

Accounting in QuickBooks Online



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Agenda



Part I: Managing Your Business Finances

Part II: QuickBooks Online 101



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Part I: Managing Your Business Finances



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Part I: Managing Your Business Finances:

- Introduction to Accounting
- Understanding the Chart of Accounts
- Completing Daily Financial Entries
- Using Reports to Make Decisions

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Introduction to Accounting



What is Accounting?

Accounting is the systematic and comprehensive recording of financial transactions.

Accounting is the process of:

- Running your business.
- Accurately recording money coming in and out of the business.
- Generating reports to understand how your business is doing and using them to make decisions.



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Introduction to Accounting



What is an accountant?

- ac·count·ant (*noun*) - a person whose job is to keep or inspect financial accounts.
- ac·count·ant (*noun*) - a person whose job is to keep or inspect **and advise on** financial accounts.
- ac·count·ant (*noun*) - a person who solves a problem you didn't know you had in a way you don't understand.

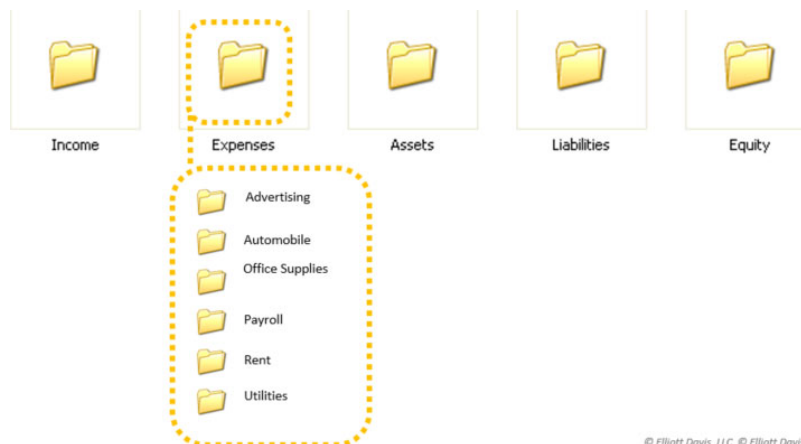


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Understanding the Chart of Accounts



Chart of Accounts: a list of accounts used to sort your transactions into categories. Each account category contains sub-accounts.



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Understanding the Chart of Accounts

- How much money am I bringing in? → **Income**
- How much am I spending? → **Expenses**
- Is my business making any money? → **Income – Expenses**
- What's the value of what my business owns? → **Assets**
- How much does my business owe to others? → **Liabilities**
- What is my business worth? → **Equity**

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Completing Daily Financial Entries

In order to create the financial reporting you need to make business decisions, you will need to complete the following entries:

- **Money In:**
 - Record Sales
 - Invoice Customers
 - Receive Payments
 - Make Deposits
- **Money Out:**
 - Enter Bills
 - Pay Bills
 - Enter Credit Card Transactions
 - Write Checks
 - Pay Employees

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Using Reports to Make Decisions



Reports help you understand how your business is doing:

- **Profit and Loss** – Summarizes income and expenses of a company over a period of time.
- **Balance Sheet** – Shows the assets, liabilities and equity at a given moment in time.
- **Statement of Cash Flows** – Shows money in and money out during a specific accounting period.

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Part II: QuickBooks Online 101



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Part II: QuickBooks Online 101

- Getting Started
- Working with Lists
- Working with Bank and Credit Card Accounts
- Entering Invoices
- Receiving Payments and Making Deposits
- Entering and Paying Bills
- Reviewing Financial Statements

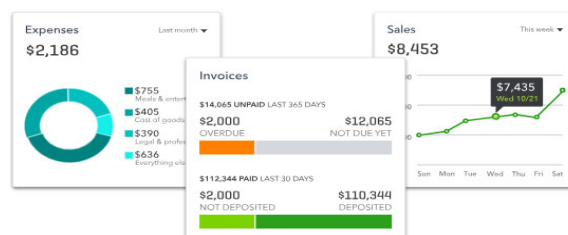
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Getting Started



Benefits of using QuickBooks Online:

- Organizes all of your business finances in one place.
- Summarizes financial data into easy to read reports.



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Getting Started



Setting up QuickBooks Online:

Simple Start	Essentials	Plus	Advanced
\$20	\$40	\$70	\$150
\$6/mo	\$12/mo	\$21/mo	\$45/mo
Buy now	Buy now	Buy now	Buy now
<ul style="list-style-type: none"> Track income & expenses Capture & organize receipts Maximize tax deductions Invoice & accept payments Run basic reports Send estimates Track sales & sales tax 	<ul style="list-style-type: none"> Track income & expenses Capture & organize receipts Maximize tax deductions Invoice & accept payments Run basic reports Send estimates Track sales & sales tax Manage bills Track time Multiple users (up to 3) 	<p>MOST POPULAR</p> <ul style="list-style-type: none"> Track income & expenses Capture & organize receipts Maximize tax deductions Invoice & accept payments Run advanced reports Send estimates Track sales & sales tax Manage bills Track time Multiple users (up to 5) Track project profitability NEW Track inventory Manage 1099 contractors 	<ul style="list-style-type: none"> Track income & expenses Capture & organize receipts Maximize tax deductions Invoice & accept payments Run advanced reports Send estimates Track sales & sales tax Manage & pay bills Track time Multiple users (up to 25) Track project profitability NEW Track inventory Manage 1099 contractors Smart reporting powered by Fishbowl™¹ Accelerated Invoicing² Custom user permissions Premium care with Priority Circle³

<https://quickbooks.intuit.com/pricing/>

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Getting Started



Customize your Account and Settings:

Craig's Design and Landscaping Services

Your Company	Lists	Tools	Profile
Account and Settings	All Lists	Import Data	User Profile
Manage Users	Products and Services	Import Desktop Data	Feedback
Custom Form Styles	Recurring Transactions	Export Data	Privacy
Chart of Accounts	Attachments	Reconcile	Sign Out
QuickBooks Labs		Budgeting	
		Audit Log	
		Order Checks	

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Working With Lists



Lists

Chart of Accounts

Displays your accounts. Balance sheet accounts track your assets and liabilities, and income and expense accounts categorize your transactions. From here, you can add or edit accounts.

Recurring Transactions

Displays a list of transactions that have been saved for reuse. From here, you can schedule transactions to occur either automatically or with reminders. You can also save unscheduled transactions to use at any time.

Products and Services

Displays the products and services you sell. From here, you can edit information about a product or service, such as its description, or the rate you charge.

Product Categories

A means of classifying items that you sell to customers. Provide a way for you to quickly organize what you sell, and save you time when completing sales transaction forms.

Locations

You can use locations to categorize your transactions by different parts of your company.

Custom Form Styles

Customize your sales form designs, set defaults, and manage multiple templates.

Payment Methods

Displays Cash, Check, and any other ways you categorize payments you receive from customers. That way, you can print deposit slips when you deposit the payments you have received.

Terms

Displays the list of terms that determine the due dates for payments from customers, or payments to vendors. Terms can also specify discounts for early payment. From here, you can add or edit terms.

Classes

Displays the classes you can use to categorize your accounting transactions.

Attachments

Displays the list of all attachments uploaded. From here you can add, edit, download, and export your attachments. You can also see all transactions linked to a particular attachment.

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Working With Bank and Credit Card Accounts



The Bank Feeds – dynamic feature in QuickBooks Online:

- It links to your online banking and credit card accounts, feeds the transactions to QuickBooks, and adds transactions at the tap of a button.
- Direct feeds offer a more accurate, reliable, and secure way for your transactions to flow into QuickBooks.

Connections you can bank on

Keep your books accurate with less work. Connect your bank or credit card and we'll bring in your transactions for you.

[Connect](#)

At Intuit, the privacy and security of your information are top priorities.
[Privacy](#)

Or, add transactions without connecting your bank.

[Upload transactions manually](#)

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Working With Bank and Credit Card Accounts

Downloading methods:

- **Direct Connect** – Users will login seamlessly to the financial institution within QuickBooks.
- **Web Connect** – Users will download a file from the financial institution’s website and then import this file into QuickBooks.

Here are some of the most popular ones



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Working With Bank and Credit Card Accounts

Reconcile your accounts:

The transactions in QuickBooks Online should mirror your business bank and credit card accounts:

- Transactions need to be checked and matched to statements.
- Should be reconciled on a monthly basis.

Reconcile Account History and Reports Give feedback



Reconcile an account
Open your account statement and let's get started!

Select the account you want to reconcile

Account
1000 Bank Account USD

Enter the following from your statement

Beginning balance	Ending balance *	Ending date *
37,512.45	<input type="text"/>	MM/DD/YYYY

Last statement ending date 05/31/2018

[Start reconciling](#)

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Working With Bank and Credit Card Accounts



Reconcile your accounts:

Place a check mark to the right of all the transactions that appear on the statements.

Chart of accounts > Bank register > Reconcile

Reconcile Checking
Statement ending date: July 27, 2017

STATEMENT ENDING BALANCE: \$320.45
CLEARED BALANCE: \$320.45
DIFFERENCE: \$0.00

BEGINNING BALANCE: \$15.48
40 PAYMENTS: \$2,458.46
10 DEPOSITS: \$2,763.43

Statement ending date: Clear filter / View all

DATE	CLEARED DATE	TYPE	REF NO.	PAYEE	MEMO	PAYMENT (USD)	DEPOSIT (USD)	
07/27/2017		Check		JM & NENA'S		17.25		<input type="checkbox"/>
07/27/2017		Expense		McDonald's	MCDONALD'S YORK PA 009425...	5.91		<input type="checkbox"/>
07/03/2017	07/03/2017	Expense		McDonald's	CHK CRO MCDONALD'S 1720 M...	3.70		<input checked="" type="checkbox"/>
07/03/2017	07/03/2017	Expense		ATM W/D PUCON BAN 2720 J S...		140.00		<input checked="" type="checkbox"/>
07/01/2017	07/03/2017	Expense		McDonald's	McDonald's	0.50		<input checked="" type="checkbox"/>
07/01/2017	07/03/2017	Deposit		Blue Report Co.	System-generated report for...		50.00	<input checked="" type="checkbox"/>
07/05/2017	07/05/2017	Expense		Giant	CHK CRO GIANT 6304 2720 GIAN...	5.46		<input checked="" type="checkbox"/>

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Entering Invoices



Invoice

Diego Rodriguez | Diego@Rodriguez.com | Send later | Co/Bo

BALANCE DUE \$75.00

Billing address: Diego Rodriguez, 321 Channing, Palo Alto, CA 94303
 Terms: Net 30 | Invoice date: 07/31/2018 | Due date: 08/30/2018
 Crew #

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1	Design/Design	Custom Design	1	75	75.00	
2						

Subtotal: \$75.00
 Taxable subtotal: \$0.00
 Tax: \$0.00
 Total: \$75.00
 Balance due: \$75.00

Message displayed on invoice: Thank you for your business and have a great day!

Message displayed on statement

Attachments Maximum size: 25MB

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Receiving Payments and Making Deposits



To receive a payment:

Receiving payments in QuickBooks Online helps maintain an accurate accounts receivable balance.

Receive Payment AMOUNT RECEIVED
\$75.00

Drigo Rodriguez

Payment date: 07/31/2018

Payment method: American Express Reference no. Deposit to: Undeposited Funds Amount received: 75.00

Outstanding Transactions

Filter: All

DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/> Invoice # 1038 (07/31/2018)	08/30/2018	75.00	75.00	<input type="text" value="75.00"/>

Amount to Apply: \$75.00
Amount to Credit: \$0.00

Clear Payment

Attachments Maximum size: 25MB

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Receiving Payments and Making Deposits



Making deposits not related to an invoice:

Bank Deposit AMOUNT
\$0.00

Account: Choose an account Date: 07/31/2018

Don't see the payments you want to deposit?

▼ Add funds to this deposit

#	RECEIVED FROM	ACCOUNT	DESCRIPTION	PAYMENT METHOD	REF NO.	AMOUNT
1						
2						

Add lines Clear all lines Other funds total \$0.00

Memo:

Cash back goes to: Choose an account Cash back memo: Cash back amount:

Total \$0.00

Attachments Maximum size: 25MB

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Entering and Paying Bills



Entering bills:

Bill #1001 BALANCE DUE
\$1,000.00

Elliott Davis Pay bills directly from QuickBooks

Mailing address: Elliott Davis, 100 Calhoun Street, Charleston, SC 29401

Terms: Pay on account | Bill date: 07/31/2018 | Due date: 07/31/2018 | Bill no.: 1001

#	ACCOUNT	DESCRIPTION	AMOUNT
1	Accounting	Bookkeeping Services	1,000.00
2			

Total **\$1,000.00**

Memo:

Attachments: Maximum size: 25MB
Drag/Drop files here or click the icon

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Entering and Paying Bills



Paying bills:

Pay Bills TOTAL PAYMENT AMOUNT
\$0.00

Payment account: Choose an account | Balance: 07/31/2018

Pay bills directly from QuickBooks

Filter: Last 365 Days 1 open bill

<input type="checkbox"/>	PAYEE	REF NO.	DUE DATE	OPEN BALANCE	CREDIT APPLIED	PAYMENT	TOTAL AMOUNT
<input type="checkbox"/>	Elliott Davis	1001	07/31/2018	\$1,000.00	Not available		\$0.00

0 bills selected Total payment (USD) 0.00

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Reviewing Financial Statements



Craig's Design and Landscaping Services		Craig's Design and Landscaping Services																											
PROFIT AND LOSS January 1 - August 1, 2018		BALANCE SHEET As of August 1, 2018																											
<ul style="list-style-type: none"> Income <ul style="list-style-type: none"> Design income Discounts given Landscaping Services <ul style="list-style-type: none"> Job Materials <ul style="list-style-type: none"> Fountains and Ga Plants and Soil Sprinklers and Dr Total Job Material <ul style="list-style-type: none"> Labor Installation Maintenance and 	<ul style="list-style-type: none"> ASSETS Current Assets <ul style="list-style-type: none"> Bank Accounts <ul style="list-style-type: none"> Checking Savings Total Bank Accounts Accounts Receivable <ul style="list-style-type: none"> Accounts Receivable (A/R) Total Accounts Receivable Other Current Assets <ul style="list-style-type: none"> Inventory Asset Undeposited Funds Total Other Current Assets Total Current Assets 	<ul style="list-style-type: none"> OPERATING ACTIVITIES <ul style="list-style-type: none"> Net Income Adjustments to reconcile Net Income to Net Cash provided by o... Accounts Receivable (A/R) Inventory Asset Accounts Payable (A/P) Mastercard Arizona Dept. of Revenue Payable Board of Equalization Payable Loan Payable Total Adjustments to reconcile Net Income to Net Cash provid... Net cash provided by operating activities INVESTING ACTIVITIES <ul style="list-style-type: none"> Truck:Original Cost Net cash provided by investing activities FINANCING ACTIVITIES 	<table border="1"> <thead> <tr> <th></th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Net Income</td> <td>1,642.46</td> </tr> <tr> <td>Accounts Receivable (A/R)</td> <td>-5,281.52</td> </tr> <tr> <td>Inventory Asset</td> <td>-596.25</td> </tr> <tr> <td>Accounts Payable (A/P)</td> <td>1,602.67</td> </tr> <tr> <td>Mastercard</td> <td>157.72</td> </tr> <tr> <td>Arizona Dept. of Revenue Payable</td> <td>0.00</td> </tr> <tr> <td>Board of Equalization Payable</td> <td>370.94</td> </tr> <tr> <td>Loan Payable</td> <td>4,000.00</td> </tr> <tr> <td>Total Adjustments to reconcile Net Income to Net Cash provid...</td> <td>253.56</td> </tr> <tr> <td>Net cash provided by operating activities</td> <td>\$1,896.02</td> </tr> <tr> <td>Truck:Original Cost</td> <td>-13,495.00</td> </tr> <tr> <td>Net cash provided by investing activities</td> <td>\$ -13,495.00</td> </tr> </tbody> </table>		TOTAL	Net Income	1,642.46	Accounts Receivable (A/R)	-5,281.52	Inventory Asset	-596.25	Accounts Payable (A/P)	1,602.67	Mastercard	157.72	Arizona Dept. of Revenue Payable	0.00	Board of Equalization Payable	370.94	Loan Payable	4,000.00	Total Adjustments to reconcile Net Income to Net Cash provid...	253.56	Net cash provided by operating activities	\$1,896.02	Truck:Original Cost	-13,495.00	Net cash provided by investing activities	\$ -13,495.00
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Summary



What have you learned:

- Why accounting is important to effectively run a business.
- How to set up and manage your QuickBooks Online software.
- How to use your financial reports to make decisions.



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Questions?



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