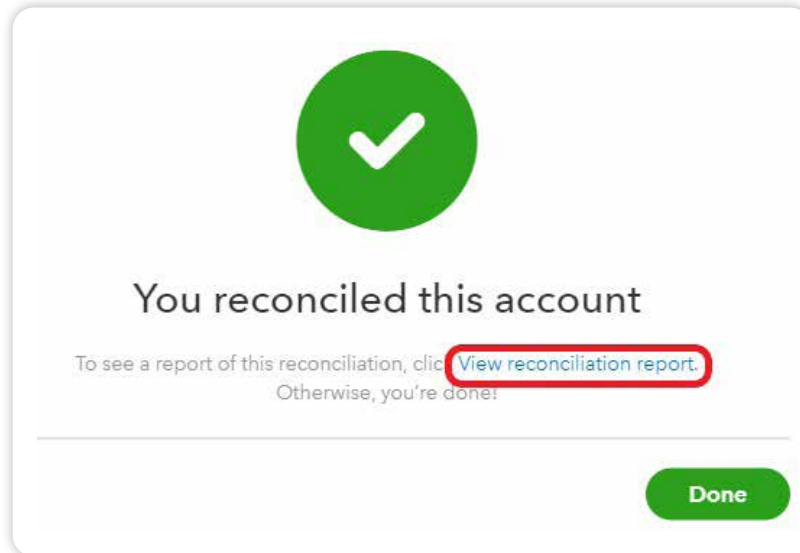
Checks #1002 and #1003 have not cleared the bank. This isn't surprising since they were issued toward the end of the month. These transactions will roll over automatically to next month's reconciliation when they will likely clear the bank.

Resist the temptation to finish without the difference being zero. The error will likely affect next month's reconciliation and will keep accumulating, making future reconciliations harder and harder. Instead, skip to our section below for some tips for finding the difference.

Once the difference has been reduced to zero, the green button in the upper right-hand corner will become Finish now. Click this to finalize your reconciliation.

5. Review & Save QuickBooks Bank Reconciliation Reports

After clicking Finish now, QuickBooks will display a confirmation along with a link to view the reconciliation report:



QuickBooks bank reconciliation confirmation message.

Click View reconciliation report to view the report. The top of the report will display summary information similar to the top of the reconciliation screen. Perhaps the most useful information on the report is the list of uncleared, or outstanding, checks and deposits which is listed at the bottom of the report under Additional Information:

Additional Information				
Uncleared checks and payments as of 08/31/2020				
DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
08/25/2020	Check	1003	Gretton Insurance Co.	-231.84
08/30/2020	Check	1002	Kuver Property	-583.75
Total				-815.59
Uncleared deposits and other credits after 08/31/2020				
DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
09/01/2020	Deposit		Cole Home Builders	50.00
Total				50.00

Uncleared transactions from the QuickBooks reconciliation report.

You should review this section every month to make sure these uncleared transactions make sense. Pay close attention to any checks that are getting very old, perhaps three months or more. Contact the employee or vendor and verify they received the check and determine if they need it reissued. I suggest stopping payment on the old check before reissuing a new one.

Once you are comfortable, the uncleared transactions make sense, and you are done with your reconciliation.

8 Troubleshooting Tips for Bank Reconciliation in QuickBooks Online

Bank reconciliations can be frustrating, but they are a crucial part of bookkeeping. Here are some troubleshooting tips to help you reduce your reconciliation difference to zero.

1. Verify Beginning Balances Equal

The beginning balance in the summary at the top of the QuickBooks reconciliation screen must equal the beginning balance on your bank statement. If you reconciled the account successfully in the prior month, yet your beginning balance doesn't match your bank statement, then a previously cleared transaction has changed. QuickBooks will provide a link on the screen where you input the statement summary to help you find the changed transaction.

2. Always Start From the Beginning

If this is the first time you are reconciling this account, the beginning balance in QuickBooks will be zero. Make sure you are using the very first bank statement for that account. You may have to go back many months and then move forward, reconciling one month at a time. If it's impossible to start your reconciliation in the first month of the bank account, you might need an experienced bookkeeper to help with your first reconciliation to get you on track.

3. Review the Bank Statement Information in QuickBooks

Triple-check the statement balance, service charge, and interest income you entered from the bank statement. Make sure the service charge and interest income are only entered during the reconciliation if they aren't already in QuickBooks.

4. Look for Your Exact Difference

For example, if your difference is \$21.50, look for a transaction for this amount on either your bank statement or the QuickBooks list of transactions. You can click on the amount column in the QuickBooks reconciliation screen to sort the transaction by amount.

5. Balance One Transaction Type at a Time

Many bank statements will separately summarize deposits and withdrawals as does the summary at the top of the QuickBooks reconciliation screen. First, try to match total bank deposits to total QuickBooks deposits by reviewing only deposit transactions. Then, match total withdrawals from QuickBooks and the bank statement.

6. Investigate Unmarked Transactions in QuickBooks

Double-check that all the unmarked transactions in the reconciliation window do not appear on the bank statement. If the transaction is on your bank statement, then the radio button should be marked in the reconcile window.

7. Investigate Unmarked Transactions on Your Bank Statement

Verify that all transactions on your statement have been matched to QuickBooks. Add any transactions that are missing from QuickBooks by clicking the green Finish later button and entering the transactions as normal.

8. Take a Break

If you have been at it for a while and you need a break, QuickBooks allows you to pick up where you left off. Click the Finish later button to save the work you have done so far. Sometimes, taking a breather and coming back can help you spot what's causing the difference.

The most important thing you can do to keep your reconciliations simple is to do them monthly shortly after receiving your bank statements. The longer you wait to reconcile your accounts, the more difficult it will be.

Wrap Up

You've finished another tutorial in our QuickBooks Online Training Course. You now know the importance of bank reconciliations and how to complete them in QuickBooks Online. The next tutorial in our QuickBooks Online Training Course is [How to Manage Downloaded Credit Card Transactions](#). That tutorial will teach you to review, classify, and accept or exclude credit card transactions that are imported automatically from your connected credit card accounts.

When to Enter Credit Card Transactions Manually in QuickBooks Online

You'll need to enter your credit card charges manually in QuickBooks Online if you're unable to **import your credit card transactions**. You also might want to enter charges manually to have the most up-to-date financial information. Credit card transactions won't transfer to QuickBooks from your account until the charges are final, which could take several days. It's important to have up-to-date financial information prior to printing financial statements at the end of the month, quarter, or year.

Entering Credit Card Charges in QuickBooks in 3 Steps

Entering credit card charges in QuickBooks can be accomplished in three easy steps.

1. Create an expense transaction.
2. Select your payment method and credit card account.
3. Enter the expense details and click the Save button.

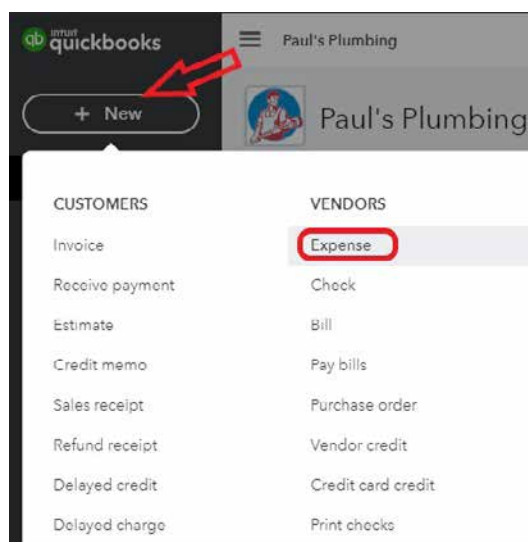


Avoid double-counting expenses: These instructions are for paying an expense that has not been entered as an unpaid bill. To pay bills already entered in QuickBooks Online with a credit card, follow the steps in [How to Pay Bills](#) and select your credit card as the payment account.

Here are our detailed instructions for entering a new credit card charge.

1. Create an Expense Transaction

Create a new expense transaction by clicking on New at the top of the left menu bar and selecting Expense under the Vendor column:



Create a New Expense Transaction in QuickBooks Online.

2. Select Your Payment Method and Credit Card Account

In the expense input screen, change the Payment account to your credit card and Payment method to your type of credit card. If you need to set up an account for a new credit card, see our tutorial on [How to Set Up the Chart of Accounts](#):

Select your payment method and account in QuickBooks Online.

3. Enter the Transaction Details

Enter the remaining transaction details on the expense input screen. Depending on the settings you selected in [How to Set Up Advanced Settings](#), you may not have all the fields displayed in this example:

#	CATEGORY	DESCRIPTION	AMOUNT	BILLABLE	MARKUP %	TAX	CUSTOMER / PROJECT	CLASS
1	What C category fits?	What D do you pay for?	E	F	G	H	I	
2								

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	BILLABLE	MARKUP %	SALES AMT	TAX	CUSTOMER / PROJECT	CLASS
1	J	What K do you pay for?								L	

Enter Expense Details in QuickBooks Online.

If you've been completing our tutorials in order, the information required to create an expense transaction should be familiar as it is the same as **creating a bill** or **check**.

- A. **Payee:** Choose the vendor you are paying with a credit card or choose Add new to **set up a new vendor**.
- B. **Payment date:** Enter the date you are making the credit card charge.
- C. **Category:** If you're not billing this credit card charge to a customer, assign a category from the drop-down list or click Add new to **set up a new account**.
- D. **Description:** Provide a description of the credit card charge.
- E. **Amount:** Enter the amount of the expense.
- F. **Billable:** You can make a credit card expense billable to a customer by placing a checkmark here. However, it's better to create product or service items (item J below) that can be used to assign billable expenses to customers more easily.
- G. **Markup %:** You can markup the expense before billing to your customer by placing an amount here.
- H. **Tax:** Place a checkmark here if you're required to collect sales tax from your customer when billing them for this expense.
- I. **Customer/Project:** Select the customer or project you wish to bill for this expense, if any. If you wish to bill a new customer or project, select Add new to **set up a customer/project**.
- J. **Product/Service Item:** Goods that are purchased for sale to customers should be assigned an inventory item. Services and other expenses purchased that will be billed to customers should be assigned a service item. If you have not already created the necessary inventory or service items, click Add new to **set up a new product/service** item. Once you select a product/service item, the fields for Description, Rate, Billable, Markup%, Tax, and Class will automatically populate.
- K. **Qty:** Enter the quantity of goods or hours of services purchased. After you enter the quantity, the amount and sales amount will calculate.
- L. **Customer/Project:** Select the customer or project to bill for the expense.

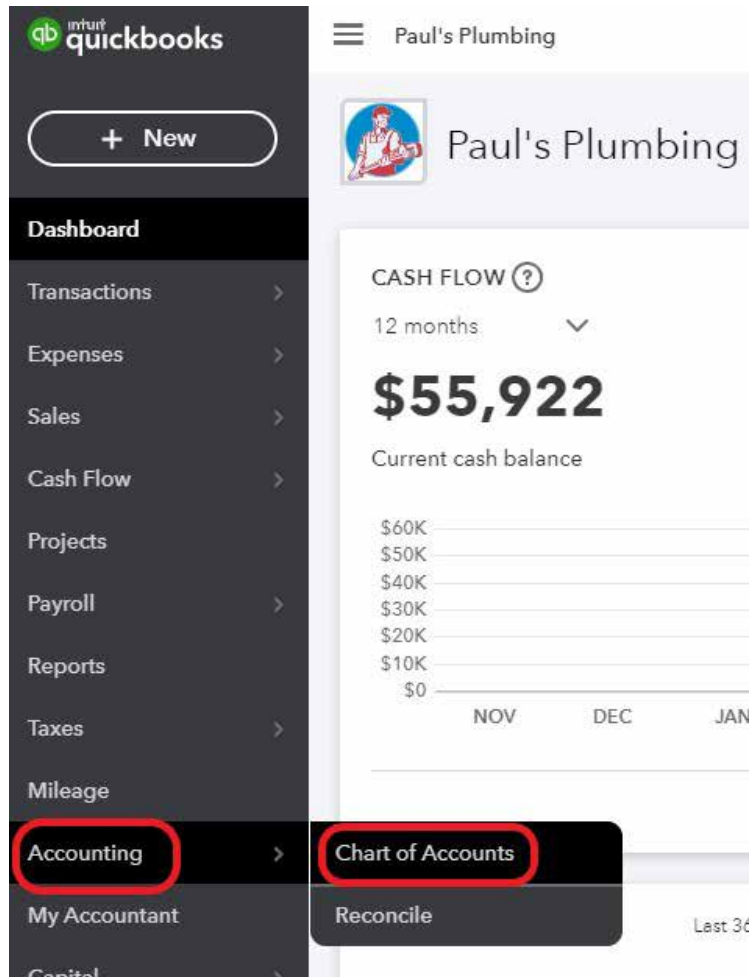
When you are finished entering the transaction details, click on the green Save and close button in the bottom right corner of the screen.

How to Review and Modify Credit Card Transactions

You can review all of your credit card transactions by viewing the account register for your credit card. You can then select transactions from the register to modify.

1. Navigate to the Credit Card Register

On the left menu bar, hover your mouse over Accounting and then select Chart of Accounts:



View Chart of Accounts in QuickBooks Online.

In the Chart of Accounts, scroll down to find your credit card account and then click View register in the far right column:

Chart of Accounts		Reconcile			
NUMBER	NAME	TYPE	DETAIL TYPE	QUICKBOOKS BALANCE	ACTION
2000	2000 QuickBooks Credit Card	Credit Card	Credit Card	1,347.12	View register
	Bank of America Credit Card	Credit Card	Credit Card	441.78	View register

2. Review the Credit Card Register

The credit card register will provide a list of all transactions in your credit card account. You can modify the fields that appear in your credit card register by clicking on the gear icon immediately above the far right column:

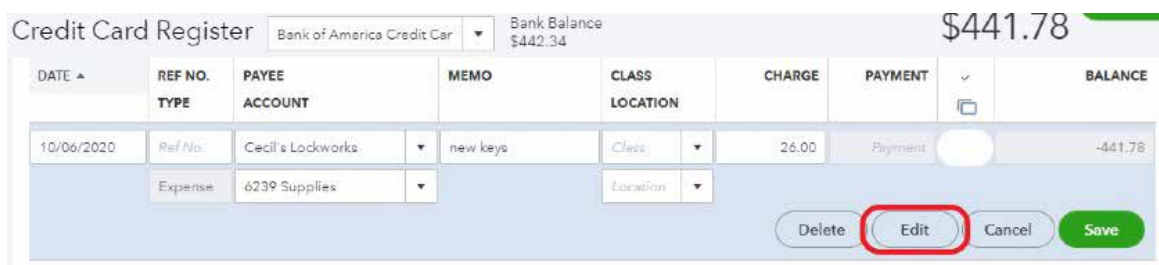


DATE ▲	REF NO. TYPE	PAYEE ACCOUNT	MEMO	CLASS LOCATION	CHARGE	PAYMENT	✓	BALANCE
Add CC expense ▼								
01/03/2020			Opening Balance fr...		\$415.78		R	\$415.78
	CC Exp...	3001 Opening Bal Equity						

Modify Credit Card Register Settings in QuickBooks Online.

3. Modify a Credit Card Transaction

To modify a credit card transaction that appears in the register, click anywhere on the transaction. The transaction will open to allow you to edit any fields appearing in the register. However, not all fields that are available when inputting transactions appear in the register. To edit fields that do not appear in the register, click the Edit button immediately below the transaction, and the original expense input screen will appear:



DATE ▲	REF NO. TYPE	PAYEE ACCOUNT	MEMO	CLASS LOCATION	CHARGE	PAYMENT	✓	BALANCE
10/06/2020	Ref No.	Cecil's Lockworks	new keys	Class	26.00	Payment		-441.78
	Expense	6239 Supplies		Location				

Delete Edit Cancel Save

Click Edit to Open the Transaction Input Screen.

Whether making changes directly in the register or editing the original input screen, be sure to save your changes when you are finished.

Wrap up

You have finished another tutorial and can now enter credit card charges in QuickBooks Online. The next tutorial in our QuickBooks Online Training Course is [How to Manage Downloaded Credit Card Transactions](#). In that tutorial, you will learn how to match imported credit card charges to existing QuickBooks transactions or to create a new transaction when none exists.

Why It's Important to Manage Downloaded Credit Card Transactions in QuickBooks Online

After you **import credit card transactions** into QuickBooks Online, you must tell QuickBooks Online how to classify the transactions. Imported credit card transactions do not transfer into your account register automatically but, rather, appear as transactions awaiting review in the Banking Center. Using the Banking Center, you must do one of the following for each credit card transaction:

- Match the transaction to an existing QuickBooks transaction
- Apply the transaction against an unpaid bill in QuickBooks
- Create a new expense transaction and provide an expense category



Don't exclude transactions: While the option exists in QuickBooks, you should not exclude transactions that are imported from your credit card account. Every transaction in the credit card account, including personal transactions of the owner, must be recorded in QuickBooks Online for the credit card account to reconcile and your books to be complete. See my [bookkeeping tips](#) for advice on how to handle personal transactions of the owner.

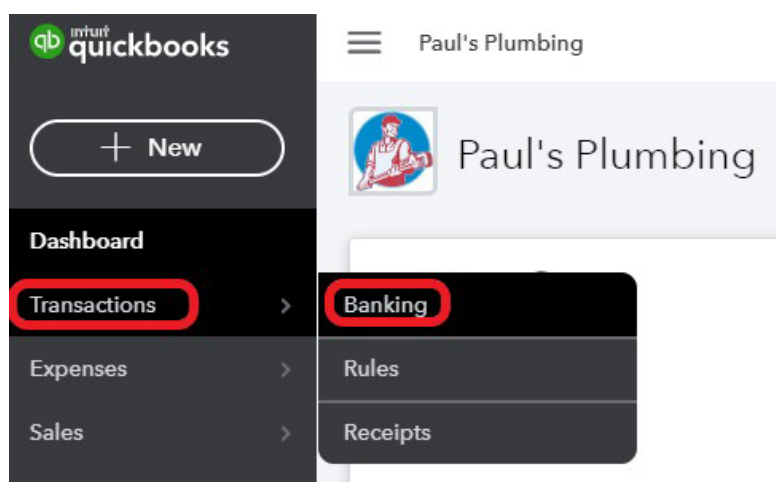
How Do I Manage Downloaded Credit Card Transactions in the Banking Center?

Here are four steps to manage your downloaded credit card transactions in QuickBooks Online:

1. Navigate to the Banking Center.
2. Review downloaded transactions.
3. Compare imported transactions to existing QuickBooks Online transactions.
4. Create new credit card transactions for transactions not already in QuickBooks.

1. Navigate to the Banking Center

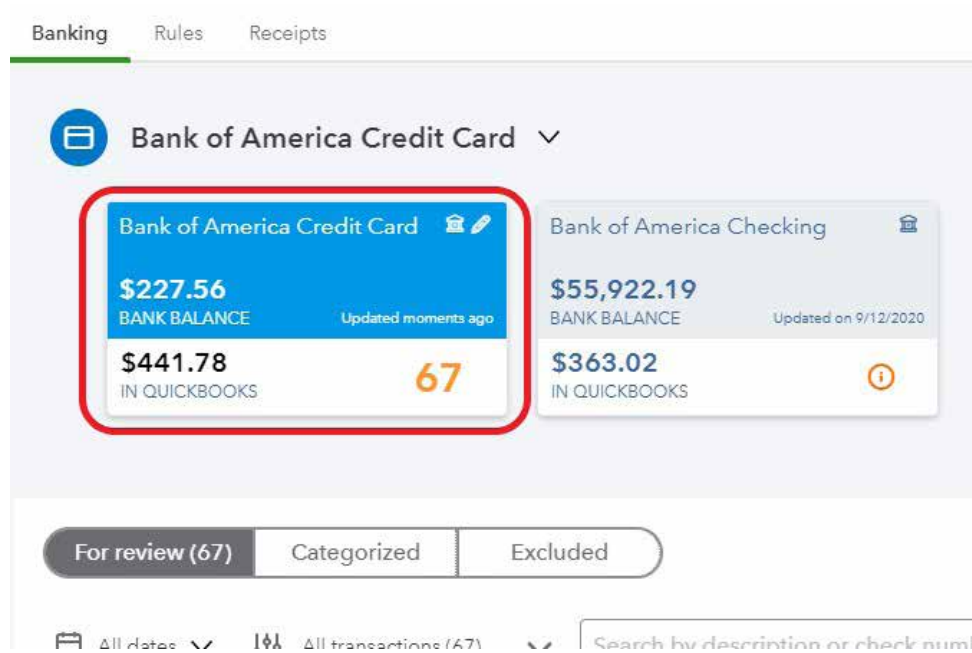
Navigate to the Banking Center by hovering over Transactions in the left menu bar and then clicking on Banking:



Navigate to the Banking Center.

2. Review Downloaded Transactions

The top of the Banking Center displays each checking and credit card account that you have connected to your QuickBooks account. If you haven't connected your credit card account yet, do so by following the instructions in [How to Import Credit Card Transactions](#). Once your credit card account is connected, click on the balance summary at the top of the Banking Center:



Select Your Credit Card Account in the Banking Center.

The summary box for your credit card account displays the account balance reported by your bank as well as the balance from your QuickBooks account register. Transactions that are downloaded into QuickBooks are reflected already in the bank balance. However, downloaded transactions do not affect your QuickBooks balance until you review and accept them.



Don't forget to reconcile: The bank balance and QuickBooks balance should be the same once all your transactions are reviewed. However, if there's a difference, you'll be able to find it when you [reconcile your credit card account](#) at the end of the month.

The orange number in the bottom-right corner of the account summary box is the number of transactions downloaded from your bank account that have not yet been reviewed and accepted, matched, or excluded. A list of transactions to review will appear in the lower half of the Banking Center under the For review tab:

<input type="checkbox"/>	DATE ▼	DESCRIPTION	PAYEE	CATEGORY OR MATCH	SPENT	RECEIVED	ACTION
<input type="checkbox"/>	10/05/2020	CITY OF CORALVILLE-...		1 record found Expense 10/04/2020 \$-25.00	\$25.00		Match
<input type="checkbox"/>	09/28/2020	CREDIT CARD P...		Transfer from Uncategori...		\$598.34	Transfer
<input type="checkbox"/>	09/28/2020	IA CITY ON STREET PA...		6330 Travel	\$2.25		Add

Credit Card Transactions to Review in QuickBooks Online.

Advanced settings: You can determine which columns will appear under the review tab by clicking on the settings cogwheel directly above the last column.

3. Compare Downloaded Transactions to Existing QuickBooks Transactions

It's important to match imported transactions to existing transactions if they exist. Otherwise, the transaction you accept will be a duplicate and cause your credit card balance to be incorrect. QuickBooks searches automatically for existing transactions that match the imported transaction. If a match is found, the word "match" will appear in the action column on the far right. Clicking on Match will connect the transactions immediately, so I suggest refraining from clicking on it until you review the match.

Click anywhere in the transaction to review the suggested match, except on the suggested action in the far-right column:

<input type="checkbox"/>	DATE ▼	DESCRIPTION	PAYEE	CATEGORY OR MATCH	SPENT	RECEIVED	ACTION
<input type="checkbox"/>	10/05/2020	CITY OF CORALVILLE-...	City of Coralville	1 record found Expense 10/04/2020 \$-25.00 City	\$25.00		Match

Categorize
 Find match
 Record as transfer

Matching records found

Expense 10/04/2020 \$-25.00 City of Coralville

BANK DETAIL CITY OF CORALVILLE-CITY HCORALVILLE IA.

View Downloaded Transaction Detail in QuickBooks Online.

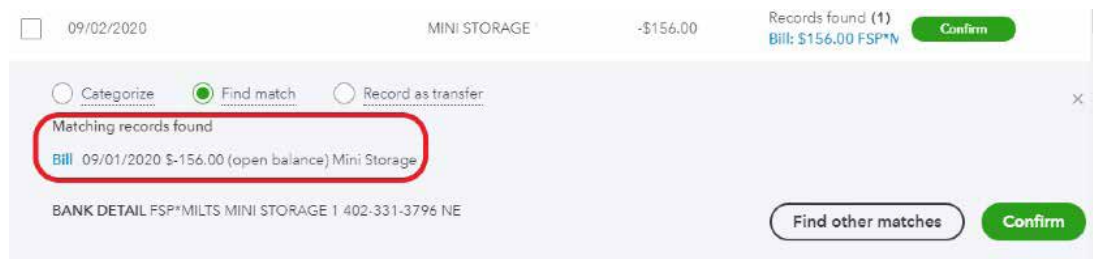
QuickBooks will suggest both matches to existing transactions and matches to unpaid bills.

Matching Existing Transactions

The City of Coralville example above is a match found with an existing transaction. This match occurred because the credit card charge to Coralville **was entered manually into QuickBooks** at the time it was made. By clicking the green Match button, the credit card transaction will move from the For review tab to the Categorized tab, but no transaction will be created in the QuickBooks register since the transaction already exists.

Matching Unpaid Bills

QuickBooks will scan your list of **unpaid bills you've entered previously** to determine if the downloaded credit card transaction is likely a bill payment. In the example below, Paul's Plumbing entered a bill from Mini Storage for \$156.00 on September 1, 2020. They paid the bill with a credit card on September 2, 2020, but did not enter the payment in QuickBooks:



Match Credit Card Transactions to Unpaid Bills in QuickBooks Online.

When you click Confirm, QuickBooks will create a new transaction in your QuickBooks register, recording the credit card charge as well as offsetting the unpaid bill or accounts payable (A/P).

Find Other Matches

If you made a partial payment of an outstanding bill, QuickBooks will not suggest a match automatically since the amount of the charge is different from the bill. Click Find other matches in the transaction detail to provide a list of outstanding bills and indicate which bill to apply the credit card payment.

You might also have to use the Find other matches button for matching transactions where the amounts are, in error, slightly different. You'll need to correct the QuickBooks transaction amount to match the actual credit card charge before you can match the transactions.

4. Create New Credit Card Transactions

If the credit card transaction has not already been recorded manually in QuickBooks, and it is not a payment of an outstanding bill, you'll need to create a new transaction. To review the transaction suggested by QuickBooks, click anywhere on the transaction (except in the Action column):

<input type="checkbox"/>	DATE ▼	DESCRIPTION	AMOUNT	ASSIGN TO	
<input type="checkbox"/>	09/25/2020	Costco Gas	-\$30.61	6132 Car/Truck ...	Confirm

Categorize
 Find match
 Record as transfer

Vendor/Customer
 Category
 Split transaction
 Customer/project
 Billable

Location
 Class

Memo
COSTCO GAS

BANK DETAIL COSTCO GAS

[Confirm](#)

View QuickBooks Suggested Credit Card Transaction.

In the above example, QuickBooks suggests the charge to Costco Gas be categorized as “Car/Truck Expense: Gas.” I highly recommend you complete all fields for the transaction as if you were recording the transaction manually. The Vendor field is important, so the transaction appears with that vendor’s activity. It is especially important to complete the Billable and Customer/project fields if you expect to bill a customer for this expense. Otherwise, the payment won’t be available to add to an invoice.

Create a Rule

If adding a common transaction, you should create a rule so QuickBooks will prefill all of the transaction fields automatically instead of just the Category and Memo. Below is the Costco transaction with the Vendor, Location, and Class manually input:

<input type="checkbox"/>	DATE ▼	DESCRIPTION	AMOUNT	ASSIGN TO	
<input type="checkbox"/>	09/25/2020	Costco Gas	-\$30.61	6132 Car/Truck ...	Confirm

Categorize
 Find match
 Record as transfer

Vendor/Customer
 Category
 Split transaction
 Customer/project
 Billable

Location
 Class

Memo
COSTCO GAS

BANK DETAIL COSTCO GAS

[Confirm](#)

Create a Rule to Memorize Credit Card Transactions.

Click on Create a rule at the bottom of the transaction detail to create a rule based on the information you entered in this transaction:

Create rule

Rules only apply to unreviewed transactions.

What do you want to call this rule? *

Apply this to transactions that are

Money out

and include the following: All

Description

[+ Add a condition](#)

Then assign

Transaction type: Expense

Category: 6132 Car/Truck Expense:Ga [Add a split](#)

Payee: Costco

Class: Admin

Location: Store

Add memo: COSTCO GAS :

Automatic Rule Details in QuickBooks Online.

You must provide a name for this rule in the first field. All of the other fields were populated automatically based on the Costco transaction for which we provided detail. After saving this rule, QuickBooks will automatically record all charges described as “Costco Gas” to Car/Gas Expense with the Payee, Class, and Location fields completed. This can be a huge timesaver but set up your rules carefully to avoid mistakes.

Wrap up

Another tutorial is complete. You can now manage your downloaded credit card transactions by matching them to existing transactions, applying them against unpaid bills, or creating new transactions. You also learned to create a rule so QuickBooks can provide greater detail when suggesting new transactions. The next tutorial in our QuickBooks Online Training Course is [How to Enter a Credit Card Refund](#) when you receive refunds from vendors.

When to Enter a QuickBooks Credit Card Refund

After you purchase items using your credit card, you may need to return something because it was damaged or you didn't need it. The vendor will usually process the return using the same credit card that you used to make the purchase. This refund will appear on your credit card statement as a reduction in your balance. You need to enter this refund so that your QuickBooks credit card balance is correct.



Don't change the original charge: Resist the temptation to record the refund by changing or deleting the original credit card charge. Doing so will make reconciling your credit card more difficult and will misstate your financial information if the charge and refund are in different accounting periods.

How Do I Enter a Credit Card Refund in QuickBooks?

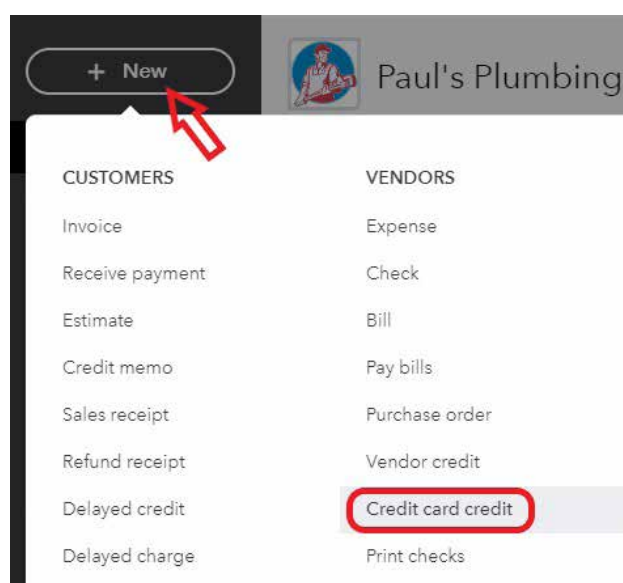
There are four basic steps to enter a credit card refund in QuickBooks Online:

1. Click on the New button at the top of the left menu bar.
2. Select Credit card credit in the Vendors column.
3. Input the credit transaction information.
4. Click Save and close.

Let's take a more detailed look at how to enter QuickBooks credit card credits.

1. Navigate to the Credit Card Credit Screen

From the QuickBooks Online dashboard, click on the New button at the top of the left menu bar and then select Credit Card Credit in the second column under Vendors:



Create a New Credit Card Credit in QuickBooks Online.

2. Input the Transaction Information

The Credit Card Credit screen is nearly identical to the Expense screen you use to **input credit card transactions manually**:

Enter a Credit Card Credit Transaction in QuickBooks Online.

- A. **Payee:** Select the vendor issuing a credit to your credit card.
- B. **Bank/credit account:** Choose the credit card account on which the credit is issued.
- C. **C. Payment date:** Enter the date the credit was issued, not the date of the original charge.



Review the original credit card charge: It will be very helpful to review the original expense entry as this credit entry should use the same categories and items for the portion of the expense refunded. The process for reviewing a credit card charge is the same as [reviewing a credit card credit](#) discussed at the end of this tutorial.

- D. **Category details:** Refer to the original credit card expense entry to determine which category should be reduced by the credit.
- E. **Item details:** Use the same items as were on the original credit card expense. If the credit is because you are returning inventory items purchased, be sure to include the number of items returned in the QTY field so that your units of inventory owned is reduced.

When you have entered the credit information so that it reverses the appropriate portions of the original expense, click the green Save and close button in the bottom-right corner of the screen.

Reviewing and Editing Credit Card Charges and Credits in QuickBooks Online

After a credit card credit has been entered, it should appear in the credit card register. The following steps will show you how to find the credit in the register, review the details, and make any needed adjustments.

1. Navigate to the Credit Card Register

Hover your mouse over Accounting in the left menu bar and then select Chart of Accounts from the pop-up menu:



Go to the Chart of Accounts in QuickBooks Online.

Scroll through the Chart of Accounts to find the credit card account you want to review. Then, click View register in the last column for that account:

NUMBER	NAME	TYPE	DETAILTYPE	QUICKBOOKS BALANCE	ACTION
2020	2020 QuickBooks Credit Card	Credit Card	Credit Card	1,341.78	View register
	Bank of America Credit Card	Credit Card	Credit Card	441.78	View register

View Credit Card Register in QuickBooks Online.

2. Select a Credit Card Transaction

From the credit card register, find the credit card charge or credit you want to review and click anywhere on the transaction to open more detail:

DATE	REF NO.	PAYEE	MEMO	CLASS	CHARGE	PAYMENT	BALANCE
	TYPE	ACCOUNT		LOCATION			
01/03/2020			Opening Balance fr...		\$415.78	R	\$415.78
	CC Exp...	3001 Opening Bal Equity					
10/04/2020		City of Cora/ville			\$25.00	C	\$440.78
	Expense	6970 Utilities					
10/06/2020		Cecil's Lockworks	new keys		\$26.00		\$466.78
	Expense	6239 Supplies					
10/09/2020	Ref No.	City of Cora/ville	Memo	Class	Charge	25.00	-441.78
	CC-Credit	6970 Utilities		Location			

Buttons: Delete, Edit, Cancel, Save

Edit a Credit Card Transaction in the Credit Card Register.

I recommend making any necessary corrections on the original input screen, which you can open by clicking the Edit button under the transaction. When you are satisfied with your review or corrections, click Save.

Wrap up

You've finished another of our QuickBooks tutorials and can now enter credits issued to your credit card account. If you're completing our tutorials in order, you've probably noticed the tutorial are getting quicker as you get comfortable with QuickBooks and how transactions are laid out. If you haven't completed our previous tutorials, you can view our entire tutorial by clicking the link below. The next tutorial in our QuickBooks Online Training Course is **[How to Reconcile a Credit Card Account](#)**.

The Credit Card Reconciliation Process

Credit card accounts are reconciled by inputting your ending statement balance and then matching the transactions in QuickBooks to the transactions on your statement. Once all the transactions shown on your statement are marked as “cleared” in QuickBooks, the QuickBooks cleared balance will match the statement balance, and the account is reconciled.

The reconciliation process can find errors in several ways:

- **Find missing transactions:** If transactions on your statement have not been entered in QuickBooks, you will have to do so before the account will reconcile.
- **Identify incorrect amounts:** If the same transaction has different amounts in QuickBooks vs the bank statement, the account will not reconcile.
- **Locate duplicate transactions:** By reviewing transactions for the month that did not appear on your bank statement, you can identify transactions that should not be in QuickBooks.
- **Find erroneous or fraudulent charges:** Any charges on your bank statement that are not in QuickBooks should be examined to determine whether they are legitimate charges before being entered into QuickBooks.

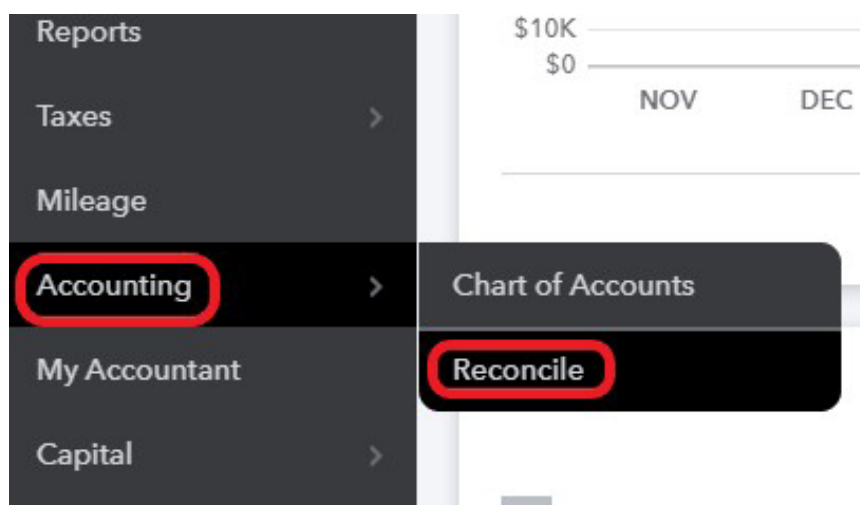
How to Reconcile a Credit Card in QuickBooks

A credit card reconciliation in QuickBooks can be done in five easy steps:

1. Select Accounting then Reconcile from the left menu.
2. Select the account to reconcile from the drop-down box and enter your statement information.
3. Match credit card transactions.
4. Confirm \$0.00 difference.
5. Make a payment or create a bill (optional).

1. Navigate to the QuickBooks Credit Card Reconciliation Screen

Hover your cursor over Accounting in the left menu bar and then select Reconcile:



Open the QuickBooks Credit Card Reconciliation Screen.

2. Select the Account and Enter Your Statement Information

Let's use the following short credit card statement to illustrate the credit card account reconciliation process:

Local Credit Card		
Statement for the Month Ending		
Oct. 1, 2020	Beginning Balance	\$500.00
Oct. 1, 2020	Auto. Insurance Co.	\$98.21
Oct. 10, 2020	Cecil's Lockworks	\$248.56
Oct. 13, 2020	Payment Received	(\$300.00)
Oct. 25, 2020	Business Supply Center	\$56.28
Oct. 31, 2020	Interest Charge	\$2.00
Oct. 31, 2020	Ending Balance	\$605.05

After completing step one above, you should be viewing the following reconciliation screen:



Reconcile an account

Open your statement and let's get started.

Which account do you want to reconcile?

Account **A**

Add the following information

Last statement ending date 09/30/2020 **B**

Beginning balance **C** Ending balance * **D** Ending date *

500.00

Enter the finance charge, if necessary **E**

Date * Finance charge Expense account

Start reconciling

QuickBooks Credit Card Reconciliation.

- A. **Account:** Select the credit card account that you are reconciling.
- B. **Last statement ending date:** QuickBooks indicates the date of the last statement reconciled for this credit card account. This date will be missing if this is the first reconciliation for this credit card.



Don't skip months: A reconciliation always starts with the reconciled balance from the prior month, so you can't skip months. If it's been several months since a reconciliation, you need to go all the way back to the last reconciled statement and work forward one month at a time.

- C. **Beginning balance:** QuickBooks shows the ending balance of the prior statement reconciled, which also must be the beginning balance of the current statement. This amount will be zero if this is the first time this credit card has been reconciled.



Verify beginning balance: For your reconciliation to work, the beginning balance calculated by QuickBooks must match the ending balance on the last statement reconciled. This amount could be off if transactions in QuickBooks that were reconciled previously have been changed. If the beginning balance is different, QuickBooks will provide a link to help you identify the transaction that changed.

- D. **Ending balance:** Input the ending balance from your credit card statement.
- E. **Finance charge:** If you haven't already done so in a separate transaction, input the finance charge (if any) from your credit card statement. Indicate the date the charge was assessed and the expense account, or category, to track the expense. QuickBooks will record this expense automatically when the reconciliation is complete.

After entering all your statement information, click the green Start reconciling button.

3. Match Credit Card Transactions

After completing step two, QuickBooks displays a screen with a summary of the reconciliation in the top half and detailed transactions in the bottom half:

Chart of accounts > Credit card register > Reconcile

Reconcile Local Credit Card
Statement ending date: October 31, 2020

\$605.05 **A** - \$500.00 **B**
 STATEMENT ENDING BALANCE CLEARED BALANCE

\$500.00 + \$0.00 - \$0.00
 BEGINNING BALANCE 0 CHARGES 0 PAYMENTS

\$105.05 **C**
 DIFFERENCE

Edit info Save for later Show me around

DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	CHARGE (USD)	PAYMENT (USD)	
10/01/2020	Credit Ca...		6138 Car/Truck...	Automobile I...		98.21		<input type="radio"/>
10/10/2020	Credit Ca...		6300 Repairs	Cecilia Lodow...		248.56		<input type="radio"/>
10/13/2020	Check	5358	1110 Company ...	Local Bank	9/30 Smt payment		300.00	<input type="radio"/>
10/25/2020	Credit Ca...		Computer Suppl...	Business Sup...		56.28		<input type="radio"/>
10/31/2020	Credit Ca...	FINCHRG	9100 Interest Ex...		Finance Charge	2.00		<input type="radio"/>

Match Credit Card Transactions to Credit Card Statement.

- A. Statement ending balance:** The statement balance carries over from your input in the prior screen and should match the ending balance on your credit card statement.
- B. Cleared balance:** QuickBooks calculates the cleared balance as the beginning balance from the prior screen, plus charges you mark as cleared, minus payments you mark as cleared.
- C. Difference:** The difference between the statement ending balance and cleared balance must be zero before you can finalize a reconciliation.
- D. Cleared transaction:** Click the radial button in the right-most column for each transaction if that transaction appears on your credit card statement. After you click the radial button, the transaction will be included in the cleared balance (item B).

Matching transactions between QuickBooks and your statement consists of tracing transactions from QuickBooks to your statement and then investigating unmarked transactions on your statement.

Trace Transactions From QuickBooks to Your Statement

Start by looking at each transaction listed in the QuickBooks screen above and finding it on your credit card statement. If you find it, click the radial button for the transaction (item D) and place a checkmark next to the transaction on your statement.

You need to investigate any transaction in QuickBooks that is not on your bank statement. While the most likely cause is an error in your QuickBooks accounting, don't just delete the transaction because it may affect other accounts or periods as well. Here are some of the most common errors that will cause errant QuickBooks credit card transactions to appear:

- **Duplicate transactions:** You may have inadvertently created a duplicate transaction and, while the original transaction will be shown on the statement, the duplicate will not. For instance, if the credit card activity is imported from the bank, you may have added a transaction as new instead of matching it to an existing transaction. If so, you should delete the duplicate transaction.
- **Wrong account:** The suspect transaction may have been a charge on a different credit card and incorrectly recorded on this account. If so, edit the transaction and assign it to the payment account.
- **Wrong date:** The transaction may have the wrong date entered in QuickBooks. If the correct date is after the statement end date, then the transaction will not be shown on this statement. There might be nothing wrong if the transaction occurred at the very end of the period, but if the date is wrong, edit the transaction to correct it.

Investigate Unmarked Transactions on Your Statement

When tracing from QuickBooks to your statement, you placed a mark next to each transaction on your statement that was shown in QuickBooks. Now, look for any transactions on your statement that do not have a mark. If unmarked transactions are legitimate, they need to be added to QuickBooks. Once added, be sure to mark the transaction as cleared by clicking the radial button in the right-most column.



Open a second QuickBooks tab: You can have multiple QuickBooks tabs open at the same time. Right-click on the tab in your internet browser and select "duplicate" to open a second tab. You can navigate as normal in the second tab to make necessary changes. Once the changes are saved, you'll need to refresh the original tab for the changes to appear.

4. Confirm the Difference Is Zero

Once all the selected transactions in QuickBooks match the transactions on your credit card statement, the difference between your statement ending balance and cleared balance should be zero (item C). Sometimes, finding errors can be frustrating, but simple math guarantees that if your beginning balances match, and all your transactions match, then your ending balance has to match.

Here is our sample reconciliation with all of the transactions matched to our sample statement:

Chart of accounts > Credit card register > Reconcile

Reconcile Local Credit Card
Statement ending date: October 31, 2020

\$605.05 STATEMENT ENDING BALANCE
- **\$605.05** CLEARED BALANCE

\$500.00 BEGINNING BALANCE + **\$405.05** 4 CHARGES - **\$300.00** 1 PAYMENT

\$0.00 DIFFERENCE

Statement ending date: Clear filter / View Charges Payments All


DATE	TYPE	REF. NO.	ACCOUNT	PAYEE	MEMO	CHARGE (USD)	PAYMENT (USD)
10/01/2020	Credit Ca...		6138 Car/Truck ...	Automobile L...		98.21	
10/10/2020	Credit Ca...		6300 Repairs	Cecil's Lockw...		248.56	
10/13/2020	Check	5358	1110 Company ...	Local Bank	9/30 Stmt payment		300.00
10/26/2020	Credit Ca...		Computer Suppl...	Business Sup...		56.28	
10/31/2020	Credit Ca...	FINCHRG	9100 Interest Ex...		Finance Charge	2.00	

Completed Credit Card Reconciliation in QuickBooks Online.

When your reconciliation is complete, click the green Finish now button in the upper-right corner of the screen.

5. Make a Payment on the Credit Card Balance (Optional)

QuickBooks will give a message that the reconciliation is complete and ask if you want to make a payment towards this credit card balance:



You reconciled this account

How do you want to pay your bill?

The balance due for this account is \$605.05. If you want, you can:

A Pay all or a portion of the bill now

B Enter a bill to pay later

Done

Choose How to Pay a Reconciled Credit Card in QuickBooks Online.

As with vendor invoices in QuickBooks Online, your credit card bill can either be paid now or entered as a bill to be paid later.

- A. Click on Pay all or a portion of the bill now to go to the **Write Check screen** where you can create a check for whatever portion of the credit card balance you wish to pay. The Category should default to the credit card account you just reconciled, and you shouldn't change it.
- B. Click on Enter a bill to pay later to go to the **Create Bill screen** where you can enter a bill for the portion of the balance you wish to pay by the due date shown on the credit card statement. Make sure the Category is the credit card you just reconciled, the bill date is the statement date and the due date agrees with the due date on the credit card statement.



Why enter a bill? Entering a bill moves a portion of your credit card liability to a current accounts payable (A/P). The advantage is that your credit card payment and due date, now appear with your other A/P so that you have a reminder to pay the bill before it becomes overdue.

You don't have to enter a payment or create a bill now. You can write a check or enter a bill later by going directly to the Write Check or Create Bill screens. Whichever you choose, make sure the Category is the credit card account you are paying.

When you are finished setting up your payment or have decided to wait until later, click the green Done button.

Wrap up

Congratulations on finishing another tutorial and learning how to reconcile your credit card account. The next tutorial in our QuickBooks Online Training Course is **How to Manage Credit Card Sales with QuickBooks Payments**. In that tutorial, you will learn how to accept credit card payments with the QuickBooks Payments service from Intuit.

Why You Should Accept Credit Card Payments

Nowadays, most people don't carry cash, and few people write checks. According to a [study by the Federal Reserve](#), only 10% of payments \$25 or more were made in cash during 2018 for their sample group of consumers. Nearly every small business needs to accept credit cards as a form of payment.

While accepting credit card payments will cost you a fee, it will likely pay for itself with better cash flow. Customers can pay online immediately upon receiving an emailed invoice, rather than printing out the email and hoping it doesn't get lost by the next time they decide to write checks.

What Are the Benefits of using a QuickBooks Payments Account?

- There is nothing to install for QuickBooks Payments to work with QuickBooks Online.
- Since QuickBooks Payments is integrated into QuickBooks, your accounts and financial statements are always up-to-date.
- By clicking the Pay Now button on their emailed invoices, your customers can make payments online.
- Using the QuickBooks Online Mobile App, you can accept payments using your mobile device.
- Payments are deposited to your bank account, on average, within two or three business days after the transaction date.

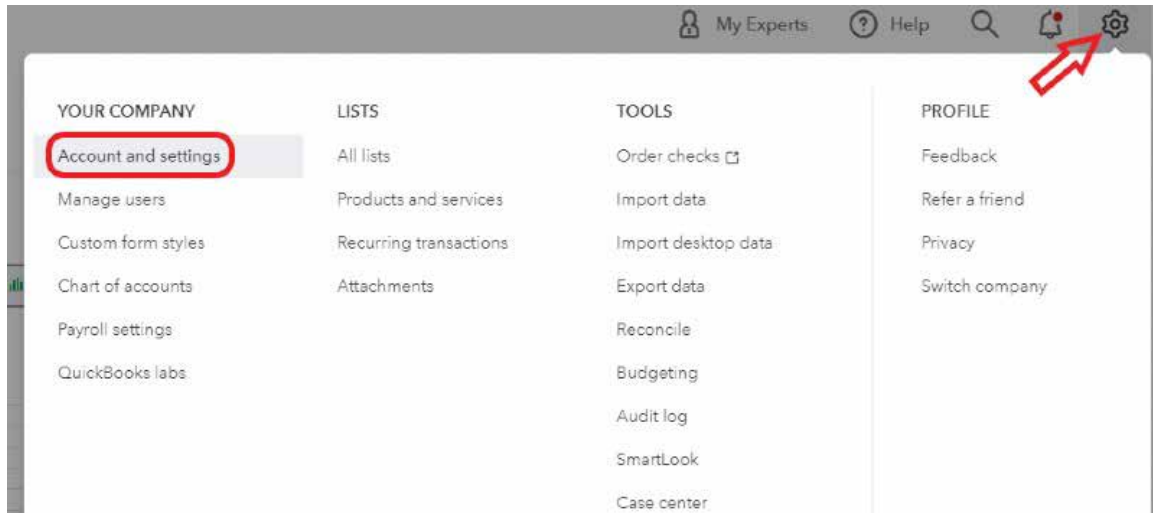
Setting Up QuickBooks Payments in QuickBooks Online

Before accepting credit card payments, you need to set up your QuickBooks Payments account through QuickBooks Online following these steps:

1. Navigate to Payment settings by clicking on the gear icon, choosing Account and Settings, and then clicking Payments.
2. Start the QuickBooks Payments application by clicking Learn more.
3. Designate a QuickBooks bank account for deposits.
4. Review Payments settings and choose an expense account for processing fees.

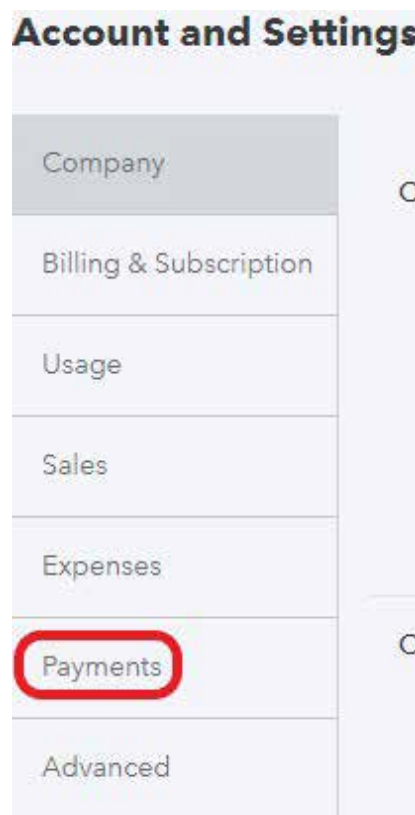
1. Navigate to Payment Settings

Click on the gear icon in the upper-right corner of your QuickBooks Online screen and then select Account and settings under Your Company in the first column:



Navigate to Account and settings in QuickBooks Online.

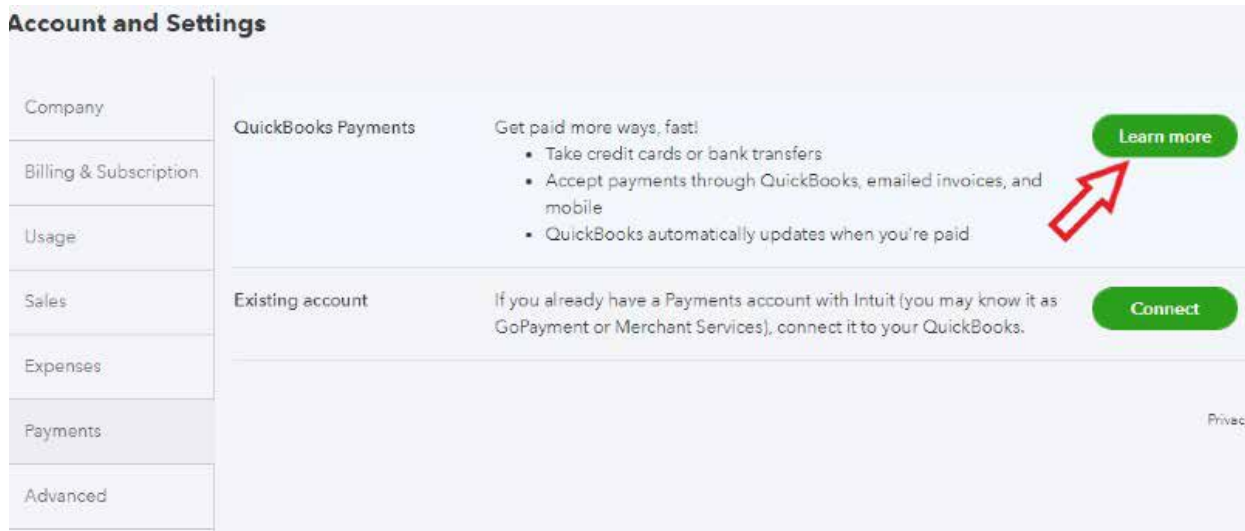
From the Account and Settings screen, click on Payments in the left menu bar:



Navigate to Payments settings in QuickBooks Online.

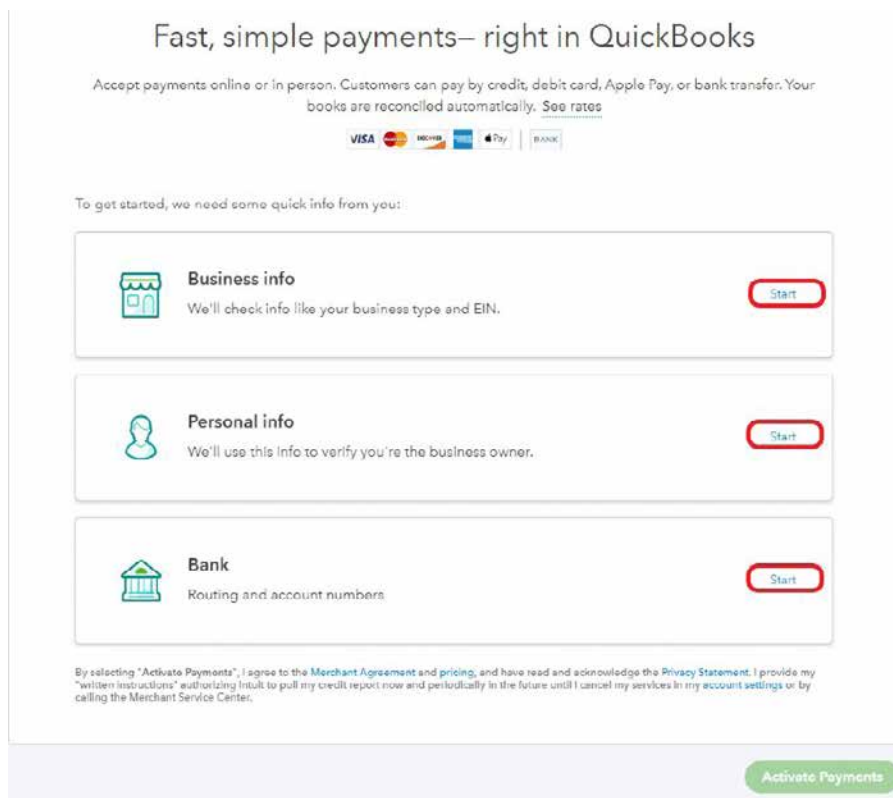
2. Apply for a QuickBooks Payments Account

To apply for a QuickBooks Payments account, click on the green Learn More button in QuickBooks Online Payments settings:



Start a QuickBooks Payments application in QuickBooks Online.

After clicking Learn more, you'll be taken to the Payments account application consisting of three sections: Business info, Personal info, and Bank:

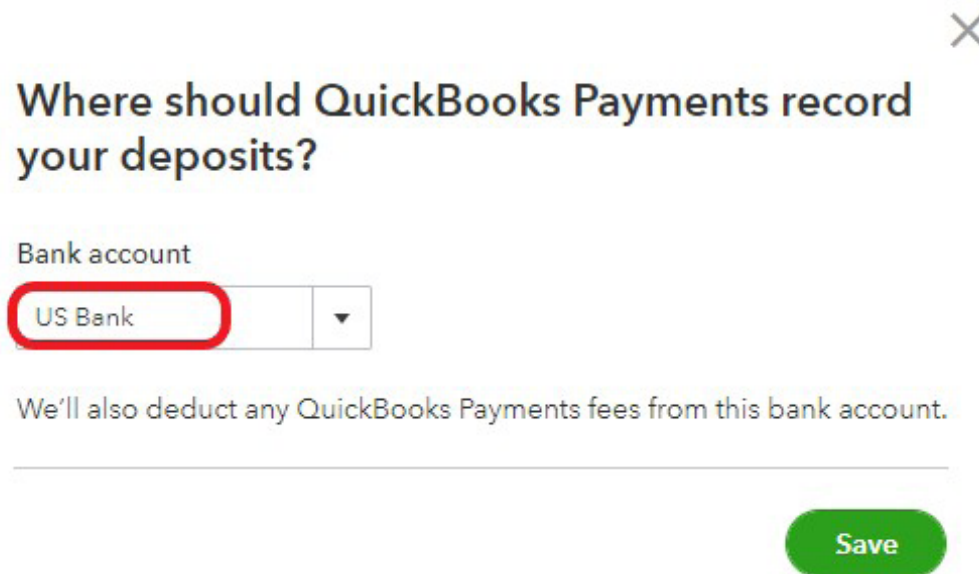


QuickBooks Payments account application.

Click Start and follow the onscreen instructions to complete each section. When all three sections are complete, click the green Activate Payments button on the bottom of the screen.

3. Designate Bank Account for Payments

After activating your payments account, QuickBooks will ask which of your bank accounts should receive your credit card deposits and be charged for your credit card fees:



Where should QuickBooks Payments record your deposits?

Bank account

US Bank

We'll also deduct any QuickBooks Payments fees from this bank account.

Save

Choose a bank account to receive credit card deposits.

Click the drop-down box under Bank account and choose the account where funds should be deposited. If you haven't already added the bank account to your [chart of accounts](#), click Add New from the drop-down box. When you have selected the account, click the green Save button.

4. Review Payment Settings

Navigate to the payment settings screen as you did in step one by clicking on the gear icon, selecting Account and settings, and then clicking on Payments. Now that you've signed up for QuickBooks Payments, your payment settings screen looks like this:

Review payment settings in QuickBooks Online.

- A. Merchant Details:** Click the green Manage account button to be taken to your QuickBooks Payments account.
- B. Deposit Accounts:** The bank account listed in this section will be used to deposit your credit card proceeds as well as withdraw processing fees. Changing the bank account here will not affect the QuickBooks account in which the transactions are recorded.
- C. Chart of Accounts:** This section identifies the QuickBooks bank account to record deposits and the QuickBooks expense account to categorize the processing fees. To designate an account to record processing fees, click anywhere in the Chart of Accounts section:

Select an account to record Credit Card Processing Fees.

Click on the drop-down menu next to Processing fees and choose an expense account to accumulate your credit card processing fees. You can select Add New to create a new account. After selecting an expense account, click the green Save button.

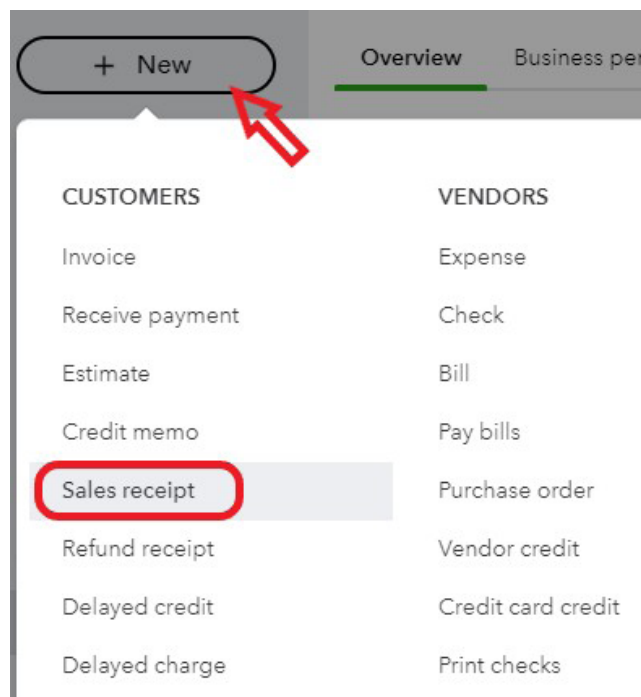
Record a Credit Card Payment Using a Sales Receipt

You learned to [create and sent sales receipts](#) in an earlier tutorial. Now that you have a QuickBooks Payments account, you can also issue sales receipts to record customer payments via credit cards, debit cards, and bank transfers. Follow these steps to process a credit card payment in QuickBooks Online with a sales receipt:

1. Create a new sales receipt.
2. Choose the type of credit card under Payment method and click Enter Credit Card Details.
3. Save and send the sales receipt to process the transaction.
4. Verify the credit card transaction processed by reopening the sales receipt and clicking Transaction processed under Payment method.

1. Create a Sales Receipt

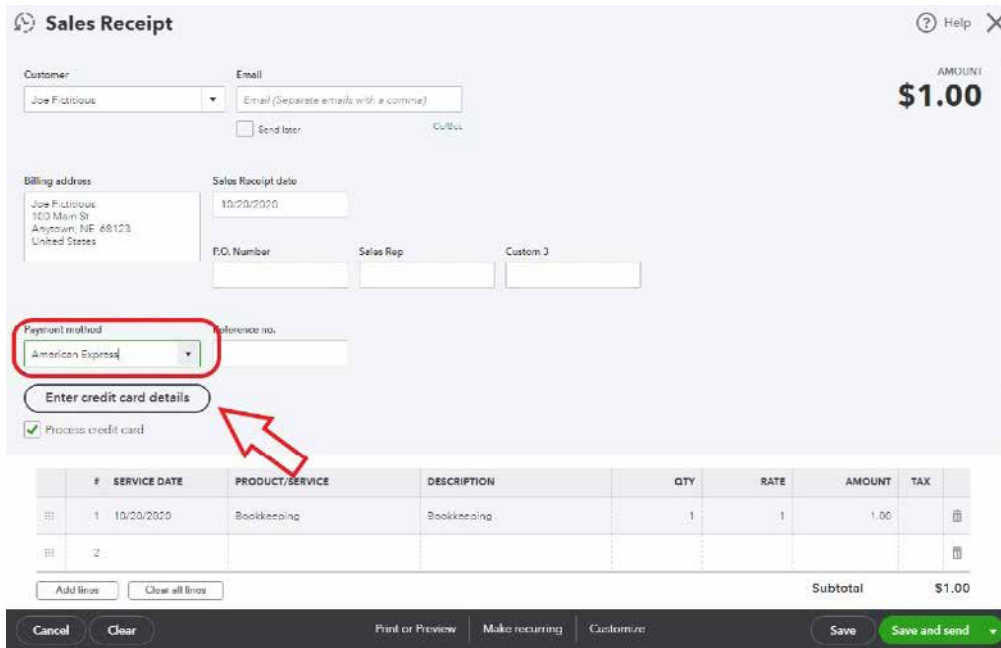
Click New at the top of the left menu bar and then select Sales receipt under customers in the first column:



Create a new Sales receipt in QuickBooks Online.

2. Enter Credit Card Information

Most of the sales receipt will be completed the same as if you're receiving cash or check, as explained in the **prior tutorial**. To accept payment via a credit card, debit card, or bank transfer, click the drop-down box under Payment method and choose the form of payment:



Process credit card payments with Sales Receipts.

After selecting the payment method, click on Enter credit card details to input the customer's credit card account information:

Credit Card Information

Swipe card Or enter card details below

Credit Card number

Expiration date CVV
 Month Year

Name on Card

Street address ZIP code

Want to save this card for the future? Ask your customer to sign the authorization. [Download authorization.](#)

Use this credit card in the future for this customer

Important: Get your customer's permission before you save this card.

Use this info

Enter customer Credit Card Information.

After inputting all the credit card information, click Use this info. The credit card transaction has not yet been processed, and you'll receive a message that you have 10 minutes to process the transaction before the credit card information is removed from the sales receipt. After acknowledging you have 10 minutes, you'll be returned to the sales receipt screen.

3. Save Sales Receipt and Process Credit Card Payment

The screenshot shows the 'Sales Receipt' interface in QuickBooks. The customer is 'Joe F. Fabious' and the amount is \$1.00. The billing address is 'Joe F. Fabious, 100 Main St, Anytown, NE 68123, United States'. The sales receipt date is '10/20/2020'. The payment method is 'American Express' and the card number is 'Amex: xxxx-9981'. A red box highlights the card number field and a 'Process credit card' checkbox. A red arrow points to the 'Save and send' button at the bottom right.

#	SERIAL DATE	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1	10/20/2020	Bookkeeping	Bookkeeping	1	1	1.00	
2							

Subtotal: \$1.00

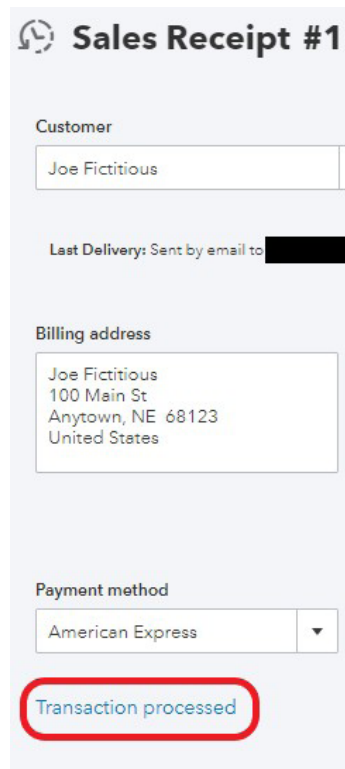
Buttons: Cancel, Clear, Print or Preview, Make recurring, Customize, Save, Save and send

Sales Receipt with credit card information.

The Sales Receipt screen now shows the last four digits of the credit card number that will be charged. To process the transaction, click the green Save and send button.

4. Verify the Credit Card Transaction Processed (Optional)

Reopen the Sales Receipt by hovering over Sales in the left menu bar, clicking on All Sales, and then find the sales receipt transaction you just created. After opening the sales receipt, verify that it reads “Transaction processed” under the Payment method:



Sales Receipt #12

Customer
Joe Fictitious

Last Delivery: Sent by email to [REDACTED]

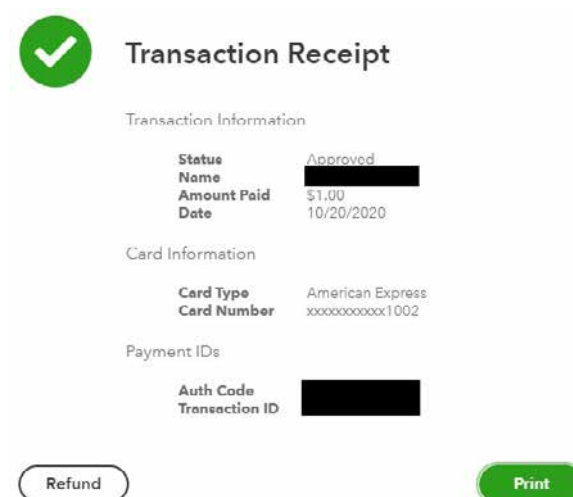
Billing address
Joe Fictitious
100 Main St
Anytown, NE 68123
United States

Payment method
American Express

Transaction processed

Verify the credit card payment processed on a sales receipt.

Click on Transaction processed to view the details of the transaction.



Transaction Receipt

Transaction Information

Status	Approved
Name	[REDACTED]
Amount Paid	\$1.00
Date	10/20/2020

Card Information

Card Type	American Express
Card Number	xxxxxxxxxx1002

Payment IDs

Auth Code	[REDACTED]
Transaction ID	[REDACTED]

Refund Print

View the credit card Transaction Receipt.

You can print the transaction details by clicking the Print button or issue a refund to the customer by clicking Refund.

Record a Credit Card Payment on an Invoice

You can record a credit card payment on an outstanding invoice manually by following these steps:

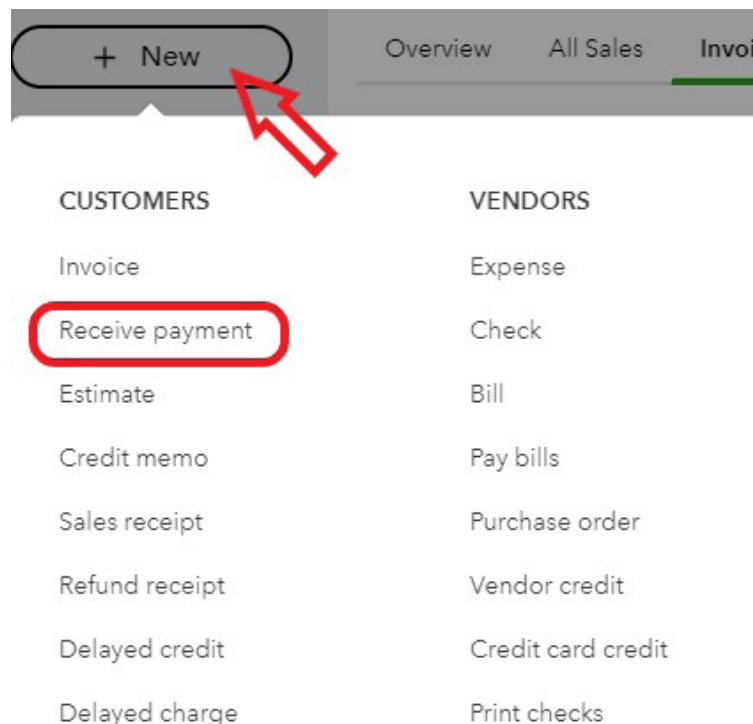
1. Open a Receive Payment screen by clicking New above the left menu bar and selecting Receive Payment in the first column under Customers.
2. Enter the credit card information in the Receive Payment screen.
3. Save the payment to process the credit card transaction.



Save time: These steps are unnecessary if your customer pays an invoice online by clicking Pay Invoice in the email sent to them. You can enable online payments by clicking the gear icon in the upper-right corner of the screen, selecting Company settings in the first column, and then selecting Sales.

1. Navigate to the Receive Payment Screen

Click on New above the left menu bar and then select Receive Payment in the first column:



Open a Receive payment screen in QuickBooks Online.

2. Enter the Credit Card Information in the Receive Payment Screen

The receive payment screen should be completed as shown in a [prior tutorial](#), except the payment should be changed to a credit card. Click the drop-down menu under Payment method and select the type of credit card:

The screenshot shows the 'Receive Payment' interface. At the top, the customer is 'Joe Fictitious' and the amount received is \$1.00. The payment date is 10/20/2020. The 'Payment method' dropdown is set to 'Visa' and is highlighted with a red box. A red arrow points to the 'Enter credit card details' button. Below this, there is a table of 'Outstanding Transactions' with one entry: Invoice # 125 (10/19/2020) with an amount of 1.00.

DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
Invoice # 125 (10/19/2020)	11/18/2020	1.00	1.00	1.00

Enter Payment method for an invoice payment.

Click the Enter credit card details to open a window to input the customer's credit card account information:

Credit Card Information

Swipe card Or enter card details below

Credit Card number

Expiration date
 Month Year CVV

Name on Card

Street address ZIP code

Want to save this card for the future? Ask your customer to sign the authorization. [Download authorization.](#)

Use this credit card in the future for this customer

Important: Get your customer's permission before you save this card.

Use this info

Enter Credit Card Information to receive payment on an invoice.

Once the credit card information is entered, click the Use this info button to continue. The credit card has not yet been charged, and you have 10 minutes to complete the transaction before the credit card information is removed.

3. Save the Payment to Process the Credit Card Transaction

The receive payment screen will now show the last four numbers of the credit card to be charged:

The screenshot shows the 'Receive Payment' interface in QuickBooks. At the top, the customer is 'Jon Fritious' and the amount received is \$1.00. The payment date is 10/20/2020. The payment method is 'Visa' with the last four digits 'xxxx-5856' highlighted in a red box. A checkbox for 'Process credit card' is checked. Below the payment information is a table of 'Outstanding Transactions' with one entry: 'Invoice # 125 (10/19/2020)' with a due date of 11/10/2020 and an original amount of 1.00. The bottom of the screen has buttons for 'Cancel', 'Clear', 'Print', and 'Save and close'.

Receive Payment screen with credit card information.

Click the green Save and close button to process the credit card transaction and charge your customer's credit card.

What Happens Next

The credit card payments you received will not be reflected in your bank account register until the funds are transferred from QuickBooks Payments. Once the funds are transferred to your bank, QuickBooks will record the deposits and related processing fees to the account registers you specified in the QuickBooks Payment options discussed above.

Wrap Up

Congratulations on finishing another of our QuickBooks tutorials. You can now process credit card transactions using QuickBooks Payments. The next tutorial in our QuickBooks Online Training Course is [How to Manage Credit Card Sales with a Third-party Credit Card Processor](#), where we'll teach you how to enter credit card sales when using a non-integrated credit card processor.

Integrated vs Nonintegrated Credit Card Processor

This tutorial teaches you how to record customer credit card payments when the credit card processing is done completely outside of your QuickBooks Online account. An easier way to handle credit cards is to have the processing integrated with QuickBooks Online. As illustrated in the prior tutorial, QuickBooks Payments is already in QuickBooks Online, and you only need to activate the service.

In addition to QuickBooks Payments, there are many merchant services that offer QuickBooks integrations that automate the steps in this tutorial. I highly recommend using either QuickBooks Payments or installing a third-party integration from another credit card processor. However, if you're processing credit cards outside of QuickBooks, this tutorial will teach you how to record the payment, processing fees, and deposits manually.

How to Record Customer Credit Card Payments in QuickBooks Online

1. Record Receipt of the Credit Card Payment

The first step in recording customer credit card activity is to record the credit card payment from the customer. As you've learned previously, customer payments can be recorded as **payments on outstanding invoices** or as **sales receipts** if an invoice were never issued. Whichever sales form you use, complete it as normal except for the payment method as illustrated below.

If recording a credit card payment on an outstanding invoice, open the Receive Payment screen by clicking New above the left menu bar, and then click Receive payment in the first column under Customers. Complete the Receive Payment screen as normal except for the payment method:

Receive Payment Help X

Customer: Godwin Lighting Depot Find by invoice no.

AMOUNT RECEIVED
\$440.00

A Payment date: 10/22/2020

B Payment method: Visa

C Reference no.: 5430154548

D Deposit to: 1500 Undeposited Fu

Amount received: 440.00

Outstanding Transactions

Find Invoice No. Filter > All

<input checked="" type="checkbox"/>	DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Invoice # 71143 (09/21/2020)	09/31/2020	440.00	440.00	440.00

< First Previous 1-1 of 1 Next Last >

Amount to Apply: \$440.00
Amount to Credit: \$0.00

Clear Payment

Cancel Clear Print Save and close

Receive Payment screen in QuickBooks Online.

If you haven't already issued this customer an invoice, you'll want to create a sales receipt instead of recording a payment received. To create a sales receipt, click New at the top of the left menu bar and then click Sales receipt in the Customers column. Complete this form as normal, except for the payment method:

Sales Receipt #71152 AMOUNT
\$300.00

Customer: Godwin Lighting Depot | Email: [Field] | Send later: | Qu/Bus

Billing address: Godwin Lighting Depot, 808 Escobar Lane, Cole, TN 30592 | Sales Receipt date: 10/22/2020 | Sales Receipt no.: 71152

Shipping to: Godwin Lighting Depot, 808 Escobar Lane, Cole, TN 30592 | Ship via: [Field] | Shipping date: [Field] | Tracking no.: [Field] | Location: [Field]

Payment method: Master Card | Reference no.: 816344 | Deposit to: 1500 Undeposited Fu

#	SERVICE DATE	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	CLASS
1	10/22/2020	Chandelliere:2337-08-10	Tapestry with Faux Alabaster Glass	1	300	300.00		Chandelliere
2								

Subtotal: \$300.00

Buttons: Cancel, Clear, Print or Preview, Make recurring, Customize, Save, Save and send

Sales Receipt form in QuickBooks Online.

Whether you are using the Payment Received screen or Sales Receipt form, complete the date and payment method section as follows:

- A. **Payment date:** Enter the date you charged your customer's credit card.
- B. **Payment method:** Choose the type of your customer's credit card.
- C. **Reference number:** Enter the transaction number assigned by your credit card processor so that this transaction can be traced from QuickBooks to your processing account in the future if needed.
- D. **Deposit to:** It is important the credit card payment is initially deposited to your Undeposited Funds account and not directly to your bank account.

Click the green Save and close button when you have entered all the necessary information.

2. Record Deposits and Fees From Your Credit Card Processor

Most credit card processors will group multiple charges into a single deposit in your checking account. After your credit card processor transfers the funds to your bank account, you need to mirror the deposit by transferring the same credit card charges from Undeposited funds to your bank account.



Match deposits exactly: If you don't mirror the credit card processor's deposits exactly, the individual deposits in your QuickBooks account register will not match the deposits on your bank statement, making your **bank reconciliation** difficult.

Start the transfer from Undeposited Funds by clicking on the New button at the top of the left menu bar and then selecting Bank Deposit in the far-right column:

Bank Deposit Help X

Account **A** Date **B** AMOUNT

Chase Checking Account Balance \$9,149.55 10/23/2020 **\$721.00**

H

Show payments for this location: All Locations

Select the payments included in this deposit **C**

<input checked="" type="checkbox"/>	RECEIVED FROM	DATE	TYPE	PAYMENT METHOD	MEMO	REF NO.	AMOUNT
<input checked="" type="checkbox"/>	Godwin Lighting Depot	10/22/2020	Payment	Visa		5489156548	440.00
<input checked="" type="checkbox"/>	Godwin Lighting Depot	10/22/2020	Sales Receipt	Master Card		8498512	300.00

1-2 of 2 Total 740.00

Select all Clear all Selected Payments Total 740.00

Don't see the payments you want to deposit?

▼ Add funds to this deposit

#	RECEIVED FROM D	ACCOUNT E	DESCRIPTION F	PAYMENT METHOD	REF NO.	AMOUNT G	CLASS
1	Merchant Services Provis...	Credit Card Proces...		Cash		-19.00	Admin
2							

Add line Clear all lines Other funds total 519.00

Subtract processing fees when recording credit card deposits.

- A. Account:** Click the drop-down box and select the checking account where the credit card processor deposited your funds.
- B. Date:** Enter the date your credit card processor deposited the funds.
- C. Payments included:** Select the credit card payments your processor included in the current deposit carefully. Not all payments charged on the same day will be deposited into your checking account on the same day.

If your credit card processor subtracts a processing fee from the deposit, record the fee using a negative amount in the "Add funds to this deposit" section in items D through G:

- D. Received from:** Select the name of your credit card processor that is withholding a fee. If not already set up, click Add new to set them up as a vendor.
- E. Account:** Choose an expense account such as "Credit Card Processing Fees." You can click Add new to set up a new expense account.
- F. Payment method:** Select Cash as the payment method.
- G. Amount:** Enter the amount of the fee as a negative number.
- H. Total Amount:** Verify the total amount of the deposit matches the deposit from your credit card processor.

3. Record Other Credit Card Fees

If your credit card processor charges fees other than those subtracted directly from a deposit, record an expense by clicking on New from above the left menu bar and then selecting Expense in the Vendors column:

The screenshot shows the 'Expense' entry form in QuickBooks Online. At the top right, the total amount is displayed as \$25.00. The form includes several fields: 'Payee' (A) set to 'Merchant Services Provider', 'Payment account' (B) set to 'Chase Checking Account', 'Payment date' (C) set to '10/22/2020', and 'Payment method' (D) set to 'Cash'. Below these is a table for 'Category details' (F) with one line item: 'Credit Card Processing Fee' with an amount of 28.00. The total at the bottom right is \$25.00. Buttons for 'Cancel', 'Clear', 'Make recurring', 'Save', and 'Save and close' are visible at the bottom.

Record credit card processing expense in QuickBooks Online.

- A. **Payee:** Select the name of your credit card processor.
- B. **Payment account:** Choose the bank account where the expense was withdrawn.
- C. **Payment date:** Enter the date the expense was withdrawn.
- D. **Payment method:** Select cash as the payment method.
- E. **Category:** Choose an expense account to charge the credit card processing fees.
- F. **Amount:** Enter the amount of the credit card processing fees.

Wrap Up

You've completed another QuickBooks tutorial. Now that you understand the considerable work necessary to record credit card transactions by hand, I hope you consider an integrated credit card processor like [QuickBooks Payments](#). With QuickBooks Payments, you record the payment received on either an invoice or sales receipt, and QuickBooks will take care of the rest. Our QuickBooks Online Training Course will now focus on preparing financial reports, beginning with [How to Prepare a Profit and Loss Statement](#).

Payroll Setup Checklist: Info You Need to Have on Hand

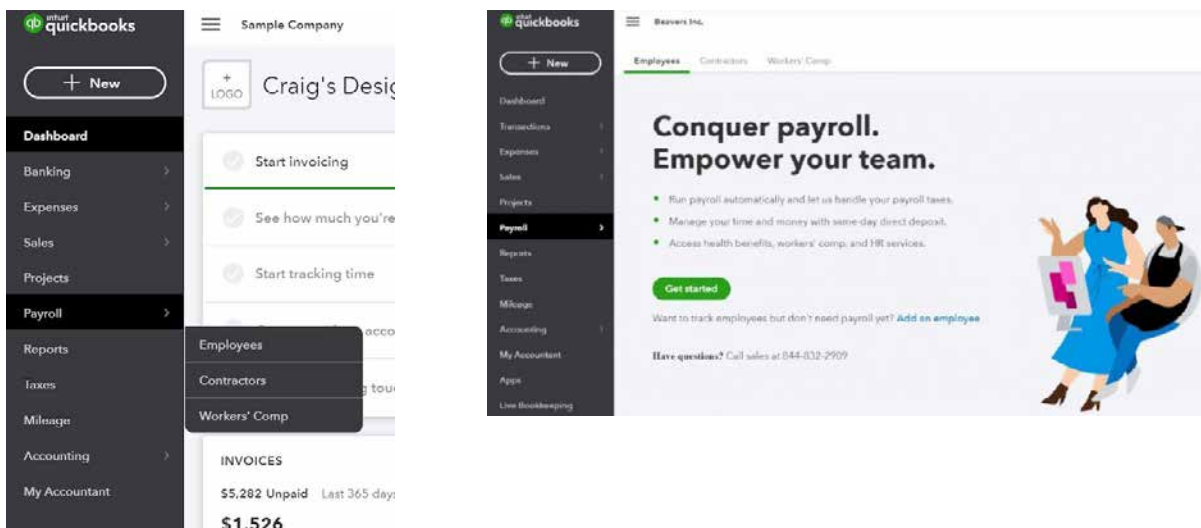
Most online **payroll services** offer an intuitive interface that makes payroll setup easy for users. The same goes for QuickBooks in which its setup wizard guides you through the whole process. You can even complete the setup in just a few simple steps.

If you want to watch the process in action, check out our QuickBooks Payroll setup video.



1. Navigate to Payroll

After having logged in to your QuickBooks account, go to “Payroll” and click “Employees.” If you just purchased your QuickBooks Online subscription, you’ll see a “Get Started” button. Click on it to proceed to the next screen.

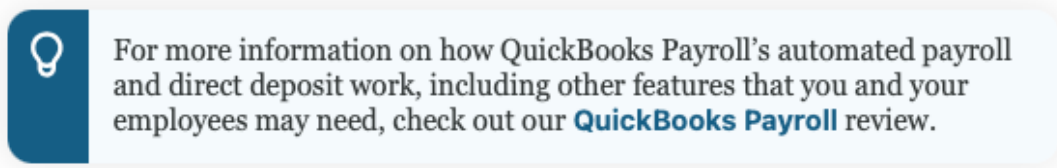


Hover over the “Payroll” button located midway through the list of navigation options in the left menu bar and then click “Employees.”

If you already have access to QuickBooks Payroll but have yet to use it, you won’t see the “Get Started” button. Instead, the screen will show that you need to set up payroll.

If you are just now signing up for QuickBooks Payroll, the system will ask you a few questions, such as if you require HR support and need to track employee work hours. While these questions will help match you with the right plan, you also have the option to manually select one of its three payroll options yourself.

QuickBooks will recommend the best payroll plan for you, and you can even sign up for a 30-day free trial.



2. Enter General Information About Paying Your Employees

In the next step, the system will ask whether or not you already paid employees within the current calendar year. If you’re switching to QuickBooks Payroll from either a manual system or another payroll software, then you need to click “Yes.”

Have you paid employees in 2020?

Answer yes if you, your accountant, or maybe even a previous owner of your business has paid employees.



Newly established businesses that have yet to run their first payroll can select “No” and then click “Next.”

Note that the system will require you to input year-to-date (YTD) payroll details and tax payments made for each employee later on in the setup. Providing information about prior paychecks issued to employees before the beginning of your QuickBooks Payroll subscription is an essential step to ensure that your **W-2 forms** are accurate come year-end.

You can get YTD information from the last payroll that you processed for each employee. You can also request detailed pay reports from your previous payroll provider.

Aside from payments to employees in the current calendar year, the system will ask you to indicate the date that you plan to run your first payroll in QuickBooks. It will also require you to enter the physical address where the majority of your employees work.

3. Add Employees

After you have entered your work location, a new window will appear that lets you add your employees' basic information and payroll details into the system. Click the "Add an employee" button and start inputting the required data of each staff member on your payroll, including those who are no longer employed with your company but were paid within the current calendar year.

4. Complete Employee Information

As you add basic staff information into QuickBooks, you have the option to input your employees' email addresses. This allows the system to send them a link to view their pay stubs and W-2s via QuickBooks Workforce, the provider's self-service online portal. There's even an option for the system to invite employees to track and record their work hours via QuickBooks Time.



Note, however, that you need a subscription to QuickBooks Payroll's premium plans to access the time tracking solution.

Here's a list of the employee information fields you need to fill in to complete the QuickBooks Online Payroll setup.

- **Pay schedule:** Specify a pay schedule for your employees by clicking the "create pay schedule button" in the "How often do you pay (employee)" section. In the dropdown button, select the applicable schedule, such as weekly, twice a month, and monthly, among others. You will also be provided the option to use the schedule you just created as the default schedule for succeeding employees who will be added into the system.
- **Employee pay:** Enter the employee's wage in the "How much do you pay (employee)" section. You also have to input the staff's default number of work hours in a day and workdays in a week.
- **Employee deductions/contributions:** In the "Does (employee) have any deductions" section, select the applicable contribution and deduction items.
- **Employee withholding information:** The "What are (employee's) withholdings" section is where you will use the information from Form W-4s. When you click "Enter W-4 form," select whether you need the current year's tax form or an earlier version. As of this writing, the form changed in December 2020, and QuickBooks stores both new and old versions. This enables you to print one directly from the system to give to employees and capture the correct information.
- **Enter YTD payroll information:** If you paid the employee this current year, use the information from the last payroll check issued and input the YTD payroll details into the system. Note that QuickBooks will ask for totals paid in prior quarters of the current year and any amounts paid within the current quarter but before you began using QuickBooks Payroll.
- **Payment method:** The "How do you want to pay (employee)" section contains a dropdown button where you can select either direct deposit or (manual) check to pay the employee. If you select direct deposit, use the information from the direct deposit authorization form and the voided check that you requested from the employee.

1 Personal info

First name* M.I. Last name*

Email

We'll email an invite for this employee to view their pay stubs and W-2 with QuickBooks Workforce. [Learn about Workforce](#)

new Ask this employee to enter their personal, tax (2020 W-4), and banking info with QuickBooks Workforce.

Invite this employee to track and record their hours with QuickBooks Time. [Learn more](#)

2 What are Charlotte's employment details?

Add employee's hire date and where they work.

Hire date

Why do we need this?

Work location

As of this writing, Quickbooks has added a new option allowing employees to enter their personal tax (W-4 information) and bank account details directly into Quickbooks Workforce.

3 How often do you pay Charlotte?

Enter a few details and we'll work out your company's payroll calendar. [What is a pay schedule?](#)

[+ Create pay schedule](#)

4 How much do you pay Charlotte?

If your company offers additional pay types, add them here. These pay types show up when you run payroll. [Learn more about pay types](#)

Hourly / hour

Default hours: hours per day and days per week. (optional) [What are default hours?](#)

[+ Add additional pay types \(like overtime and sick pay\)](#)

5 Does Charlotte have any deductions? (Examples: retirement, health care)

Deductions may include healthcare or retirement plans. Garnishments and loan repayments can be added here too. [Learn more about deductions](#)

In the “How much do you pay (employee)” section, click the “Additional pay”

It is extremely important that you ensure the YTD totals are accurate. This information will impact federal and state taxes that have an annual maximum, including limits on contributions to 401(k) and retirement accounts. To learn more about deduction and contribution limits, check our [how to do payroll](#) guide.

Coronavirus Pay Features

QuickBooks Payroll has a coronavirus pay feature under the “How much do you pay (employee)” section. It allows you to classify paid leaves taken by employees due to coronavirus. If you’re planning to take a tax credit against the employees’ wages under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, then you need to select this as well.

▼ Families First Coronavirus Response Act

If your employees or their families are affected by COVID-19, you can pay them sick leave and apply a credit to your payroll taxes. [Learn more](#)

Employee Natl Paid Sick Leave

Your employees are sick and quarantined from COVID-19.

Family Natl Paid Sick Leave

Your employees are taking care of a family member who is sick or impacted with COVID-19.

FMLA Expansion Paid Leave

Your employees need to care for children under 18 whose school or child care is closed because of COVID-19 (available after 10 days of unpaid leave).

If you have checked at least one of the FFCRA pay types, and you provide this employee a qualified health insurance plan, you can take a credit for Employer Paid Insurance Premiums. This option will reduce your Federal payroll tax amount due when you create a check for this employee. Reminder: If you use this credit now, you may not be able to consider it as a reduction from your business income later.

Employer Health Premium

Classifying the paid leave based on the families First Coronavirus Response Act’s pay types can help ensure that paychecks are booked correctly and processed on time.

▼ CARES Act

The Coronavirus Aid, Relief and Economic Security Act (CARES Act) can help you keep your employees on payroll. [Learn more](#)

Employee Retention Credit Regular

Hours

Hours you are paying employees whose wages can be used towards the Employee Retention Credit.

Employee Retention Credit Overtime

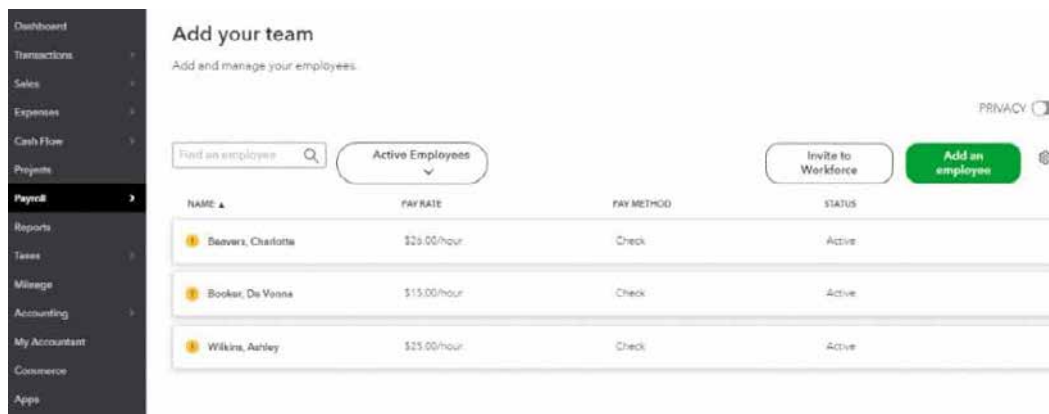
Overtime hours you are paying employees whose wages can be used towards the Employee Retention Credit.

If you have checked at least one of the CARES Employee Retention Act pay types, and you provide this employee a qualified health insurance plan, your company contribution towards the health insurance premium is included in the qualified credit amount.

Employer Health Insurance Premium

Be sure to check the qualifications for the CARES Act credit (for instance, workers must be employed a minimum of 30 days for their wages to be eligible).

Once you have completed all of the necessary information for each employee, you will see a list of employees on your payroll for the year. Review it carefully and make sure that all of the pay details are correct. If you have new employees or have accidentally left someone out, click the “add an employee” button.



If you spot something on the list that needs to be corrected, click the employee's name to edit.

Now that you've set up employees in the system, don't forget to configure your company's tax information. Check out our article on [payroll tax setup in QuickBooks](#) if you need help.

How to Run Payroll in QuickBooks Online

After you have completed setting up payroll in QuickBooks, you can now process your first pay run. Follow these three steps on how to do payroll in QuickBooks Online.

1. Click “Run Payroll”

Go to your “Payroll” dashboard and then click the “Run payroll” button located in the right-hand corner of the screen.

2. Enter Current Hours

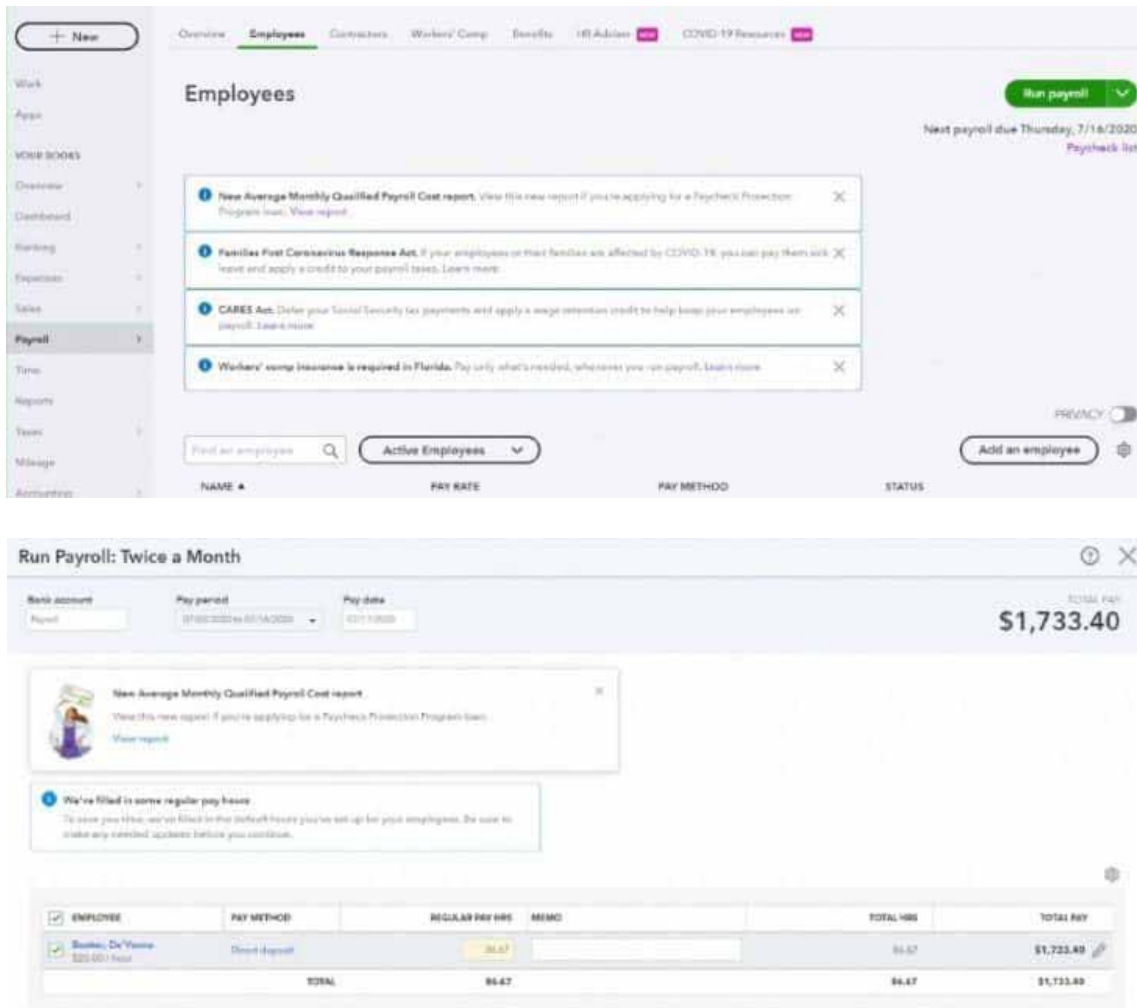
In the “Regular Pay Hrs” column, enter the actual hours worked for all hourly employees and then review other information to ensure accuracy. Once you're done, select the “Preview Payroll” button located in the bottom right corner.

Note that the system will automatically populate the total hours based on the default number of work hours you entered for an employee during the initial setup. If there are changes to the staff's working hours, feel free to update it in the system.

3. Review and Submit Payroll

This step is your last chance to review and edit the payroll information before finalizing it. Aside from the total hours worked and other pay details, check the payment method to ensure that employees who should be paid by direct deposits and paychecks show correctly. Also, review both the employer and employee tax amounts.

If you're satisfied that everything is correct, click the “Submit Payroll” button that is at the bottom right of the screen. You can then print payroll checks and/or direct deposit remittance advice to distribute to employees.



For more general help with processing payroll, check out our [payroll training](#) tips.

Bottom Line

QuickBooks Online users who need a payroll solution don't need to find another software provider for their pay processing needs. You can easily set up payroll in QuickBooks Online, plus you are granted access to full-service pay processing solutions including health insurance and benefits options for your workforce. If you haven't signed up for QuickBooks Payroll, you can try it out for free for 30 days.

Payroll Tax Payments in QuickBooks in 9 Steps

1. Payroll Taxes Checklist: Info Needed to Get Started

You'll need to provide QuickBooks with basic information you would need to provide any **payroll service** to get started:

- Birth Date and Hire Dates for every employee
- Your Business contact Info (legal name, mailing address)
- Company type (LLC, Sole Proprietorship, Corporation)
- Federal Employer Identification Number (FEIN)
- Payroll tax form you are required to file (941 or 944)
- Payment or deposit schedule for *federal* tax payments
- ETT or other state rates
- Your bank account # and routing # for e-pay
- Online user id and password used to access your bank account
- *Payment/Deposit schedule for *state* tax payments
- *State account number
- *SUI Rate

*These items only apply if your state has income and/or unemployment tax.

2. Continue the Setup Process or Navigate to Profile/Settings Button

If you've already set up your employees, you will see the option to continue setup or pay your team. Select "Continue setup" to enter the information required to pay your payroll taxes.



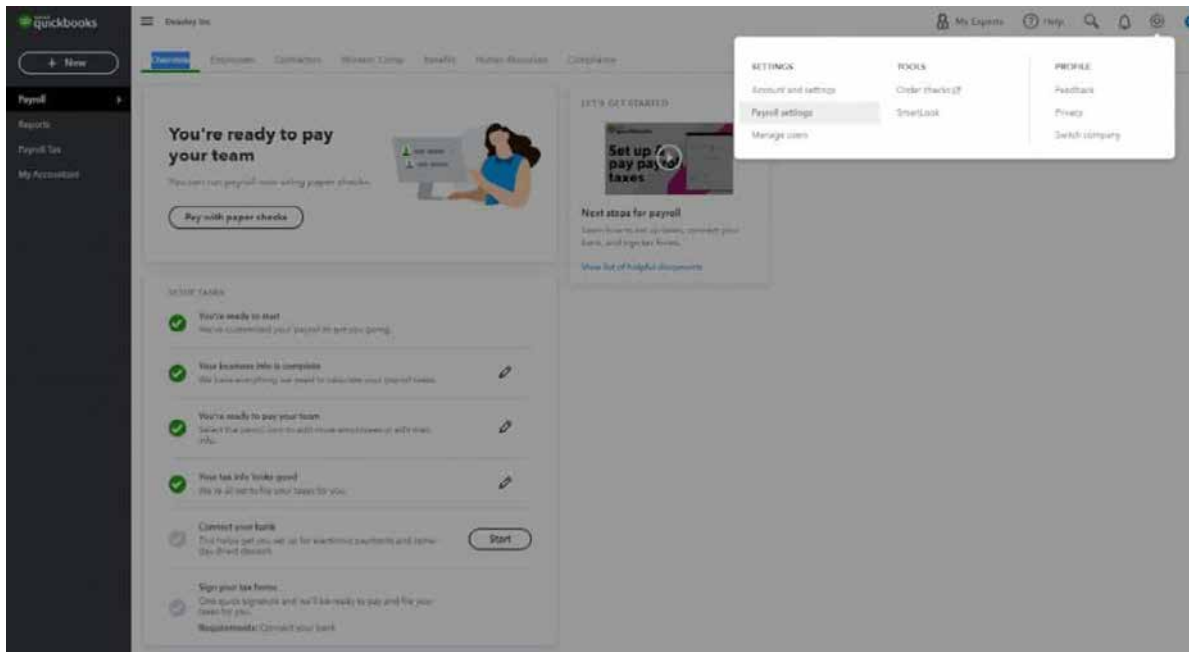
You're ready to pay your team

You can run payroll using paper checks. Once setup is complete, you'll be able to pay your team using direct deposit and we'll be able to pay and file your taxes.

Continue setup

Pay your team

If you set up your employees a while ago and are returning to finish the remaining payroll setup, you'll need to navigate to the gear button on the far upper right, and click on **"Payroll Settings,"** as indicated in the screenshot below.



Payroll Settings

Export	Choose how payroll transactions are exported	
Email notifications	Send to: cbeasley@fit-smallbusiness.com	
	Setup notifications	Send to you
	Form filing notifications	Send to you
	Payday notifications	Send to you
	Tax notifications	Send to you
	Payday reminders	Send to you
	Tax payment reminders	Send to you
General tax	Company type, filing name, and filing address	
Federal tax	Federal EIN, deposit schedule, and filing requirement	
Georgia tax	State EIN, deposit schedule, and state unemployment insurance rate	
Taxes and forms	Automate taxes and forms	On
Bank accounts	Account number Routing number	
Shared data	Allow employees to import W-2 data into TurboTax	On
Printing	Paychecks	Print on plain paper

Done



Did you know? To avoid penalties and fines completely, you should have a base understanding of how to do payroll and associated laws even if using payroll software. Check out our [payroll training guide](#) for more opportunities to learn.

3. Set Up Payroll Tax and Compliance

Below is a screenshot and a brief explanation of the information you need to enter about your company.

Payroll Taxes Setup and Compliance

Business details
We use this info to fill out your payroll taxes and forms.

What business name do you use when filing tax forms (filing name)?

What address do you use when filing tax forms (filing address)?

Same as business address: 979 Parkside Wood Court, Lawrenceville, GA, 30043

Did you hire your first employee within the last six months?

Yes
 No

Did you buy your business from a previous owner?

Yes
 No

What is your Principal Officer Title? ⓘ

1. **Business name:** Enter the legal name of your business that you use on all tax return filings.
2. **Business address:** The address that you entered for your business during payroll setup will automatically populate here; if you use a different address then instead of putting a check mark you will see fields where you can enter the correct address info.
3. **The date you plan to run the first payroll:** Provide the date that you plan to run your first payroll. This information is key for tracking payroll tax payments. Your date options will be based on the current month and year that you are in.
4. **The date you hired your first employee:** If you hired your first employee within the last six months, select “yes”; otherwise, select “no.”

5. **New or existing business:** If you purchased the business from a previous owner, select “yes,” otherwise, select “no.”
6. **Company type:** Select the correct company structure (Sole proprietorship, Corporation, Limited Liability Company, Limited Liability Corporation, etc.)
7. **Principal officer title:** Enter the name of the person you’re putting in charge of communicating with your bank and federal tax agencies like the IRS.
8. **Workers’ Comp:** If your state requires that you provide workers’ compensation insurance, you’ll see a notice at the bottom of this page with an option to get a quote from AP Intego. Select “no” if you already have a workers’ comp plan.

One of the benefits of using [QuickBooks Payroll](#) is that tech support is included with your monthly subscription. You can reach a customer support rep just by clicking the picture of the person at the bottom right of the page, as indicated above. This option will be available the entire time you navigate through your QuickBooks Payroll account, even if you’re using the free 30-day trial.

[Visit QuickBooks Payroll](#)

4. Add New Employer Settings

Another useful setting QuickBooks Payroll implements is setting your tax rates to the default percentages based on the most current information released by federal and state tax agencies. This saves you from having to figure out the current tax rates you need. It also includes applicable deposit schedules.



To input information on this screen, you will need to have the birth date and hire date for each employee handy. You should be able to obtain this information from the I-9 form or other [new hire paperwork](#) completed by employees. You can also review the W4 info that was entered when you set up your employees. Just click on the “W4 info” link as indicated in the above screenshot.

5. Enter Federal Tax Details


Below is a screenshot along with a brief explanation of the information that is required for *federal* taxes.

The screenshot shows a form titled "Federal tax details" with the following sections:

- Do you know your federal Employer Identification Number (EIN)?**
 - Yes, it is
 - No, I haven't received it yet, or I don't have it handy.
 - I agree to share my information with Intuit partners for workers comp offers.
- Which payroll tax form do you file with the IRS?**
 - Form 941 each quarter (most common)
- How often does the IRS require you to pay federal taxes (your deposit schedule)?**
 - After each payroll (federal deposit schedule "semi-weekly")
- Is your business a 501(c)(3) non-profit?**
 - Yes, and I don't pay federal unemployment taxes (FUTA)
 - No (most common)

At the bottom of the form are "Back" and "Continue" buttons.

1. **EIN:** Enter your federal tax id in this field. If you don't have it, you can select "No" if you have not received it yet or if you don't have it handy. If you're interested in signing up for workers' comp for the first time or receiving offers that may be cheaper than your current plan, check the box to share your information with Intuit workers' comp partners.

 While you can run payroll without a federal tax id #, you cannot submit your payroll tax payments to the IRS without one; having this number ensures that your business will receive credit for all tax payments made.

2. **Payroll Tax Form:** Select the payroll tax form that you are required to file with the IRS. The options here are **Form 941**, which is filed quarterly, or Form 944, which is filed annually. If you're not sure which form you should file, check out our article on [payroll tax forms](#) to find out.
3. **Federal Tax Payments:** From the dropdown, select how often you are required to pay federal payroll taxes. The options here are semi-weekly, monthly or quarterly. If you're not sure how often you should file, check out our [Form 941 guide](#) or contact the IRS.
4. **Nonprofit status:** If you are a 501(c)(3) nonprofit business that does not pay FUTA, select "Yes"; otherwise select "No."

6. Enter State Tax Details

Below is a screenshot along with a brief explanation of the information that is required for state taxes, if applicable. The layout will vary depending on the state in which you do business and your employees reside, so skip the sections below that don't apply to you.

If you are lucky enough to live in one of the seven states without a state income tax (AK, FL, NV, SD, TX, WA, and WY) then you will not see an option to enter your state withholding account number option on the setup screen; you will likely, however, need to answer a question about your state unemployment insurance rate.

State tax details

Do you know your Georgia Account Number (Unemployment Insurance)?

Yes, it is

No, I haven't received it yet, or I don't have it handy.

Do you know your Georgia Account Number (Withholding)?

Yes, it is

No, I haven't received it yet, or I don't have it handy.

Do you know what SUI (State Unemployment Insurance) rate Georgia assigned to your business?

Yes, it is %

No, please use 7.56% for now.

What Administrative Assessment rate did Georgia assign to your business?

%

1. **State Employer Account Number:** This is a unique number issued by the state to employers. Similar to the FEIN number, it is used to keep track of payroll tax payments made by employers. If you don't have a state account number, you need to contact the Employment Development Department (EDD) for your state and request one.



It's not a good idea to file tax returns or make tax payments without this number. If you do, you run the risk of not receiving credit for the payment because it will be difficult for the EDD to identify you without an account number.

2. **State Withholding Number:** This number is used on state forms you use to report the state income taxes you withhold from employee paychecks.
3. **State Unemployment Insurance (SUI) Rate:** Each year around November or December you will receive a letter from the EDD for your particular state; it will include the SUI rate that has been assigned to your business for the coming year. If you have not received this info, contact the EDD to obtain this information.
**To ensure your payroll taxes are calculated correctly, make sure you have the correct SUI rate before processing your first payroll. 2.7% is the average rate for new employers; if you're concerned you may be responsible for paying a higher percentage, select 5.4% for now, and you can update it later.
4. **Administrative Assessment Rate:** This fee is unique to Georgia. The rate is 0.06% for all employers with an unemployment rate between the range of 0.04% and 8.1% The administrative assessment rate is 0% if your unemployment rate is equal to the minimum or maximum rate of 0.04% or 8.1%.
5. **Deposit Schedule:** Based on the amount of your payroll taxes, the state will require you to pay (deposit) your taxes on a monthly, semi-weekly, or quarterly basis. This information should be included with your employer account number but if it is not, you will need to contact the EDD for your state to obtain this information.



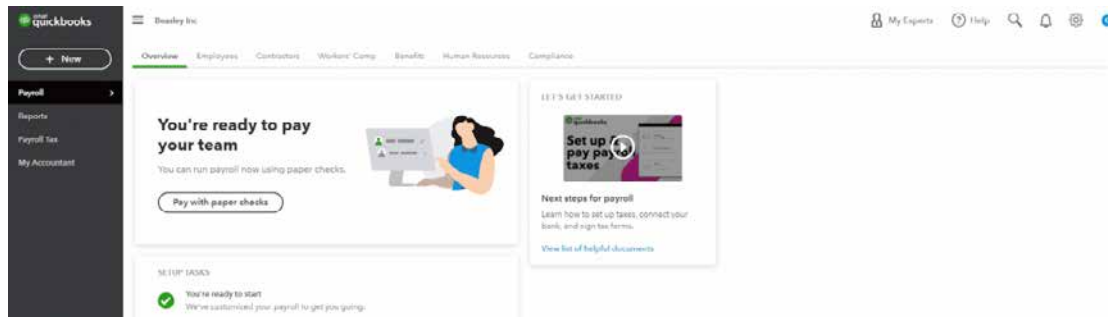
All set!

We have everything we need to help you with your payroll taxes and forms.

We'll prepare your paperwork throughout the year and notify you when it's time to take action.

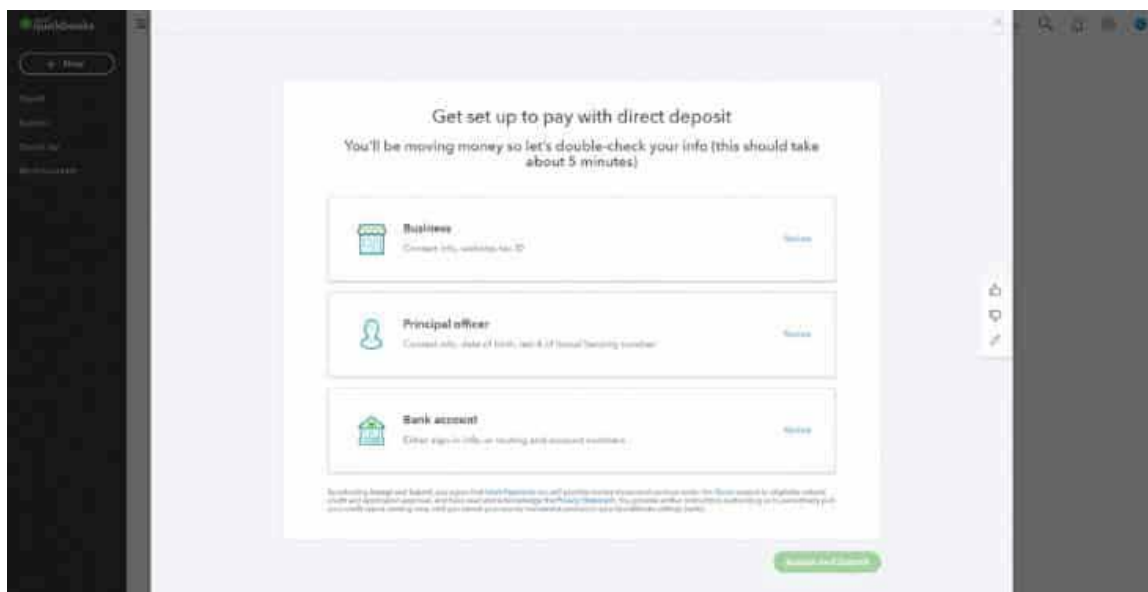
All QuickBooks Payroll plans come with e-file and e-pay. When you e-pay and e-file, you receive a confirmation that your tax forms or payments have been submitted immediately after you have made them. If for some reason there was an issue with the receipt, you will have a confirmation with a date and time stamp to prove that you filed and paid on time.

To e-file and e-pay your taxes, you'll need to provide bank information for the account you want to use for payroll tax payments. Click the green button that shows "Let's go" beside "Connect Your Bank" to get started



7. Add Bank Account Details

You'll get the opportunity to review the business and principal officer information you entered earlier in the setup process. Click the plus sign in front of "Add new bank account" to enter your business checking account details.








You'll see a screen that lists different banking institutions. If you don't see yours listed, enter it in the search box, where "Bank of America" is shown below. Then, select the corresponding result.

Add a new bank

bank of america

70 results for *bank of america*


-  **Bank of America**
www.bankofamerica.com
-  **Bank of America - Business Connect**
www.bankofamerica.com
-  **Bank of America Military Bank**
www.bankofamerica.com
-  **Citizens Bank**
www.citizensbank.com
-  **US Bank**

[Enter bank info manually \(might take a few days to connect\)](#)

8. Enter Your Online Bank Credentials

Enter the username and password you use to log in to your online banking account. This will form a secure connection between your bank and QuickBooks Payroll and will allow it to verify you're really authorized to use the account.

Connect your account

 **Regions Bank**
http://www.regions.com/
1-800-472-2265

Online ID

Password

[SHOW](#)

[Enter bank info manually \(might take a few days to connect\)](#)

Please enter your Online ID and Password required for login.

Once the account successfully connects, it will pull up a list of all bank accounts connected to that online banking ID. Select the account you want to use for payroll transactions (employee paychecks and taxes).

Then, you'll return to the screen with your business, principal officer, and bank account information summary. As long as you've entered all the information required, you'll be able to select the "Accept and Submit" button in the bottom right corner.

The screenshot shows a summary screen with three main sections, each with a green checkmark icon and an "Edit" link:

- Business:** Contact info, website, tax ID
- Principal officer:** Contact info, date of birth, last 4 of Social Security number
- Bank account:** Either sign-in info, or routing and account numbers

Below these sections is a small disclaimer: "By selecting Accept and Submit, you agree that Intuit Payments Inc. will provide money movement services under the Terms subject to eligibility criteria, credit and application approval, and have read and acknowledge the Privacy Statement. You provide written instructions authorizing us to periodically pull your credit report starting now until you cancel your money movement services in your QuickBooks settings (web)." At the bottom right is a green "Accept and Submit" button.

Now that your bank account is successfully connected and ready to make payroll tax payments, you just need to provide your e-signature so QuickBooks Payroll can legally file your payroll tax forms.

9. Approve Your Signature and Submit Authorization

Select "Let's go" to get started.

The screenshot shows the QuickBooks Payroll dashboard. The left sidebar has a "New" button and a menu with "YOUR PRACTICE" (Clients, Team, ProAdvisor, Work, Apps) and "YOUR BOOKS" (Overview, Dashboard, Banking, Expenses, Sales, Payroll, Time). The main area has a "TO DO" list with the following items:

- You're ready to start:** We've customized your payroll to get you going.
- Your business info is complete:** We have everything we need to calculate your payroll taxes. (Edit)
- You're ready to pay your team:** To add more employees or change their info, select Edit. (Edit)
- Your tax info looks good:** We're all set to file your taxes for you. (Edit)
- We've connected your bank:** You're all set for direct deposits and electronic payments. (Edit)
- Sign your tax forms:** One quick signature and we'll be ready to pay and file your taxes for you. (Let's go)

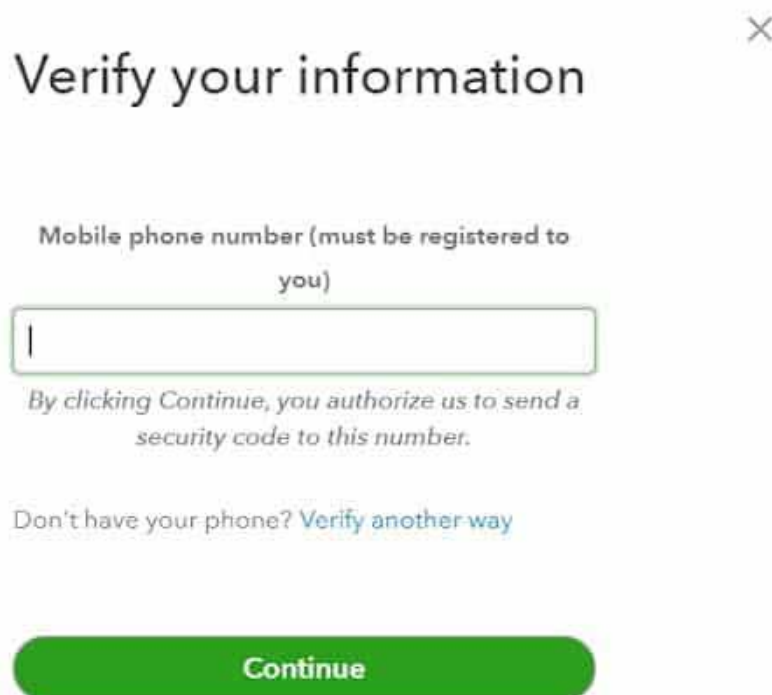
A green "Let's go" button is located at the bottom right of the "TO DO" list.

The Principal Officer's first and last name will automatically populate if you entered it earlier in the setup process. Select "Verify" so the system can confirm contact information.



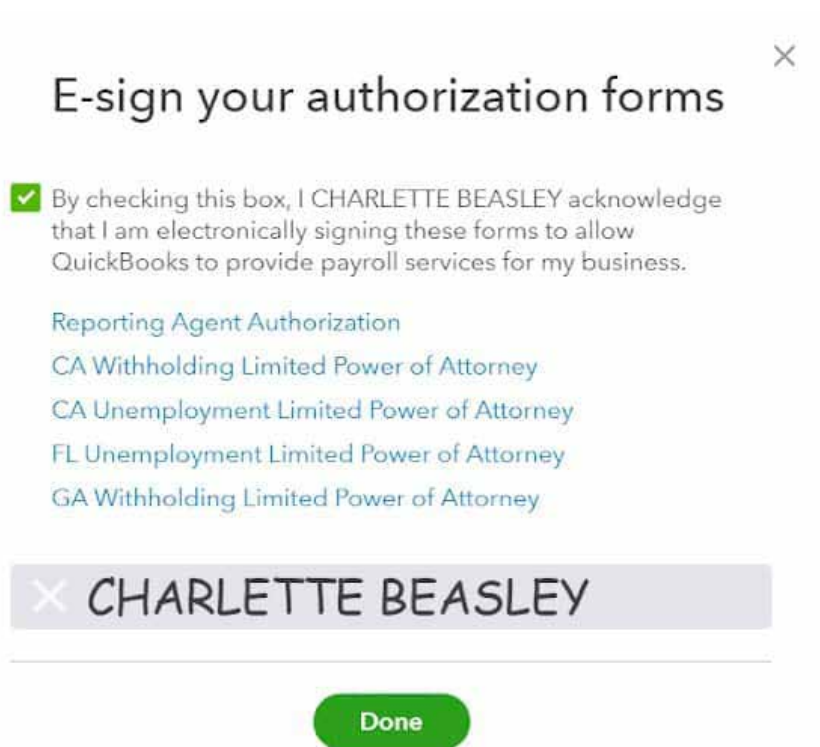
The screenshot shows a web interface titled "Verify and sign". Below the title, there is a small text line: "We need your company's principal officer to review and e-sign a few important authorization forms. This allows us to begin reporting payroll taxes on behalf of your company." Below this, the text "Officer first and last name" is followed by "CHARLETTE BEASLEY". At the bottom of the form, there are two buttons: "Let's do it later" on the left and "Verify" on the right.

Enter your mobile phone number and select "Continue."



The screenshot shows a dialog box titled "Verify your information" with a close button (X) in the top right corner. The main heading is "Verify your information". Below it, the text reads "Mobile phone number (must be registered to you)". There is an empty text input field. Below the input field, the text says "By clicking Continue, you authorize us to send a security code to this number." At the bottom, there is a link: "Don't have your phone? [Verify another way](#)". At the very bottom, there is a large green button labeled "Continue".

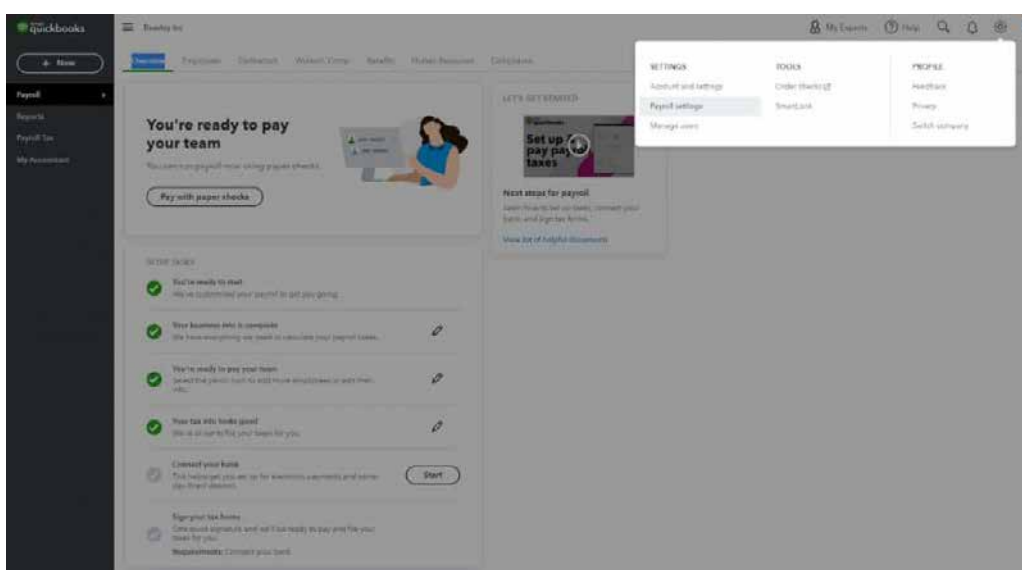
You should receive a text message with a six-digit code you'll need to enter. After you enter the correct confirmation code, you'll be able to e-sign your authorization forms. Check the box shown below to give QuickBooks Payroll permission to provide payroll services on your business's behalf. Then, select "Done."



Congratulations! Your payroll account is now ready to e-file and e-pay your payroll tax payments.

How to Edit or View Payroll Taxes and Forms

Now that you know how to set up payroll tax payments, there may be times when you need to make changes to your tax setup or you may just want to look at tax forms that you have previously filed. Click on the Gear icon in the upper right-hand corner of the homepage and select “Payroll Tax Settings.”



The Payroll Settings will display as indicated below. Let's discuss in detail what info you can find here.

Section	Details	Action
Export	Choose how payroll transactions are exported	✎
Email notifications	Send to	cbeasley@ftsmallbusiness.com
	Setup notifications	Send to you
	Form filing notifications	Send to you
	Payday notifications	Send to you
	Tax notifications	Send to you
	Payday reminders Tax payment reminders	Send to you
General tax	Company type, filing name, and filing address	✎
Federal tax	Federal EIN, deposit schedule, and filing requirement	✎
Georgia tax	State EIN, deposit schedule, and state unemployment insurance rate	✎
Taxes and forms	Automate taxes and forms	On ✎
Bank accounts	Account number	✎
	Routing number	✎
Shared data	Allow employees to import W-2 data into TurboTax	On ✎
Printing	Paychecks	Print on plain paper ✎

Done

1. **General tax info:** Make changes to your company name, filing name, and filing address.
2. **Federal tax info:** Make changes related to your FEIN #, State account number, tax forms you are required to file, and your payment (deposit) schedule.
3. **CARES Act:** You can opt-in or out of deferring Social Security payments until 2021 if you qualify.



If you received loan forgiveness through the Paycheck Protection Program, you won't be able to defer the employer share of 2020 Social Security taxes for any deposits due after the date of the loan forgiveness.



If you have taxes that were due to be deposited on or before the loan forgiveness date, you can continue to defer these tax payments until the applicable payment dates in 2021 and 2022.

Scroll down and you'll see other information you can view or edit.

Section	Setting	Value	Action
Export	Choose how payroll transactions are exported		✎
Email notifications	Send to	cbeasley@fit-small-business.com	
	Setup notifications	Send to you	
	Form filing notifications	Send to you	
	Payday notifications	Send to you	
	Tax notifications	Send to you	
	Payday reminders	Send to you	✎
General tax	Company type, filing name, and filing address		✎
Federal tax	Federal EIN, deposit schedule, and filing requirement		✎
Georgia tax	State EIN, deposit schedule, and state unemployment insurance rate		✎
Taxes and forms	Automate taxes and forms	On	✎

- Email notifications:** If you want tax payment reminders and notifications emailed to you, leave this on the default “Send to You” setting. If not, you can turn it off.
- Shared data:** You can opt to allow employees to import their W-2 tax information into TurboTax, or not. This is a benefit to employees who file their taxes since they won't have to enter the information themselves.

There are also sections for you to change bank account information, direct deposit funding time, paycheck printing options, and designated payroll general ledger accounts.

Bottom Line

Now that you know how easy it is to set up and make your payroll tax payments using QuickBooks Payroll, you're ready to run your first payroll! If you haven't set up your employees, then head over to our [QuickBooks payroll guide](#) for step-by-step instructions.

If you haven't yet started a [QuickBooks Payroll](#) account, you can sign up for a free 30-day trial. You can start paying employees using direct deposit shortly after, and the system will withhold, file, and pay all payroll taxes accordingly.

When Can You Enter Historical Payroll Data?

1. Payroll Taxes Checklist: Info Needed to Get Started

You can only enter historical payroll data under two conditions. Otherwise, you will need to contact the Payroll Support team for assistance.

1. The data is for the current calendar year.
2. You have not run any payrolls for the employee for whom you need to add data.

You cannot bulk upload historical data into the software and enter past years on your own.

How to Enter Historical Data

Adding historical payroll data to QuickBooks Payroll typically happens during the setup process. Follow along with our video on [how to set up your payroll account](#) and get some quick tips on things to consider when you're entering historical data.



HOW TO DO PAYROLL IN



Entering historical data starts at the three minute mark in this video. This video covers everything about how to set up QuickBooks Payroll.

1. Gather Data

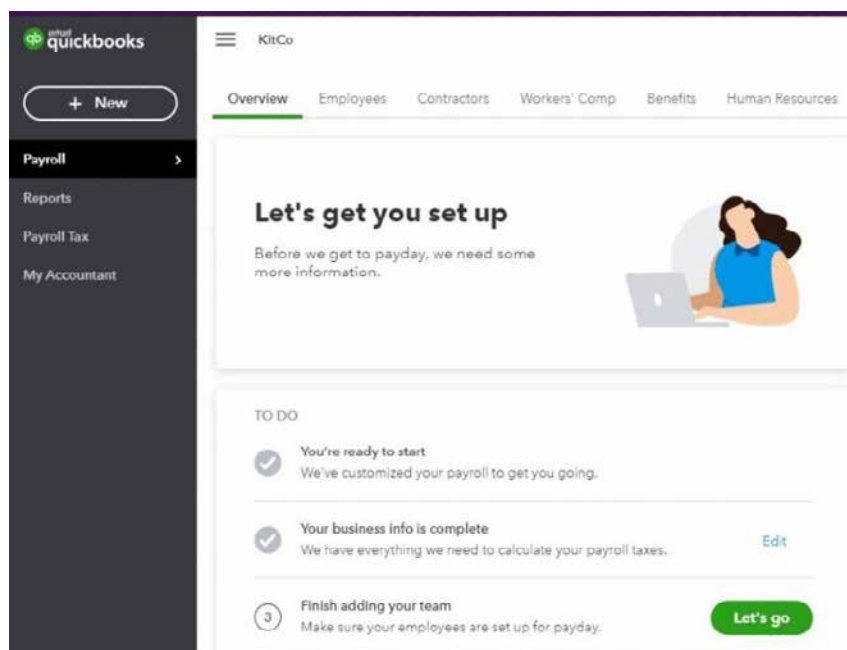
You can only add past payroll data as summary information. Therefore, you will need the data found on each employee's last pay stub. You may also have this information in a payroll report.

You need the following information:

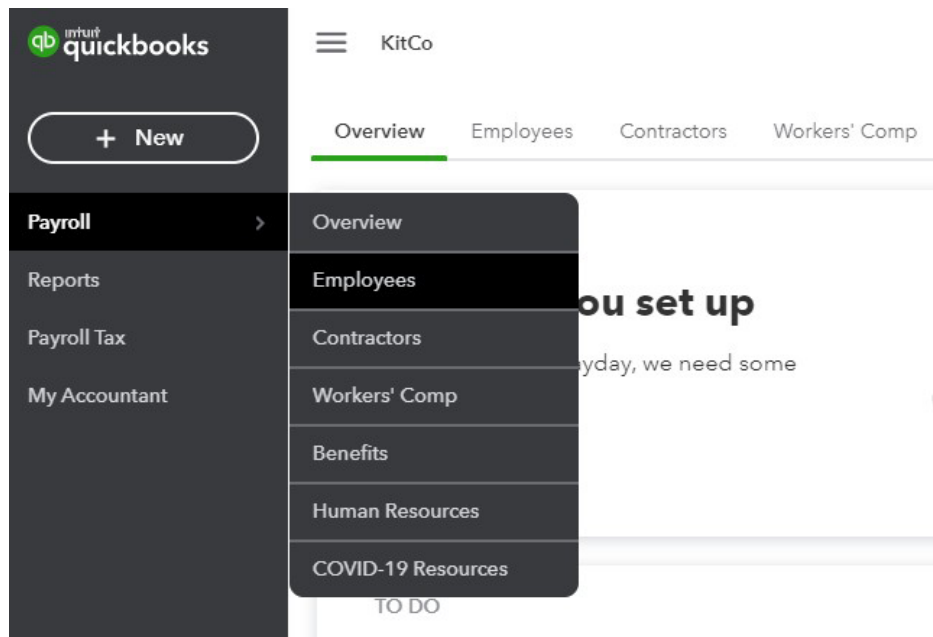
- **Last time you paid your employee.** It will ask by quarters, months, or pay periods, so you may answer several of these in a Yes/No fashion.
- **Regular wages:** This is the full wages your employee earned in the year to date, as shown in the last pay stub.
- **Overtime:** This is all the overtime earned, year-to-date, as shown in the last pay stub.
- **Deductions (Employees Pay):** There may be several lines, depending on the specific deductions, such as medical insurance, 401(k), etc.
- **Deductions (Company Pays):** There may be several lines, depending on the specific deductions, such as medical insurance, 401(k), etc.
- **Federal Income Taxes withheld:** This tax should show on every employee's paystub unless they are exempt.
- **Social Security Taxes withheld:** Also known as FICA.
- **Medicare withheld:** Also known as FICA.
- **State Income Taxes withheld:** Also known as state withholding or PIT/SIT.
- **State Disability Insurance:** If applicable to your state. If not, it will not show up on the QuickBooks form.
- **Net Pay:** This is optional, and QuickBooks uses it to check for the accuracy of calculations. If you do not add it, it will make this calculation for you.

2. Find Your Employee

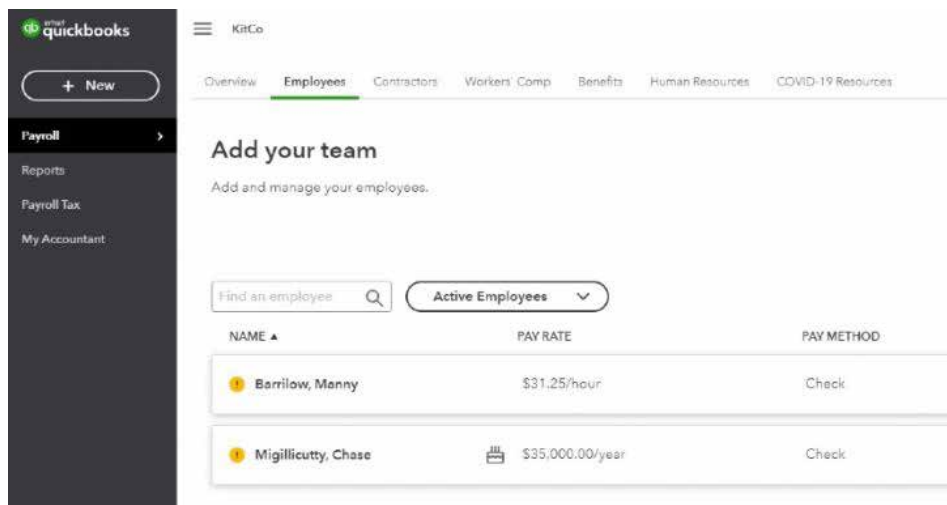
If adding an employee. Go to Payroll, then click on Overview. You may already be on that tab. You will see a task in your To-Do for completion. Click on Let's Go to add your employee.



- **If coming back to an employee.** Hover your cursor over Payroll, then click on Employees.



Next, select the employee you wish to complete.



3. Input the Totals From Your Payroll Reports or Employee Paystubs

Note: You won't enter historical data until later in the setup process.

The Employee screen opens up with all the information you need to input for payroll. It will ask, in step 9, for historical data.

9 How much did you pay Sola so far this year?

Before you can enter prior pay details, enter Sola's pay schedule and pay rate above.

Did you pay Sola any time between January 1 and September 30?

Yes

No

Did you pay Sola on or after October 1?

Yes

No

Enter info from Sola's pay stub(s) below.

Why is this important?
What will I need?
Not seeing an item below?

YEAR-TO-DATE TOTALS AS OF SEPTEMBER 30	
Regular Wages	\$ 28,917.00
Federal Income Tax	\$ 2,233.72
Social Security	\$ 1,792.85
Medicare	\$ 419.29
Net pay (Optional)	\$ 24,471.14

We use net pay to double-check for accuracy

Where can I find these? ✕

Totals as of September 30: Find these in the year-to-date section of Sola's last pay stub dated on or before September 30.
How do I enter prior payrolls?

Note: If these numbers do not match what QuickBooks expects, it will not proceed until these are correct.

! The amounts you entered may be incorrect. Social Security and Medicare taxes (FICA) are expected to be percentages of an employee's taxable earnings. Check that the amounts you entered are correct.

Enter info from Manny's pay stub(s) below.
 Why is this important?
 What will I need?
 Not seeing an item below?

YEAR-TO-DATE TOTALS AS OF SEPTEMBER 30	
Regular Wages	\$ 50,000.00
Overtime Pay	\$ 2,500.00
COUGH, Inc (Company)	\$ 525.00
COUGH, Inc (Employee)	\$ 525.00
Federal Income Tax	\$ 15,099.80
Social Security	\$ 5,099.00
Medicare	\$ 3,255.00
CO Income Tax	\$ 999.00
Net pay (Optional)	\$

We use net pay to double-check for accuracy

Where can I find these? ✕

Totals as of September 30: Find these in the year-to-date section of Manny's last pay stub dated on or before September 30.
 How do I enter prior payrolls?

4. Complete the Input

When you finish, press **Done** in the lower right corner. QuickBooks will then update, showing you the gross pay, taxes withheld, and net pay to date. Click **Done** again to complete this employee.

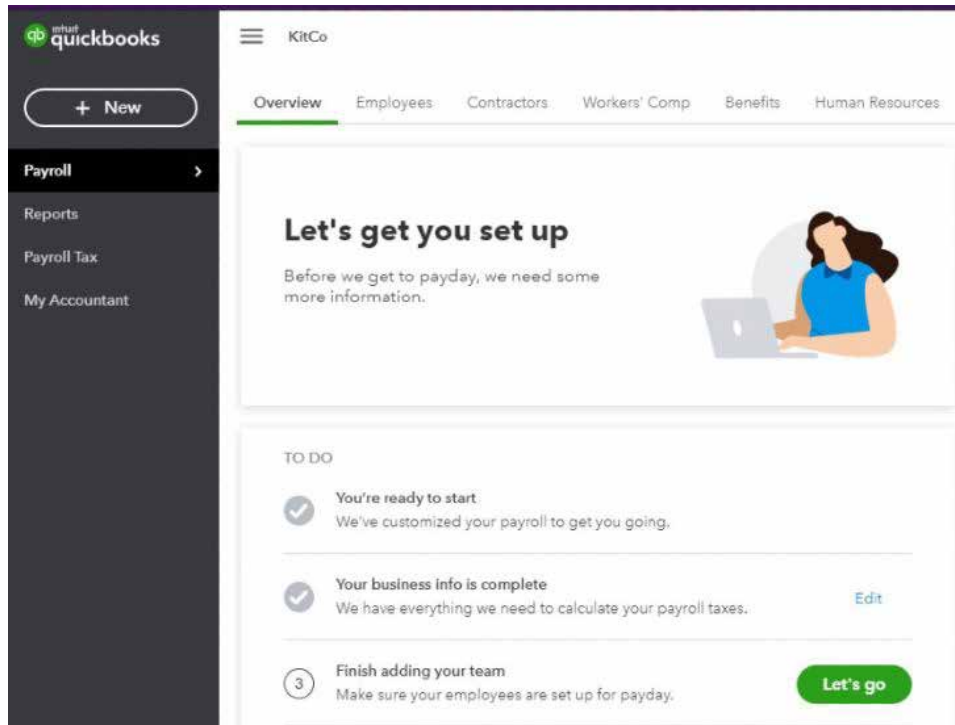
How much did you pay Solla for this year?

Gross pay:	\$28,917.80
Taxes withheld:	\$4,205.50
Net pay:	\$24,712.30

Done employee
Done

5. Go to Next Employee

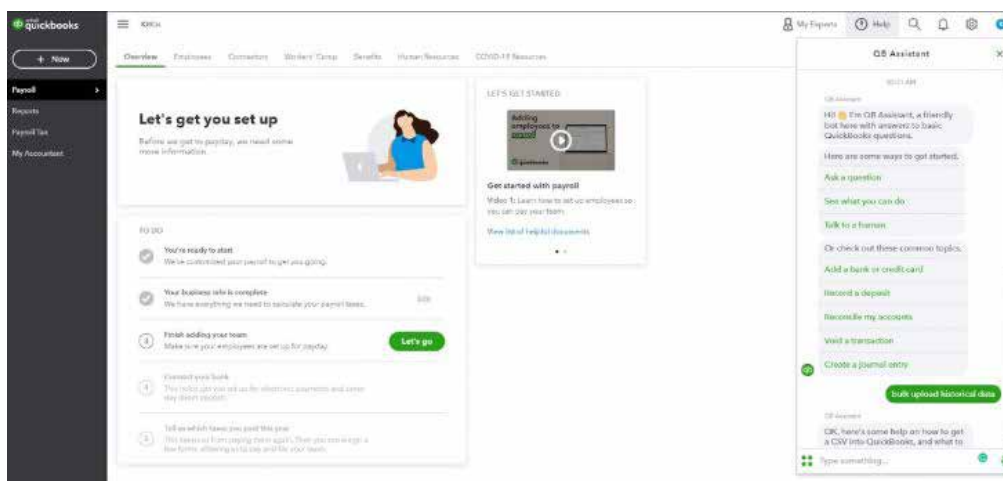
When you press Done, it takes you back to the Overview page. Click on **Let's Go** to set up your next employee.



FAQs

What should I do if I need help with the QuickBooks Payroll program?

If you have a question while working in QuickBooks Online Payroll, click on the Help button in the upper right corner, and you'll be given some options. You can type in your specific question, “see what you can do,” by getting general articles on banking or troubleshooting, or contact support. Contact options include posting to the community help forum, chatting with customer support, and talking to customer support over the phone. Chat and phone support hours vary by location, but the chatbox will tell you the next available hours if they are closed when you ask.



How much does it cost to add payroll to QuickBooks?

QuickBooks Online Payroll's plans start at \$45 monthly plus \$4 per employee, per month. [QuickBooks Payroll services](#) include payroll checks or direct deposit, payroll tax payments, and all tax form filings.

Bottom Line

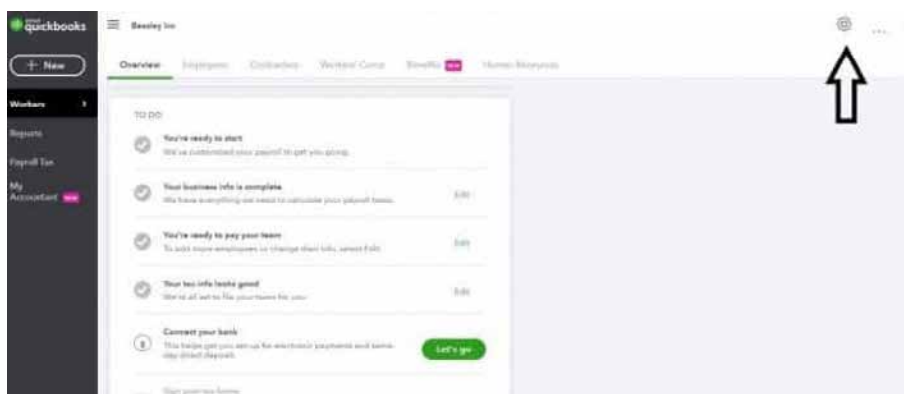
Once all your employee data is set up in QuickBooks Online Payroll, you'll be ready to run your payroll. You can also learn more about how to [do payroll yourself here](#).

QuickBooks Payroll offers a free 30-day trial where you can test out all its features. Give it a try and start making payroll easier.

How to Set Up QuickBooks Payroll Direct Deposit in 5 Steps

Compared to most **payroll services**, the **setup process** for **QuickBooks Payroll** direct deposit is intuitive. Aside from your company's basic information (such as business name, address, and employer identification number or EIN), the system requires your business bank account details so that it knows where to pull the money from when it's time to process employee paychecks. You also have to enter your employees' banking information (like account and routing numbers) into the system, so it can send the funds to the right place.

In terms of what the first step to setting up QuickBooks Payroll direct deposit should be, it all depends on where you are in the process of setting up your payroll account. For those that are starting to **do payroll**, the system will prompt you to complete that setup process before you can set up its direct deposit feature. If your payroll account is already in use and you've been processing paper checks, you can go directly to the system's "Settings" and then "Payroll Settings" to get started.



The "Settings button is in the top right-hand corner.

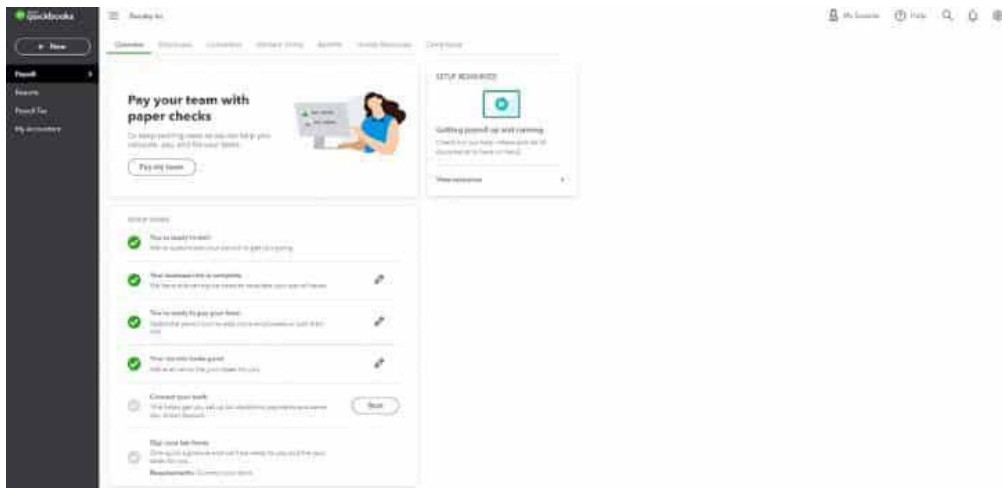


Select "Payroll settings" in the box at the top right of the page.

Here are the steps you should follow to complete the QuickBooks Payroll direct deposit setup process.

1. Set Up Your QuickBooks Payroll Account

For new QuickBooks Payroll users, you need to follow the steps on the “Overview” screen to finish setting up your account. However, before you are granted the option to enter your business bank account details into its system, you have to input payroll tax information and data about your existing employees such as name, address, and pay rate.

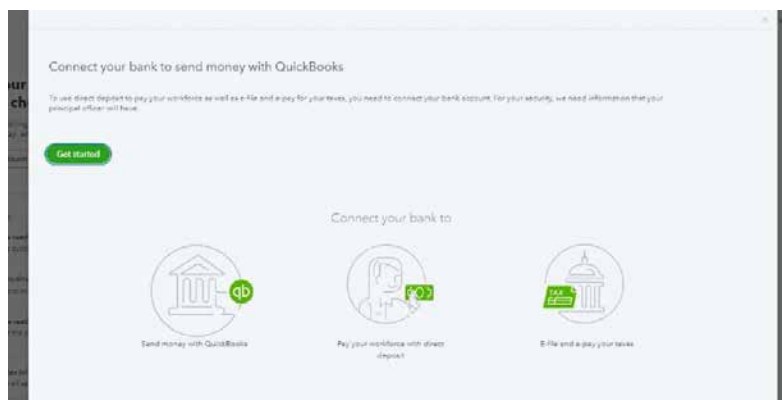


You can only start the process of setting up your direct deposit after you've completed the first four steps on the “Setup Tasks” list.

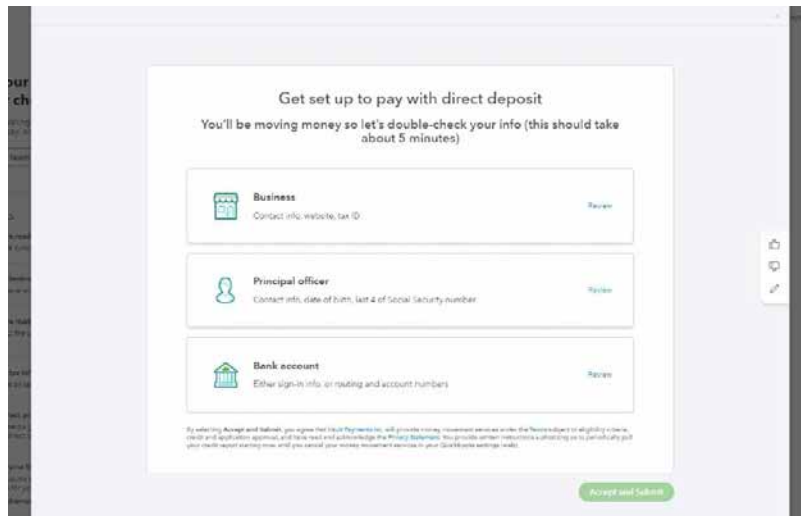
2. Connect Your Business Bank Account to QuickBooks Payroll

When you're ready to set up your QuickBooks Payroll direct deposit, click the “Start” button located beside the “Connect your Bank” task and then select “Get Started.” A new window will appear, providing you with the opportunity to review all of the information you previously entered about your business (such as contact details and EIN).

You also have to enter the information about your company's principal officer. This person is the one who is legally in charge of the business bank account you want to use. Aside from the person's full name, the system will require you to input the principal officer's birth date, home address, and Social Security number.



Before selecting the “Get started” button, have all your business and bank account information ready for easy verification and as reference.

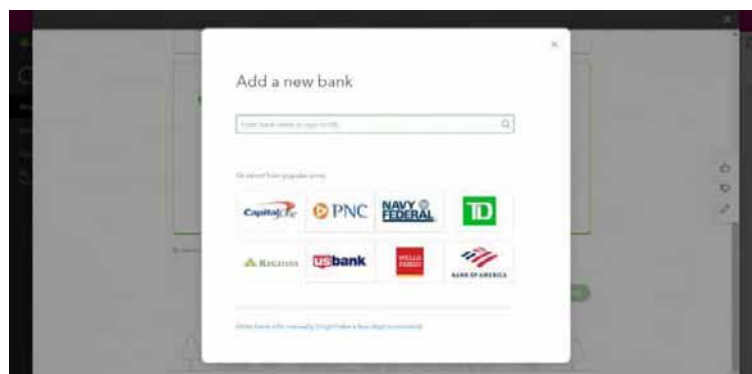


Click “Review” to check all of the business information that you inputted into the system.



Personal information about Principal officer

After checking your business and the principal officer’s details, you can add and review your bank account and routing number. You can either enter the information manually or search for your bank and sign in with your online banking credentials. Note that the system will verify your banking data.



Logging into your bank through the software makes it easier to verify.



Having to manually enter the details online can delay the verification process for a few days. We suggest signing into your bank account, as this is quicker. If you're worried about providing your login information online, keep in mind that QuickBooks Payroll uses a secure system for all of its processes to keep your data safe.

You also have to create a PIN, which you'll use every time you send bank payroll information to QuickBooks. After you have created your PIN, the system will require you to confirm this twice before the option to "Submit" will be available.

Once your bank is connected to your payroll account, QuickBooks will send a test deposit transaction of less than \$1 into your account within two business days. You can call your bank and check your bank statement online to see if the test transaction pushed through. It will appear on the statement as either "Intuit: Verify Bank" or "QuickBooks: Verify Bank." Note that this transaction will disappear in a few days.

In addition, you will receive an email requesting you to verify the test transaction. After you have confirmed the amount, you will receive another email stating that your account has been verified.

To Do

Confirm bank deposit
Check your bank account for a small deposit from Intuit and then tell us the exact amount of the transaction (for example: 0.53). Note that it may take up to 2 business days for the transaction to be posted to your account

Enter the deposit amount \$

Confirm the deposit amount \$

You don't need to enter the dollar sign or decimal point. If the test transaction amount is \$0.53, you should enter 53 into the boxes.

In case you don't receive the email prompting you to verify the test transaction, you can log in to your QuickBooks Payroll account to complete the verification. There are several ways to do this. You can check your to-do list on the "Overview" screen and click "Let's Go" on the "Check Your Account for Small Deposit, then verify" option. Select "Verify your Account" and then enter and confirm the amount of the test transaction from your bank account.

If the verify account task doesn't appear on your "Overview" screen, you can select "Settings" and then "Payroll Settings." Under "Bank Accounts," select "Company" and click "Verify Account." Then, enter and confirm the test amount.

If you don't see the option to verify your account, it means that the test amount hasn't been debited. You'll need to go back to Step 2, "Connect Your Business Bank Account," so you can restart the process. You can also contact QuickBooks' payroll support team for assistance.

3. Print Direct Deposit Authorization Form and Give to Employees

After you have successfully connected your business bank account with QuickBooks Payroll, you need to ensure that your employees' bank account information is set up correctly in the system. Before entering the data, you need to have each participating employee sign an authorization form for direct deposit. This will protect you because legally you're not allowed to send a paycheck to an employee's bank account unless they give you their approval.

QuickBooks has a form that you can print and use, but you can also use your own direct **deposit form**. In addition to signing the document, have each employee attach a voided check linked to the bank account in which they want their paychecks deposited. For employees who prefer to split their pay into two separate bank accounts, you can ask them to provide voided checks for each account.



Apart from the bank name, the account and routing numbers should be visible on the check. You'll need that information so you can enter the employee's banking details into QuickBooks Payroll.

To access the direct deposit authorization form within QuickBooks Payroll, go to the "Taxes & Forms" menu, click "Employee & Contractor Setup," "Authorization for Direct Deposit," and then "Bank Verification." Select "View" and print enough copies for employees who prefer to receive their pay through direct deposits.

Authorization for Direct Deposit

I authorize _____ to deposit my pay automatically to the account(s) indicated below and, if necessary, to adjust or reverse a deposit for any payroll entry made to my account in error. This authorization will remain in effect until I cancel it in writing and in such time as to afford _____ a reasonable opportunity to act on it.

Name on bank account: _____
 Bank account number: _____ Checking ___ Savings ___
 Bank routing number: _____
 Amount: \$ _____ or entire paycheck: _____

*Balance of pay to:
 _____ Manual (paper check)
 _____ Account described below

*Note: Split payments are not available for contractors.

Name on bank account: _____
 Bank account number: _____ Checking ___ Savings ___
 Bank routing number: _____

Important: Please attach a voided check for each bank account to which funds should be deposited.

Employee/Contractor signature: _____
 Date: _____

Payers: Do not send this form with your Direct Deposit enrollment. Keep for your records.

Keep the signed authorization forms in your employee records.
 Note that QuickBooks Payroll doesn't need a copy of it.

4. Enter Employees' Bank Account Details

To enter your employees' bank account information, go to the "Employees" tab. If you already added your employees and their applicable payroll information into the system, just select each staff member individually from the list and enter their corresponding bank details.

Important: You must approve pay cheques paid with direct deposit at least two banking days before the pay date by 5 pm Pacific Time.

Employer Info [Turn off Direct Deposit](#)

Bank Account: Action

Waiting for approval:

Which employees want direct deposit?

For employees that want direct deposit: click **Set Up**, choose **Direct deposit**, and then tell us where their pay should go.

Employee	Bank Account
Cartman, Eric	<input type="button" value="Set Up"/>
McCormick, Kenny	<input type="button" value="Set Up"/>
Shuler, Dustin	<input type="button" value="Set Up"/>
Smith, Roger	<input type="button" value="Set Up"/>
Smith, Stan	<input type="button" value="Set Up"/>
Tarantino, Quintin	<input type="button" value="Set Up"/>

Have questions about direct deposit?

This is an example of the screen you would see if your employees have already been input into the system.

If you have yet to set up all of your employees into the system, click the "Add an Employee" button. In addition to personal information (like full name and birthdate), you have to input the staff's employment and basic payroll data such as hire date, pay rate, deductions, and tax details.

In the "How Do You Want to Pay (Employee Name)" option, select "Direct Deposit" in the drop-down menu. Then, enter the account and routing numbers listed on the employee's voided check(s). Be sure to double-check the numbers before clicking "Done," or your employees could experience a delay in receiving their first deposit.

Add Employee

1 **Personal info**

First name* M.I. Last name*

Email

We'll email an invite for this employee to view their pay stubs and W-2 with QuickBooks Workforce. [Learn about Workforce](#)

2 **What are this employee's employment details?**

Add employee's hire date and where they work.

Hire date

Why do we need this?

Work location

3 **How often do you pay this employee?**

Enter a few details and we'll work out your company's payroll calendar. What is a pay schedule?

starting 05/14/2021

4 **How much do you pay this employee?**

If your company offers additional pay types, add them here. These pay types show up when you run payroll. [Learn more about pay types](#)

Hourly / hour

Default hours hours per day and days per week (optional) [What are default hours?](#)

This is an example of a new employee setup.

Charlette Beasley

You can find this info on this employee's W-4. What is a W-4?

Single or Married Filing Separately

6 What are Charlette's personal details?
Add employee's personal details.

Birth date: 02/15/1988

7 How do you want to pay Charlette?
In a rush? Choose paper check for now and come back to change this later. Learn about ways to pay.

Paper check
Direct deposit
Direct deposit to two accounts
Direct deposit with balance as a check
Paper check

You need to confirm that you're paying each employee by direct deposit and specify if the funds need to go to two bank accounts.

Charlette Beasley

7 How do you want to pay Charlette?
In a rush? Choose paper check for now and come back to change this later. Learn about ways to pay.

Direct deposit

Charlette's bank account type is:

Checking
 Savings

Routing number (9-digits):

Account number:

Confirm account number:

Make sure you have Charlette's direct deposit authorization form.

If you haven't yet printed the direct deposit authorization form, you should do so now. QuickBooks Payroll gives you the opportunity to print before proceeding.

5. Send Your First QuickBooks Direct Deposit

After your business bank information has been confirmed and all of your employees' data has been entered into QuickBooks Payroll, you can start sending electronic payroll deposits. You can enjoy same- or next-day deposits, depending on your chosen plan.



In order to send a same-day direct deposit, you must submit payroll by 7 a.m. Pacific time on the date you want the employee to receive payment. For next-day payroll services, you have to process payroll by 5 p.m. Pacific time on the day before payday.

What's Different About QuickBooks Payroll Direct Deposit

While most payroll software providers offer a direct deposit feature, they usually have a standard two- to four-day processing period. This means that you have to initiate the payment two to four days before the employee will actually receive it. With QuickBooks Payroll, you can send same- and next-day direct deposits at no extra cost, depending on the plan you choose. There's no prior approval needed.

What's Different About Setting Up QuickBooks Desktop Payroll Direct Deposits

If you're a QuickBooks Desktop Payroll user, the overall process to set up direct deposits for your business is the same as what online QuickBooks Payroll users follow. However, the system's menu and/or button selections are just a little different, plus there are a few extra steps.

For example, to connect your business bank account, you go to the "Employees" menu, "My Payroll Service," and then "Activate Direct Deposit." You also review your company information and bank account details in the "Verify Your Company Information" section. If you need to enter new information or make changes, you use the "Edit" button.

In order to review the details of the direct deposit service, you have to select "View Agreement." Once you agree to the terms, you have to answer questions in the "Check Security Limits" section and then submit. Similar to how it's handled with QuickBooks Payroll's online service, the provider will send a test transaction to your business bank account that you need to verify.

In setting up each employee for direct deposit, you open each staff record through the "Employee Center." There's a "Payroll Info" tab within it that will have a "Direct Deposit" button. Select "Use Direct Deposit for (employee name)" and then enter the bank account information for where the money should be deposited.



Although having **payroll software** makes paying your employees the right way much easier, you still need to know the basics. Check out our tips on how to get the **best payroll training** to help.

Bottom Line

By following five simple steps, you can easily set up your QuickBooks Payroll direct deposit. Just be sure to have all of your company and bank account information, including your employees' bank account details, ready to prevent processing delays. Once you have successfully completed the setup process, you can start sending same- or next-day paychecks to employees.

How to Print Payroll Checks in QuickBooks Online

With QuickBooks Payroll, you can pay employees via same- or next-day direct deposit and also print paper checks using your own printer. To print payroll checks, you'll need to purchase the proper check stock, adjust your printer settings so that everything prints in alignment, and run payroll for at least one employee.

As you read, follow along with our video on how to print paper checks in QuickBooks Payroll.



How to Print Payroll Checks in QuickBooks Online



1. Purchase Check Stock

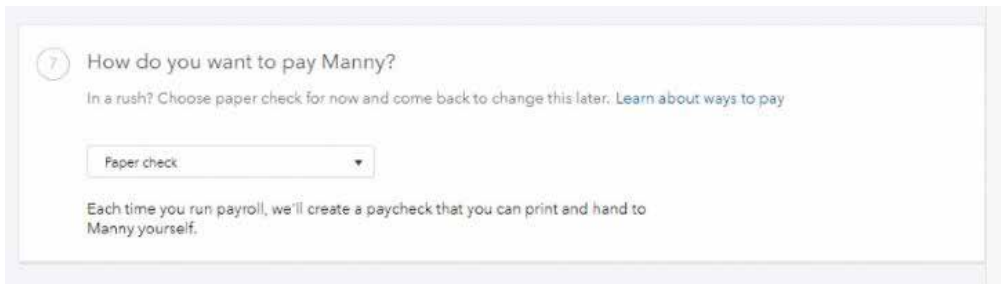
QuickBooks Online Payroll lets you print checks on blank paper or with pre-printed checks. QuickBooks says it does not print on third-party checks. Its online payroll only works with two kinds of paycheck styles:

1. Voucher checks with one pay stub for your employee
2. Voucher checks with a pay stub for your employee and one for you

You can purchase checks from QuickBooks directly. It offers three styles with different levels of anti-counterfeiting measures such as watermarks. Prices start at \$36.99 for 50. See the styles and pricing on the [QuickBooks website](#).

2. Check That Employees Are in the System

You need to have your payroll set up before you can print a paycheck. (See our how-to [guide on QuickBooks Payroll setup](#).) When you first input your employees, you'll be given the option of how you pay them. If you choose paper checks, the system automatically creates a paycheck to print when you are ready.

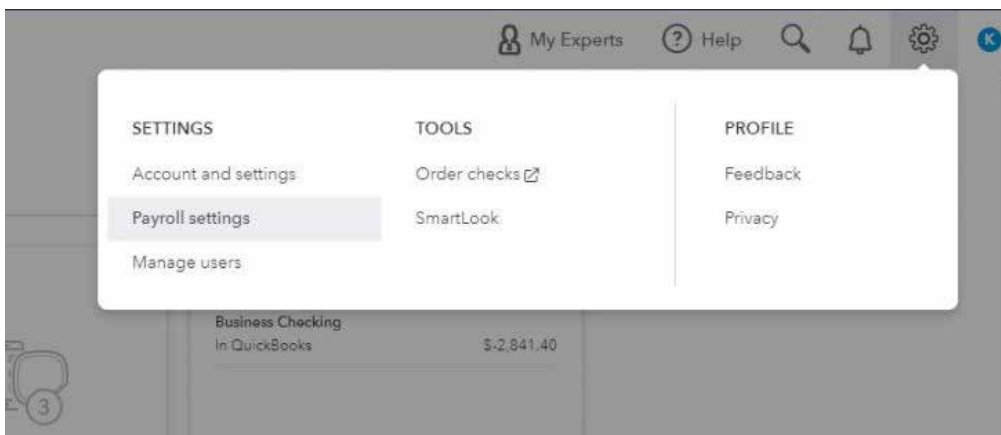


Note: QuickBooks can only print checks for employees who receive checks, and pay stubs for those who receive direct deposit.

3. Set up Check Printing

Before doing a full paycheck run, it's a good idea to run a sample to make sure you have the right parameters and that everything is aligned properly.

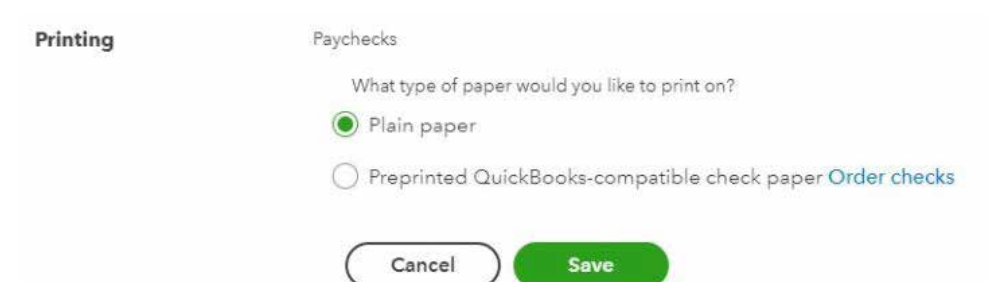
Go to Settings, and then select Payroll settings.



You'll see, under Printing, the current setting. If it is wrong, click on the pencil to edit. You can print on blank paper or QuickBooks pre-printed check stock.



If using blank paper, click Save to save changes.



If using pre-printed checks, it will ask if you wish to print one stub or two stubs. Make your selection and click Save.

If using pre-printed checks, you want to check the alignment. You should check alignment again whenever you use a different browser or application. **You will use blank paper and a blank check to set alignment.**

Click on Align check.

Printing Paychecks

What type of paper would you like to print on?

Plain paper

Preprinted QuickBooks-compatible check paper [Order checks](#)

Print 1 pay stub Print 2 pay stubs

01/18/2019 \$3,714.00 Signature
Pay stub for employee

01/18/2019 \$3,714.00 Signature
Pay stub for employee
Copy of pay stub for you

Align check

Cancel Save

A side window opens with the instructions. They are simple and self-explanatory. After checking the alignment manually, run a paycheck with a blank check to ensure everything is properly aligned. When satisfied, click Save to close the side window.

Let's align your checks X

Tip
To get the best results, use the same web browser or application to print your alignment form and sample paycheck that you use to print your actual paychecks.

1 First things first, load plain paper and print your alignment form.
[Print alignment form](#)

2 Then, place the form on the top of a blank check. Hold them both up to the light.
Which letter appears just above the Pay to the Order of line?

Which number appears completely to the right of the dollar sign?

3 Optional: If you like to fine tune your alignment, simply load plain paper and print sample check.
[Print sample check](#)

QuickBooks Payroll check alignment instructions: Click Done in the lower right corner of the screen to save all changes and exit.

4. Load Your Checks or Paper in the Printer

Be sure the checks are facing the correct direction.



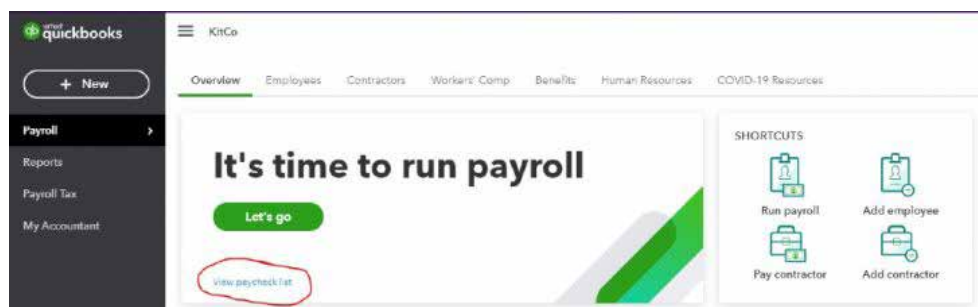
Tip: If using a different browser, you should recheck the alignment before doing a print run.

5. Run Payroll

See our guide for specific instructions on [how to run your payroll](#).

6. Print Checks

The Overview tab in Payroll should direct you to run payroll, or you will see it in the shortcut list. Click on View Paycheck list.



Select the names of the checks you want to print. Then click Print.

Select the paychecks you'd like to print, edit, void, or delete.

<input type="checkbox"/>	Print	Delete	2 items selected						
	Pay date	Name	TOTAL PAY	NET PAY	PAY METHOD	CHECK NUMBER			
<input checked="" type="checkbox"/>	12/04/2020	Bartlow, Manny L.	\$2,900.00	\$2,011.48	Check	1234			
<input type="checkbox"/>	12/04/2020	Migliocaty, Chase D.	\$1,344.15	\$0.00	Check				
<input checked="" type="checkbox"/>	12/04/2020	Whitaker, Henrik O.	\$919.00	\$830.00	Check	1233			

A new window will open up with the checks in PDF. Make sure the information is correct, then select Print on your browser (usually in the upper right corner).



FAQs and Troubleshooting

Do I need a special printer to print checks with QuickBooks Online Payroll?

No. QuickBooks can print checks with inkjet or laser printers.

Do I need special paycheck stock?

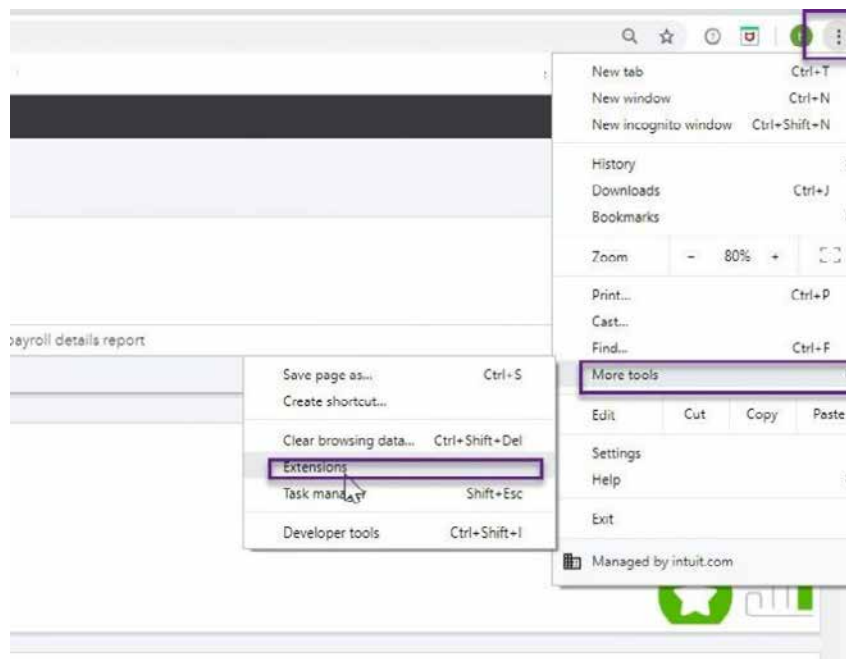
No. QuickBooks Payroll will print on blank paper or preprinted QuickBooks-compatible check paper.

How can I order checks from QuickBooks?

You can order checks from the QuickBooks website, or in your settings under Payroll settings > Printing.

How do I fix problems printing checks with Payroll Online using Chrome?

If you are having problems printing checks and you have the McAfee WebAdvisor extension active on Chrome, you may need to temporarily disable McAfee WebAdvisor. Go to Chrome Extensions, find McAfee WebAdvisor, and then toggle it off.



Alternately, you can go into Incognito Mode and run checks from there.

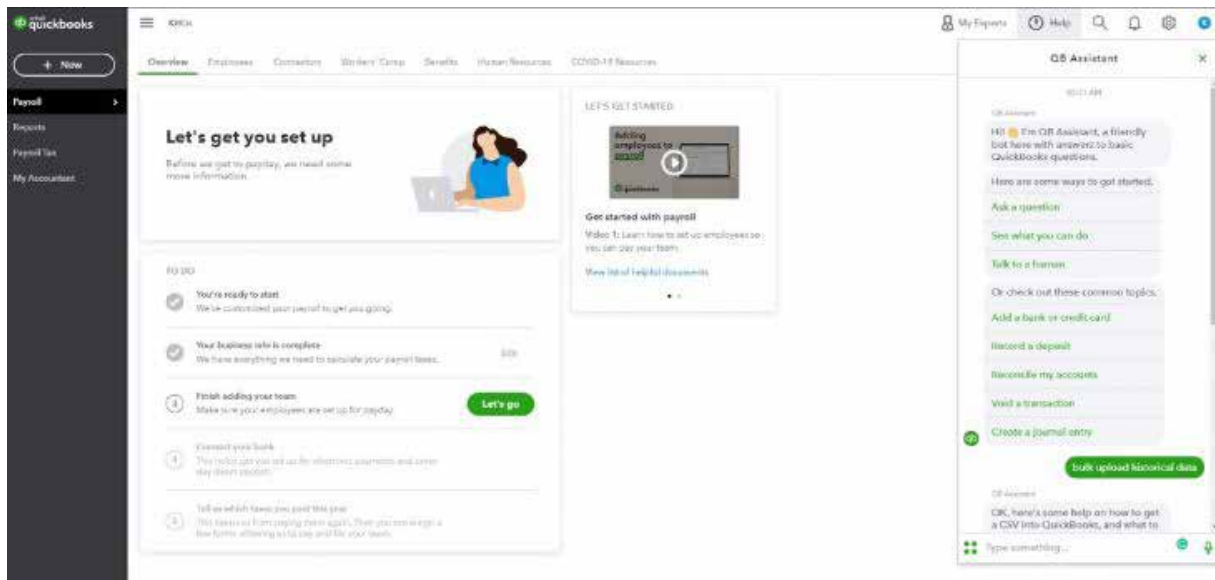
QuickBooks is working with Chrome and McAfee WebAdvisor to solve this issue.

QuickBooks is printing in the wrong places! What should I do?

If the printed information is not sitting neatly on the lines or in the proper areas, you need to recheck the alignment.

Where can I get help with my check printing?

QuickBooks has a [troubleshooting guide](#), or you can click on the Help icon in the upper right corner to search the documentation or contact customer support by chat, email, or phone. Customer service hours vary by location, but the Help section will tell you the available times in your area.



Bottom Line

QuickBooks Online Payroll, a [top-rated payroll service](#), makes it to print paychecks for employees. If they prefer direct deposit, check out our article on how to [set up QuickBooks Direct Deposit](#).

How to Run QuickBooks Payroll Reports

QuickBooks Online Payroll offers 17 payroll reports that cover everything from employee details and payroll costs to workers' compensation and tax liabilities. We'll look at how to run a payroll report in QuickBooks Payroll Online, plus how to drill down for details and void a payroll check through reports.

With QuickBooks Online, you can also create customized reports. If you use QuickBooks and are interested in trying its online payroll software, take advantage of the free trial. Visit QuickBooks Online Payroll today and sign up.

Types of Payroll Reports on QuickBooks

QuickBooks offers 17 standard reports. You can customize them for specifics like date, employee, or work location and, in some cases, drill down for details.

- **Employee Details:** Contact information, pay rate, deductions, and tax withholding.
- **Employee Directory:** Employee work location, phone number, email, and other contact info.
- **FFCRA CARES Act Report:** Wages and credits pertaining to COVID-19 pay types.
- **Multiple Worksites:** Information to complete your Multiple Worksites Report (if required by your state).
- **Paycheck History:** An overview of past paychecks, payment method, and paycheck status.
- **Payroll Billing Summary:** Charges billed to your QuickBooks Payroll account.
- **Payroll Deductions/Contributions:** Total employee deductions and company contributions.
- **Payroll Details:** Paychecks, including the amount, taxes, and deductions.
- **Payroll Summary:** Paychecks, including total wages, taxes, and deductions.
- **Payroll Tax Liability:** Total payroll tax you need to pay and how much you've already paid.
- **Payroll Tax Payments:** Payroll tax payments you've made.
- **Payroll Tax and Wage Summary:** Total and taxable wages subject to federal and province/region/state withholding.
- **Retirement Plans:** Both employee and company contributions.
- **Total Pay:** Each employee's total pay by type (such as salary or hourly).
- **Total Payroll Cost:** All costs associated with paying your employees, including total pay, net pay, deductions, and taxes.
- **Vacation and Sick Leave:** PTO used and how much each employee has left.
- **Workers' Compensation:** Wages paid for each Workers' Comp class. Use this to prepare forms for state agencies or insurance companies.

Before You Run Reports

You will need to [set up a QuickBooks Payroll](#) account and [run at least one payroll](#) before you can run any reports.

How to Run QuickBooks Payroll Reports

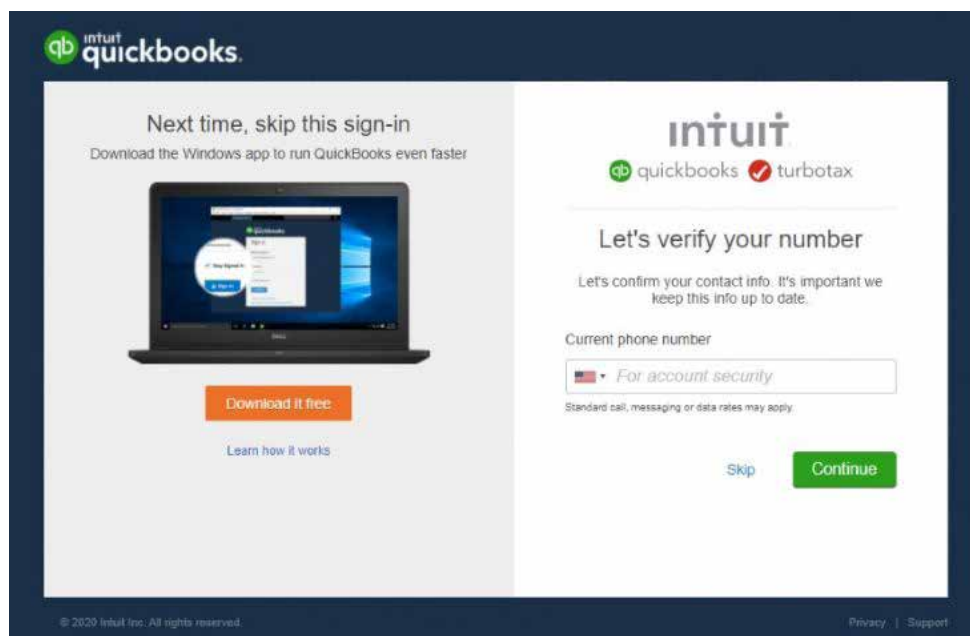
As you read this section, follow along with our video on how to run a QuickBooks Payroll report.

Run QuickBooks Payroll Report



1. Log in to QuickBooks

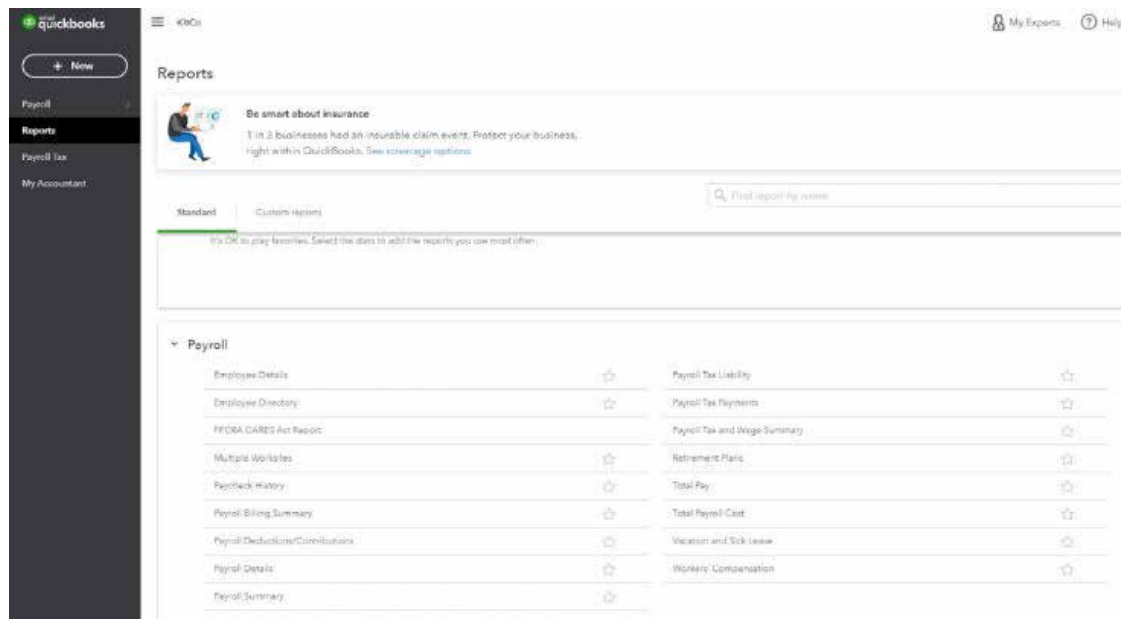
You'll need to go to the website and put in your email and password. If you put in your phone number, it adds a step for more secure verification. However, you can skip all this if you have downloaded the Windows app.



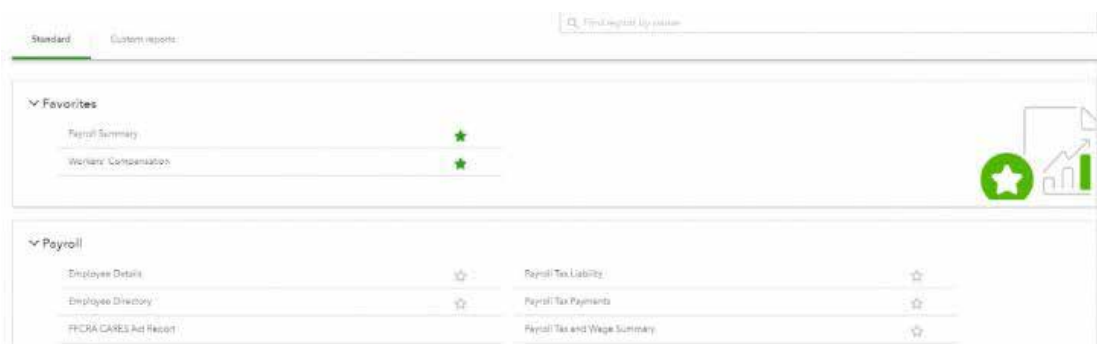
2. Click on Reports

You'll find Reports in the Left-hand menu. (If you do not see the menu, click on the three-lined "hamburger" icon in the upper left corner.)

When you click on Reports, the list of available reports will show up. There are two tabs: Standard, which are the templates provided by QuickBooks Payroll, and Customized, which are reports you have modified and saved. (Only available if you also have QuickBooks Online; we will cover saving a customized report later.)



Tip: If you have certain reports you run most often, you can click on the star, and QuickBooks will add them to your Favorites to make them easy to access.

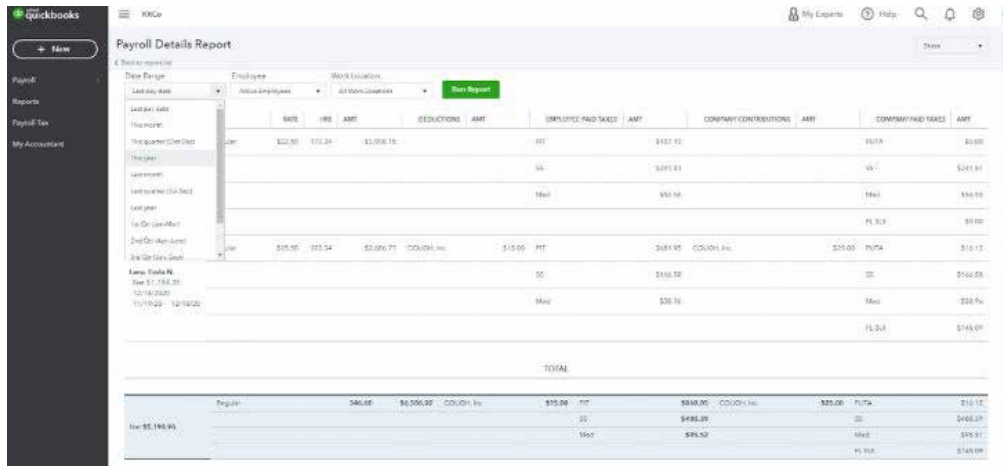


3. Select the Report You Want

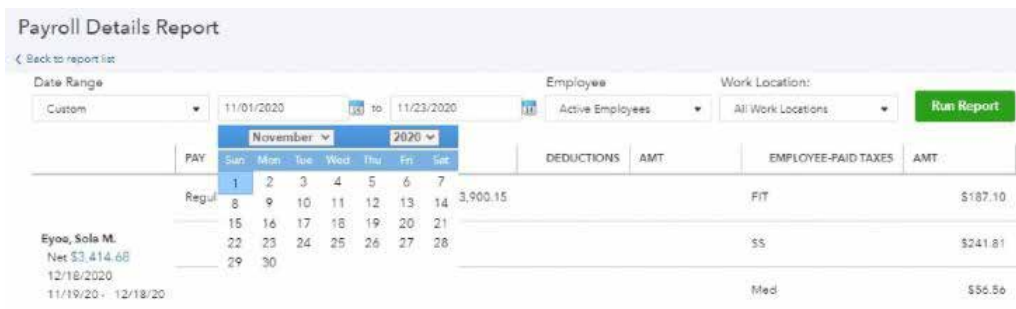
We'll cover how to run the Payroll Details report for this article. The process will be the same for other reports, however, different reports may have different options. For example, Payroll Summary does not give you the option of choosing work locations.

Once you click on the Payroll Details report, it will show up on the screen. From there, you can modify it to your needs.

Define Date Range

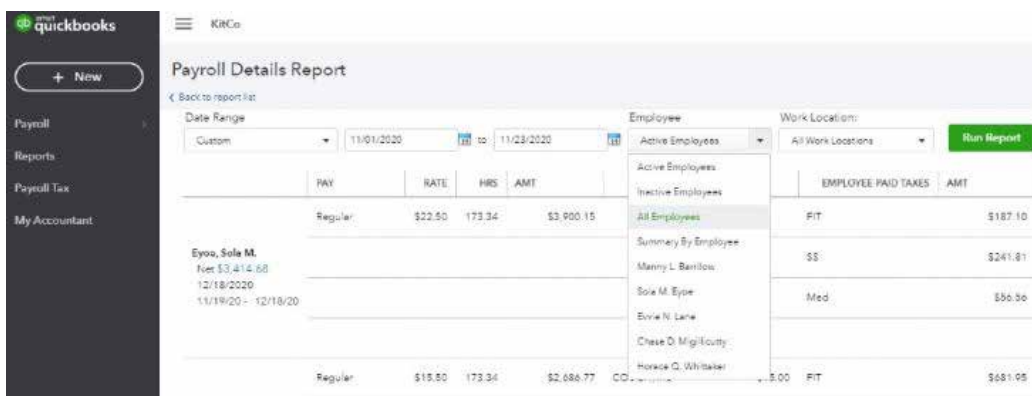


In the dropdown menu, you can select from a range of options that include specific quarters, months, years, or pay cycles. You can also create custom time periods as needed. To do that, click Custom. Then, use the calendar icons to select dates, or type in the dates manually (mm/dd/yyyy).



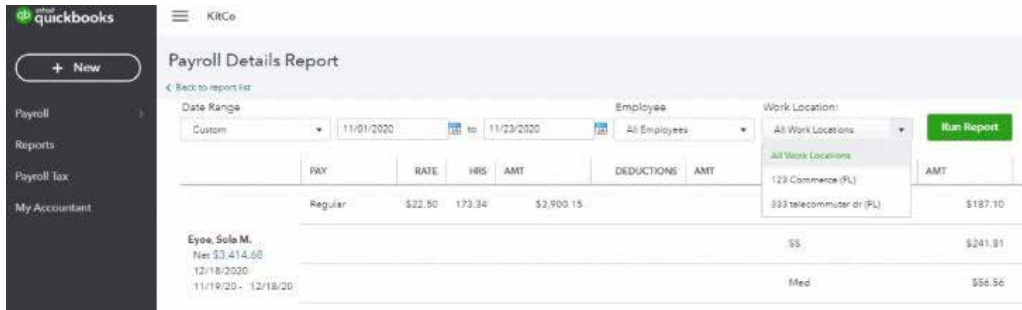
4. Select Employees

Next, click on the Employee dropdown menu to select employees. You can choose all, active, inactive, or employees by name. You cannot choose more than one employee by name at a time, however.



5. Select Work Location

Some reports let you drill down by work location as well. If this is an option, use the drop-down menu to choose.

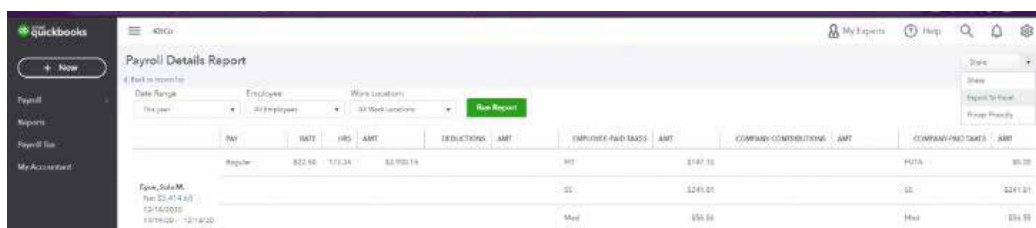


6. Click on Run Report

	PAY	RATE	HRS	AMT	DEDUCTIONS	AMT	EMPLOYEE PAID TAXES	AMT	COMPANY CONTRIBUTIONS	AMT	COMPANY PAID TAXES	AMT
Regular		\$22.50	173.34	\$3,900.15			FUTA	\$187.10				
Eyoe, Sole M. Net \$3,414.60 12/18/2020 11/19/20 - 12/18/20							SS	\$241.81			SS	\$241.81
							Med	\$56.56			Med	\$56.56
											FL RUI	\$0.00
Regular		\$18.00	173.34	\$3,120.12	COUGH Inc	\$18.00	FIT	\$81.90	COUGH Inc	\$28.00	FUTA	\$16.17
Lano, Fonda M. Net \$1,784.28 12/18/2020 11/19/20 - 12/18/20							SS	\$166.58			SS	\$166.58
							Med	\$38.96			Med	\$38.96
											FL SUI	\$148.09
Regular		\$31.25	80.00	\$2,500.00	COUGH Inc	\$25.00	FIT	\$176.35	COUGH Inc	\$25.00	FUTA	\$0.00
Bevilacqua, Marny L. Net \$2,013.40 12/18/2020 11/19/20 - 12/18/20							SS	\$155.00			SS	\$155.00
							Med	\$36.70			Med	\$36.70
							CO FIT	\$162.00			FL SUI	\$0.00
Tot				\$1,346.15	COUGH Inc	\$25.00	FIT	\$1,209.17			FUTA	\$0.00

7. Export Report

Use the share button in the upper right corner to export the report to Excel. It downloads it to your computer as an XSL file, which you can edit to suit your needs.



AutoSave OFF export_1606146136496 - Protected View Search

File Home Insert Page Layout Formulas Data Review View Help

PROTECTED VIEW Be careful—files from the Internet can contain viruses. Unless you need to edit, it's safer to stay in Protected View. Enable Editing

A1 KitCo

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	KitCo												
2													
3	Payroll Details												
4													
5	Jan 01 - Dec 31, 2020												
6													
7		Pay	Rate	Hrs	Amt	Deduction Amt	Employee Amt	Company Amt	Company Amt				
8	Eyoe, Regular	\$22.50	173.34	\$3,900.15			FIT \$187.10		FUTA \$0.00				
9	Sola M.						SS \$241.81		SS \$241.81				
10	Net						Med \$56.56		Med \$56.56				
11	\$3,414.68								FL SUI \$0.00				
12	Lane, Regular	\$15.50	173.34	\$2,686.77	COUGH, Inc	\$15.00	FIT \$681.95	COUGH, Inc	\$25.00	FUTA \$16.12			
13	Net						SS \$166.58		SS \$166.58				
14	\$1,784.28						Med \$38.96		Med \$38.96				
15									FL SUI \$145.09				
16	Bamlow, Regular	\$31.25	80.00	\$2,500.00	COUGH, Inc	\$25.00	FIT \$170.35	COUGH, Inc	\$25.00	FUTA \$0.00			
17	Net						SS \$155.00		SS \$155.00				
18	\$2,011.40						Med \$36.25		Med \$36.25				
19							CO PIT \$102.00		FL SUI \$0.00				
20	Migillicutt, Sal	\$16.83	80.00	\$1,345.15	COUGH, Inc	\$35.00	FIT \$1,208.17		FUTA \$0.00				
21	D.						SS \$83.46		SS \$83.46				
22	Net						Med \$19.52		Med \$19.52				
23	\$0.00								FL SUI \$0.00				
24	Whittaker, Regular	\$15.25	60.00	\$915.00	COUGH, Inc	\$15.00	FIT \$0.00	COUGH, Inc	\$25.00	FUTA \$5.49			
25	Q.						SS \$56.73		SS \$56.73				
26	Net						Med \$13.27		Med \$13.27				
27	\$830.00								FL SUI \$49.41				
28	Historical Regular		0.00	#####			FIT \$6,005.49		FUTA \$126.00				
29	Checks Sal		0.00	#####			SS \$4,597.69		SS \$4,597.69				
30	Net						Med \$1,075.26		Med \$1,075.27				
31	\$62,477.9						CO PIT \$0.00		FL SUI \$1,134.00				
32	Total												
33													
34	Net Regular		486.68	#####	COUGH, Inc	\$90.00	FIT \$8,253.06	COUGH, Inc	\$75.00	FUTA \$147.61			
35	\$70,518.3		80.00	#####			SS \$5,301.27		SS \$5,301.27				
36	1						Med \$1,239.82		Med \$1,239.82				
37							CO PIT \$102.00		FL SUI \$1,328.50				
38	Grand Total												
39													
40	Net		566.68	#####		\$90.00	#####		\$75.00	\$8,017.20			
41													
42													

8. Print Report

Alternately, you can create a printer-friendly report to save as a PDF to share with others or to print in hardcopy.

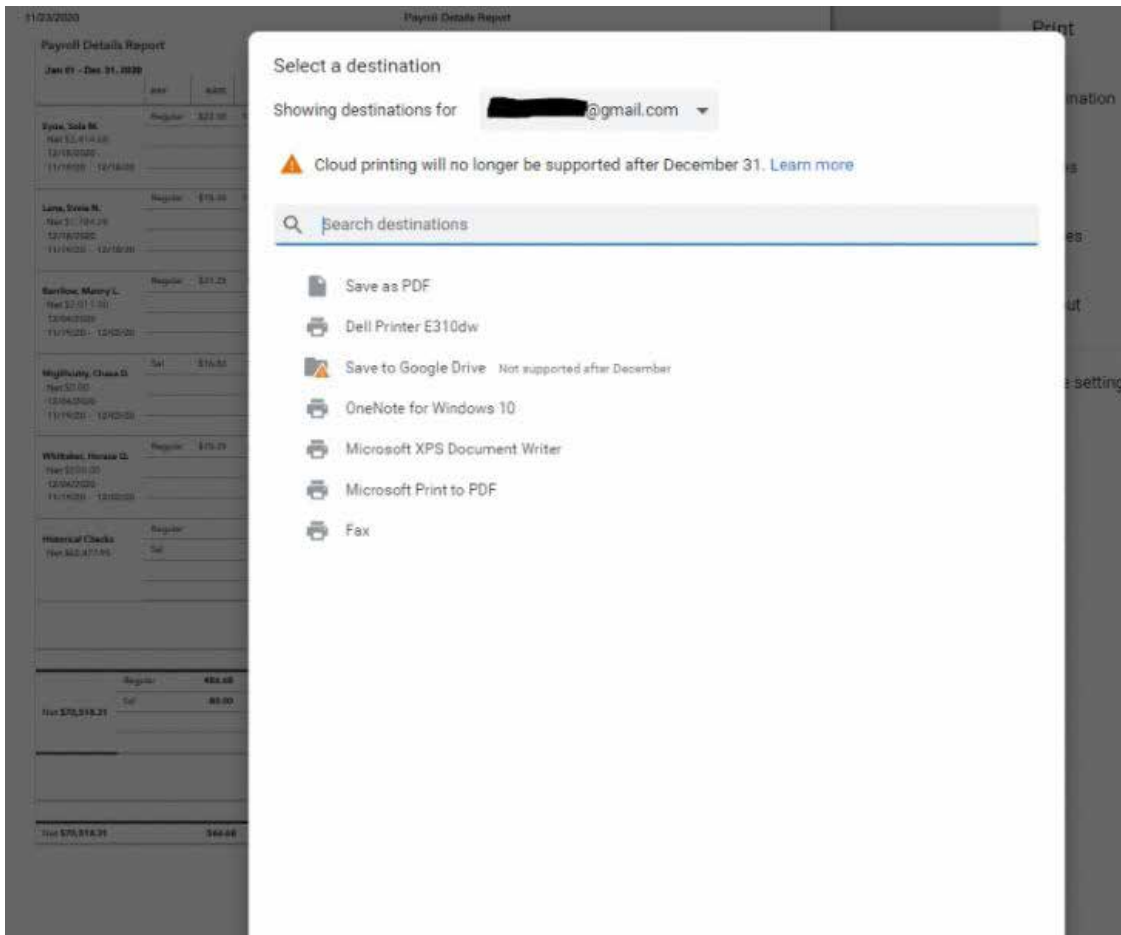
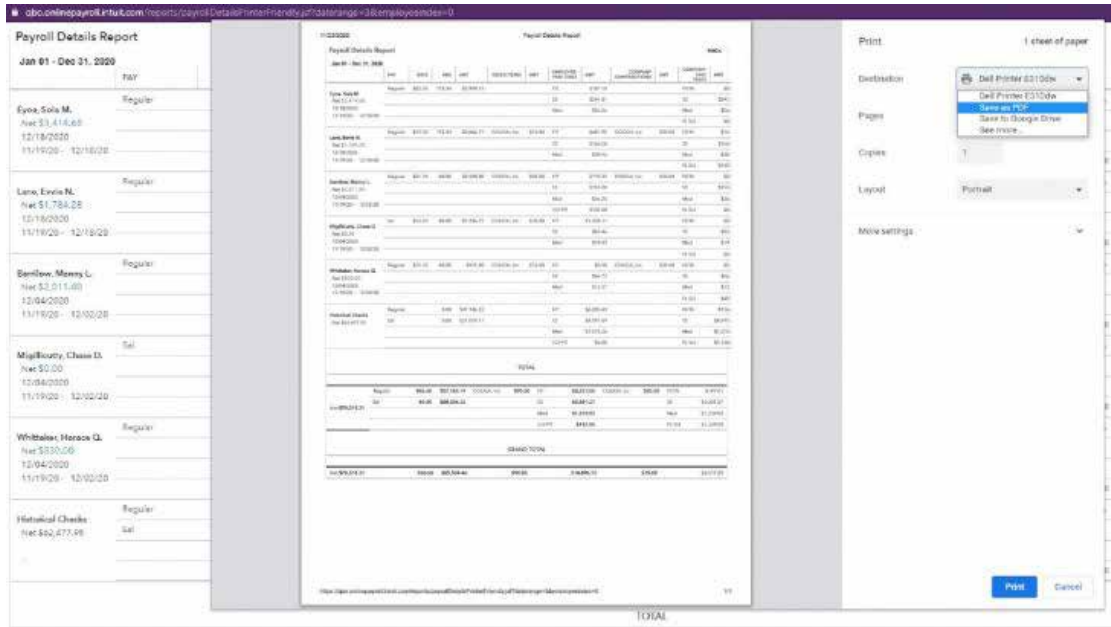
Click on Share and select Printer Friendly.



A new window opens up with a print-ready version. To print, click on the word print in the top center. (It's small.)



A new window opens up with the report as it will be printed. Click on Destination to choose your printer. Alternately, you can print to PDF or save to Google Drive. If you need more options, click on See More and select your option. You can also determine the number of copies, portrait or landscape orientation, and more.

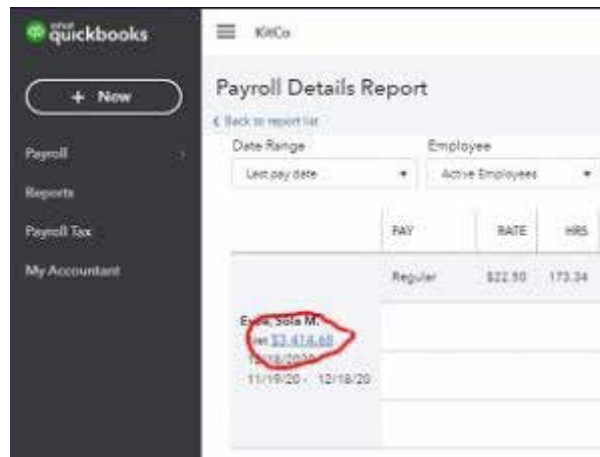


Click Print to print the report, save it as PDF, or save it to another destination.

Drill Down in Reports

Many payroll reports allow you to drill down by employee to get more information.

First, click on the employee or item you want more information on. (Usually, the blue type will be a link.)



QuickBooks will give you the information for the employee you selected. Note that you may be able to edit some things on this screen. For example, in Payroll details, you can change the check number. You can also write notes in the Memo section at the bottom.

Paycheck #1334

PAY TO: Sola M. Eyoe

NET PAY: \$3,414.68

Employee address: 85 Enecale, Cocoa, FL 32922

Pay period: 11/19/2020 to 12/18/2020

Pay date: 12/18/2020

Check number: 1354

Paid from: Business Checking

Paid by: Check (\$3,414.68)

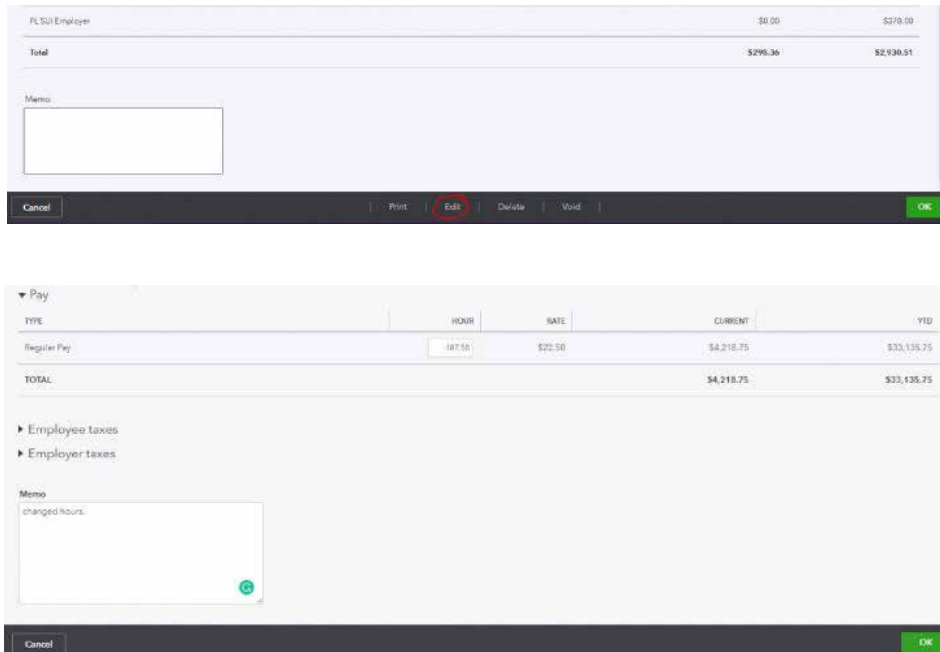
Pay		HOURLS	RATE	CURRENT	YTD
Regular Pay		173.34	\$22.50	\$3,906.15	\$32,817.15
Total				\$3,906.15	\$32,817.15

Employee taxes		CURRENT	YTD
Federal Income Tax		\$187.10	\$2,403.82
Social Security		\$241.81	\$2,034.09
Medicare		\$55.56	\$475.85
Total		\$484.47	\$4,913.76

Employer taxes		CURRENT	YTD
FUTA Employer		\$0.00	\$42.00
Social Security Employer		\$241.81	\$2,094.68
Medicare Employer		\$55.55	\$475.85
FL SU Employer		\$0.00	\$378.00
Total		\$297.36	\$2,990.53

Memo:

If you need to edit other details, then click on Edit at the bottom of the screen. It will take you to other details you can change. Make the changes, then click OK.



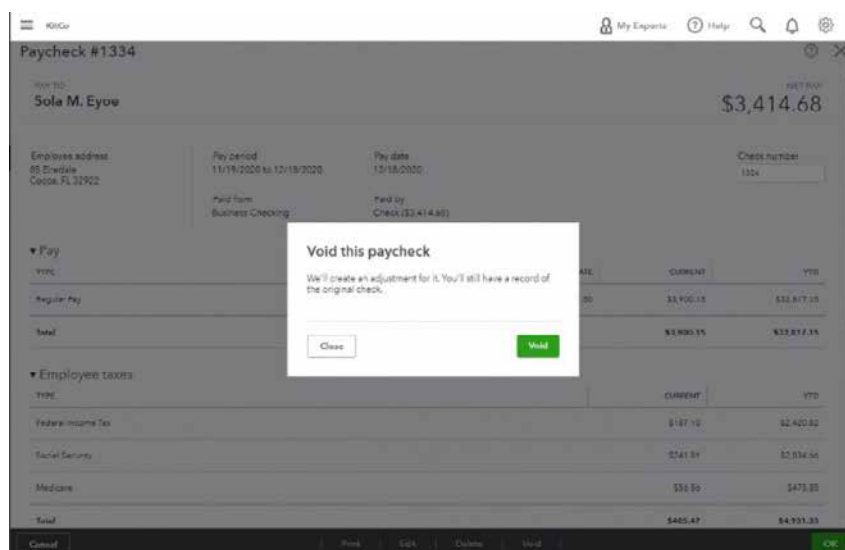
Void a Check Using Reports

If you need to void a check, you can go to reports.

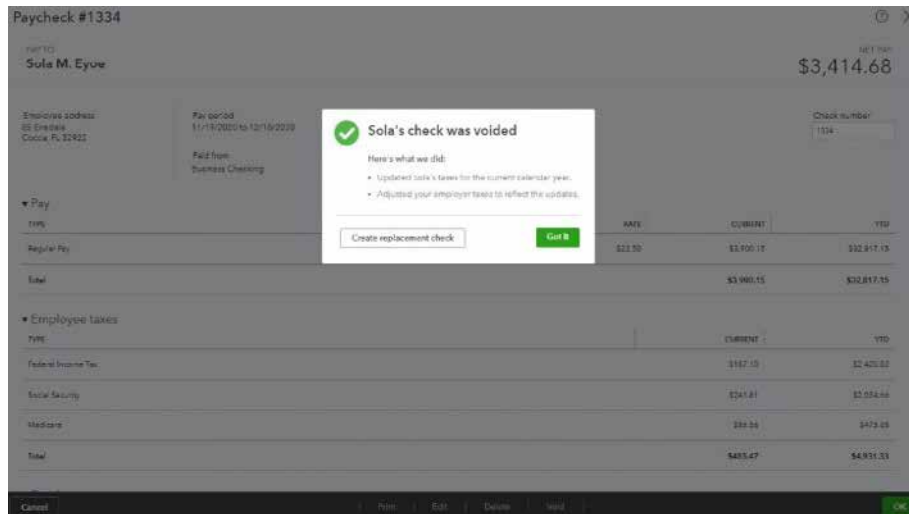
First, find the employee in the summary or details, and drill down as explained above. Then, click on Void at the bottom.



Next, click on Void in the popup.



You will then be given the option of creating a replacement check.

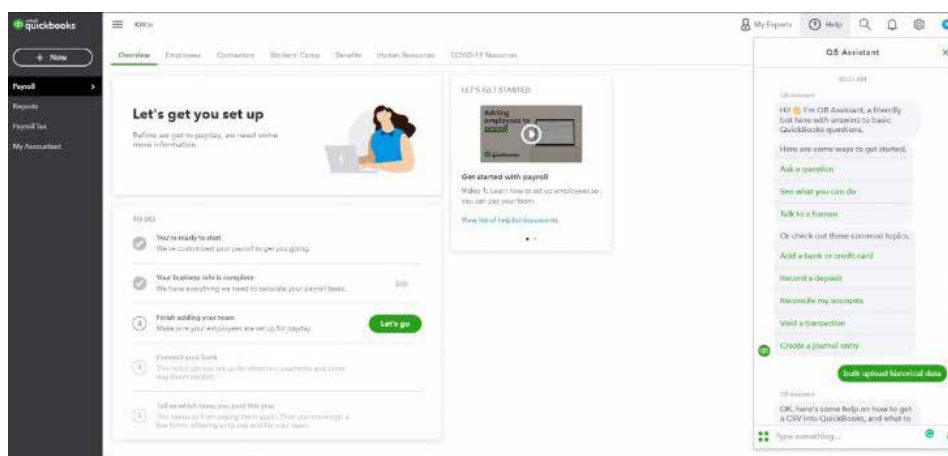


Create and Save a Customized Report

If you wish to create a customized report, you will need QuickBooks Online. Otherwise, you cannot create customized reports with QuickBooks Payroll Online. Learn more about [customizing reports in QuickBooks Online](#).

Get More Help

If you have a question not answered in this article, you can get help from QuickBooks itself. Click on the Help icon in the upper right-hand corner to search the documentation or contact customer support by chat, email, or phone. Customer service hours vary by location, but the help section will tell you the available times in your area. When talking with support, be sure you emphasize that you have QuickBooks Payroll Online, as QuickBooks Payroll for Desktop and QuickBooks Online have different features.



Bottom Line

Payroll reports can help you track important information to make sure you are meeting federal and state regulations or to budget payroll expenses for the future. Running payroll reports in QuickBooks, one of our top-rated payroll services, is easy, and you have several report options to choose from.

How to Reconcile Payroll Liabilities in QuickBooks Payroll

When it comes to reconciling payroll, many QuickBooks Payroll users are concerned with aligning their payroll records to their bank statements. There are, however, other related tasks that are important, like learning how to reconcile payroll liabilities in QuickBooks. This consists of you researching outstanding payroll debts, like payroll taxes or benefit premiums, that haven't cleared your general ledger accounts in a reasonable time frame. You may do this on an annual basis, but doing it monthly saves more time in the long run.

1. Make a List of Your Liability Accounts

The first thing you need to do is make a list of all your payroll liability accounts.

Here's a list of the payroll liability accounts you may need to reconcile. Keep in mind that you can create additional accounts as needed, depending on how specific your accounts need to be.

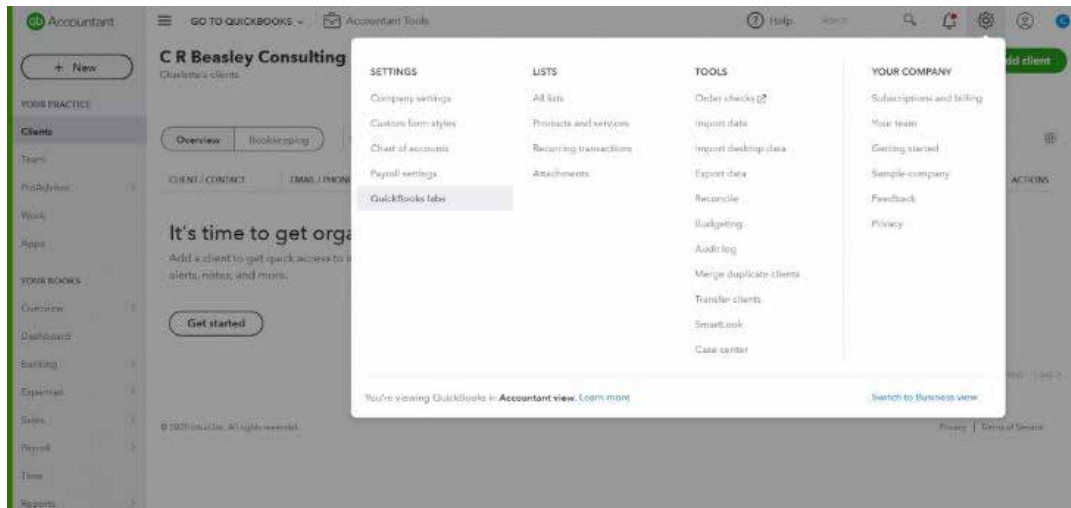
- **Federal Income Tax Withholdings Payable:** Federal income tax you deducted from employee paychecks but haven't paid to the IRS.
- **State Income Tax Withholdings Payable:** State tax you deducted from employee paychecks but haven't paid to applicable state tax agencies; local income taxes may fall under this category or you can create a similar account to house only that.
- **FICA Tax Payable:** This includes both employee and employer Social Security and Medicare taxes that are outstanding; half is deducted from employee pay, and the other half is a business expense.
- **401(k) or Retirement Benefit Premiums Payable:** This account consists of deposits employees make to their 401(k) accounts; you can also deposit any contribution your business is matching into this account; the money should stay in the account until you pay it out.
- **Health Insurance Payable:** This account should hold any employee insurance premiums plus health insurance premiums that have been recorded as an expense to the business but is still waiting to be paid.

Remember, since you're reconciling liability accounts, the funds should remain in the account until you pay them out. Any funds that aren't routinely clearing from your payroll accounts, like retirement benefit premiums that are paid out monthly, indicate there may be a problem. For instance, a bill payment may be late, or a transaction could be booked to the wrong account(s).

2. Create Transaction Labels to Separate Employee and Employer Payroll Liability Transactions

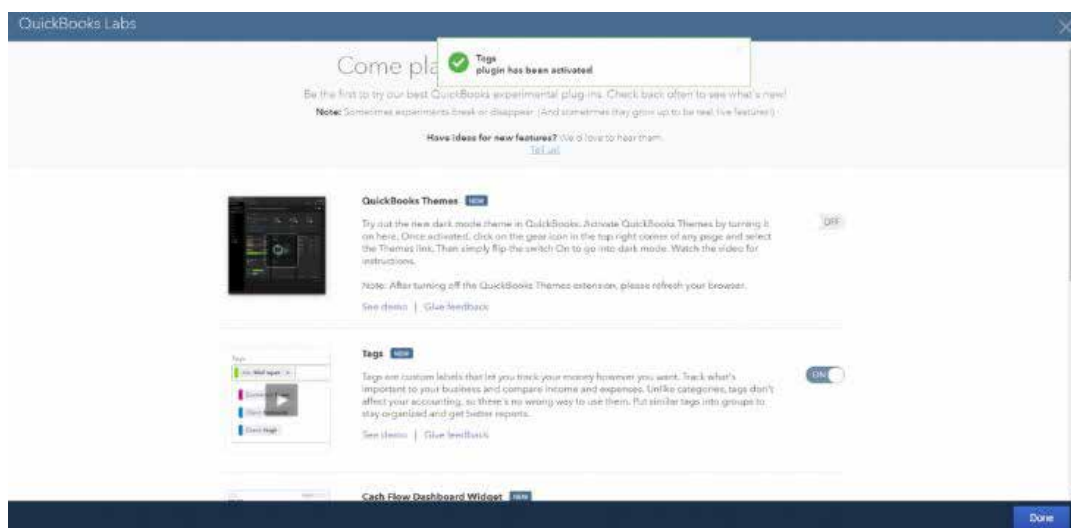
QuickBooks allows you to assign transaction labels, so you should consider identifying employee and employer funds (EE can be short for employee, and ER can represent employer contributions). This will help you organize data much faster when you need to research payroll liabilities.

- **Turn on Tagging:** Go to Settings and then QuickBooks Labs



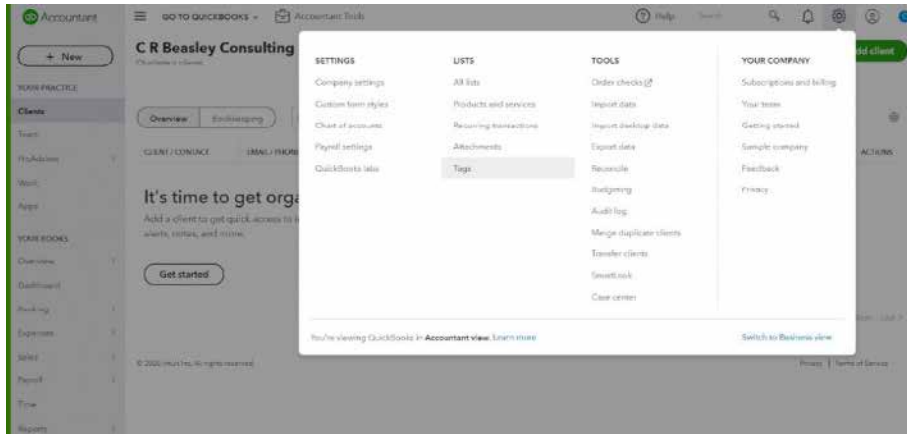
Tagging transactions is available in QuickBooks Labs. To turn it on:

- **Find the Tags feature and turn it on:** Click Done when you get confirmation that the plug-in has been added.

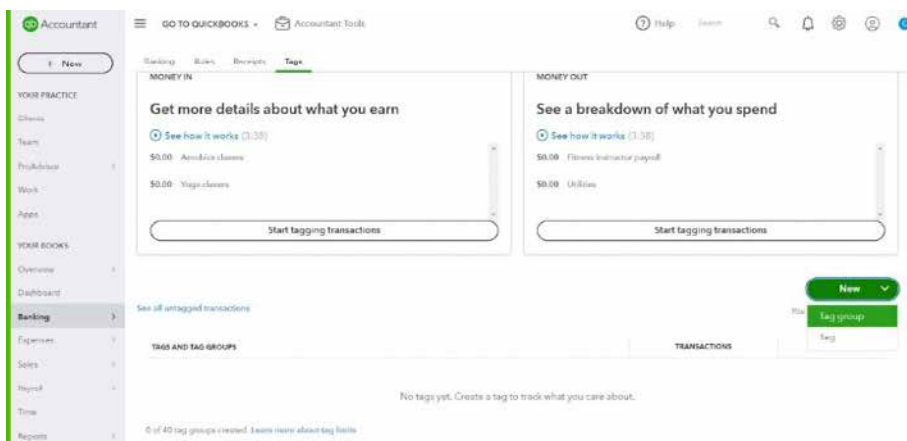


- **Create a new tag group:**

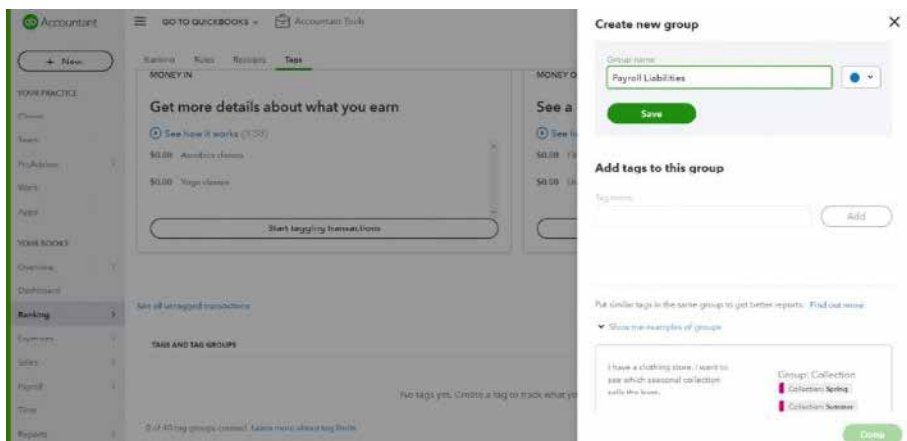
Go to Settings and choose Tags.



Select New, then Tag Group.



Name the new tag group “Payroll Liabilities.” Then click Save.



Click in the box under Tag Name, and enter a tag label, i.e., EE (to represent employee transactions as discussed above). Click “Add,” and repeat to add any additional tags you need (like ER for employer transactions). As you enter transactions that affect your payroll liability accounts into QuickBooks, you’ll just enter the appropriate tag name in the Tag field and select it.

3. Set up Payroll Liability Reconciliation Sheets

We recommend downloading our [payroll reconciliation spreadsheet](#) to help document the activity in your accounts. Make copies for each payroll liability account, and create a new copy at the end of each period, depending on how often you intend to perform the reconciliations—remember, monthly is ideal. Enter the liability account name at the top of the spreadsheet along with the beginning and ending balance for each that ties to the general ledger balance records. Leave space for reconciling items.



Definition:

Reconciling items are transactions that may not be showing in the general ledger correctly or at all. You'll recognize reconciling items because they won't clear out of the account smoothly or in a timely manner.

	A	B	C	D
1	Account Number			
2	Account Name			
3	Date			
4				
5				
6				Notes
7	Beginning Balance		0	
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21	Ending Balance		0	
22				
23	Reconciling Items			
24				
25				
26				
27				
28				
29				
30				
31			0	

This is an example of a payroll reconciliation report.

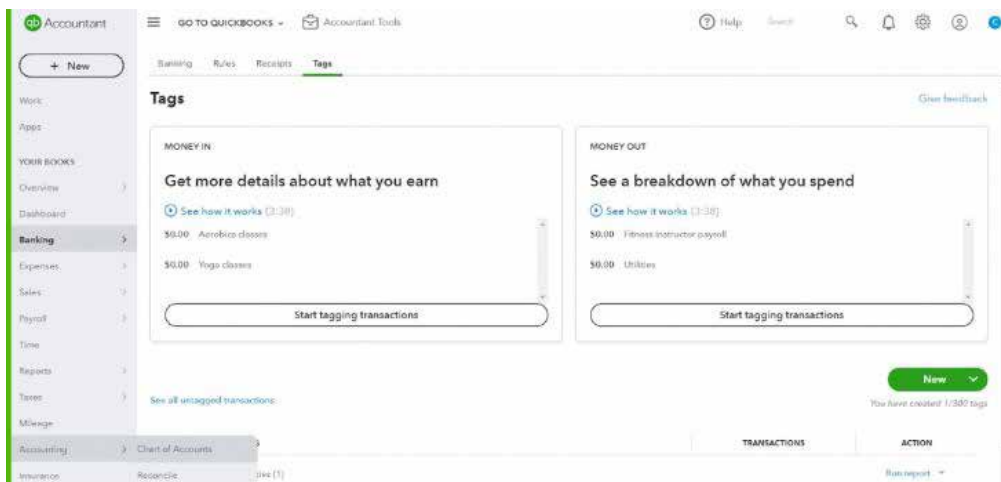
4. Print Reports From Your QuickBooks Payroll Software & General Ledger

The great thing about using QuickBooks is that it makes it easy to reconcile your payroll liability accounts. You can print payroll reports using its payroll feature and make any adjustments to the general ledger within the same software. To get started, you'll need reports from both the general ledger and the payroll software.

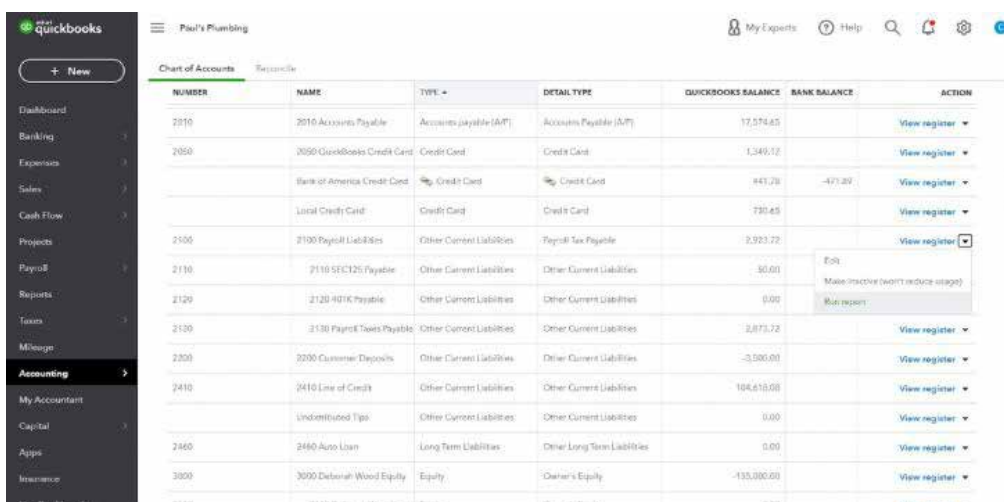
Print Transaction Reports in QuickBooks

If you're reconciling payroll liabilities in QuickBooks on a monthly basis, you'll need a monthly transaction report for each payroll liability account. It should show both the beginning and ending balances for the time period.

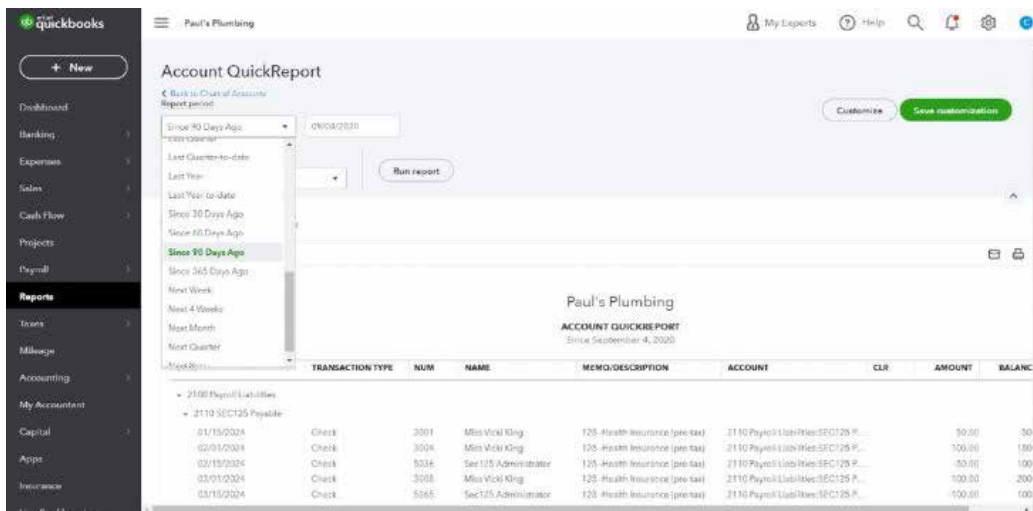
Select Accounting and then Chart of Accounts.



Click the liability account you need to reconcile, and select the drop-down arrow beside the View register. Then, click Run Report.



You'll see a list of transactions in the account, but if it includes too much data, or not enough, you can adjust the dates the report covers by selecting the box on the left of the report date. Here, you can choose to have the report cover data from the last 30 days, 90 days, and even the entire year. You should also enter data for the report in the box on the right—the current date should suffice. When the report is ready, you can click the printer icon on the far right of the page.



Repeat this process for each payroll liability account you need to reconcile.

Print Reports From Your Payroll Software

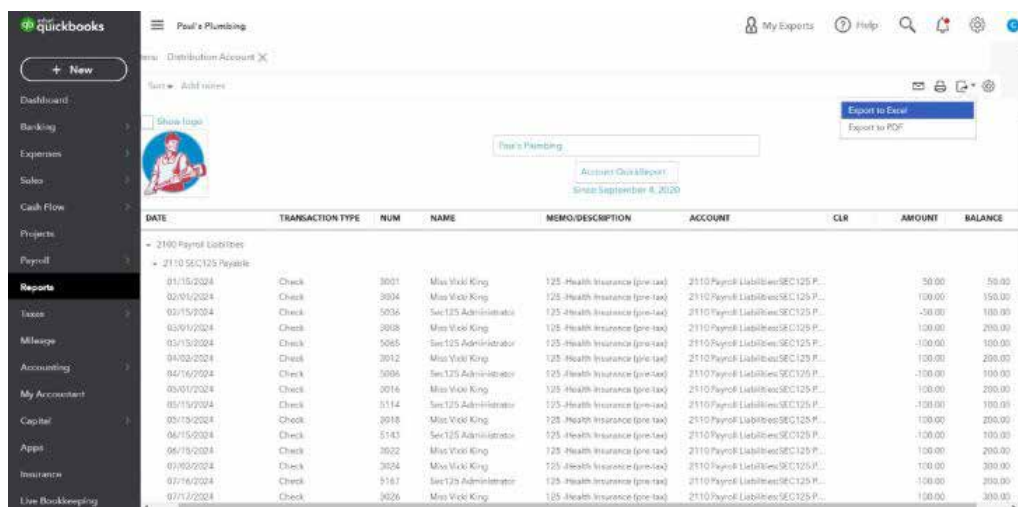
Reports you may need to gather from your payroll software are a payroll register, payroll tax report, payroll deduction report, etc. You might also need to print payroll cash reports or itemized invoices from your benefit vendors if the issue requires more in-depth research.

For more guidance, check out our guide on how to [print QuickBooks Payroll reports](#).

5. Review Each Payroll Liability Transaction & Reconcile Outstanding Items

After printing your reports, it's a good idea to download the transactions from QuickBooks into an Excel spreadsheet. It makes it easier to organize the transactions so that it's clear which amounts cleared and which did not.

Select the Export icon in the upper right corner and then click Export to Excel.



When I was an accountant, I always copied and pasted the transaction list from the Excel spreadsheet to a tab in the reconciliation sheet. This helps to ensure all supporting data you are using to put together your reconciliation report is all in one place.

Paul's Plumbing Account QuickReport Since September 4, 2020									
	Date	Transact ion Type	Num	Name	Memo/Description	Amount	Cr	Amount	Balance
5									
6									
7									
8	09/10/2024	Check	3021	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		50.00	90.00
9	09/10/2024	Check	3024	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	190.00
10	09/10/2024	Check	3026	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		50.00	240.00
11	09/10/2024	Check	3028	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	340.00
12	09/10/2024	Check	3030	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	440.00
13	09/10/2024	Check	3032	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	540.00
14	09/10/2024	Check	3034	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	640.00
15	09/10/2024	Check	3036	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	740.00
16	09/10/2024	Check	3038	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	840.00
17	09/10/2024	Check	3040	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	940.00
18	09/10/2024	Check	3042	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	1040.00
19	09/10/2024	Check	3044	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	1140.00
20	09/10/2024	Check	3046	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	1240.00
21	09/10/2024	Check	3048	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	1340.00
22	09/10/2024	Check	3050	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	1440.00
23	09/10/2024	Check	3052	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	1540.00
24	09/10/2024	Check	3054	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	1640.00
25	09/10/2024	Check	3056	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	1740.00
26	09/10/2024	Check	3058	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	1840.00
27	09/10/2024	Check	3060	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	1940.00
28	09/10/2024	Check	3062	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	2040.00
29	09/10/2024	Check	3064	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	2140.00
30	09/10/2024	Check	3066	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	2240.00
31	09/10/2024	Check	3068	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	2340.00
32	09/10/2024	Check	3070	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	2440.00
33	09/10/2024	Check	3072	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	2540.00
34	09/10/2024	Check	3074	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	2640.00
35	09/10/2024	Check	3076	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	2740.00
36	09/10/2024	Check	3078	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	2840.00
37	09/10/2024	Check	3080	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	2940.00
38	09/10/2024	Check	3082	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	3040.00

Now, it's time to check the ending balance in the account.

You'll see the ending balance in two places:

- The last cell under the amount column after all transaction amounts—it should show as a bold number.
- In the far-right cell, under the Balance column, on the last transaction row.

If there is a balance at month-end, meaning it's not \$0, you'll need to evaluate each transaction amount to find the one(s) that did not clear out completely. In our example below, the ending balance in the payroll liabilities account for the period is \$50.

Paul's Plumbing Account QuickReport Since September 4, 2020									
	Date	Transact ion Type	Num	Name	Memo/Description	Amount	Cr	Amount	Balance
5									
6									
7									
26	09/10/2024	Check	3038	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	300.00
27	09/10/2024	Check	3034	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	400.00
28	09/10/2024	Check	3051	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	500.00
29	09/10/2024	Check	3027	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	600.00
30	09/10/2024	Check		Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		350.00	950.00
31	09/10/2024	Check		Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		150.00	1100.00
32	09/10/2024	Check		Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		50.00	1150.00
33	09/10/2024	Check	1062	Harriet Daniels	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		10.00	1160.00
34	09/10/2024	Check	1062	Harriet Daniels	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		50.00	1210.00
35	09/10/2024	Check	3302	Miss Vicki King	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	1310.00
36	09/10/2024	Check	3301	Harriet Daniels	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		50.00	1360.00
37	09/10/2024	Check	3302	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		100.00	1460.00
38	09/10/2024	Check	3302	Sue QD Administrator	US Health Insurance (pre-tax)	2110 Payroll Liabilities SEC120 Payable		50.00	1510.00
39								50.00	

You may find it helpful to delete the transactions that net to \$0, for instance, health insurance premiums you collected from an employee—when they are withheld from the employee's paycheck and when they're paid to the insurance vendor. In our example below, the positive \$150 which consists of two transactions for Vicki King net to \$0 when combined with the \$150 paid out to the health plan administrator.

Paul's Plumbing Account QuickReport Since September 8, 2020									
	Date	Transact ion Type	Num	Name	Memo/Description	Amount	Cr	Amount	Balance
2188		Payroll Liabilities							
2189		SECT25 Payable							
8	01/10/2021	Check	3091	Miss Vicki King	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		30.00	-30.00
9	02/01/2021	Check	3092	Miss Vicki King	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		100.00	100.00
10	02/15/2021	Check	3093	Sec 25 Administrator	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		-50.00	50.00
11	03/01/2021	Check	3098	Miss Vicki King	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		100.00	200.00
12	03/15/2021	Check	3099	Sec 25 Administrator	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		-100.00	100.00
13	04/01/2021	Check	3092	Miss Vicki King	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		100.00	200.00
14	04/15/2021	Check	3096	Sec 25 Administrator	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		-100.00	100.00
15	05/01/2021	Check	3096	Miss Vicki King	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		100.00	200.00
16	05/15/2021	Check	3093	Sec 25 Administrator	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		-100.00	100.00
17	05/30/2021	Check	3098	Miss Vicki King	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		100.00	200.00
18	06/15/2021	Check	3093	Sec 25 Administrator	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		-100.00	100.00
19	06/30/2021	Check	3097	Miss Vicki King	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		100.00	200.00
20	07/15/2021	Check	3024	Miss Vicki King	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		100.00	300.00
21	07/30/2021	Check	3087	Sec 25 Administrator	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		-100.00	200.00
22	07/31/2021	Check	3026	Miss Vicki King	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		100.00	300.00
23	08/15/2021	Check	3098	Miss Vicki King	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		100.00	400.00
24	08/30/2021	Check	3098	Sec 25 Administrator	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		-100.00	300.00
25	09/01/2021	Check	3037	Miss Vicki King	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		100.00	400.00
26	09/15/2021	Check	3028	Sec 25 Administrator	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		-100.00	300.00
27	09/30/2021	Check	3033	Miss Vicki King	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		100.00	400.00
28	10/15/2021	Check	3051	Sec 25 Administrator	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		-100.00	300.00
29	11/15/2021	Check	3077	Sec 25 Administrator	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		-100.00	200.00
30	12/15/2021	Check	3091	Sec 25 Administrator	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		-100.00	100.00
31	01/15/2022	Check	3091	Sec 25 Administrator	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		-100.00	0.00
32	02/15/2022	Check	3090	Armandine Davis	105 Health Insurance (pre-tax)	2110 Payroll Liabilities SECT25 Payable		50.00	50.00



Pro Tip: Since you'll be deleting transactions to find what you're looking for, I recommend maintaining a separate tab that shows all of the transactions, whether they cleared or not. This ensures you always have all of the original data in your reconciliation report.

6. Fix Payroll Liability Reconciling Items

Once you determine the transactions that make up the final balance of each payroll liability account, you should assess whether or not the transaction amounts should be there. If it's a Quarter 1 tax deposit you withheld from an employee's paycheck and it's now Quarter 3, there's probably an issue you need to resolve. At this point, you would pull your Quarter 1 tax payment reports, preferably itemized, so you can figure out why and/or if this payment was inadvertently left out.

When dealing with benefit premiums, you might need to pull the related invoice to see who you were charged for and how much. You'll also need to take a deep dive into the payroll deductions you received for the period. Assess whether they align with what you were charged and what was paid out.

Depending on the answers your research uncovers, you may need to reverse a transaction and give an employee a refund, work with your benefits provider to determine if an invoice needs to be corrected, or keep the money to pay on your next month's bill.

The most common reconciliation items you may encounter are:

- A voided check that was never cleared from the general ledger (using QuickBooks for both accounting and payroll help prevent this since they're seamlessly integrated).
- There was an error on the invoice your benefits provider billed you.
- Employees were terminated, but you're still expensing employer match funds for retirement and other benefits for them.
- You expensed amounts to the business that employees were responsible for.

When learning how to reconcile your payroll liabilities in QuickBooks, take your time and dive deep. You may need to review several months of records, call providers to get itemized invoices, request revised invoices, and even work with your bank and tax agencies. If you have a **good payroll accounting system** in place and do your payroll reconciliations monthly, the time you spend reconciling payroll liabilities in QuickBooks should be minimized.

If you haven't started using QuickBooks Payroll yet and need help setting it up, check our guide on how to [set up QuickBooks Payroll](#).

Bottom Line

QuickBooks makes it easy to reconcile your payroll liabilities. Its **payroll service** and accounting features are integrated, which helps to ensure that your payroll data is accurate in both systems. In addition, you get access to labeling and easy export/print reporting features that help you identify reconciling items much faster, so you can get back to the important things.


Why Is the Profit and Loss Report Important?

The Profit and Loss Statement provides a summary of your revenue minus expenses for a specific period of time, such as a month, quarter, or year. It provides your bottom line net profit or net loss. You may have heard the Profit and Loss Report referred to by other names such as the P&L Statement, Income Statement, Statement of Earnings, and Statement of Operations.

An accrual-basis Profit and Loss Statement is a better indicator of profitability than cash flow because it includes revenue and expenses that you are either owed or owe, regardless of whether cash has exchanged hands. For instance, your net income is reduced by materials used in a particular job, even if you haven't paid for the materials yet. This provides a much better matching of revenue and expenses than looking at cash flow.


Sample Profit and Loss Report

Below is a sample of a simple Profit and Loss Report and a description of its four sections:

 Paul's Plumbing PROFIT AND LOSS January - December 2021		TOTAL
<hr/>		
▼ Income		
Sales	A	2,234.00
Services		4,025.00
Total Income		\$6,259.00
▼ Cost of Goods Sold	B	
Cost of Goods Sold		750.00
Supplies COGS		1,000.00
Total Cost of Goods Sold		\$1,750.00
GROSS PROFIT		\$4,509.00
▼ Expenses		
6100 Advertising Expense		120.00
6115 Bank Service Charges	C	48.00
Vehicle Expense		2,750.00
Total Expenses		\$2,918.00
NET OPERATING INCOME		\$1,591.00
▼ Other Income		
Late Fee Income	D	150.00
Total Other Income		\$150.00
NET OTHER INCOME		\$150.00
NET INCOME		\$1,741.00

Sample Profit and Loss Report in QuickBooks Online.

- A. **Operating Income:** The first section shows the income earned from the sale of products and services for the designated time period. Paul's Plumbing had a total revenue of \$6,259 for the year 2021.
- B. **Cost of Goods Sold:** The cost of purchasing or producing all the products sold is shown in the second section. The gross profit is the difference between income and cost of goods sold (COGS). Paul's Plumbing had a total cost of goods sold of \$1,750 and a gross profit of \$4,509 for the year 2021.

 **Service-based business:** Typically, you will not have the cost of goods sold if you are a service-based business.

- C. **Operating Expenses:** The third section lists expenses, not included in COGS, that the business incurred during the year. Paul's Plumbing had total expenses of \$2,918 for the year 2020. Net operating income is the difference between gross profit and operating expenses.
- D. **Other Income/Expenses:** The final section includes income and expenses that are not part of the ordinary operations of the business. Paul's Plumbing classified late fees charged to customers as other income. Net income, or the bottom line, is net operating income plus any other income and minus any other expenses.

If gross profit exceeds expenses, then net income will be positive, which means the business was profitable. That is what every business strives for and is the case for Paul's Plumbing.

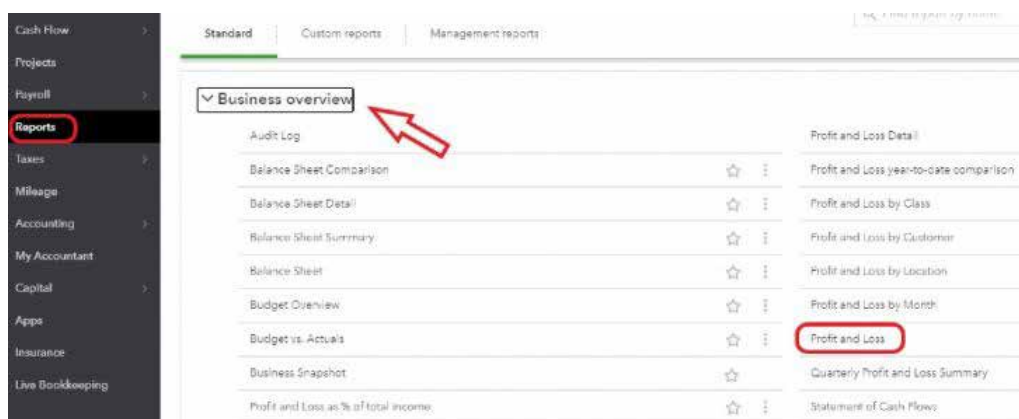
How to Run an Income Statement in QuickBooks

You can run an Income Statement in QuickBooks in four steps:

1. Click Reports in the left menu and then select Profit and Loss in the Business overview section.
2. View and change options for the Profit and Loss Report by scrolling up.
3. Click Customize to customize the report further.
4. Select an icon in the upper right corner of the report to email, print, or export the Profit and Loss Report.

1. Create a new Profit and Loss Report

To create a new Profit and Loss Report, click Reports in the left menu bar. QuickBooks reports are separated into 10 groups. Open the Business overview group and click on Profit and Loss:



Create a new Profit and Loss Report in QuickBooks Online.

2. Set Options for the Profit and Loss Report

Scroll up from the Profit and Loss Report to view a top menu bar with basic options that can be changed for your report:

The screenshot shows the 'Profit and Loss Report' interface for 'Paul's Plumbing' for the period 'January 1 - October 23, 2020'. The report is titled 'PROFIT AND LOSS' and shows a subtotal for 'Income' of 4100 Revenue, totaling 12,309.97. The interface includes a top menu bar with the following options:

- A:** Report period (This Year-to-date)
- B:** Display columns by (Total Only)
- C:** Show non-zero or active only (Active rows/active columns)
- D:** Compare another period (Select period)
- E:** Accounting method (Cash, Accrual)
- F:** Run report
- G:** Customize
- H:** Save customization

Set basic options for the QuickBooks Profit and Loss Report.

Choose the following options for your report. Changes won't be reflected in the report until you click Run report.

- A. Report period:** Choose the period of time you want income and expenses to be accumulated. You can click the drop-down box to choose a predefined period of time or enter the beginning and end dates for a custom period.
- B. Display columns by:** By default, the QuickBooks Profit and Loss Report displays only one column for the period total. Click the drop-down box to choose any subtotal columns you would like to display. You can display subtotals for time periods, customers, vendors, classes, and locations as well as other categories.
- C. Show non-zero or active only:** The QuickBooks default is to show only rows and columns that have activity during the period. This is a good setting that will avoid unnecessary clutter in your report.
- D. Compare another period:** You can choose to include an additional column for a prior period, which is useful for comparison purposes. You can also add an additional column showing the difference between the current and prior periods as either a dollar or percentage change.
- E. Accounting method:** Choose whether the Profit and Loss Report should be prepared on the cash or accrual basis of accounting. Accrual accounting includes accounts payable as expenses and accounts receivable as revenue.



Cash vs Accrual Accounting: A unique feature of QuickBooks is the ability to produce either cash- or accrual-basis financial statements. I recommend using accrual-basis statements for management purposes, but most small businesses will need to print cash-basis statements for their income tax return.

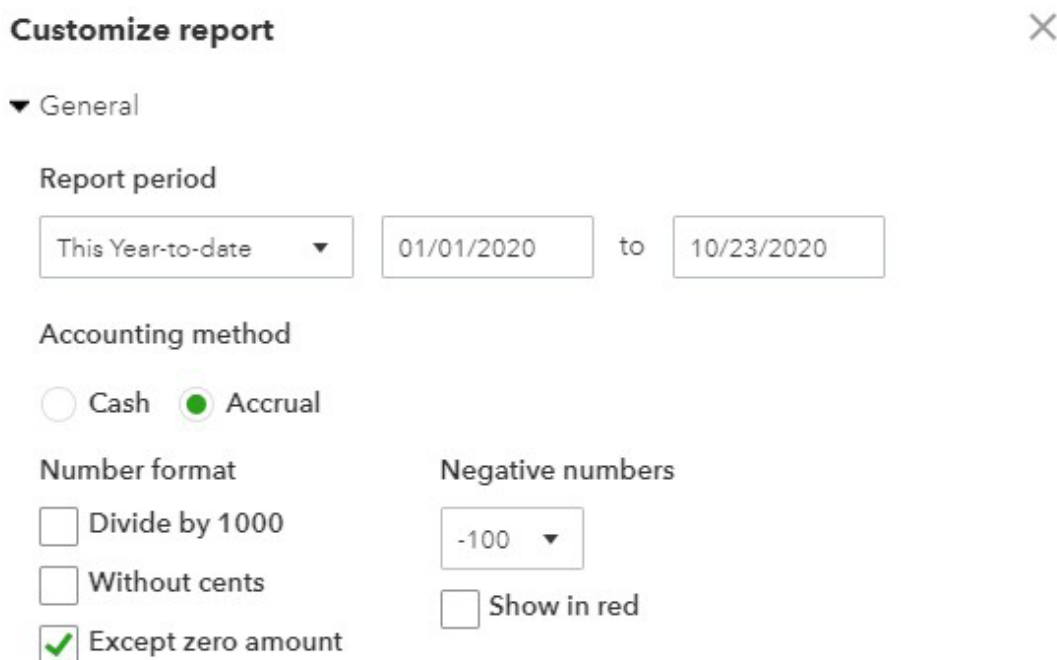
- F. Run report:** Click Run report to apply your changes.
- G. Customize:** To customize your Profit and Loss Report even further as discussed in the next step, click Customize.
- H. Save Customization:** If you've made many changes that you will want to duplicate frequently, click Save Customization and name your report. In the future, you'll be able to choose this customized report from the Reports tab.

3. Customize Your Profit and Loss Report Further

Beyond the basic options selected at the top of the page, you can customize the profit and loss report further by clicking the Customize button in the upper right corner of the report screen (item G in the prior section).

General

The first group of options in the Customize report menu are general options:



Customize report ✕

▼ General

Report period

This Year-to-date ▼ 01/01/2020 to 10/23/2020

Accounting method

Cash Accrual

Number format

Divide by 1000

Without cents

Except zero amount

Negative numbers

-100 ▼

Show in red

General report options in QuickBooks Online.

In addition to setting the reporting period and accounting method, you can specify how numbers are formatted. You can state numbers in thousands of dollars by clicking the box next to Divide by 1000. You can also suppress cents and zero amounts. By clicking on the drop-down menu under Negative numbers, you can choose a format for displaying negative numbers.

Rows/Columns

In the Rows/Columns options, you can select columns to include and change the order of the columns:

▼ Rows/Columns

Columns Show non-zero or active only

Total Only Active rows/active columns

Select and reorder columns

Previous period (PP)
 \$ change % change

Previous year (PY)
 \$ change % change

Year-to-date (YTD)
 % of YTD

Previous year-to-date (PY YTD)

% of Row

% of Column

% of Income

% of Expense

[Hide change columns](#)

Row/Columns report options in QuickBooks Online.

The % of Income column is popular to analyze your business expenses as a percentage of income.

Filter

The filter options allow you to filter the report based on seven different variables:

▼ Filter

<input type="checkbox"/> Distribution Account	All Income/Expense A ▼
<input type="checkbox"/> Customer	All ▼
<input type="checkbox"/> Vendor	All ▼
<input type="checkbox"/> Employee	All ▼
<input type="checkbox"/> Location	All ▼
<input type="checkbox"/> Class	All ▼
<input type="checkbox"/> Product/Service	All ▼

Filter reports by variables in QuickBooks Online.

If you track income and expenses by class or location, you'll probably want to print reports filtered by these items. If Location or Class doesn't appear in your Filter options, you need to turn on Class and Location tracking in your [advanced company settings](#).



Profit and Loss by Class: In addition to filtering the Profit and Loss Report by class, QuickBooks provides a Profit and Loss by Class Report available under the Business overview tab on the Reports page.

Header/Footer

In the last set of options, you can choose what information to display in the header and footer of the report:

▼ Header/Footer

Header

Show logo

Company name

Report title

Report period

Footer

Date prepared

Time prepared

Report basis (cash vs. accrual)

Alignment

Header

Footer

Header and Footer report options in QuickBooks Online.

You can exclude a line from printing on the report by removing the checkmark next to its name. In addition, you can change the name of the company or the name of the report that will appear in the header. If you upload a logo while setting up your company, you can click next to Show logo, and it will appear in the header of your Profit and Loss Report.

Once you are done customizing your Profit and Loss Report click the green Run Report button at the bottom of the list of customization options.

4. Print or Email Your Profit and Loss Report

You can print, email, or export your Profit and Loss Report with the icons in the top right corner of the report:



Paul's Plumbing
PROFIT AND LOSS
January 1 - October 23, 2020

	TOTAL
Income	
4100 Revenue	12,309.37
410790 Product Sales Revenue	500.00
2000 Misc. Revenue	74.00

Email, print, or export your report in [QuickBooks Online](#).

- Click the email icon to email a PDF copy of your report.
- Select the printer icon to print a copy of your report.
- Click the drop-down arrow next to the export icon to export your report as either a PDF file or an Excel spreadsheet.

Wrap Up

You've completed another QuickBooks tutorial and now know how to run a Profit and Loss Report or Income Statement. Our next tutorial is [How to Create a Balance Sheet](#).

What Is a Balance Sheet?

A Balance Sheet is a financial statement that summarizes everything your company owns and owes at the end of a period. The first section details what your company owns, known as the company's assets. Assets include things like cash, bank accounts, accounts receivable (A/R), investments, inventory, buildings, and equipment. The value of the assets shown on the Balance Sheet is called their book value and is often different from the fair market value of the assets.

The second section of the Balance Sheet lists everything your company owes, known as liabilities. Your company's liabilities are things like accounts payable, credit card debt, car loans, and mortgages. The last section of the Balance Sheet is your owner's equity, which equals assets minus liabilities. Since the assets are not presented at their fair market value, the owner's equity section should not be interpreted as the fair market value of the company.

Why Is the Balance Sheet Important?

The Balance Sheet is important because it gives insight into the net worth of your business. While most assets are not presented at their fair market value, the list of assets still provides considerable information about what your business owns and is the starting point for determining the fair market value of your company. The value of liabilities on the Balance Sheet is a good measure of what your company owes and is subtracted from your estimated fair market value of assets to determine your company's net worth.

Example of the Components of the Balance Sheet

Below is an example of a Balance Sheet with descriptions of each of its components:

		TOTAL
ASSETS		
ASSETS		
Current Assets		
Bank Accounts		\$23,326.42
Accounts Receivable		\$845.00
Other Current Assets		
1121 Inventory Asset	A	7,433.00
1500 Undeposited Funds		0.00
Total Other Current Assets		\$7,433.00
Total Current Assets		\$31,604.42
Fixed Assets		\$92,650.00
TOTAL ASSETS		\$124,254.42
LIABILITIES AND EQUITY		
LIABILITIES		
Current Liabilities		
Accounts Payable	B	\$877.35
Credit Cards		\$1,272.43
Total Current Liabilities		\$2,149.78
Total Liabilities		\$2,149.78
EQUITY		
3001 Opening Bal Equity	C	7,334.22
3900 Retained Earnings		107,342.85
Net Income		7,427.57
Total Equity		\$122,104.64
TOTAL LIABILITIES AND EQUITY		\$124,254.42

Example Balance Sheet in QuickBooks Online.

Section A: Assets

Generally, Assets are items that your company owns plus amounts that people owe you. Accounts Receivable are invoices where you are waiting for payment from your customers. As you've learned in prior tutorials, Undeposited Funds is a clearing account used to group checks into a single bank deposit. Fixed Assets are buildings and equipment owned by your company.

Section B: Liabilities

Liabilities are amounts that you owe your vendors and creditors. Accounts Payable are outstanding invoices that you owe your vendors. While not shown in this example, any mortgages or equipment financing that the company is obligated to pay will also be listed in this section.

Section C: Equity

QuickBooks makes an entry to Opening Bal Equity when you create new accounts with a beginning balance. This should only occur when you initially set up your company, and the amount in Opening Bal Equity should not change after the initial set up.

Retained Earnings is the accumulation of profits within your company. Retained Earnings value on your Balance Sheet is the balance at the beginning of the reporting period. The Retained Earnings on your next Balance Sheet will be Retained Earnings from this Balance Sheet, plus Net Income from this Balance Sheet, less any owner distributions.

Net income shown on your balance sheet must match the net income from your Profit and Loss Report for the same reporting period.

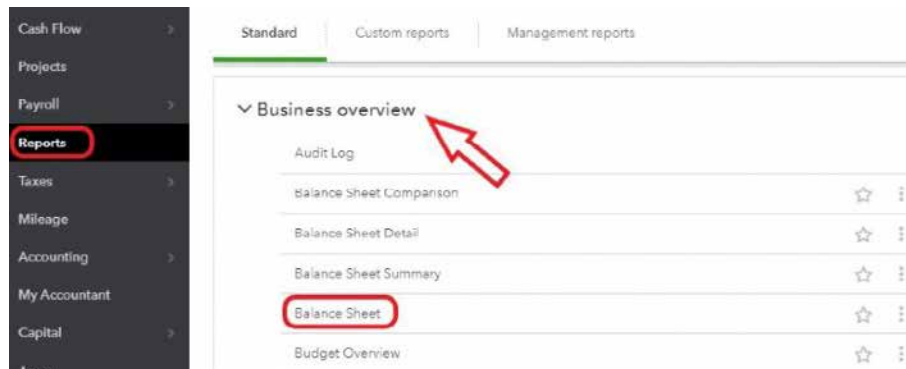
How to Run a Balance Sheet in QuickBooks

You can run a QuickBooks Balance Sheet in four steps:

1. Click Reports in the left menu and then select Balance Sheet in the Business overview section.
2. View and change options for the Balance Sheet by scrolling up.
3. Click Customize to customize the Balance Sheet further.
4. Select an icon in the upper right corner of the report to Email, print, or export the Balance Sheet.

1. Create a New Balance Sheet

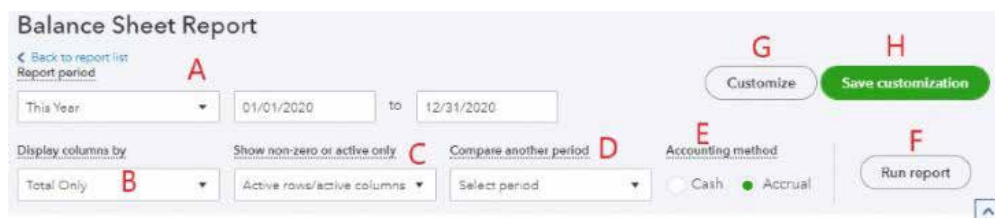
To create a new Balance Sheet in QuickBooks, choose Reports in the left menu bar and then click on Balance Sheet under Business overview:



Create a new Balance Sheet in QuickBooks Online.

2. Set Options for the Balance Sheet Report

Scroll up from the Balance Sheet to access basic options that can be changed for your report:



Set basic options for the QuickBooks Balance Sheet Report.

Choose the following options for your Balance Sheet. You must click Run report (item F) before any changes are reflected in your Balance Sheet.

- A. Report period:** Choose the period of time for which you are preparing financial statements. You can click the drop-down box to choose a predefined period of time or enter the beginning and end dates for a custom period.



Choose a consistent report period: Since the net income in the equity section of your Balance Sheet should agree to the net income on your Profit and Loss statement, be sure to prepare both reports using the same reporting period.

- B. Display columns by:** By default, the balance sheet will have a single column for the balances at the end of the reporting period. You can choose to display additional columns for interim balances, such as quarterly, by clicking the drop-down box. You can also display additional columns to separate the balances by customer, vendors, classes, locations or other categories.

- C. **Show nonzero or active only:** The default is to show only rows and columns that have activity during the period. This is a good setting that will avoid unnecessary clutter in your Balance Sheet.
- D. **Compare another period:** You can include an additional column with the prior period Balance Sheet balances for comparison purposes. You can also add a column with the difference between the current and prior periods as either a dollar or percentage change.
- E. **Accounting method:** Choose whether the Balance should be prepared on the cash or accrual basis of accounting. Accrual accounting includes accounts payable and accounts receivable. I recommend using an accrual-basis Balance Sheet for management purposes, even though most small businesses will have to print a cash-basis balance sheet for tax purposes.
- F. **Run report:** Click Run report to apply your changes.
- G. **Customize:** To customize your Balance Sheet further, click Customize.
- H. **Save Customization:** Click Save Customization and name your report if you want to save your Balance Sheet settings. You'll then be able to choose this customized Balance Sheet from the Reports tab.

3. Customize Your Balance Sheet Further

You can further customize your Balance Sheet by clicking the Customize button, which was item G in the prior section. The Customize report screen contains four sections: General, Rows/Columns, Filter, and Header/Footer.

General

The first section in the Customize report screen are general options:

Customize report
×

▼ General

Report period

This Year ▼

01/01/2020

to

12/31/2020

Accounting method

Cash Accrual

Number format

Divide by 1000

Without cents

Except zero amount

Negative numbers

-100 ▼

Show in red

General Balance Sheet Options in QuickBooks Online.

The Report period and Accounting method are the same options available in the prior section and should reflect any changes you made there. Unique options in this screen include the ability to report numbers in thousands of dollars, omit cents from your Balance Sheet, and choose a format for negative numbers.

Rows/Columns

In the Rows/Columns options, you can select columns to include and change the order of the columns:

▼ Rows/Columns

Columns Show non-zero or active only

Total Only ▼ Active rows/active cr ▼

Select and reorder columns

Previous period (PP)
 \$ change % change

Previous year (PY)
 \$ change % change

% of Row

% of Column

[Hide change columns](#)

Row/Columns Balance Sheet Options in QuickBooks Online.

The % of Column is a nice option to analyze how your total assets are allocated among each asset account. You can reorder the columns by first selecting them and then clicking and dragging them up or down.

Filter

You can filter the Balance Sheet by five variables:

▼ Filter

Customer All ▼

Vendor All ▼

Location All ▼

Class All ▼

Product/Service All ▼

Filter Balance Sheet by variables in QuickBooks Online.

Running a Balance Sheet by location might be particularly useful, but only if you are diligent about including the location variable in all your transactions. If Location doesn't appear in your Filter options, you need to turn on Location tracking in your advanced company settings.

Header/Footer

Lastly, you can choose what information to display in the header and footer of the Balance Sheet:

▼ Header/Footer

Header

Show logo

Company name

Report title

Report period

Footer

Date prepared

Time prepared

Report basis (cash vs. accrual)

Alignment

Header ▼

Footer ▼

Header and Footer Balance Sheet options in QuickBooks Online.

Place a checkmark next to any field you wish to appear on the Balance Sheet. You can also change the name of the company or report that will appear in the header.

Once you are done customizing your Balance Sheet Report, click the green Run Report button at the bottom of the list of customization options.

4. Print or Email Your Balance Sheet

You can print, email, or export your Balance Sheet using the icons in the top right corner of the report:



Paul's Plumbing	
BALANCE SHEET	
As of December 31, 2020	
	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1110 Company Checking Account	12,042.85
112720 Checking Account - Bank of America	500.00

Email, print, or export your report in [QuickBooks Online](#).

1. Email a PDF of your Balance sheet by clicking on the Email icon.
2. Print a copy of your report by clicking on the printer icon.
3. Export a PDF file or an Excel spreadsheet by clicking the drop-down arrow next to the export icon.

Wrap Up

Congratulations on completing another [QuickBooks](#) tutorial and learning how to create a Balance Sheet. Our next tutorial is [How to Run a Statement of Cash Flow Report](#).

Why the Statement of Cash Flows Is Important

You can't stay in business if you don't have cash to pay your bills. While the income statement is great for looking at the earnings of your business, you need cash to pay bills. Not all earnings reported on an income statement result in immediate cash. For instance, a credit sale to a customer increases earnings, but does not immediately increase cash. Similarly, purchasing equipment uses cash, but won't immediately decrease earnings because equipment must be depreciated slowly over time.

Remember that earnings and cash flow can be very different, especially when looking at short reporting periods. The Statement of Cash Flows not only reports your sources and uses of cash, but also breaks your cash flow into operating, investing, and financing activities.

Sample Statement of Cash Flows

To demonstrate the components of a cash flow statement, let's examine a sample statement from our fictitious company, Paul's Plumbing:

Paul's Plumbing	
STATEMENT OF CASH FLOWS	
January - December 2020	
	TOTAL
▼ OPERATING ACTIVITIES	
Net Income	9,777.57
▼ Adjustments to reconcile Net Income to Net Cash provid...	
1210 Accounts Receivable	-845.00
1121 Inventory Asset	-7,433.00
2010 Accounts Payable A	877.35
2050 QuickBooks Credit Card	100.00
Bank of America Credit Card	441.78
Local Credit Card	730.65
Total Adjustments to reconcile Net Income to Net Cash...	-6,128.22
Net cash provided by operating activities	\$3,649.35
▼ INVESTING ACTIVITIES	
Building B	-95,000.00
Net cash provided by investing activities	\$ -95,000.00
▼ FINANCING ACTIVITIES	
3001 Opening Bal Equity	0.00
3200 Owner Investment C	7,334.22
Net cash provided by financing activities	\$7,334.22
NET CASH INCREASE FOR PERIOD	\$ -84,016.43
Cash at beginning of period D	107,342.85
CASH AT END OF PERIOD	\$23,326.42

Sample Statement of Cash Flows in QuickBooks Online.

A. Operating Activities

QuickBooks prepares the operating activities section using the indirect method, which starts with net income from the profit and loss statement and applies reconciling items to arrive at cash provided or used by operating activities. While regulators require this reconciliation, placing it in the body of the cash flow statement makes it very difficult for readers to interpret.

The reconciling items are the changes in particular balance sheet accounts during the period. Don't get hung up trying to understand the reconciliation, Rather, focus on the bottom line of the operating activities section, which is cash provided by operating activities. This is probably the most important number on the cash flow statement since a healthy business must generate positive cash flow, at least over long periods of time.



Interpreting the change in accounts receivable (A/R): Paul's Plumbing's A/R increased by \$845 in 2020. Why is this increase a negative adjustment on the cash flow statement? The \$845 increase in A/R increases revenue used to calculate net income, but it doesn't increase cash flow. Thus, an increase in A/R is a negative reconciling item.

B. Investing Activities

The investing activities section shows the cash inflows and outflows related to buying and selling assets, except inventory. Paul's Plumbing paid \$95,000 for a building. Total proceeds from the sale of any assets will also appear in this section.

C. Financing Activities

The financing activities section reports cash inflows and outflows related to both debt and equity financing by the company. Paul's Plumbing received a \$7,334.22 investment from the owner. Notice that Paul's Plumbing didn't incur any debt financing to help pay for the building shown in the investing section.

D. Change in Cash

The bottom of the Statement of Cash Flows presents the change in cash during the period. Paul's Plumbing provides an example of how the cash flow statement provides great information beyond just the total change in cash. At first glance, the fact that Paul's Plumbing cash balance decreased by over \$84,000 seems horrible, but by analyzing the cash flow statement we see the reason for the decrease was a \$94,000 cash purchase of a building.

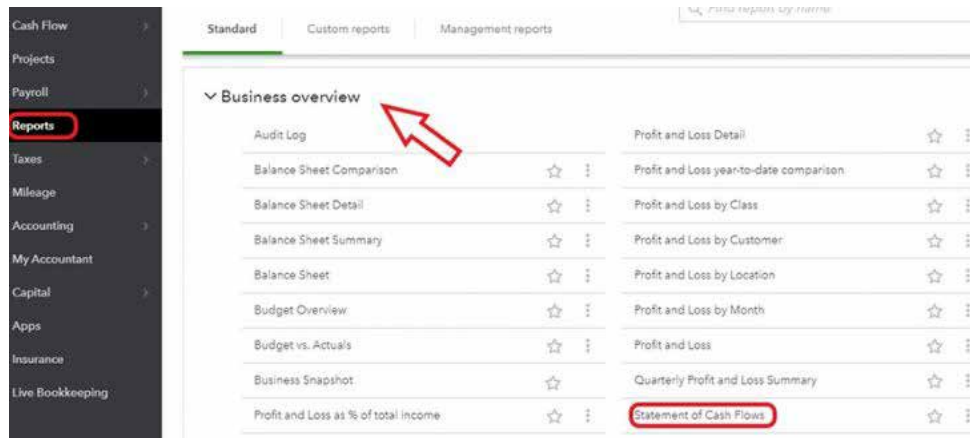
How to Create a Statement of Cash Flows in QuickBooks

You can create a Statement of Cash Flows in QuickBooks Online in four steps:

1. Click Reports in the left menu and then select Statement of Cash Flows in the Business overview section.
2. Change the general report options for your Statement of Cash Flows with the menu bar above your report.
3. Click Customize to customize your Statement of Cash Flows further.
4. Select an icon in the upper right corner of the Statement of Cash Flows to Email, print, or export your report.

1. Create a new Statement of Cash Flows

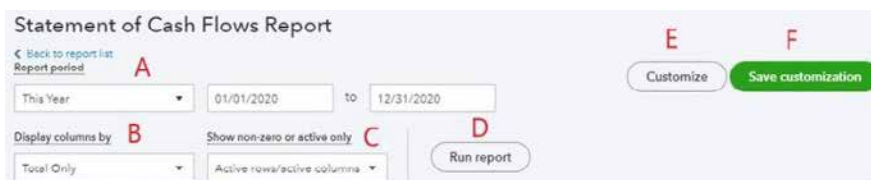
Select Reports in the left menu bar and then click on Statement of Cash Flows, which is located at the bottom of the second column of reports in the Business overview section:



Create a Statement of Cash Flows in QuickBooks Online.

2. Set Options for the Statement of Cash Flows

Locate the menu bar above the Statement of Cash Flows by scrolling up. The menu bar provides some general options that can be adjusted for your report:



Set basic options for the Statement of Cash Flows.

Choose the following options for your Statement of Cash Flows:

- A. Report period:** Choose the reporting period for which you want to run a Statement of Cash Flows. You can select a predefined time period by clicking on the drop down box or enter the beginning and end dates for a custom period.
- B. Display columns by:** The default Statement of Cash Flows in QuickBooks has one column that displays the total for the reporting period. However, you can add additional columns for interim periods, or columns to split the total into categories such as classes, locations, or vendors.
- C. Show nonzero or active only:** The QuickBooks default is to show only rows and columns that have activity during the period. This is a good setting that will avoid unnecessary clutter in your report.
- D. Run report:** Click Run report to apply your changes.
- E. Customize:** To customize your Statement of Cash Flow even further as discussed in the next step, click Customize.
- F. Save Customization:** You can save your customizations to a new report by clicking Save Customization and naming your report.

3. Customize Your Statement of Cash Flows Further

You can select additional options for your Statement of Cash Flows by clicking the Customize button (item E in the prior section).

General

The first group of options in the Customize report menu are general options.

▼ General

Report period

This Year ▼ 01/01/2020 to 12/31/2020

Number format

Divide by 1000

Without cents

Except zero amount

Negative numbers

-100 ▼

Show in red

General statement of cash flow options in QuickBooks Online.

In these general options, you can choose to report all values in thousands of dollars and to eliminate cents on your report. You can also choose how to format negative numbers.

Rows/Columns

The Rows/Columns options for the cash flows report does not include any options beyond those provided above the report and discussed in the last section:

▼ Rows/Columns

Columns

Total Only ▼

Show non-zero or active only

Active rows/active cc ▼

Row/Columns options for the Statement of Cash Flows in QuickBooks Online.

Filter

The filter options allow you to filter the report based on five different variables:

▼ Filter

<input type="checkbox"/> Customer	All	▼
<input type="checkbox"/> Vendor	All	▼
<input type="checkbox"/> Location	All	▼
<input type="checkbox"/> Class	All	▼
<input type="checkbox"/> Product/Service	All	▼

Filter Statement of Cash Flows by variables in QuickBooks Online.

If you track activity by class or location, can print your cash flows report filtered by these items. If Location or Class doesn't appear in your Filter options, you need to turn on Class and Location tracking in your advanced company settings. You can also filter your Statement of Cash Flows by customer, vendor, or product/service.

Header/Footer

In the last set of options, you can choose what information to display in the Header and Footer of the Statement of Cash Flows:

Header

Show logo

Company name

Report title

Report period

Footer

Date prepared

Time prepared

Alignment

Header

Footer

Header and Footer options for the Statement of Cash Flows in QuickBooks Online.

You can change the name of the company or the name of the report that will appear in the Header. If you uploaded a logo while setting up your company, you can choose to show your logo at the top of your Statement of Cash Flows.

Once you are done customizing your Statement of Cash flows click the green Run Report button.

4. Print or Email Your Statement of Cash Flows

You can print, email, or export your Statement of Cash Flows with the icons in the top right corner of the report:



Email, print, or export your Statement of Cash Flows in QuickBooks Online.

Email: Click the envelope to email a copy of your Statement of Cash Flows without having to leave QuickBooks Online.

Print: Select the printer icon to print a copy of your Statement of Cash Flows.

Export: Click the drop-down arrow next to the export icon to choose between exporting your Statement of Cash Flows as a PDF or an Excel spreadsheet.

Wrap Up

Congratulations on finishing another QuickBooks Tutorial and learning to create a Statement of Cash Flows in QuickBooks Online. Our next tutorial is [How to Run an Accounts Receivable Aging Report](#).

Why the QuickBooks Aging Report Is Important

The A/R aging report lists the amounts owed to you by customers, separated into columns based on the number of days the invoice is overdue. This allows you to identify potential collection problems quickly to address. The report also allows you to predict the cash you will collect next month more accurately compared to only looking at total receivables since the receivable aging report identifies past due invoices that might not be collected next month.

Sample Accounts Receivable Aging Report

Below is an A/R Aging Report for our fictitious company, Paul's Plumbing:



Paul's Plumbing
A/R AGING SUMMARY
As of September 30, 2020

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
▶ Baker's Professional Lighting	1,422.00					\$1,422.00
▶ Cole Home Builders		845.00				\$845.00
Godwin Lighting Depot				440.00		\$440.00
TOTAL	\$1,422.00	\$845.00	\$0.00	\$440.00	\$0.00	\$2,707.00

Sample A/R Aging Report in QuickBooks Online.

The rows in a receivable aging report consist of customers. Click the triangle next to a customer's name to expand the customer and show individual jobs, if applicable. The rows in an aging report are aging periods showing how long each customer's receivable has been overdue. Receivables listed in the Current column are not overdue. Amounts listed in the 1 - 30 column are overdue by less than 30 days. The total accounts receivable shown in the final column should match the A/R shown on your balance sheet for the report date.

How to Run an A/R Aging Report in QuickBooks

You can run a QuickBooks aging report in four steps:

1. Click Reports in the left menu and then select Accounts receivable aging summary in the Who owes you section.
2. Change the general report options for your Accounts Receivable Aging Report in the menu bar above your report.
3. Click Customize to customize your Accounts Receivable Aging Report further.
4. Select an icon in the upper right corner of the report to Email, print, or export your report.

1. Create a New Accounts Receivable Aging Report

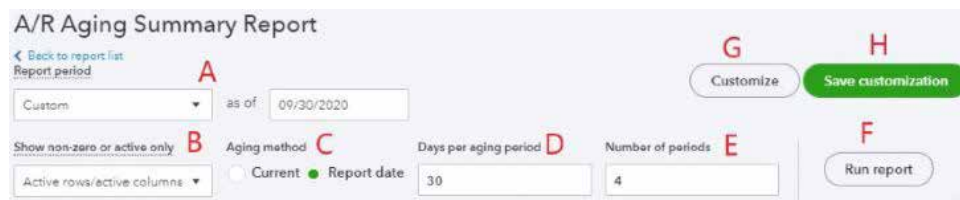
Select Reports in the left menu bar and then scroll down to the Who owes you section. Click on Accounts receivable aging summary to create a new Accounts Receivable Aging Report:



Run an Accounts Receivable Aging Report in QuickBooks Online.

2. Set Options for the Accounts Receivable Aging Report

Locate the menu bar above the aging report by scrolling up. The menu bar provides some general options that can be adjusted:



Set basic options for the Accounts Receivable Aging Report.

Choose the following options for your Accounts Receivable Aging Report:

- A. **Report period:** Choose the date on which an A/R must be outstanding to be included in the report. You can choose common reporting periods from the drop-down menu or enter a custom date.
- B. **Show nonzero or active only:** The QuickBooks default is to show only rows and columns that have activity during the period. This is a good setting that will avoid unnecessary clutter in your report.
- C. **Aging method:** The age of an accounts receivable can be calculated based on either the report date chosen in A, or the date the report is created.
- D. **Days per aging period:** Aging reports commonly are based on intervals of 30 days per column, but you can adjust that to a different number of days.
- E. **Number of periods:** Set the number of periods, or columns, you would like to display in your aging report.
- F. **Run report:** Click Run report to apply your changes.
- G. **Customize:** To customize your Accounts Receivable Aging Report even further, as discussed in the next step, click Customize.
- H. **Save Customization:** You can create and name a new report with the options you have chosen in this and the next step.

3. Customize Your Accounts Receivable Aging Report Further

You can select additional options for your Accounts Receivable Aging Report by clicking the Customize button (item G in the prior section).

General

The first group of options in the Customize report menu are general options:

Report period

Custom as of 09/30/2020

Number format

Divide by 1000

Without cents

Except zero amount

Negative numbers

-100

Show in red

General Accounts Receivable Aging Report options.

The reporting period chosen in the options above your report will appear here and can be changed. Unique options available in this section include presenting all numbers in thousands of dollars and choosing a format for negative numbers.

Rows/Columns

The only rows/column option is to suppress nonzero and no-activity accounts, which is also an option that can be set in the options located above the report.

▼ Rows/Columns

Show non-zero or active only

Active rows/active c...

Row/Columns options for the Accounts Receivable Aging Report

Aging

While there is a section for aging in the customize tabs, the only settings available are those that can also be adjusted with the options above the report:

▼ Aging

Aging method	Days per aging period
<input type="radio"/> Current <input checked="" type="radio"/> Report date	<input type="text" value="30"/>
Number of periods	
<input type="text" value="4"/>	

Aging options for the Accounts Receivable Aging Report in QuickBooks Online.

Filter

The filter options allow you to filter the aging report based on two variables:

▼ Filter

<input type="checkbox"/> Customer	<input type="text" value="Specified"/> ▼
<input type="checkbox"/> Location	<input type="text" value="All"/> ▼

Filter Aging Report by Customer and Location in QuickBooks Online.

If you don't have the option to filter your Accounts Receivable Aging Report by location, you need to turn on location tracking in your advanced company settings.

Header/Footer

In the Header/Footer options, you can choose what information to display in the header and footer of the receivables aging report:

▼ Header/Footer

Header

Show logo

Company name

Report title

Report period

Footer

Date prepared

Time prepared

Alignment

Header

Footer

Header and Footer options for the Accounts Receivable Aging Report.

You can change the name of the company or the name of the report that will appear in the header. If you uploaded a logo while **setting up your company**, you can choose to show your logo at the top of your aging report.

Once you are done customizing your Accounts Receivable Aging Report, click the green Run Report button.

4. Print or Email Your Accounts Receivable Aging Report

You can print, email, or export your aging report with the icons in the top right corner of the report:

Collapse Sort Add notes ✉️ 🖨️ 📄 ⚙️

A B C



Paul's Plumbing
A/R AGING SUMMARY
As of September 30, 2020

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
▶ Baker's Professional Lighting	1,422.00					\$1,422.00
▶ Cole Home Builders		845.00				\$845.00

Email, print, or export your Accounts Receivable Aging Report.

Click the envelope icon (A) to email a copy of your Accounts Receivable Aging Report without having to leave QuickBooks Online. Select the printer icon (B) to print a copy of your report. Click the drop-down arrow next to the export icon (C) to choose between exporting your aging report as a PDF or an Excel spreadsheet.

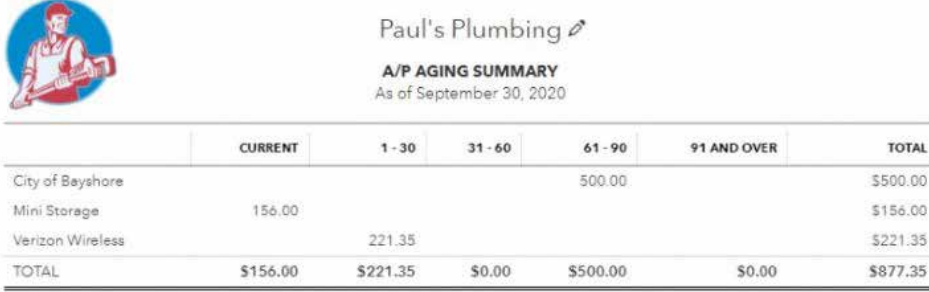
Wrap Up

You've finished another QuickBooks tutorial and can now run an Accounts Receivable Aging Report in QuickBooks Online. Our next tutorial is [How to Run an Accounts Payable Aging Report](#).

What an Accounts Payable Aging Report Is and Why It's Important

The Accounts Payable Aging Report provides a list of your bills separated by the number of days the bills are overdue. This is an extremely useful report to make sure you don't inadvertently miss a vendor payment but can also be useful when you are low on cash and must prioritize which bills get paid.

Sample Accounts Payable Aging Report



	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
City of Bayshore				500.00		\$500.00
Mini Storage	156.00					\$156.00
Verizon Wireless		221.35				\$221.35
TOTAL	\$156.00	\$221.35	\$0.00	\$500.00	\$0.00	\$877.35

Sample Accounts Payable Aging Report in QuickBooks Online

The Accounts Payable Aging Report lists vendors to which you owe money in the rows. The columns separate your bills by how many days they are overdue, with the first column being bills that are not overdue, and the fifth column being bills that are more than 90 days overdue. The final column presents the total amount due to each vendor, and the bottom line of the total column is the total amount due to all vendors. This total amount due should match your total accounts payable on your balance sheet for the same report date.

How to Run an Accounts Payable Aging Report in QuickBooks

You can run a QuickBooks Accounts Payable Aging Report in four steps:

1. Click Reports in the left menu and then select Accounts payable aging summary in the Who owes you section.
2. Change the general report options for your Accounts Payable Aging Report in the menu bar above your report.
3. Click Customize to customize your Accounts Payable Aging Report further.
4. Select an icon in the upper right corner of the report to email, print, or export your Accounts Payable Aging Report.

1. Create a new Accounts Payable Aging Report

Select Reports in the left menu bar and then scroll down to the What you owe section. Then, click on Accounts payable aging summary.



Run an Accounts Payable Aging Report in QuickBooks Online.

2. Set Options for the Accounts Payable Aging Report

Scroll up from the Accounts Payable Aging Report to locate a menu bar where some general options can be adjusted:



Set Basic Options for the Accounts Payable Aging Report.

- A. Report period:** The Accounts Payable Aging Report will list your bills outstanding as of the report date that you enter here.
- B. Show non-zero or active only:** By default, the report will show only rows and columns that have activity during the period, which avoids unnecessary clutter in your report.
- C. Aging method:** The number of days a bill is overdue can be calculated based on either the report date chosen in A, or the date the report is created.
- D. Days per aging period:** Payable aging reports commonly are based on intervals of 30 days per column, but you can adjust that to a different number of days.
- E. Number of periods:** Set the number of periods, or columns, that you would like to display in your payables aging report.
- F. Run report:** Your changes will not be reflected until you click Run report.
- G. Customize:** You can make further customizations to your Accounts Payable Aging Report by clicking Customize.
- H. Save Customization:** You can create and name a new report with the options you have chosen.

3. Customize Your Accounts Payable Aging Report Further

Click the Customize button (item G in the prior section) to customize your Accounts Payable Aging Report further.

General

The first group of options in the Customize report menu is general options:

The screenshot shows the 'General' options for the Accounts Payable Aging Report. It includes a 'Report period' section with a dropdown menu set to 'Custom' and an 'as of' date field set to '09/30/2020'. Below this are two columns of options. The 'Number format' column has three checkboxes: 'Divide by 1000' (unchecked), 'Without cents' (unchecked), and 'Except zero amount' (checked). The 'Negative numbers' column has a dropdown menu set to '-100' and a checkbox for 'Show in red' (unchecked).

General Accounts Payable Aging Report options.

The reporting period here will match the reporting period chosen in the last step. Additional options available in this section include displaying values in thousands of dollars, excluding zero amounts from the report, and choosing a preference for displaying negative numbers.

Rows/Columns and Aging

The rows/columns options and aging options are limited to the same options available in the settings bar above the report, as discussed in the prior section:

The screenshot shows the 'Rows/Columns' and 'Aging' options. Under 'Rows/Columns', there is a section 'Show non-zero or active only' with a dropdown menu set to 'Active rows/active c'. Under 'Aging', there are two sections. The first is 'Aging method' with radio buttons for 'Current' (unchecked) and 'Report date' (checked). The second is 'Days per aging period' with a text input field containing '30'. Below these is the 'Number of periods' section with a text input field containing '4'.

Rows/Columns and Aging options for the Accounts Payables Aging Report in QuickBooks Online.

Filter

The filter options allow you to filter the aging report based on vendor and location:

Filter Accounts Payable Aging Report in QuickBooks Online.

If you don't have the option to filter your Accounts Payable Aging Report by location, you need to turn on location tracking in your advanced company settings.

Header/Footer

Choose what information to display in the header and footer of the payables aging report:

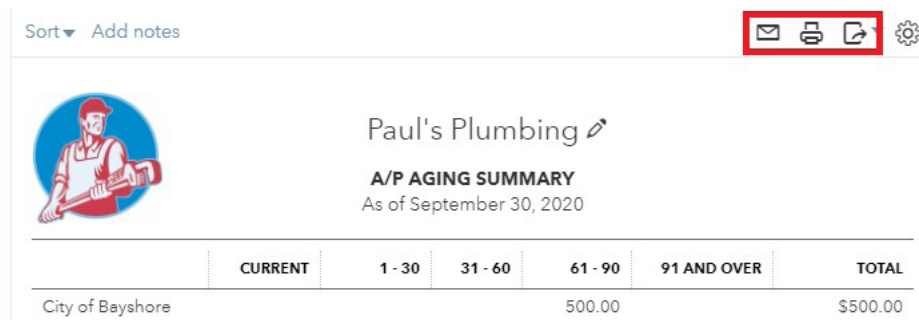
Header and Footer options for the Accounts Payable Aging Report.

If you uploaded a logo while **setting up your company**, you can choose to show your logo at the top of your payables aging report.


Once you are done customizing your Accounts Payable Aging Report, click the green Run Report button.

4. Print or Email Your Accounts Payable Aging Report

You can print, email, or export your payables aging report with the icons in the top right corner of the report.



Sort ▾ Add notes

Paul's Plumbing 

A/P AGING SUMMARY
As of September 30, 2020

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
City of Bayshore				500.00		\$500.00

Email, print, or export your Accounts Payable Aging Report.

Click the envelope icon to email a copy or the printer icon to print a copy of your Accounts Payable Aging Report. Click the drop-down arrow next to the export icon to choose between exporting your payables aging report as a PDF or an Excel spreadsheet.

Wrap Up

By learning to run an Accounts Payable Aging Report, you've completed the final tutorial in our Free QuickBooks Online Tutorials! We hope you've found this information helpful and encourage you to revisit tutorials as questions arise while using QuickBooks Online.