QUICKBOOKS ONLINE CERTIFICATION COURSE

Supplemental Guide

Module 2: **Setting Up**

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Notice to Readers

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About the Author

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Heather has been helping users learn and use QuickBooks since the late 1990s. Her passion is helping others improve their business accounting processes through the use of QuickBooks and related apps, and spreading her knowledge and experience with others through blog articles, live events and webinars.

As principal at Orefice & Caliri CPAs, Heather works with small businesses to create accounting systems and procedures using QuickBooks and related applications that simplify and streamline their day to day workflows. She is Advanced Certified in QuickBooks Desktop and Online as well as POS Desktop and QuickBooks Enterprise. In addition to QuickBooks related services, Heather is also an Enrolled Agent licensed to practice before the IRS and works with clients to resolve tax issues.

Heather was named a Top 100 ProAdvisor by *Insightful Accountant* in 2014, 2015 and 2016. She is a member of the Intuit Trainer/Writer Network.

Thank you to MB Raimondi, CPA, and Emily Daigle for their thorough review and many contributions to the content presented.

Supplemental Guide Overview

Purpose of this Guide

The recorded module provided a products overview, covered navigation points of both QuickBooks Online and QuickBooks Online Accountant, and provided guidance on how to set up clients in QuickBooks Online. This guide is an accompaniment to the recorded content and contains additional features such as best practices and tips to help you learn the products.

Additional Resources

Intuit provides additional resources for Accounting Professionals. Check out these sites to explore various tutorials and training opportunities available:

- http://quickbooks.intuit.com/accountants/
- http://quickbooks.intuit.com/accountants/resources/
- http://quickbooksproductvideos.homestead.com/QuickBooks-Online.html

Note: *Screenshots and instructions included in this guide use Google Chrome as the browser. It may be downloaded it free here: https://www.google.com/chrome/*

Many users feel Chrome works best for QuickBooks Online.

Currently, the minimum operating requirements for QuickBooks Online will work with the following supported web browser versions:

- Google Chrome, latest version
- Firefox, latest version
- Safari 6.1
- Internet Explorer 10

Learning Objectives

In this module you will complete the following hands-on activities related to the learning objectives:

- Specify the steps to create a new QBO Company
- Recognize the steps to manage Account & Settings
- Identify accounting-related preferences
- Identify sales-related preferences
- Identify expense-related preferences
- Specify the steps to set up and modify Lists and Users
- Identify the steps to import data into QuickBooks Online

Training at a Glance Table

Use this as a guide to selecting specific training you want to cover.

TOPICS	SUB-TOPICS	LEARNING OBJECTIVE
1. CREATE A NEW QUICKBOOKS ONLINE COMPANY	• Create a new QuickBooks company • Using the Set-up Wizard	• Specify the steps to create a new QuickBooks Online Company
2.MANAGE ACCOUNT & SETTINGS	• Company Settings • Billing & Subscription • Sales Settings • Customize forms • Expenses Settings • Payments Settings • Advanced Settings • Accounting-related preferences	• Recognize the steps to manage Account & Settings • Identify accounting-related preferences • Identify sales-related preferences • Identify expense-related preferences
3. SET UP AND MODIFY LISTS & USERS	• Working with Lists • Chart of Accounts • Products and Services List • Working with the Customer, Vendor and Employee Lists • Manage Users	• Specify the steps to setup and modify Lists & Users
4. IMPORT DATA INTO QUICKBOOKS ONLINE	• Import lists into QuickBooks Online • Import from QuickBooks Desktop	• Identify the steps to import data into QuickBooks Online

QuickBooks Accountant Test Drive

Some of the demonstrations contained in this handbook are done using a QuickBooks Accountant "test drive" file. The test drive uses a sample company file called Craig's Design & Landscaping Services. It can be accessed through the following link:

Craig's Design & Landscaping

You don't have to create an account or sign in to access the test drive file, just complete the security validation and click **Continue**.

If you don't see the Accountant Toolbox when logging in through this URL, log into qbo.intuit.com with your Intuit ID. This will open up QuickBooks Online Accountant. Click on the **gear** icon then click **Sample Company**.

This is what you are looking for in the sample company.

This test drive is designed for you to explore and try out new things without worrying that you will break something or make a mistake. It is not designed to retain any changes you make. Once you close this QuickBooks Online test drive company it is completely refreshed, so please remember to allow sufficient time to complete each activity. Don't worry if you have to close the test drive before you are finished, you can always begin again. You can also share the test drive with your clients.

Note: *The test drive uses QuickBooks Accountant. It contains some features that are not available in QuickBooks Online Simple Start, Essentials or Plus. In addition, some features (such as in-product Help) are not enabled inside this test drive file. This is subject to change.*

Topic 1: Create a New QuickBooks Online Company

Setting up your client's QuickBooks Online company is one of the most important services you will offer your client. In fact, the way you set up the file has the greatest impact on the user's experience with QuickBooks Online. You should take the time to fully understand your client's business and workflows before choosing a subscription level and setting up the company.

In this module we'll discuss:

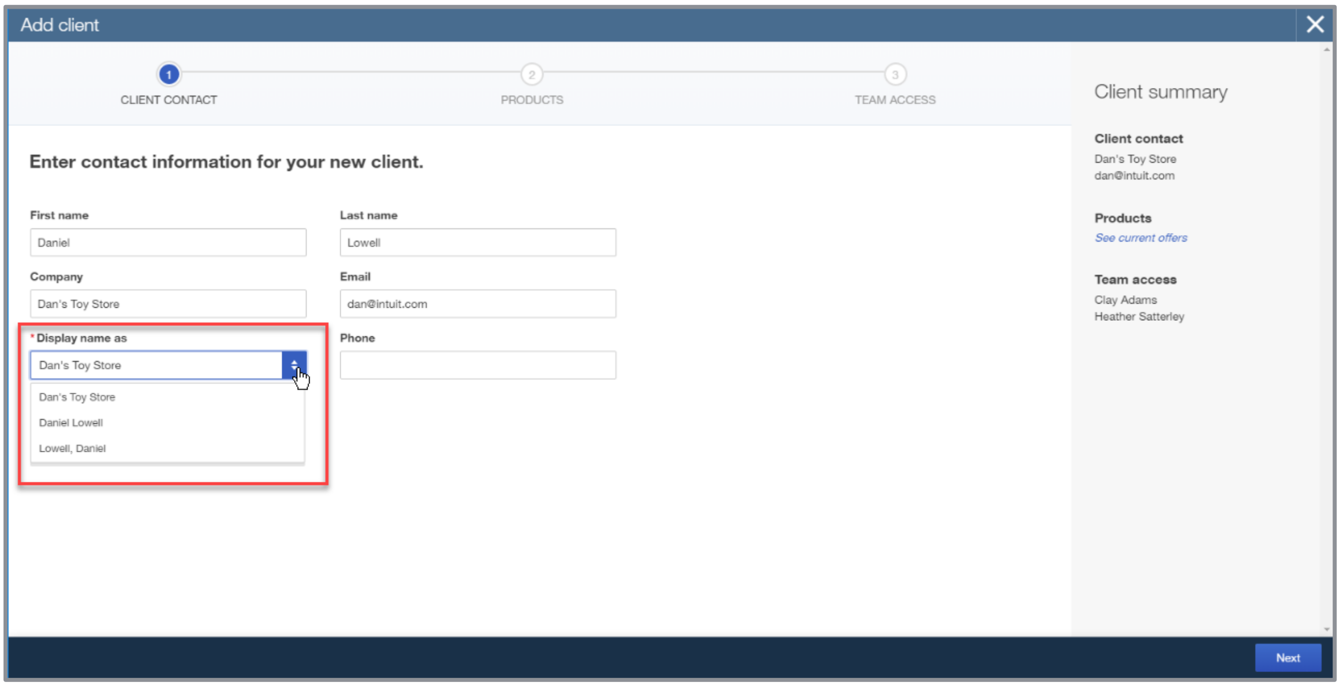
- How to create a new QuickBooks Online company
- How to manage company settings
- How to manage an account
- How to manage users
- How to set up lists
- How to import lists using Microsoft Excel®
- How to convert from QuickBooks Desktop

CREATE A NEW QUICKBOOKS COMPANY

The recommended way to set up a QuickBooks Online company for your client is from within QuickBooks Online Accountant.

Step-by-Step: Add a Client

1. Click **Add Client** from within your QuickBooks Online Accountant Client dashboard.



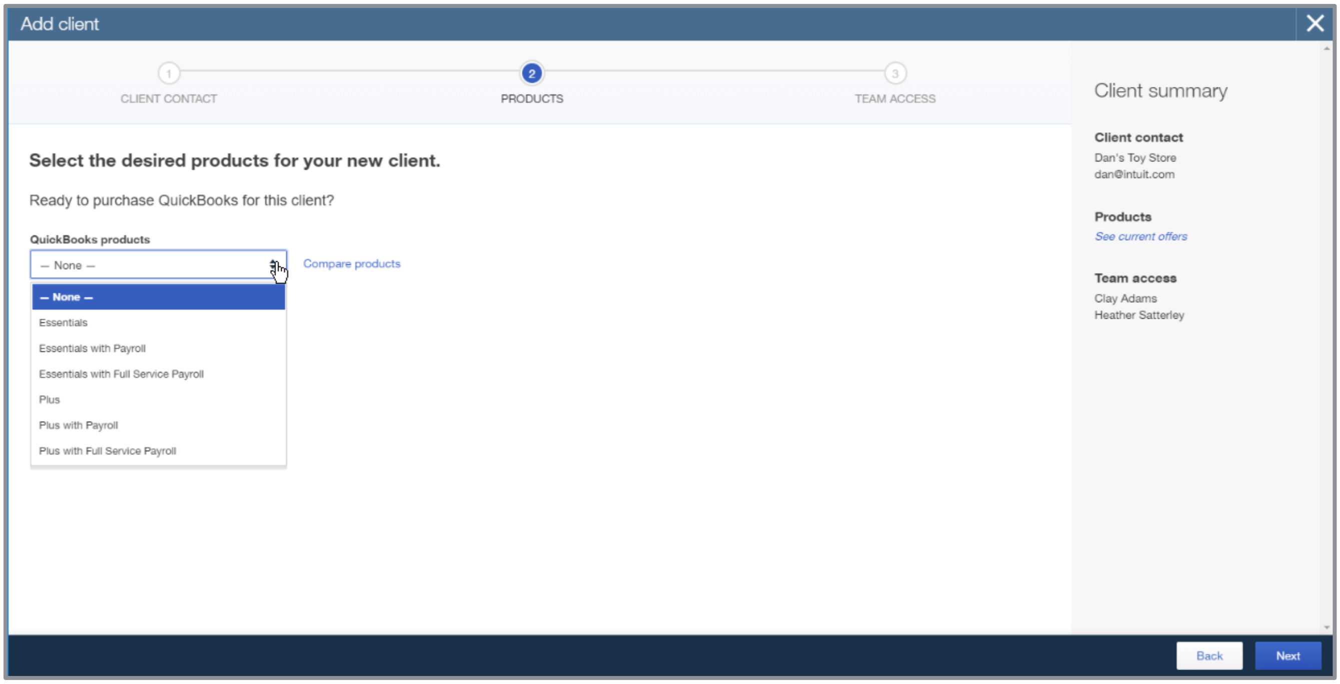
NOTE: *The Display name as field lets you choose whether you will list your client by the client contact name or the company name in your Client list in QuickBooks Online Accountant.*

2. Enter the required fields such as name, company, phone number and email.

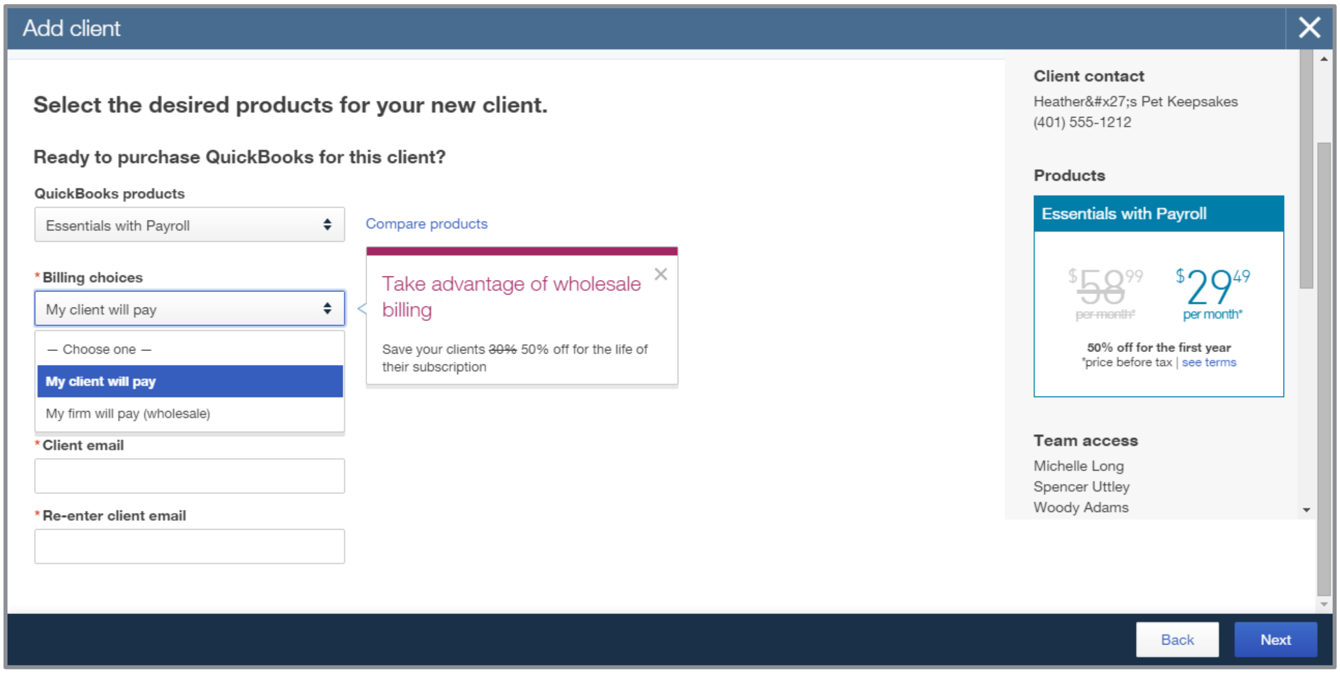
3. Click **Next**.

4. The Products screen is where you will choose a QuickBooks Online subscription for your client. You can choose Essentials or Plus and add payroll services from this screen.

NOTE: *You cannot downgrade a QuickBooks Online Plus subscription to Essentials after it is created. Make sure you know which subscription level you need beforehand or choose Essentials so you can upgrade later if needed.*



5. After you choose a product, you must decide how the subscription will be paid for. You can choose to have your client pay Intuit directly using the current subscription rate or you can add your client to wholesale billing by choosing **My firm will pay**. You'll learn more about the advantages of wholesale billing in Module 10.



6. Click **Next**.

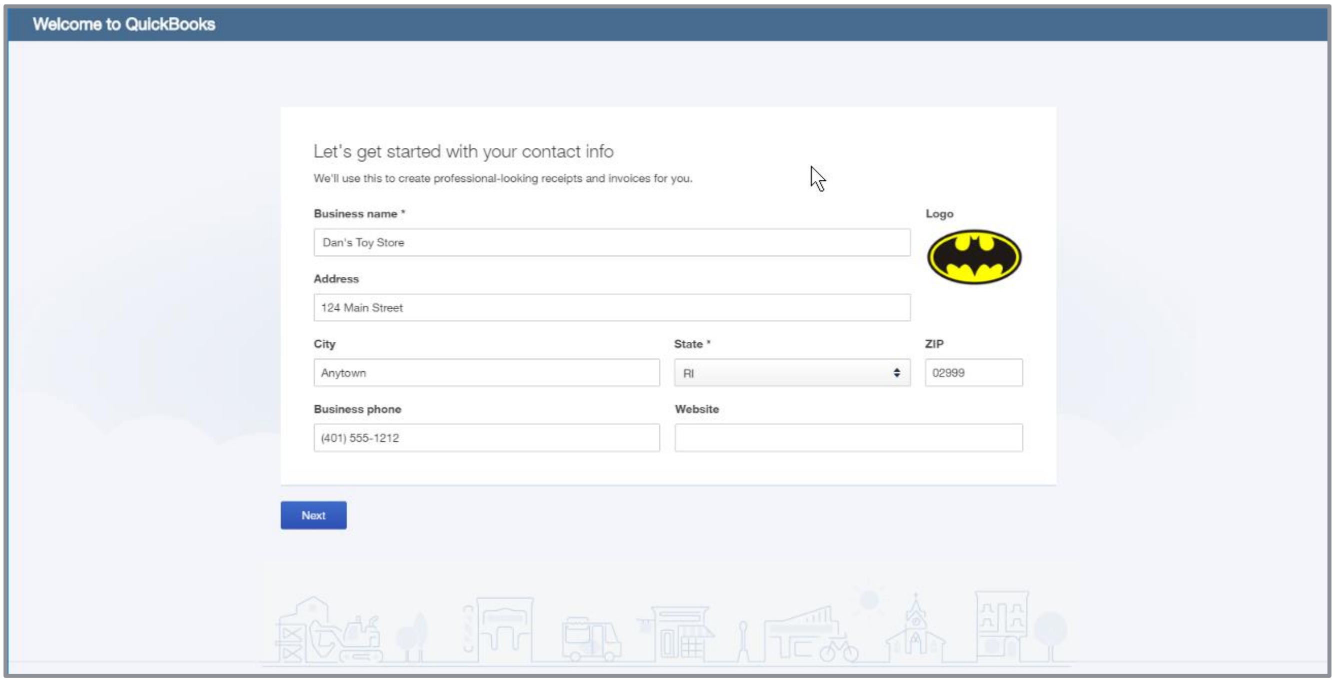
7. Choose which members of your firm will have access to this company then click **Save**.

NOTE: *To set up a client for Simple Start you must initiate the process from www.quickbooks.com. You will need to sign up for Simple Start using the client's credentials and invite yourself as an accountant user. You can't add a Simple Start subscription to your wholesale billing account.*

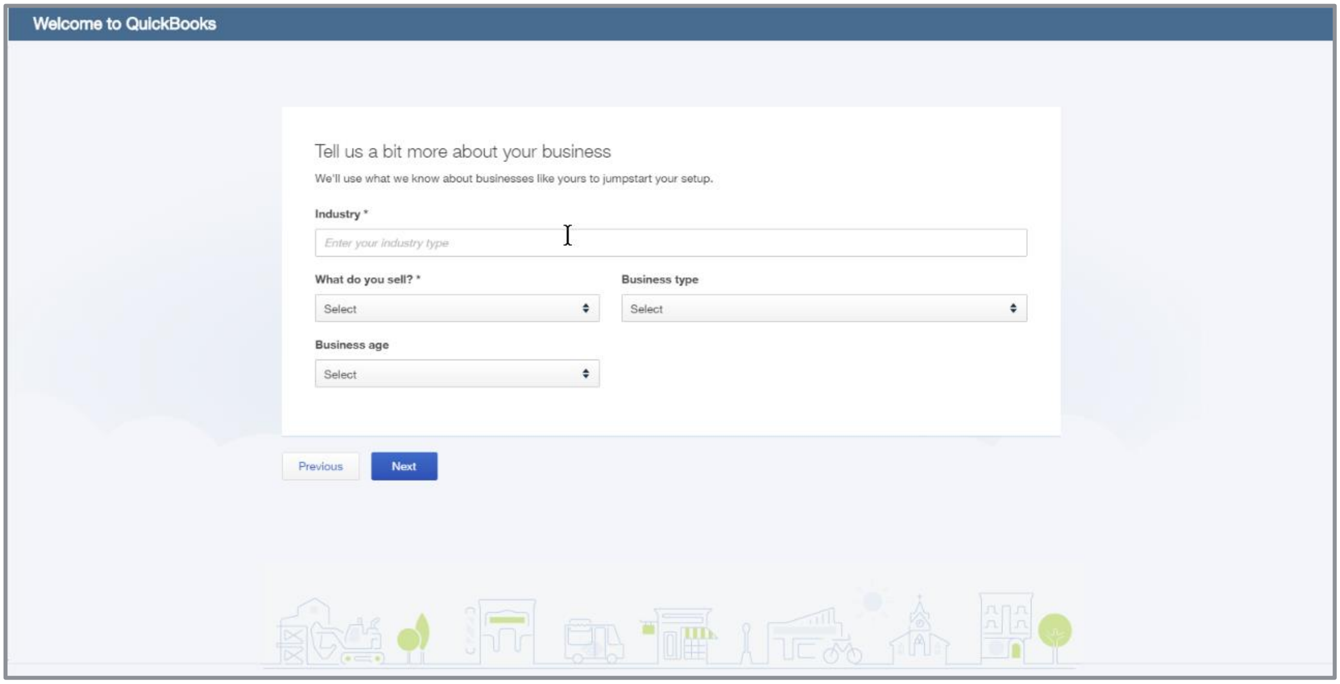
Step-by-Step: Using the Set-up Wizard

Once you have created your client's QuickBooks Online company you can click on the **QuickBooks** icon from your Client List to open it. This launches the Set-up Wizard.

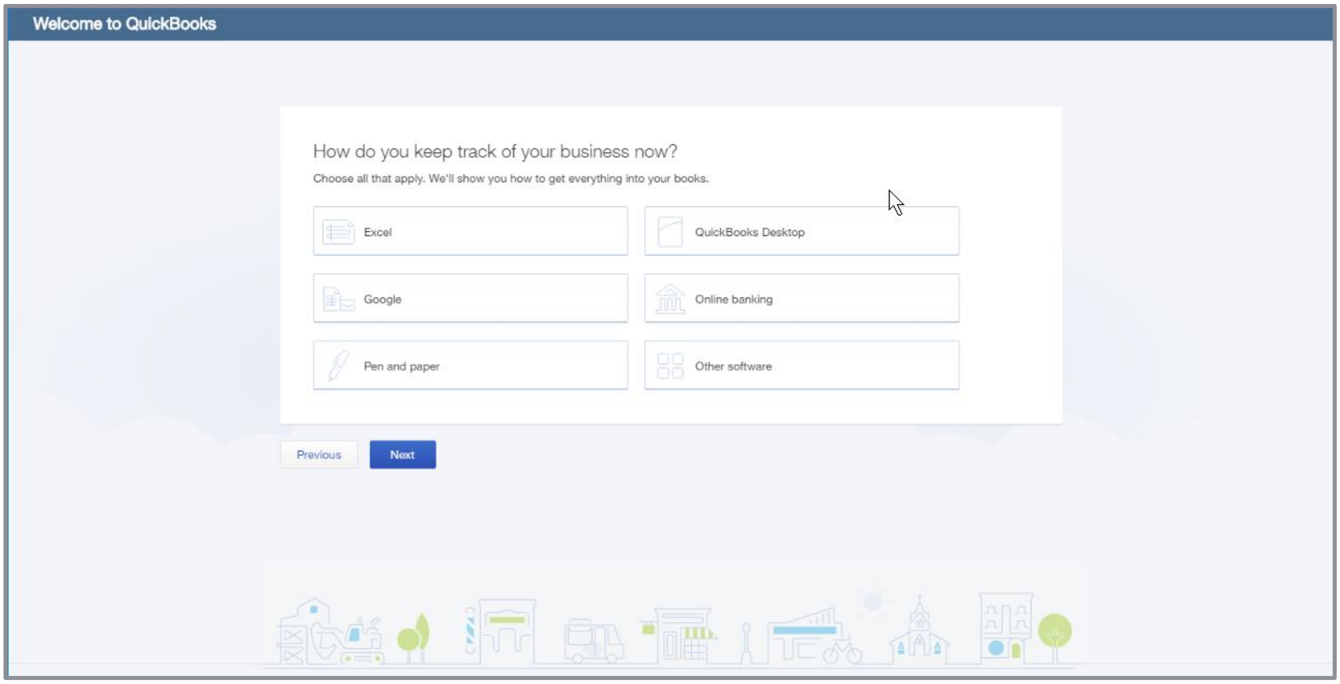
1. The Welcome screen is where you will enter your client's company name, address and phone number and allows you to upload the client's logo. Click **Next**.



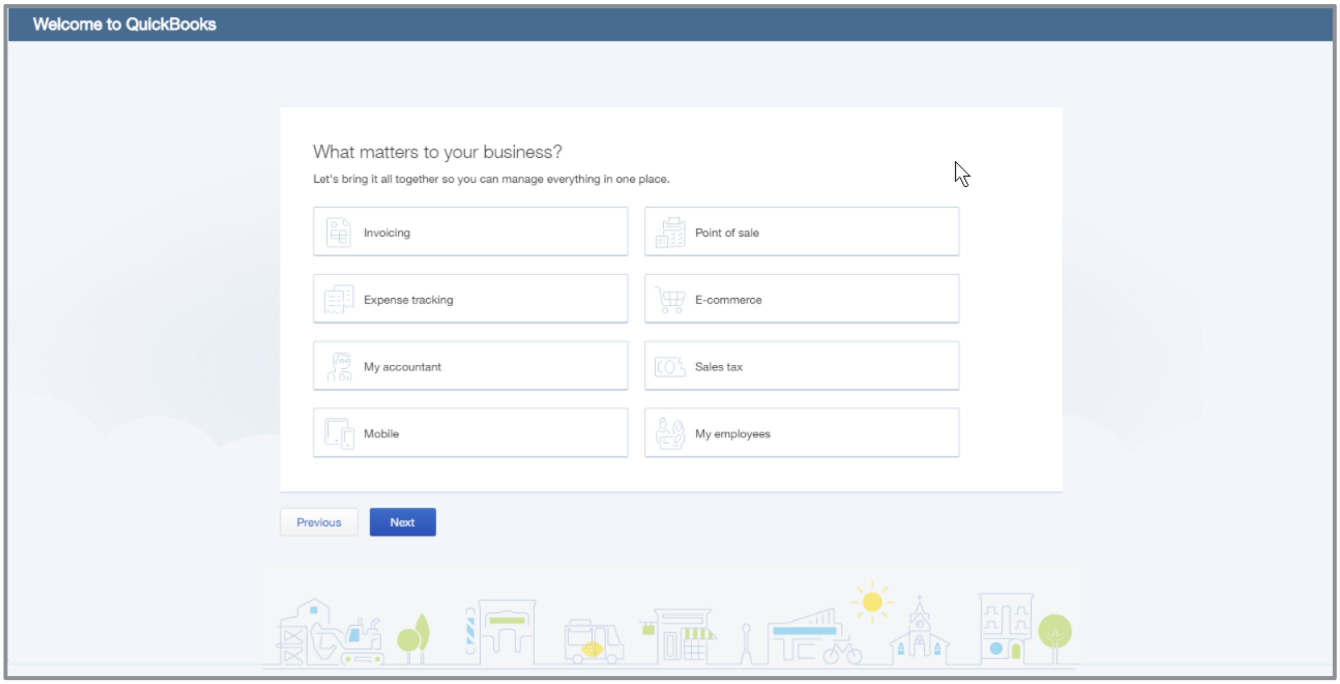
2. The next screen is where you'll start to build the QuickBooks Online company based on questions asked in the wizard. These questions determine some of the default settings, accounts, lists and features that will appear in the new company. Have the following information ready for this step:
   - Industry
   - Whether the client sells products or services
   - Company legal structure or type (e.g., S-Corp, partnership)
   - Business age

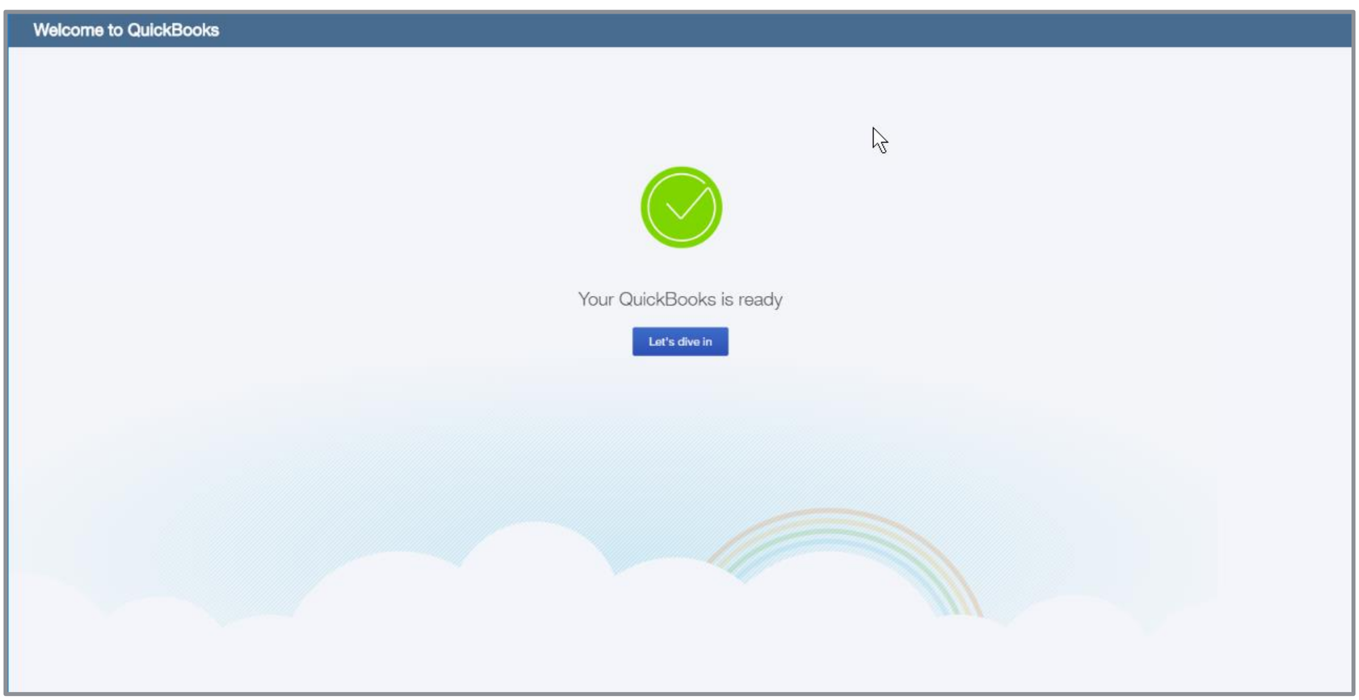


3. The next screen asks How you keep track of your business now? Select all that apply – you will be provided resources at the end of the wizard to help complete the company setup.



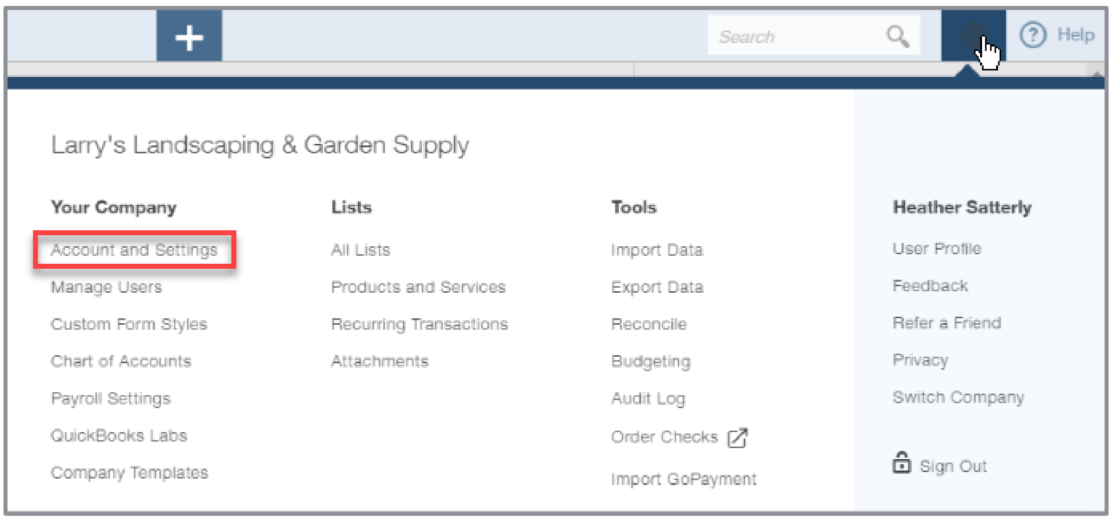
4. Next you'll answer What matters to your business? If you don't want to share this information, just click **Next** to complete the wizard.



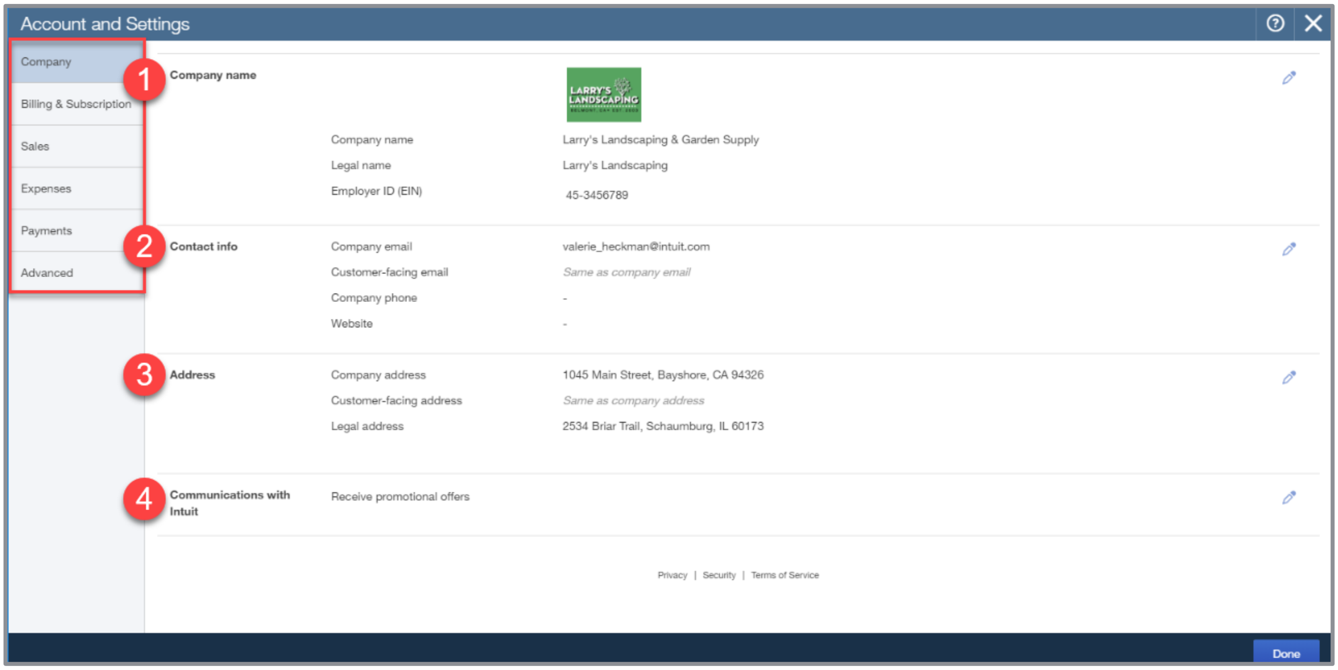


Topic 2: **Manage Account & Settings**

Once the new company has been created, you need to configure the settings in QuickBooks Online to fit the company. Account and Settings is reached from the gear icon in the Your Company column.



The Settings menu has six tabs: Company, Billing & Subscription, Sales, Expenses, Payments and Advanced.



Company Settings

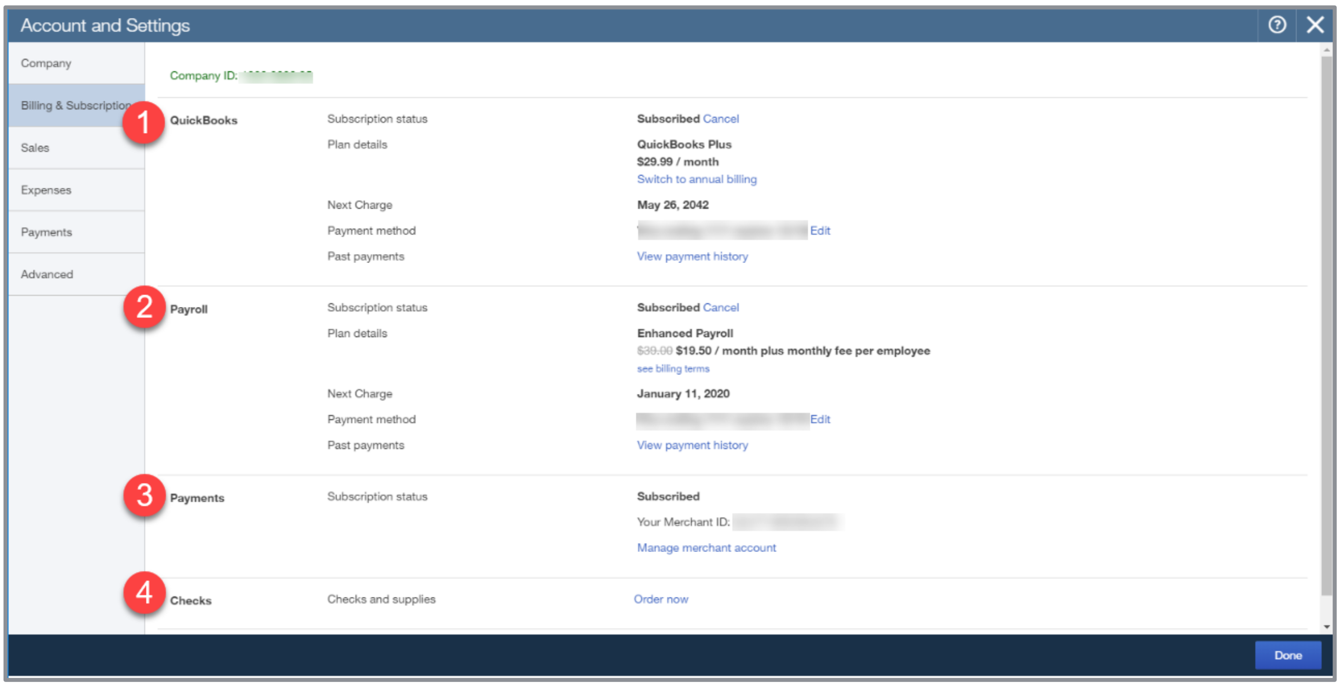
The Company settings include:

1. Company name and logo (both legal and customer-facing) and employer ID (EIN)
2. Contact info
3. Address
4. Communications with Intuit settings

Billing & Subscription

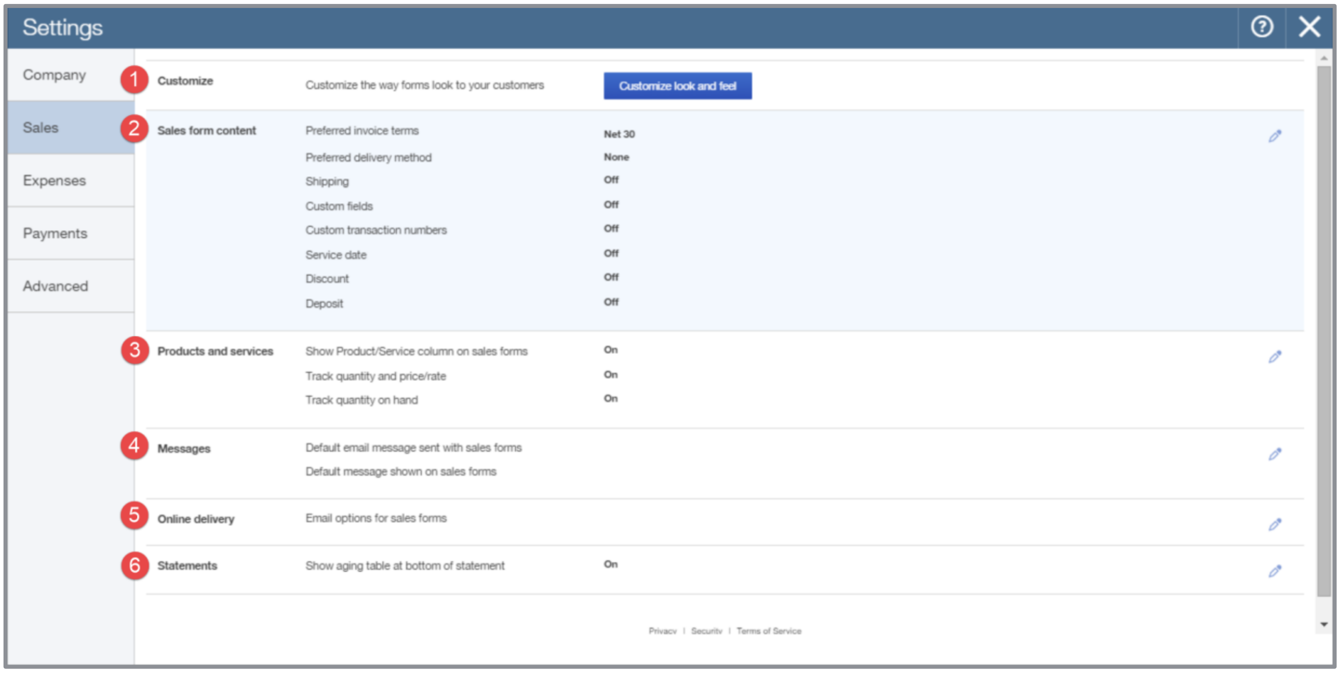
The Billing & Subscription tab includes:

1. QuickBooks subscription information including status, plan details (subscription level and payment frequency), next charge date, payment method and a link to view your payment history
2. Payroll subscription information
3. Payments subscription information
4. A link to order checks and supplies



Sales Settings

The Sales Settings define the look and feel of your sales forms, which fields are included on them and delivery options. There are six categories in the Sales Settings tab.

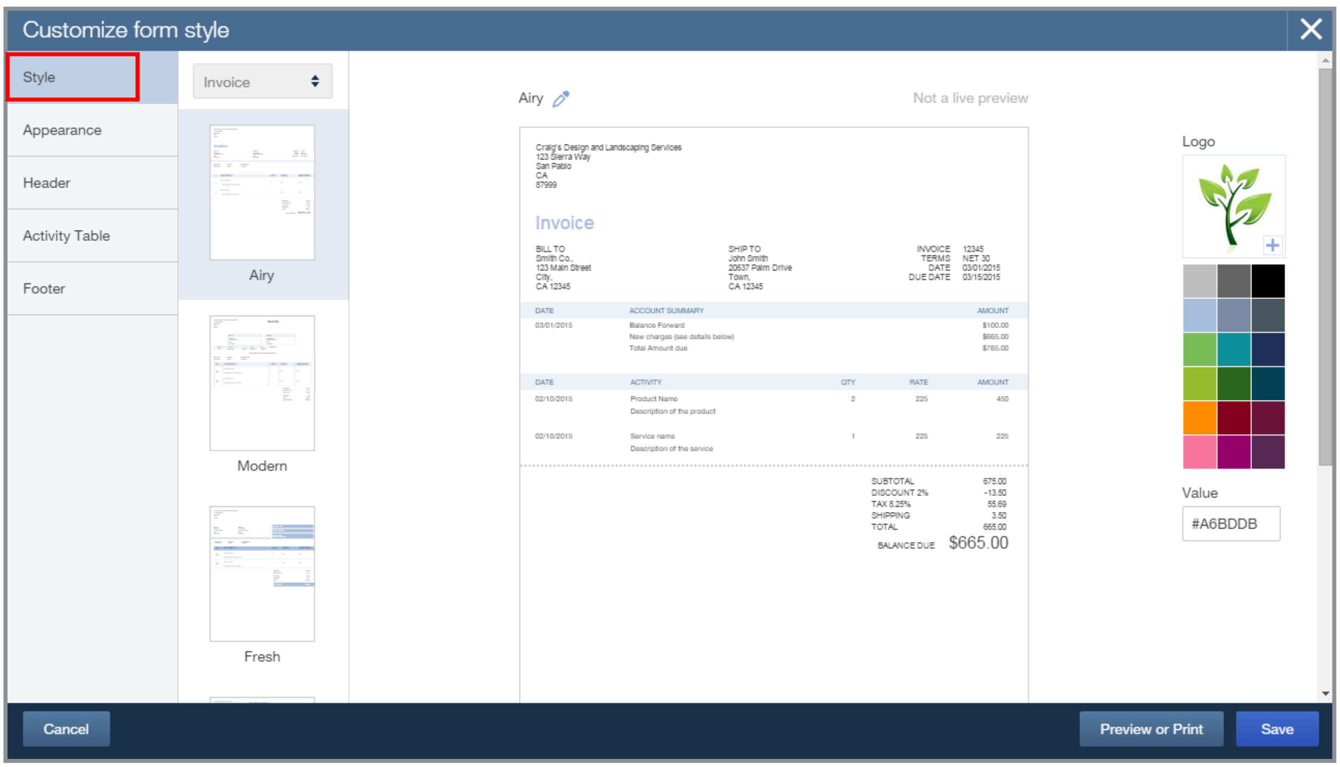


Customize

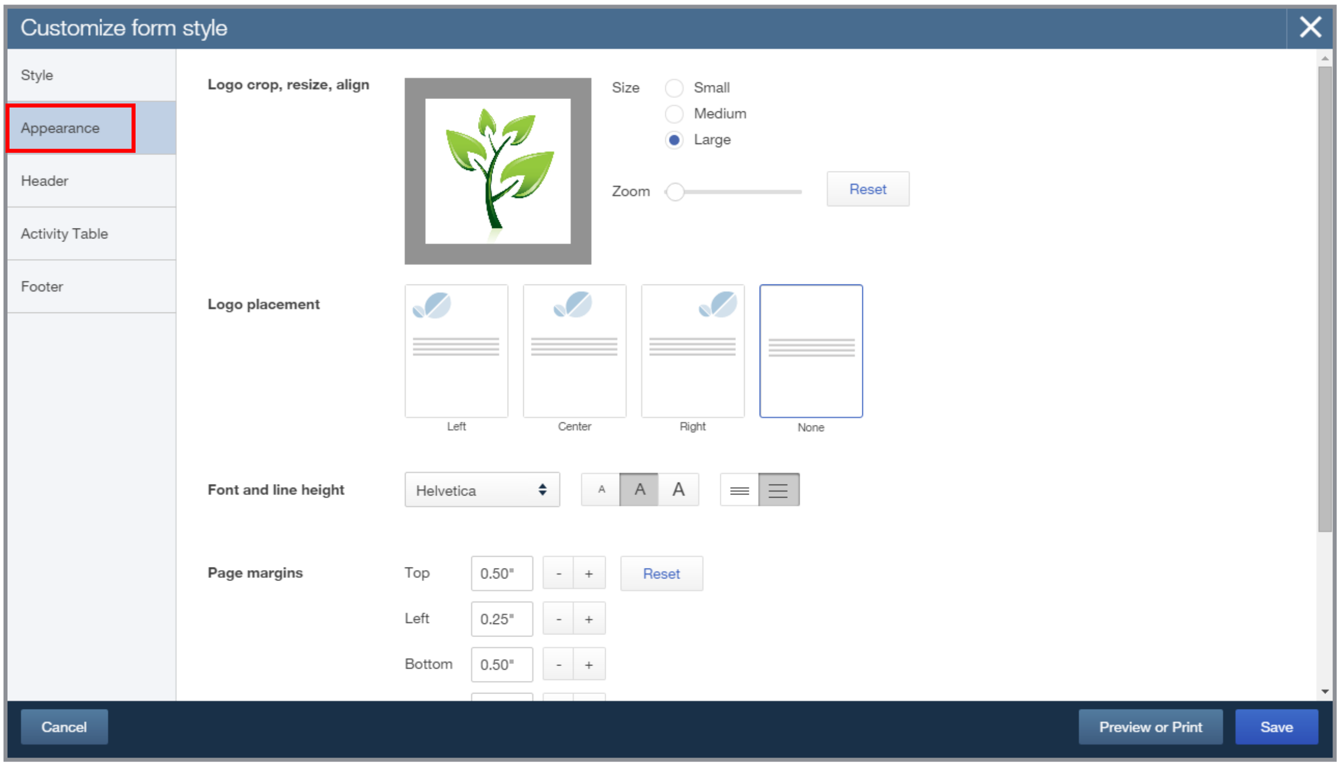
Click the button in the Customize section to Customize look and feel of sales forms. This customization applies to invoices, estimates and sales receipts.

Click the **Style** button to create a custom style for an invoice, estimate or sales receipt. If you have existing styles, you can modify them by selecting the **Edit** action on the appropriate row.

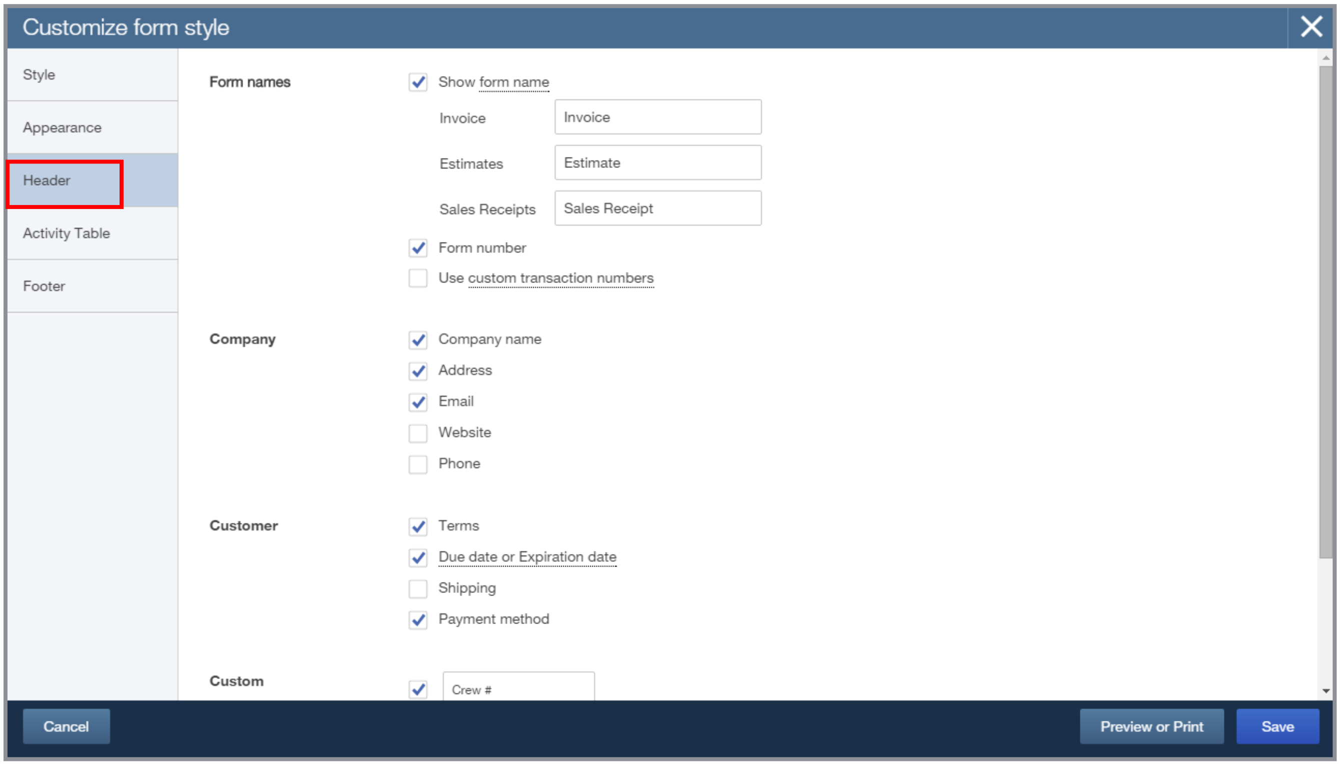
- **Style** – The style section lets you designate which type of sales form this style will be used on. Select a template from the list of pre-designed options. You can use the template as-is or further customize it. Give your style a name, upload a logo and specify the color theme for this style.



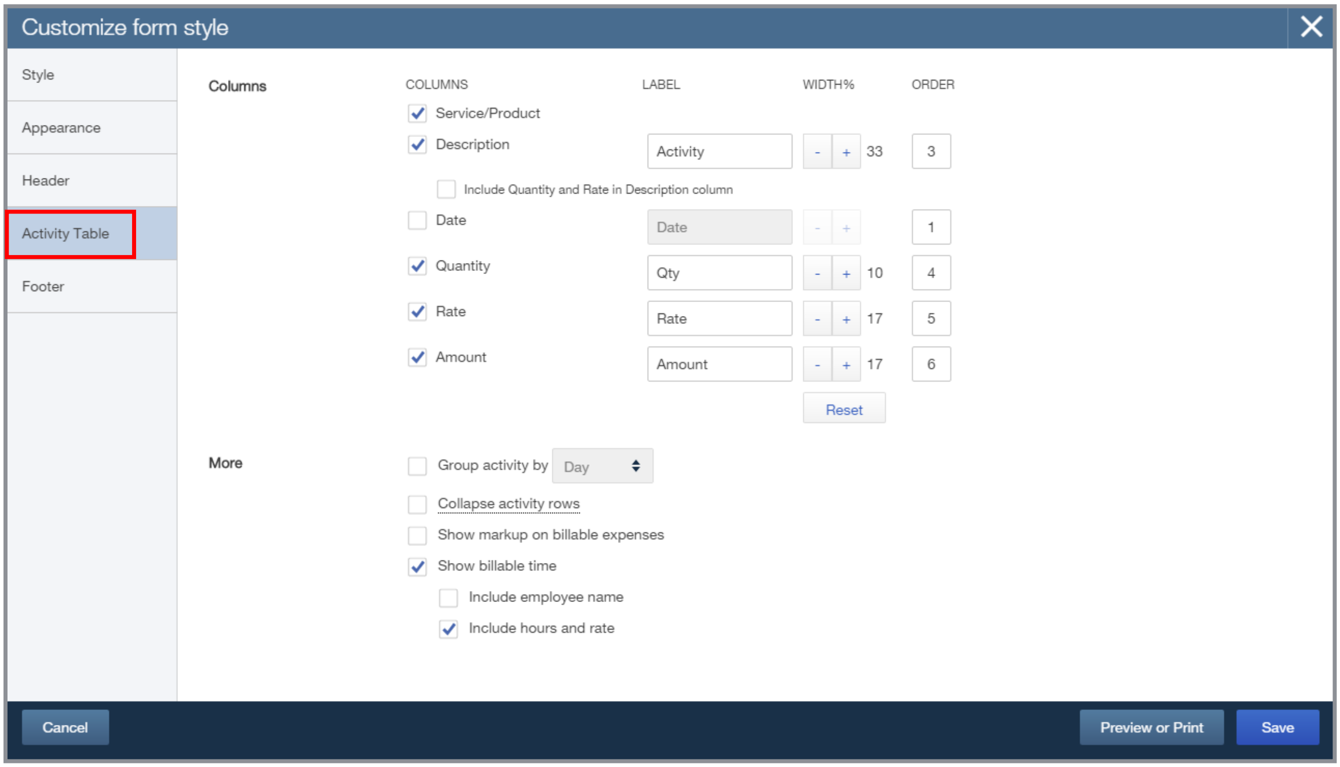
- **Appearance** – Customize the appearance of this style by editing the logo's size and placement. You can further customize the font and page margins. You can also configure whether your print-out should be compatible with window envelopes and letterhead paper. There is also an option to specify whether or not to show an account summary with the balance forward and total amount due.



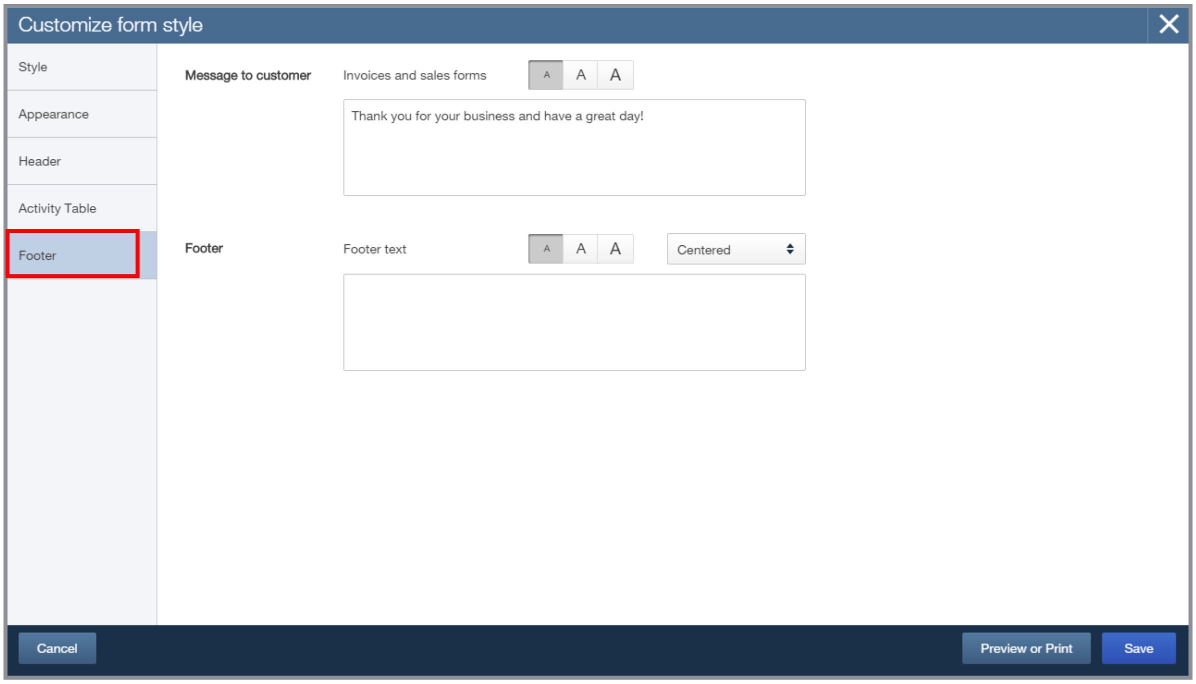
- **Header** – This section lets you specify form names, company info and customer info that will print on your form. You can also specify a custom label for the form if, for example, the company calls estimates proposals. You can also identify which custom fields you want to print.



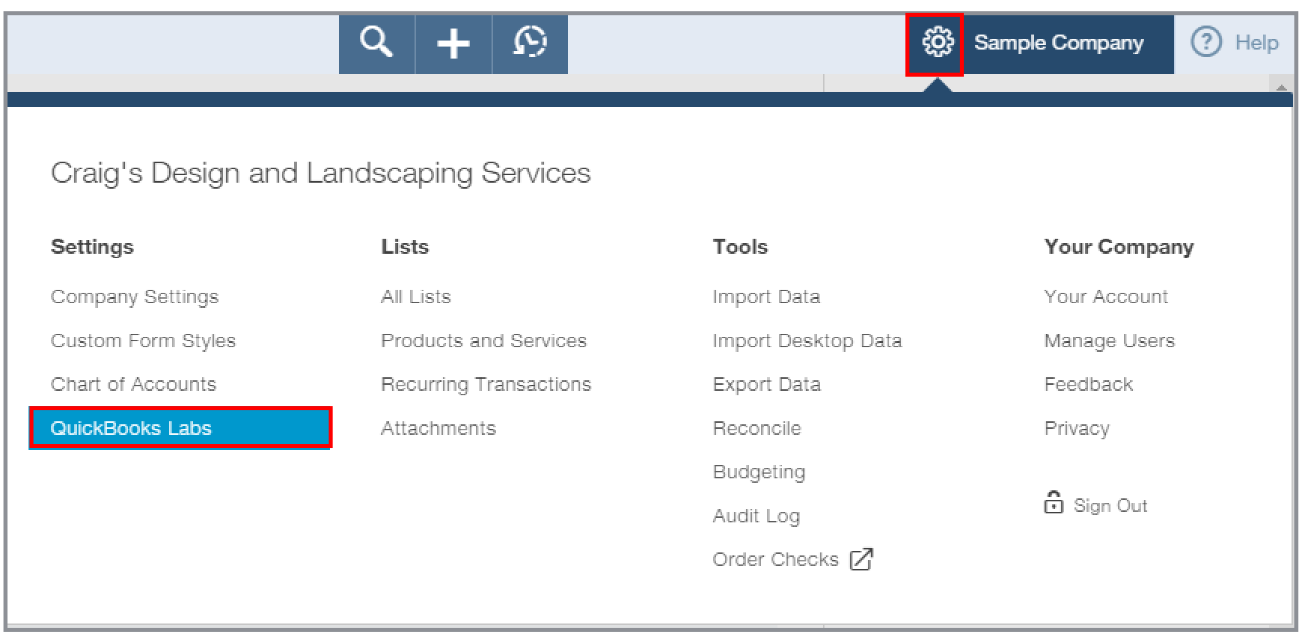
- **Activity Table** – The Activity Table section lets you specify what columns you want to show and in what order on the activity detail section of the sales form. You can group activity by time period and subtotal these groups. You can collapse activity rows by combining rows that have the same rate and description and omit dates. There are also settings for billable time and expenses. Specify whether to show or hide the markup on billable expenses. When you invoice for time, you can specify whether to show or hide the employee name, hours and rate.



- **Footer** – This setting allows you to add a custom message and footer on sales forms.



What if a business already has a design for their sales forms and they want to use that style in QuickBooks Online? You can try to import it. Importing sales form styles is a new option available in QuickBooks Labs.

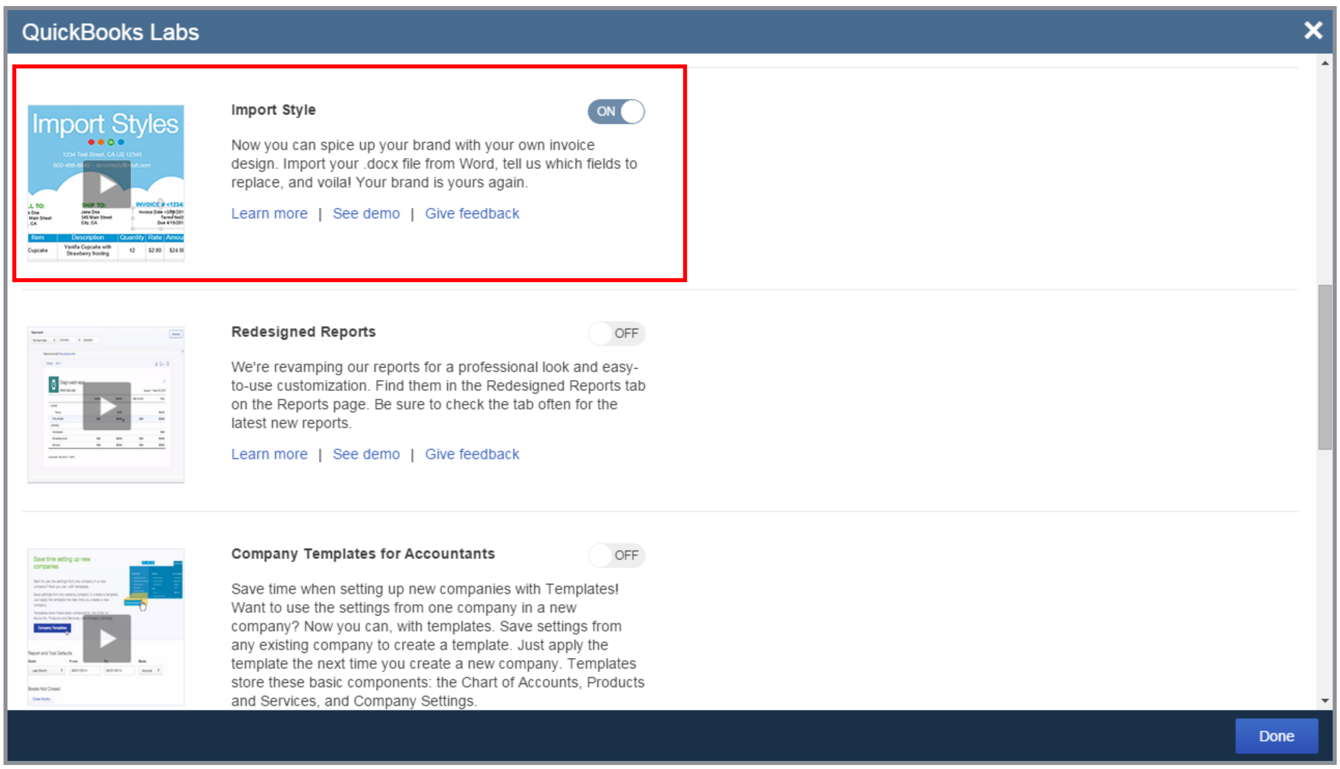


Step-by-Step: Import Sales Form Styles

1. To access the Lab, navigate to the **gear** icon and select **QuickBooks Labs**.

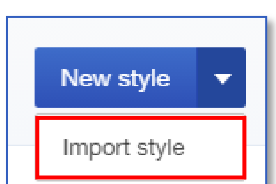
2. Look for the plug-in called **Import Style** and turn it on.

3. Click **Done**. One day you may not have to go to the Lab to turn it on; it may just become part of the standard sales settings.



4. Once the lab is turned on, go to the **gear** icon and click **Custom Form Styles** to go directly to the screen to customize your sales forms (which can also be accessed from the **Company Settings → Sales → Customize look and feel** button).

5. The New style button now has a down arrow. Click the down arrow to find the **Import style** option.



6. On the Import form style wizard, select the type of form you want to import (currently only invoice sales forms are available for import).

7. Follow the on-screen instructions to set up your template properly in Microsoft Word® with angle brackets for each field then save it.

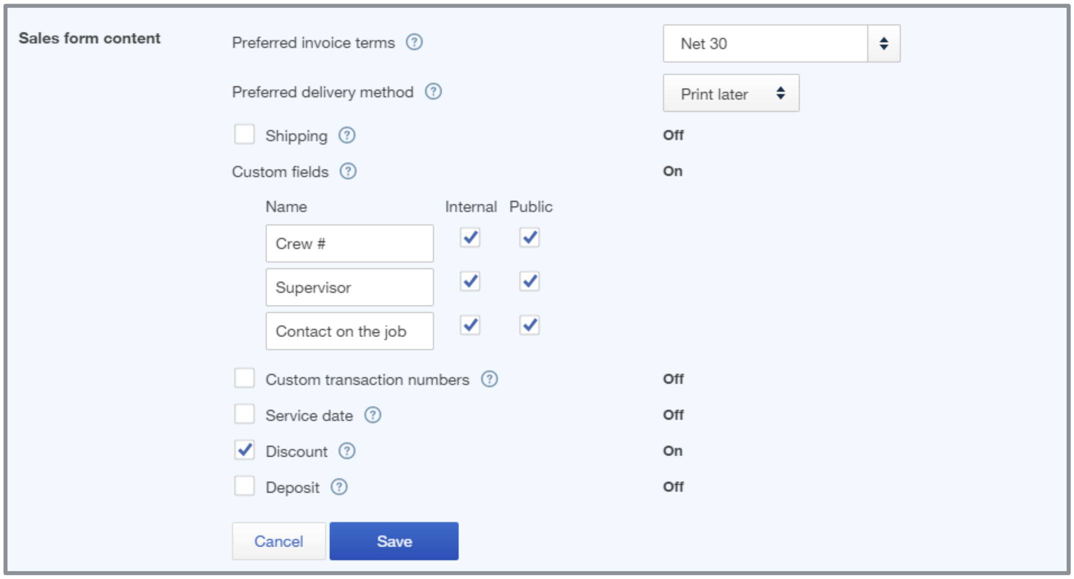
8. Upload your template then click **Next**.

9. Map the fields on your template to QuickBooks fields and click **Next**.

10. Review the results and save your newly imported invoice style.

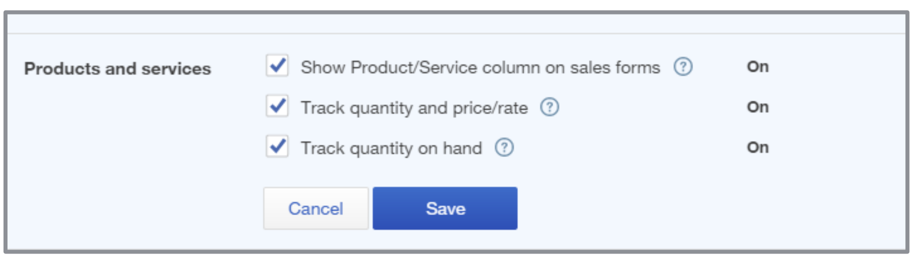
Sales form content section is where you set the default information that will appear on your sales forms. Settings include:

- Preferred invoice terms
- Preferred delivery method
- Shipping
- Custom fields (up to three) – the Internal indicator shows the field to you on-screen; the Public indicator prints the field on your sales form
- Custom transaction numbers let you use your own numbering system. If you leave the reference number field blank on the sales form, QuickBooks will automatically assign one.
- Service date lets you track the date a service was performed separate from the invoice date. The service date is available on sales forms on every line in the Item grid. It is not related to the period the sales transaction will be posted to the general ledger. It is a descriptive component of each charge on a sales form.
- Discount – add a discount field to sales forms to apply a discount to the entire sale
- Deposit – add a deposit field to invoices to subtract a customer deposit from the invoice total to calculate a balance due



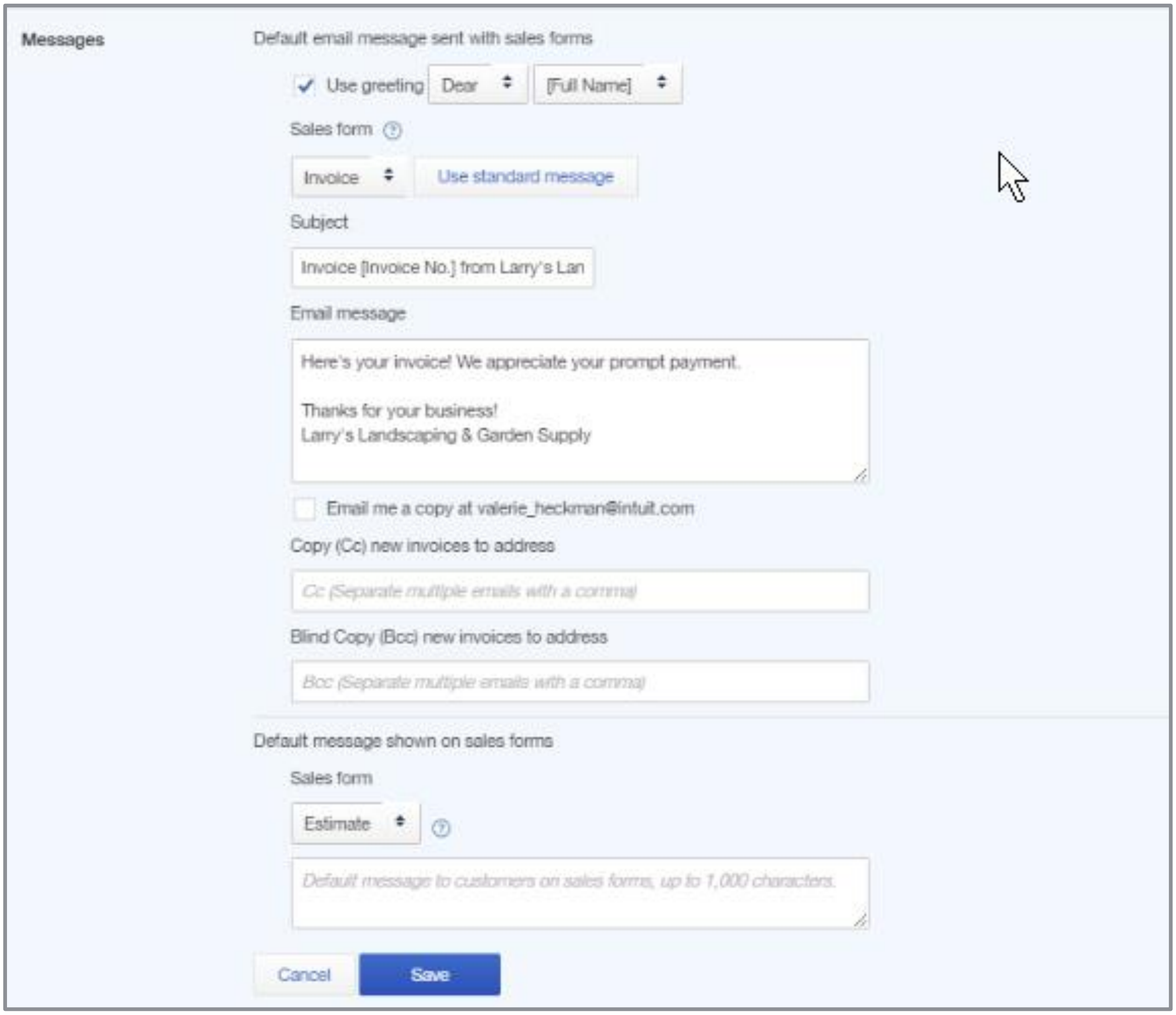
The Products and Services section lets you:

- Add the Products and Services column so you can choose from this list on sales forms. This training assumes this setting is active.
- Add the quantity and rate columns on sales forms so you can track this information and help calculate the charge
- Track quantity on hand to manage the available inventory in stock for each product you sell and its related inventory cost (this inventory tracking feature is only available in QuickBooks Online Plus)



Messages settings include:

- Customize the default email message sent with sales forms; you can create a different email message for each sales form
- Set a default Copy (Cc) and Blind Copy (Bcc) on new invoices to one or more email addresses that you define
- Define the default message shown on sales forms

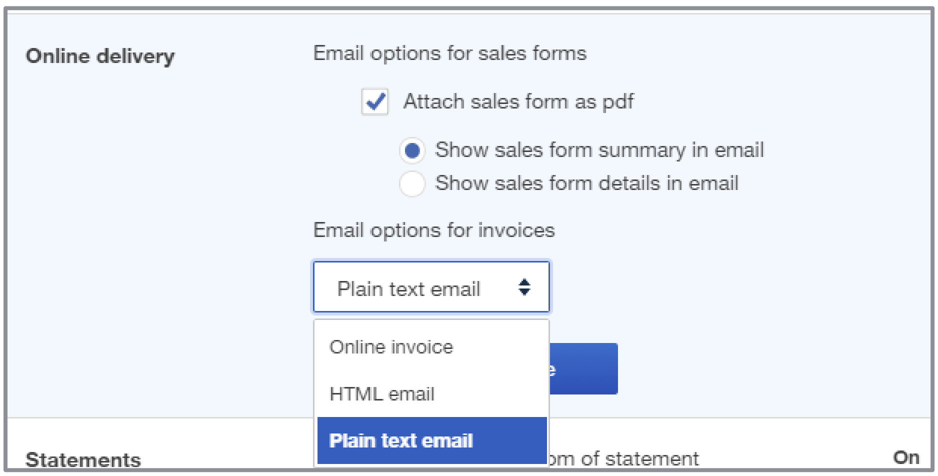


Online Delivery

The Online Delivery section is where you:

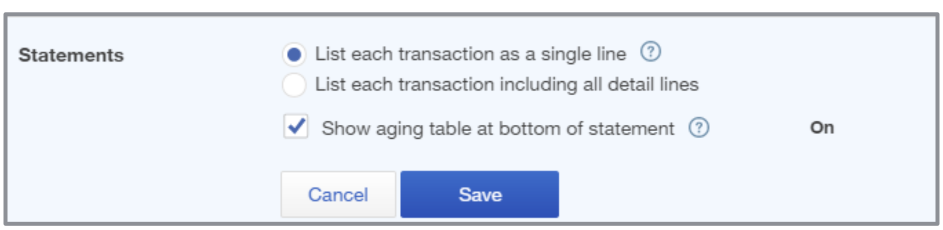
- Specify the email option for invoices, sales receipts and estimates – whether to attach the sales forms as a PDF, and whether to show sales form summary or details in the body of the email

- Set the email options for invoices specifically. Choose between online invoicing, HTML and plain text. We'll learn more about how Online Invoices work in this guide. If you select Online invoice, consider unchecking the box beneath it (Attach sales form as pdf) if you want to encourage customers to click the link in the email. Doing so will track the time/date stamp that they opened the invoice, thereby confirming they received the invoice.



Statements

Configure customer statement preferences on whether to list each transaction as a single line or include all detail lines and whether to show the aging table at the bottom of statements.

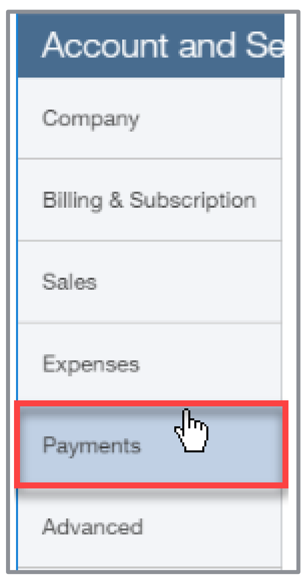


Payments Settings

QuickBooks Payments is the merchant service solution that powers QuickBooks Online.

- It processes credit card payments directly from the QuickBooks Online Sales Receipt and Receive Payments screens (use a card reader to do this using the mobile app)
- It processes credit card and bank account payments for customers who click to pay their QuickBooks Online invoices
- Funds move electronically directly from the customer to the merchant's bank account (there is typically a two-day window from the time the payment is submitted to the time it is received in the merchant's bank account)
- The bank deposit and merchant service fees are automatically recorded in QuickBooks Online by the QuickBooks Payment reconciliation feature
- No other merchant service has the ability to do this

Let's explore the settings associated with QuickBooks Payments. From the gear icon, navigate to **Company Settings** and click **Payments** on the left menu.



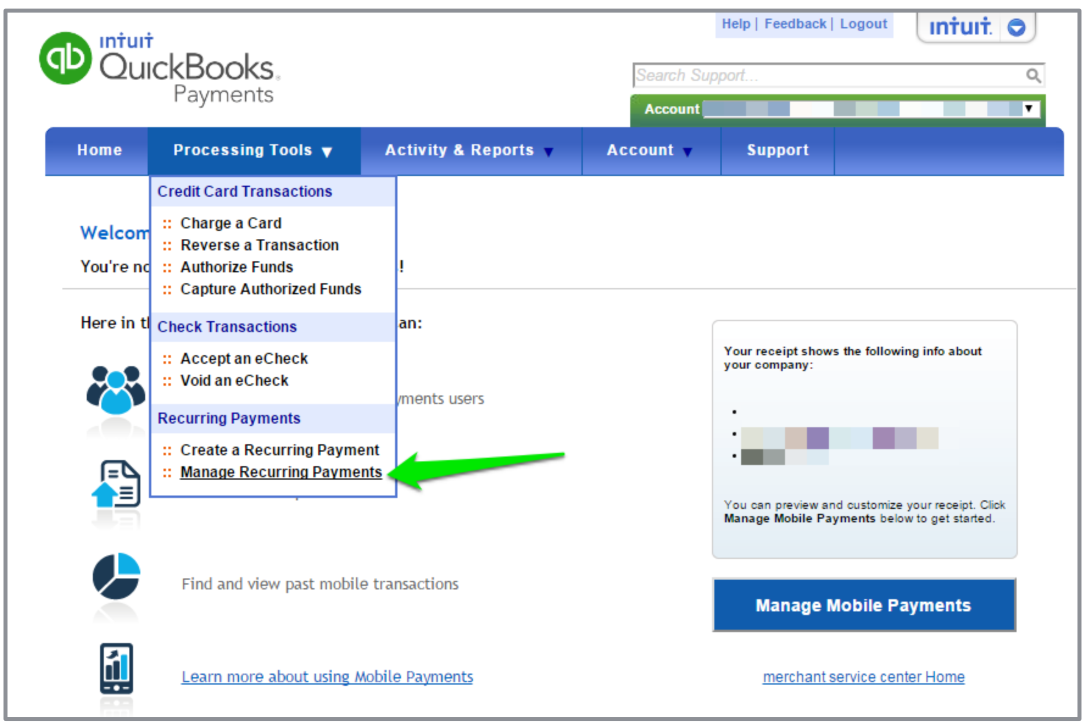
If the company has never applied for a QuickBooks Payments merchant services account, click **Learn More**. Review the two plans and select the one that fits the company's usage best. One plan has a monthly fee but lower rate. The other plan has no monthly fee but higher rate. These merchant service plans include Amex and commercial cards such as Visa, MasterCard and Discover.

Complete the requested company and owner information, including Social Security number and date of birth, then submit the application. This process is required so Intuit can validate the owner's identity and move money on their behalf. Once the QuickBooks Payment application is accepted, your merchant ID number will be created and you will receive an email with all the account details.

If the company already has a QuickBooks Payments account (also known as GoPayment or QuickBooks Merchant Services or Intuit Merchant Services), you can connect the existing merchant services account to your QuickBooks Online company by clicking the **Connect** button.

TIP: *Best results occur when the person connecting QuickBooks Online to QuickBooks Payments is the master admin of the QuickBooks Online company and the merchant account. If you have trouble with this step, contact the QuickBooks Payments support staff to map the services together on the back end.*

NOTE: *If you had an existing QuickBooks merchant service account that you were using with QuickBooks Desktop before converting to QuickBooks Online, and you were using the recurring payments feature for any of your customers, you need to log into your merchant services online account and turn off each recurring payment to avoid double-charging your customers.*



Once you've either received notification that your application for a new merchant account has been approved or connected an existing merchant account number, your next step is to verify that your merchant ID number is linked to QuickBooks. Navigate to the **gear** icon → **Company Settings** → **Payments settings** screen to view the account number. The service will be available for use within 24 hours for both credit card and bank account payment processing.

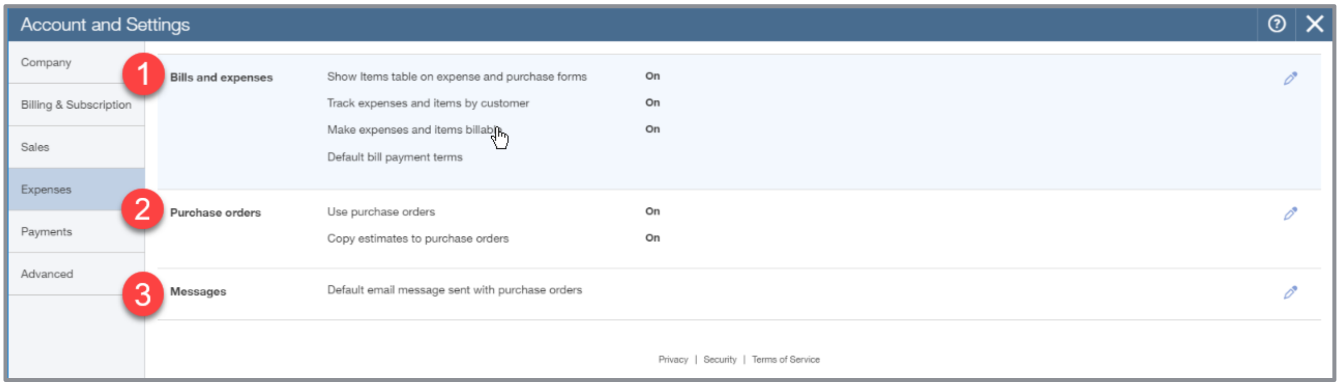
Once a new or existing QuickBooks Payments account is connected to QuickBooks Online, you can review your Payments settings.

Step-by-Step: Review Payments Settings

1. In the Merchant details section, click the **Manage details** button to launch the Merchant Center. This is where you change the bank account information that funds are deposited to, and where you find details about transactions processed using QuickBooks Payments.
2. In the Recording accounts section, specify the bank account you would like deposits recorded to and what expense account to record associated fees to.
3. You may want to turn on the reminder to enter the CVV code when you are entering payment info for the customer, perhaps to record a recurring sales receipt that will automatically charge your customer's credit card.

NOTE: *Once QuickBooks Online is ready to use QuickBooks Payments, if you converted from QuickBooks Desktop and had the recurring payments set up for customers, remember to set up recurring sales receipts in QuickBooks Online. We'll learn about that later in this module.*

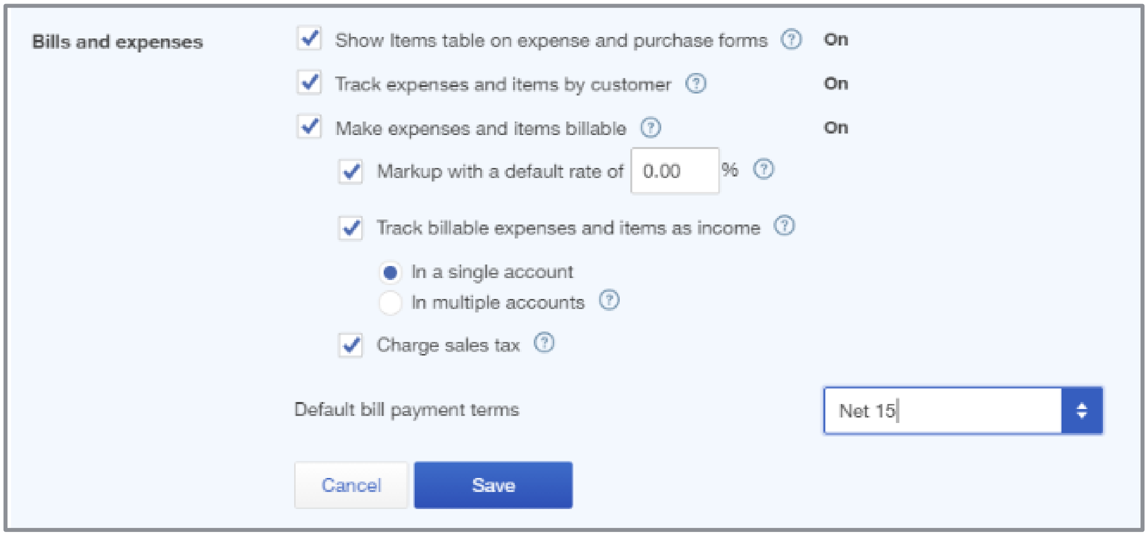
Expenses Settings



You can change how QuickBooks Online manages your expenses in the Expenses tabs of the Settings menu. Settings include:

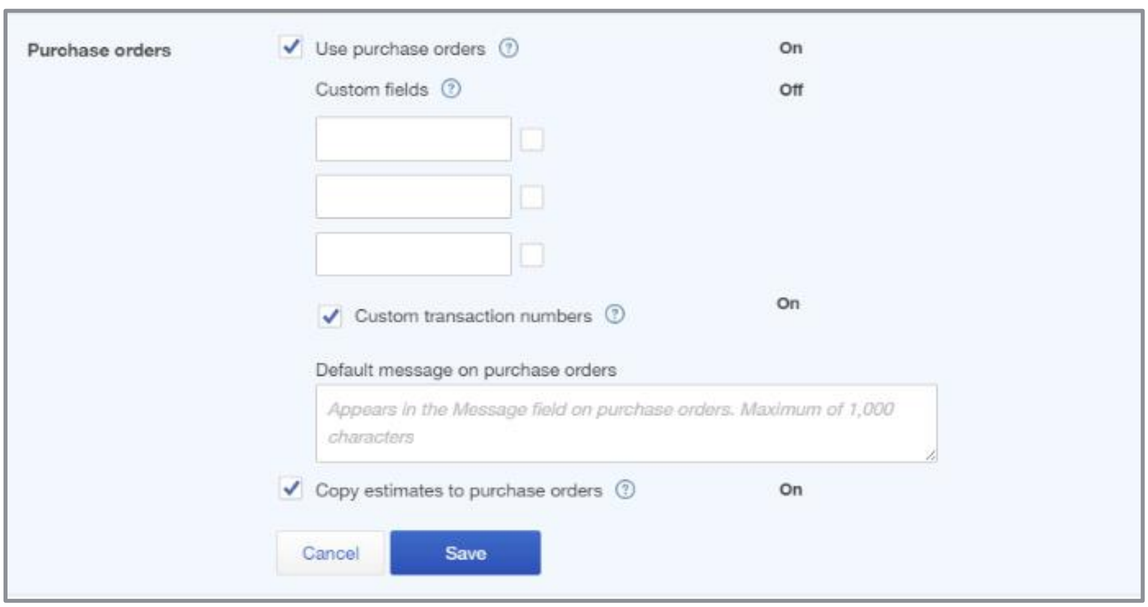
1. **Bills and expenses**

- Show items table on expense and purchase forms (only available in QuickBooks Online Plus)
- Track expenses and items by customer turns on the Customer field in expense transactions such as Checks, Expenses and Bills. This feature must be enabled in order to create a Profit & Loss by Customer report
- Make expenses and items billable (Plus only) must be enabled to add billable expenses to Invoices
- Specify default markup rate for billable expenses
- Define how to track billable expenses, either as income or offsetting the expense account balance
- Choose whether you want billable expense income posted to a single account or multiple accounts
- Choose whether to charge sales tax on billable expenses
- Set default bill payment terms



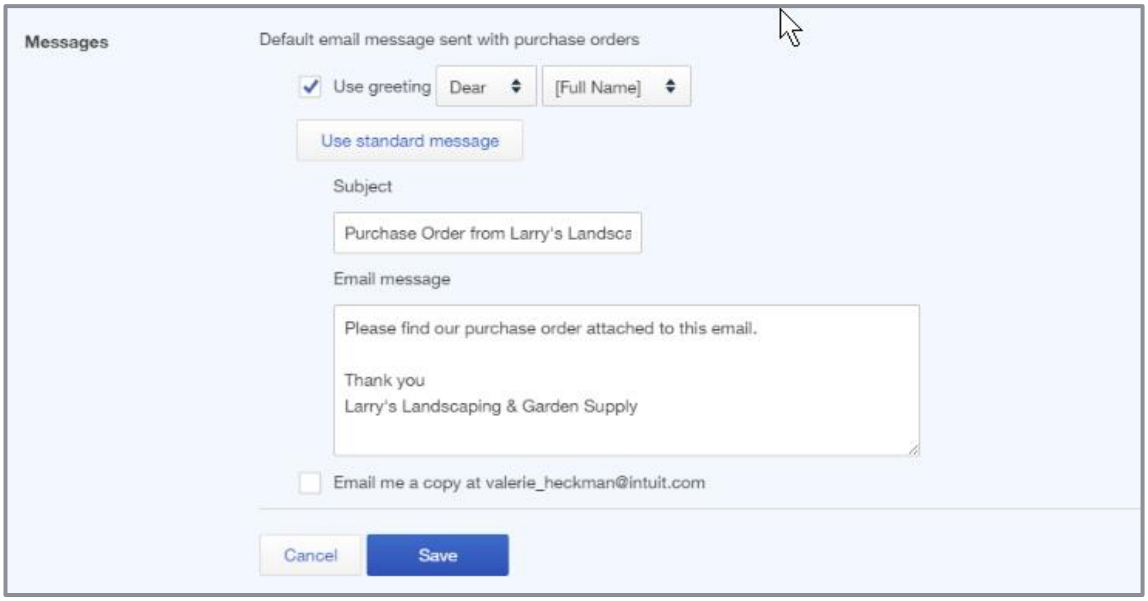
2. **Purchase orders (Plus only)**

- Turn on or off the Purchase Orders functionality in QuickBooks Online depending on whether or not you will be using it (this feature is only available in QuickBooks Online Plus)
- Add custom fields to purchase orders, activate custom transaction numbers and create a default message for your purchase orders
- Copy estimates to purchase orders saves you time by prefilling a purchase order form with the information entered on the estimate



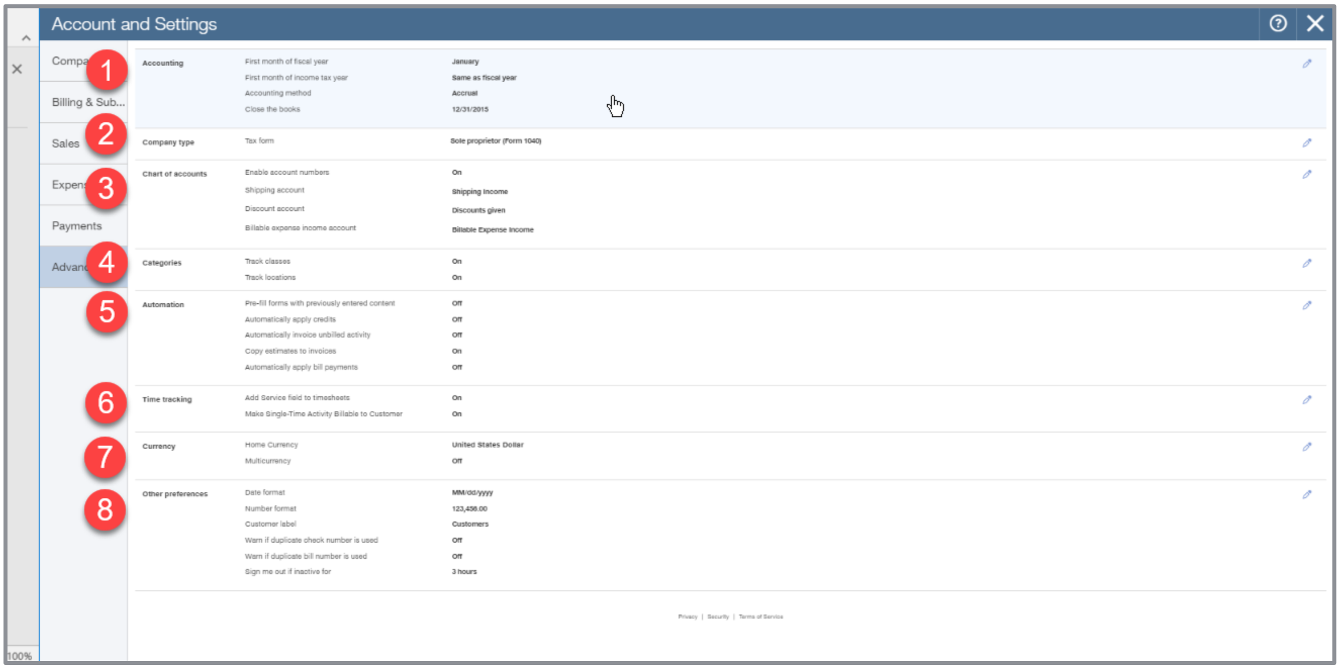
3. **Messages**

- Define the default email message sent with purchase orders



IDENTIFY ACCOUNTING-RELATED PREFERENCES

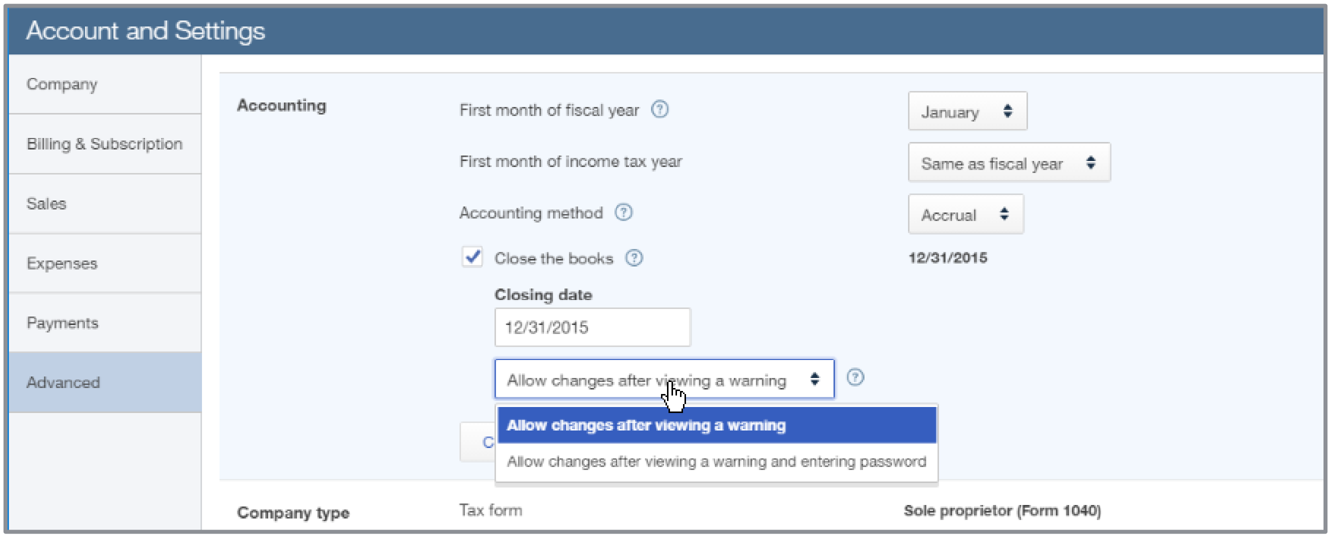
Advanced Settings



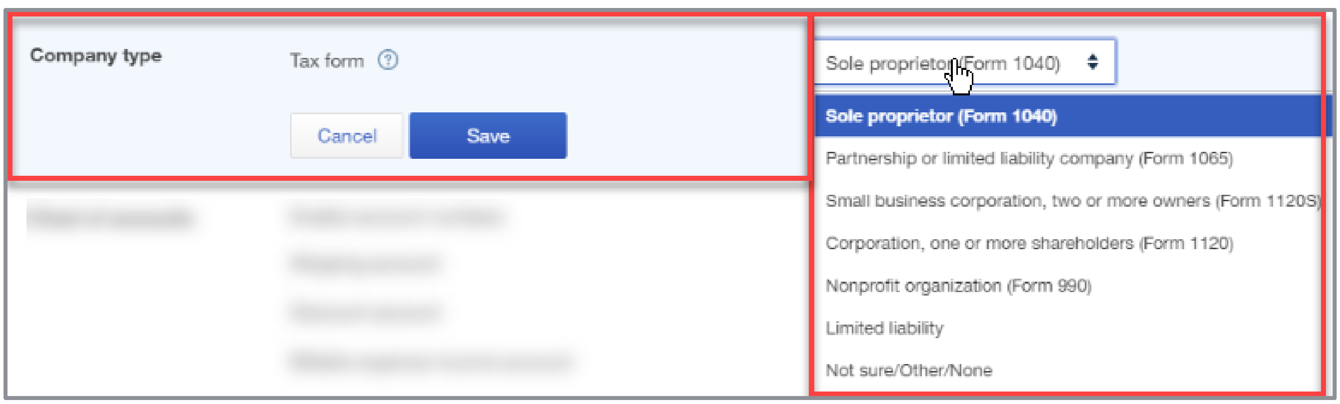
The Advanced settings tab includes the following settings:

1. **Accounting**

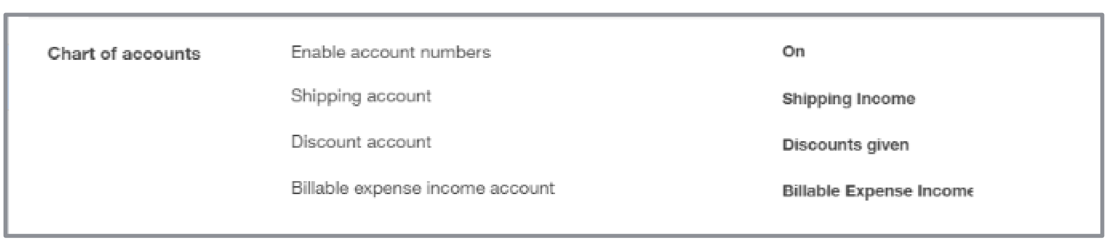
- First month of fiscal year
- First month of income tax year
- You set the default accounting method here in the Accounting settings, but you can change the method on reports by customizing them
- Close the books (and option to set a password)



2. **Company type** – select the appropriate tax form for the company



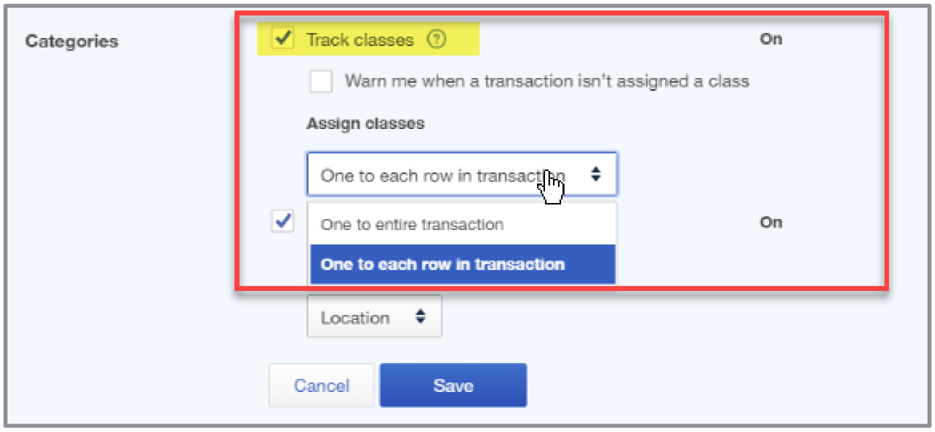
3. **Chart of Accounts**
   - Enable account numbers*
   - Set default accounts for shipping, discount and billable expenses (if those fields are enabled in the Sales settings)



4. **Categories**

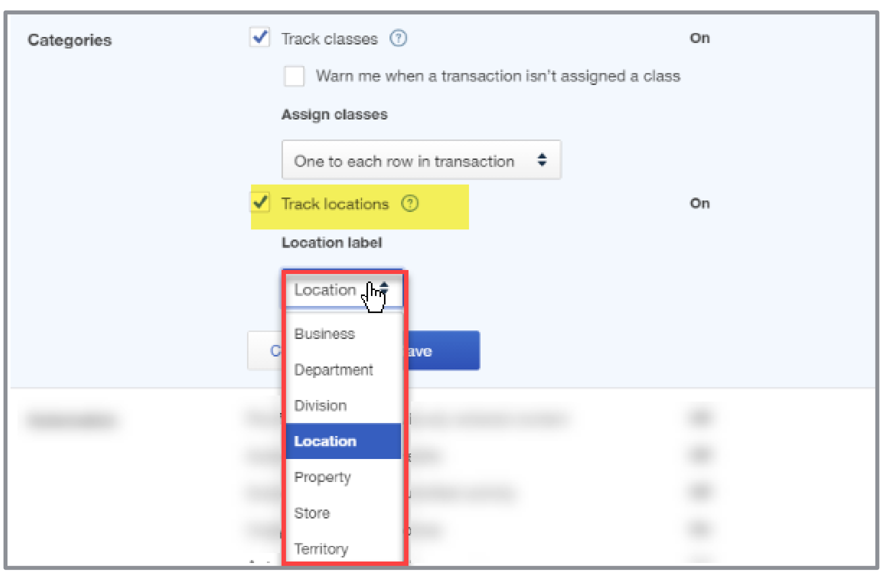
- Track classes

You can track by class and choose whether to display a warning when a transaction is saved without a class assigned to it You can choose whether a class should be assigned to the entire transaction or to each row in a transaction.



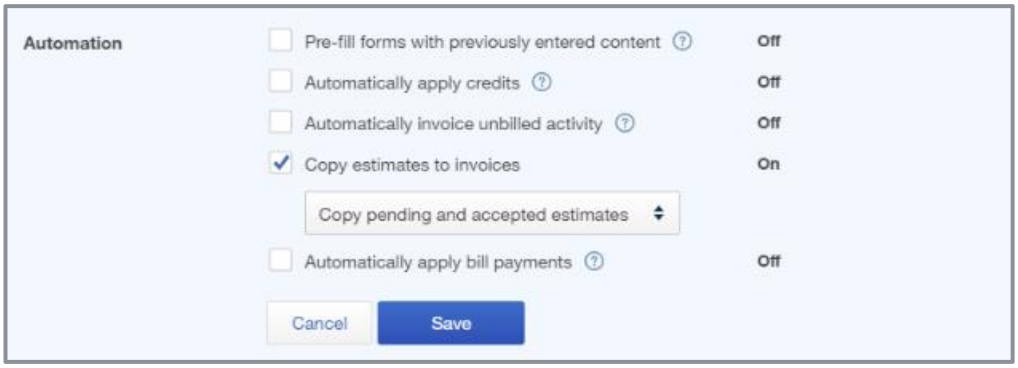
- Track locations

You can also track by location and choose from seven label options. Locations are assigned to the entire transaction only.



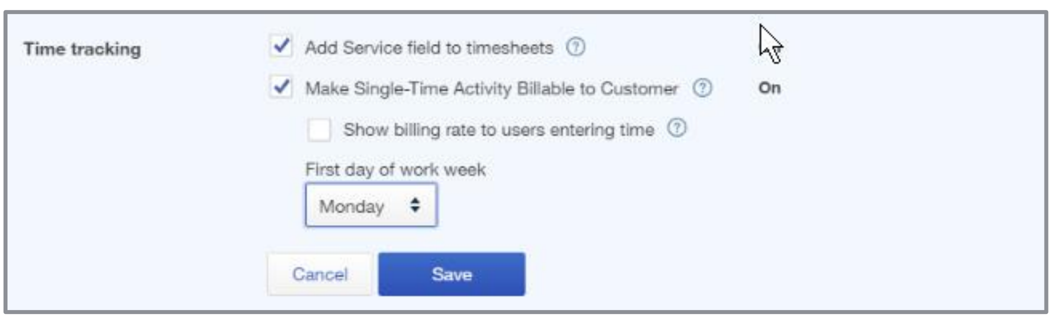
5. **Automation** features include:

- Pre-fill forms with previously entered content
- Automatically apply credits to open Invoices
- Automatically invoice unbilled activity
- Copy estimates to invoices must be enabled to copy the estimate details onto the invoice.
- Choose whether to copy pending and accepted estimates or accepted estimates only
- Automatically apply bill payments to open Bills



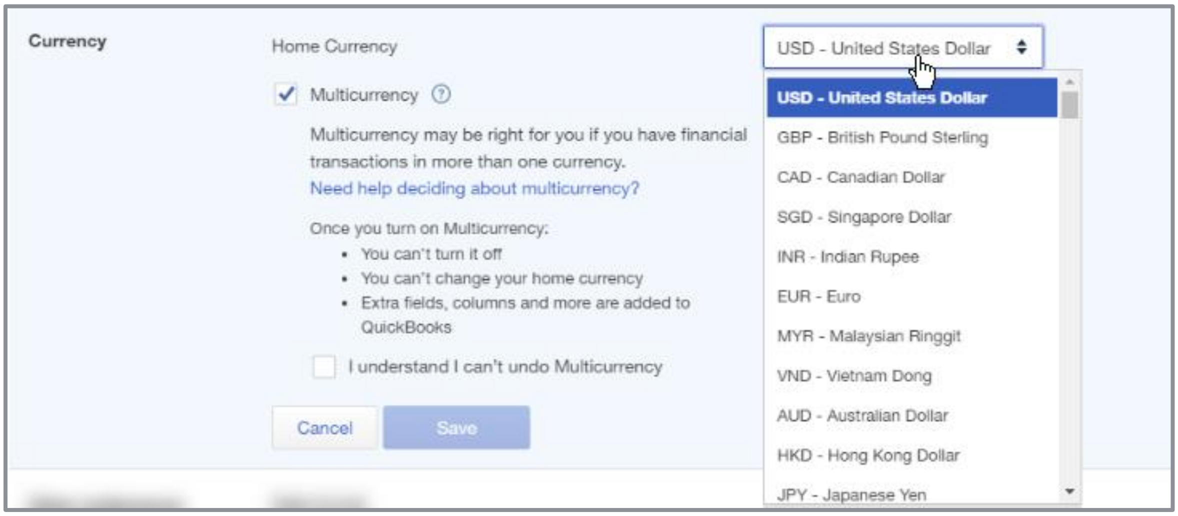
6. **Time tracking** (Plus only)

- Add Service field to timesheets
- Make Single-Time Activity Billable to Customer
- Show billing rate to users entering time
- Select the first day of work week for the Timesheet screen



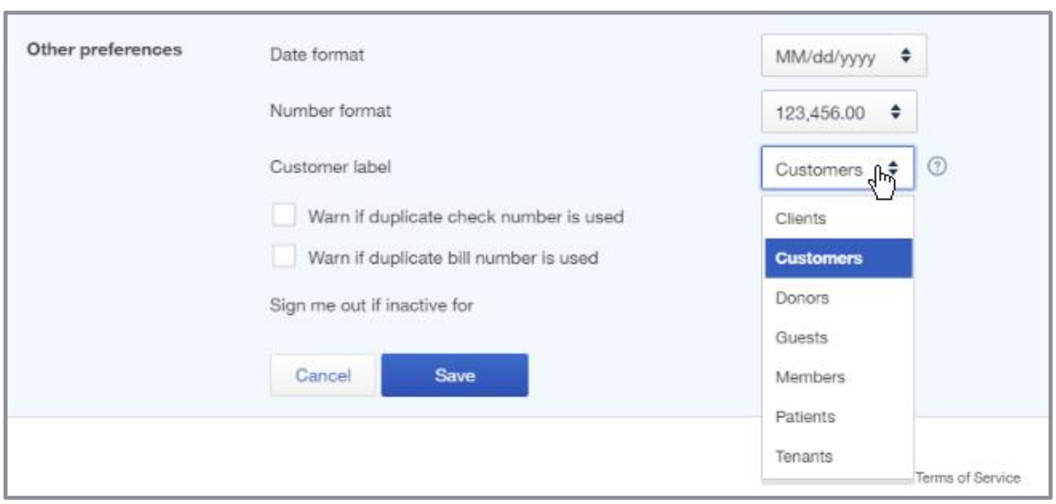
7. **Currency** – turn on Multicurrency

- Multicurrency is available in Essentials and Plus subscriptions only. You can choose your Home Currency when you enable it, but this can't be changed later. Keep in mind that once you enable Multicurrency you can't turn it off.



8. **Other preferences**

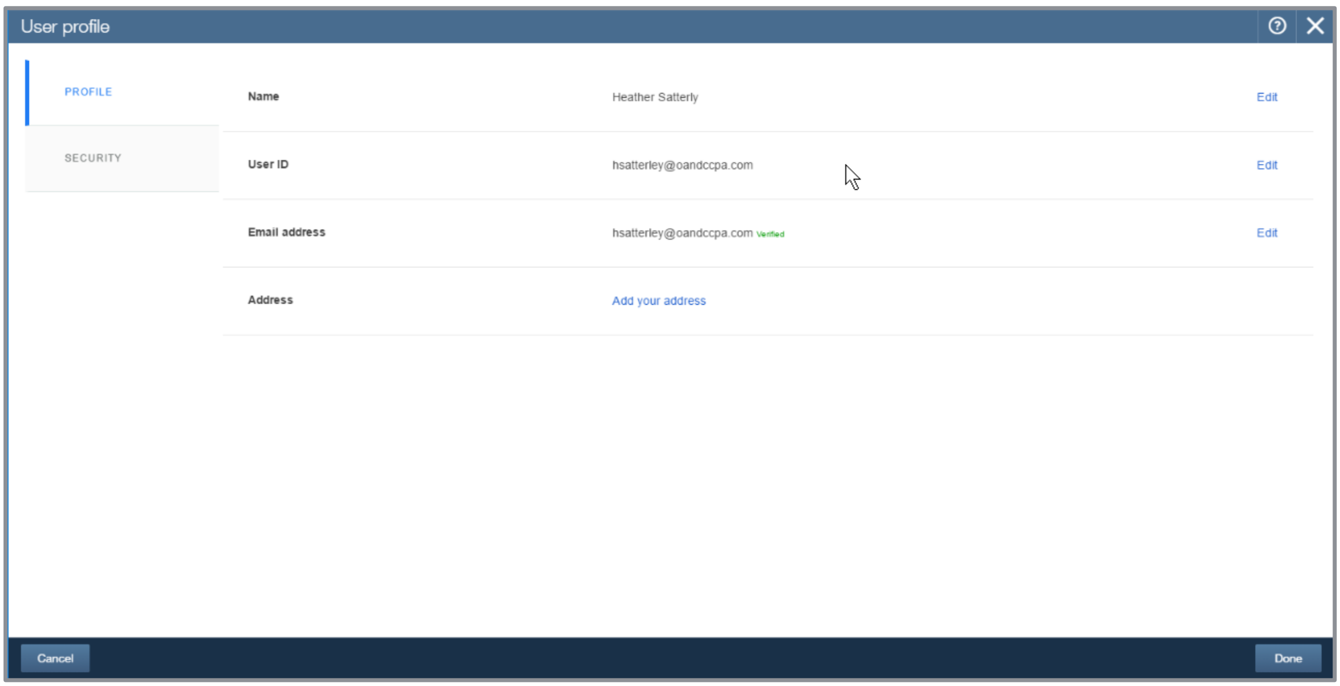
- Choose your date and number formats
- Select a customer label from the seven choices in the drop-down menu
- Warn if duplicate transaction numbers are used
- Select the duration before the user is logged out of QuickBooks Online (choose 1–3 hours)



USER PROFILE

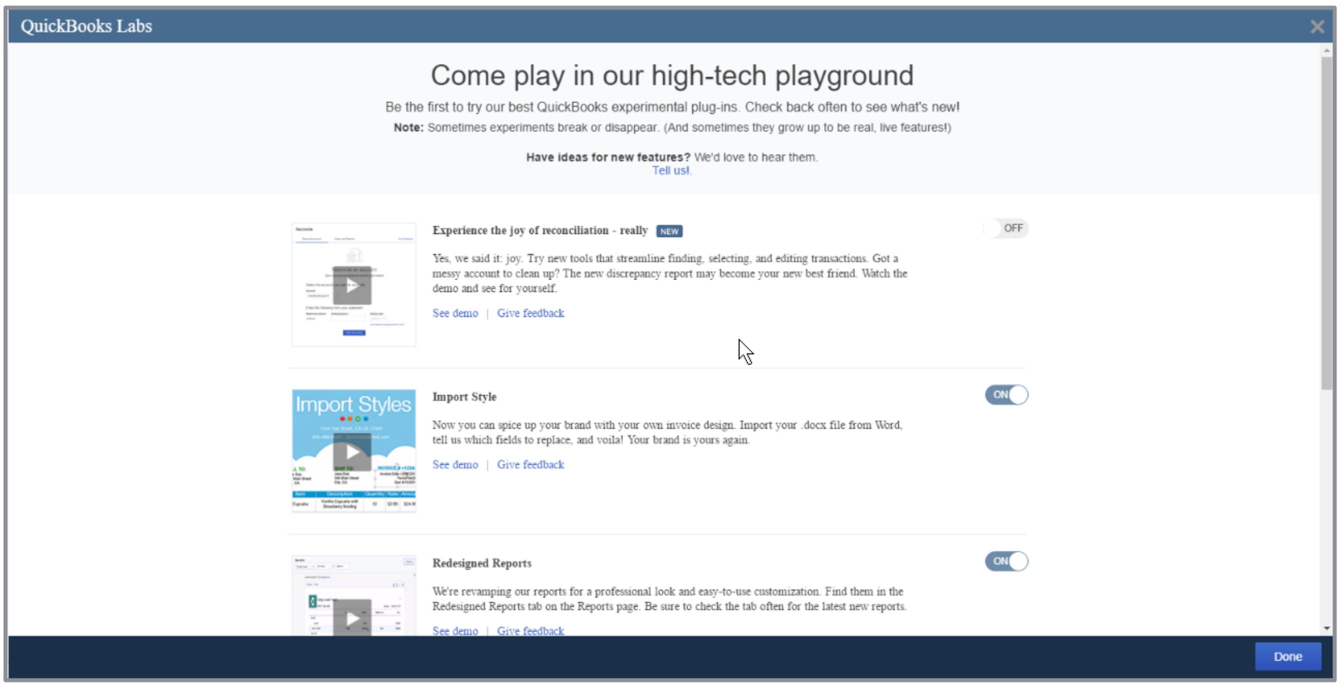
The User Profile screen is reached from the gear icon and is where you can view or edit:

- Profile – the user's Name, User ID, Email address and Address
- Security
  - Change your password and enable the two-step verification option
  - Change your phone number – this is the number where verification codes will be sent
  - View your access history – this can help identify unauthorized access to your account



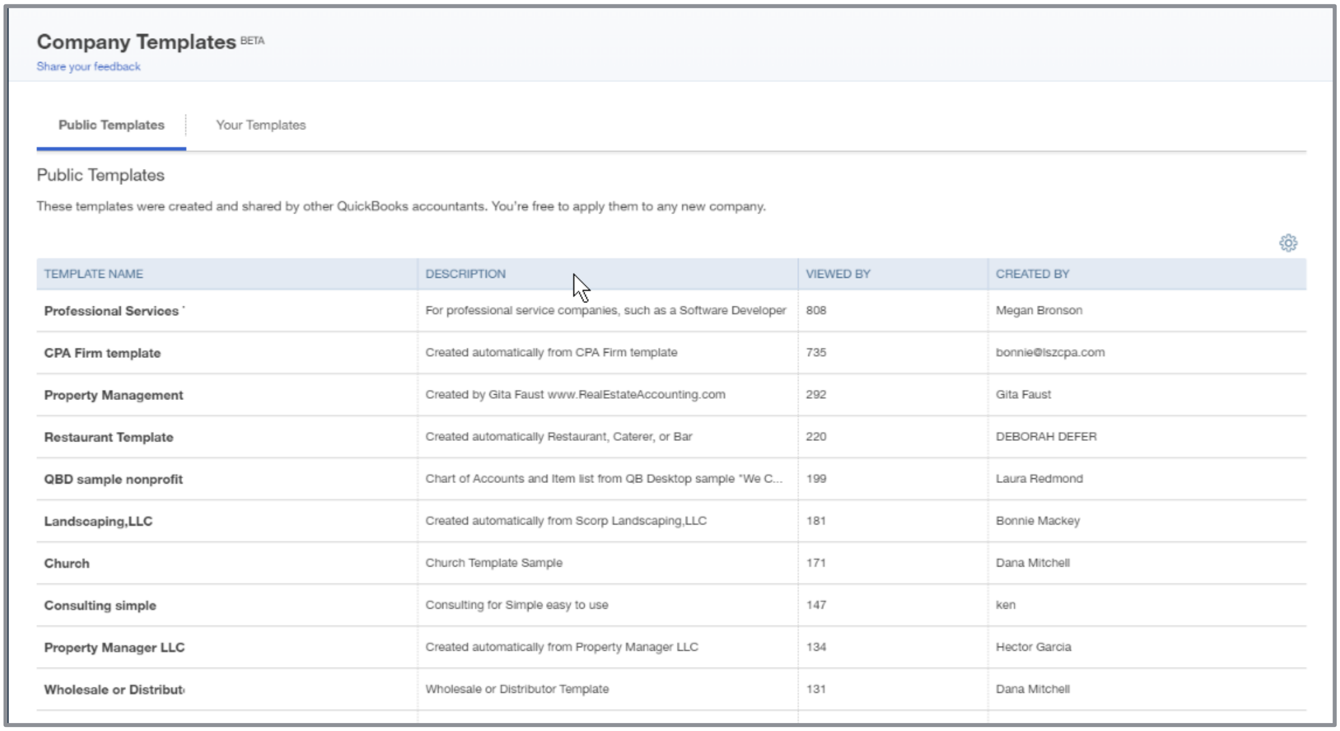
QUICKBOOKS LABS

QuickBooks Labs is where you can try out new tools and features in QuickBooks Online. Intuit launches plug-ins created by Intuit and third-party vendors from this menu, which is found in the gear icon menu under Company settings. Some of the current offerings in QuickBooks Labs are Import Style and Company Templates for Accountants. The great thing about QuickBooks Labs is you can try the feature then turn it off if it isn't for you. Sometimes these features are discontinued and other times they become permanent features in QuickBooks Online. It's a good idea to check into the lab frequently to see what's new.



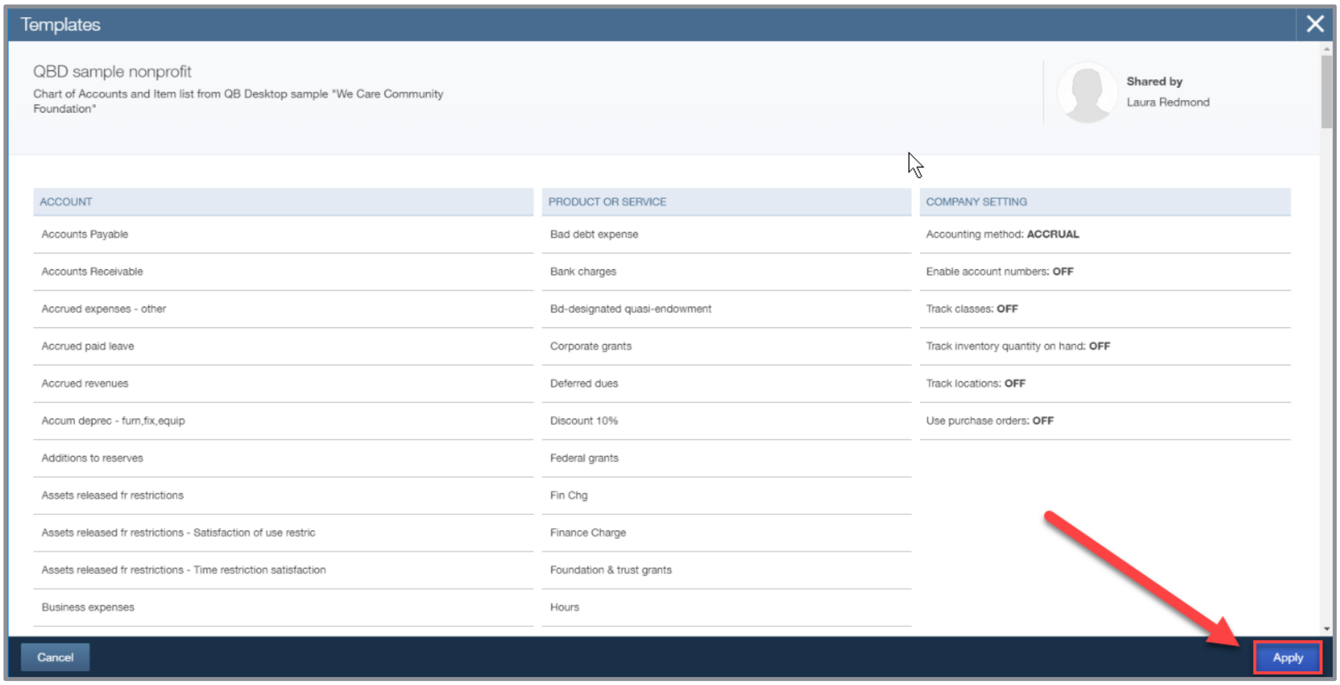
COMPANY TEMPLATES

Company Templates are created by other QuickBooks Online Accountant Users who have opted to share them with the public.

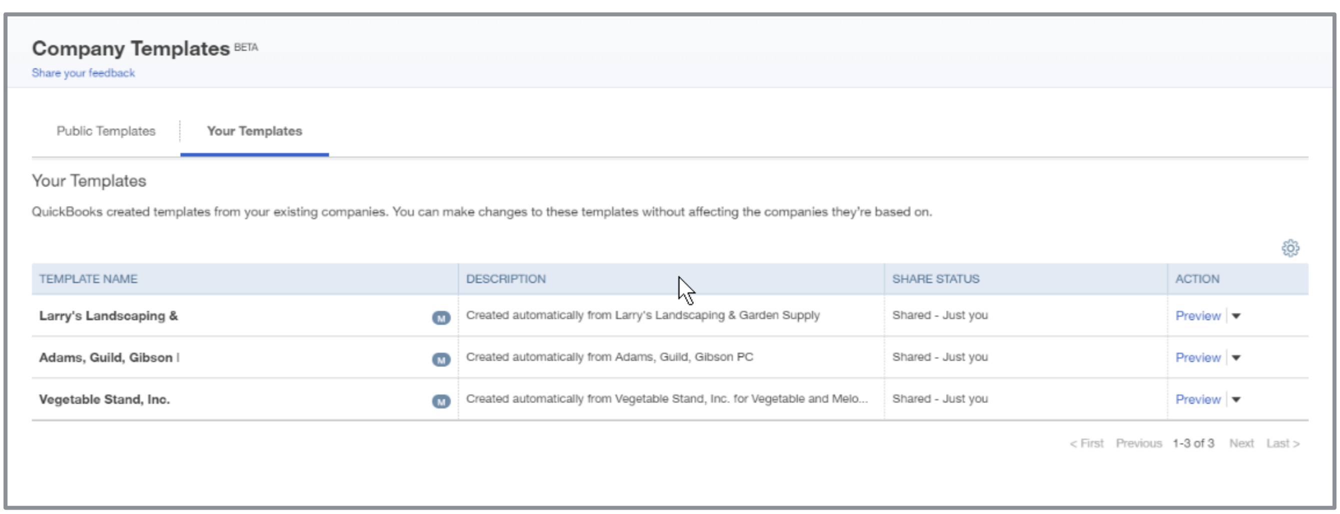


TEMPLATE NAME	DESCRIPTION	VIEWED BY	CREATED BY
Professional Services	For professional service companies, such as a Software Developer	808	Megan Bronson
CPA Firm template	Created automatically from CPA Firm template	735	bonnie@lszcpa.com
Property Management	Created by Gita Faust www.RealEstateAccounting.com	292	Gita Faust
Restaurant Template	Created automatically Restaurant, Caterer, or Bar	220	DEBORAH DEFER
QBD sample nonprofit	Chart of Accounts and Item list from QB Desktop sample "We C...	199	Laura Redmond
Landscaping,LLC	Created automatically from Scorp Landscaping,LLC	181	Bonnie Mackey
Church	Church Template Sample	171	Dana Mitchell
Consulting simple	Consulting for Simple easy to use	147	ken
Property Manager LLC	Created automatically from Property Manager LLC	134	Hector Garcia
Wholesale or Distribut	Wholesale or Distributor Template	131	Dana Mitchell

Each template includes a Chart of Accounts, products and services list and its own unique default settings. This can be a real time saver when setting up a new QuickBooks Online company. To view the accounts and settings of the template, click on its name. Once you have identified a template you would like to use, click on its name then click **Apply** to apply the settings to the QuickBooks Online Company you have open.



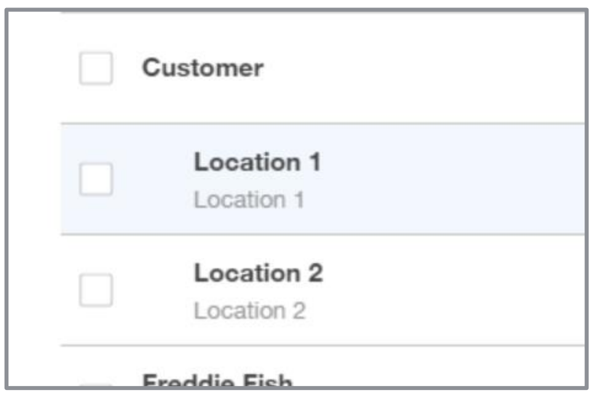
You can also save templates that are specific to you and are not shared with others. Templates specific to you are saved in the Your Templates tab.



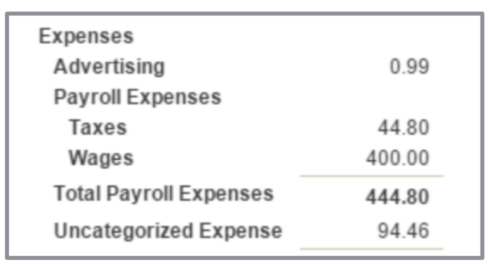
Topic 3: **Set up and Modify Lists and Users**

WORKING WITH LISTS

Lists in QuickBooks Online contain information used in the data entry screens. The Customer, Vendor and Employee lists can be found by clicking on their tabs on the left navigation pane. From each center you can add, edit or delete list items. You can also have sub-lists of items. For example, if you have a customer with multiple locations, you can have a parent customer – perhaps the corporate office – and sub-customers for each location you sell to. You can choose whether to bill the sub-customer's transactions to the parent or the sub.



You can also have sub-accounts in your Chart of Accounts. This is a great way to create subtotals on your financial statements and keep track of additional details.



Expenses	
Advertising	0.99
Payroll Expenses	
Taxes	44.80
Wages	400.00
Total Payroll Expenses	444.80
Uncategorized Expense	94.46

CHART OF ACCOUNTS

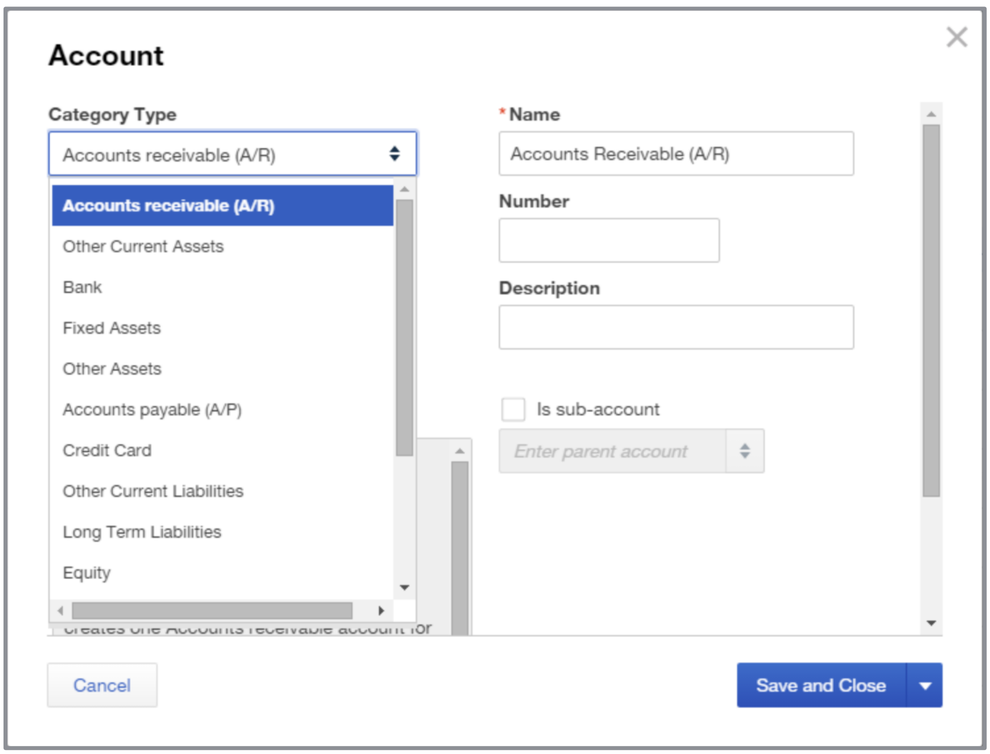
Setting up the Chart of Accounts is key to useful and meaningful reporting. You can set up your Chart of Accounts manually or by importing it using the Import tool, which will be covered later in the training.

Step-by-Step: Set up the Chart of Accounts Manually

1. Decide if you will need account numbers; if so, turn them on in the **Advanced** tab in customer settings.

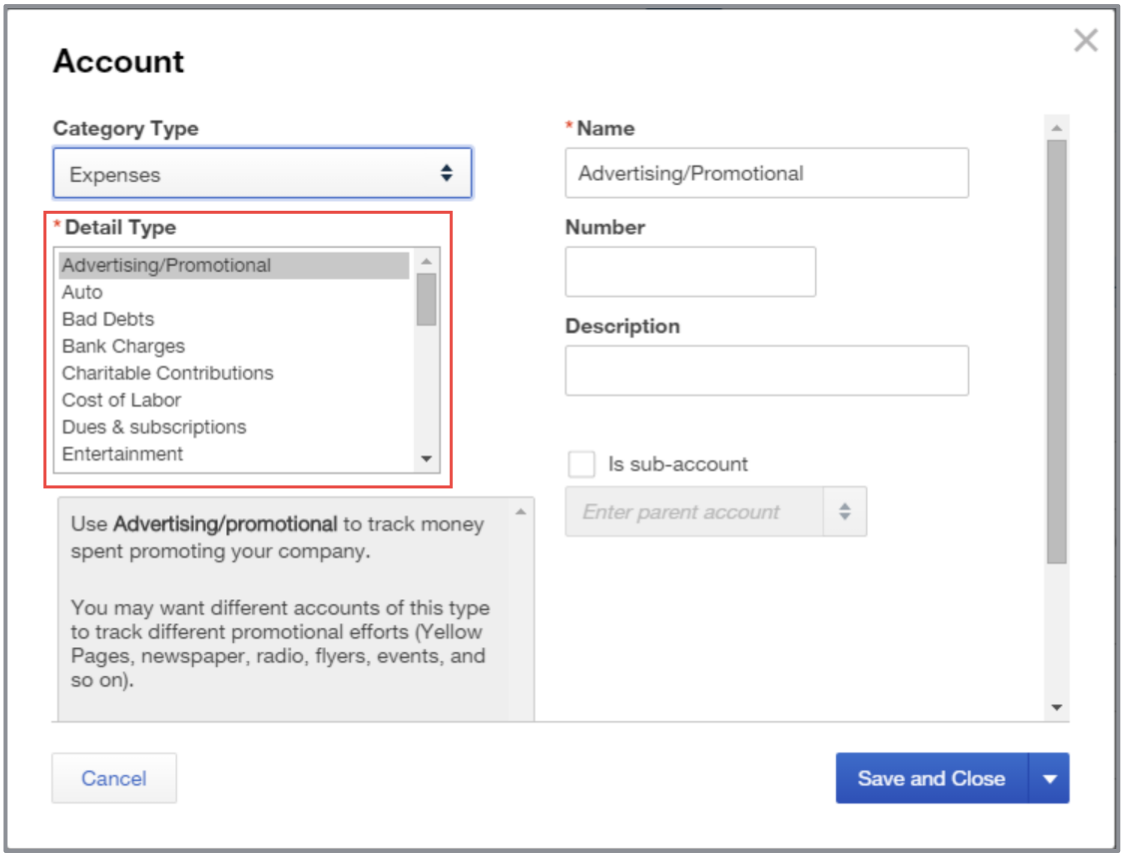
2. Open the Chart of Accounts by clicking on the **gear** icon.

3. Click **New** to open the Account window.



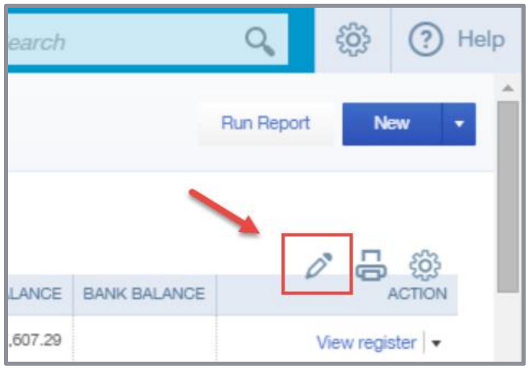
4. Choose the Category Type. This is your general account type, (i.e., bank, accounts receivable, liability, equity, income or expense).

5. Choose the Detail Type.



6. Enter the name, number and description.
7. If the item is a sub-account, check the box and choose the parent account from the drop- down.
8. If creating a Balance Sheet account, the balance box should not be used. When you put an amount in this box the offsetting debit or credit is made to opening balance equity.
9. Click **Save and Close** or **Save and New** to enter another account.

TIP: *If you need to edit the numbers or names of your Chart of Accounts, click the pencil icon at the top right of the list. This opens a grid format that allows you to change the name and account number without opening the Edit screen for each account.*


earch
Help
Run Report
New
LANCE
BANK BALANCE
ACTION
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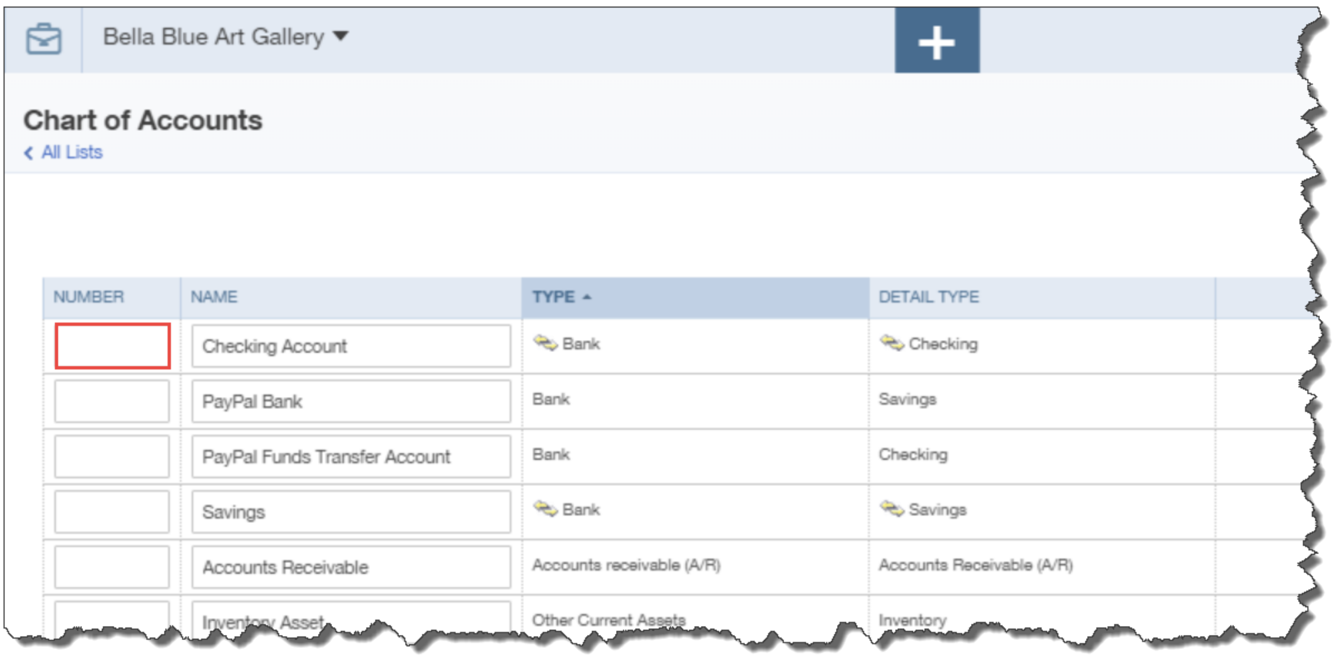
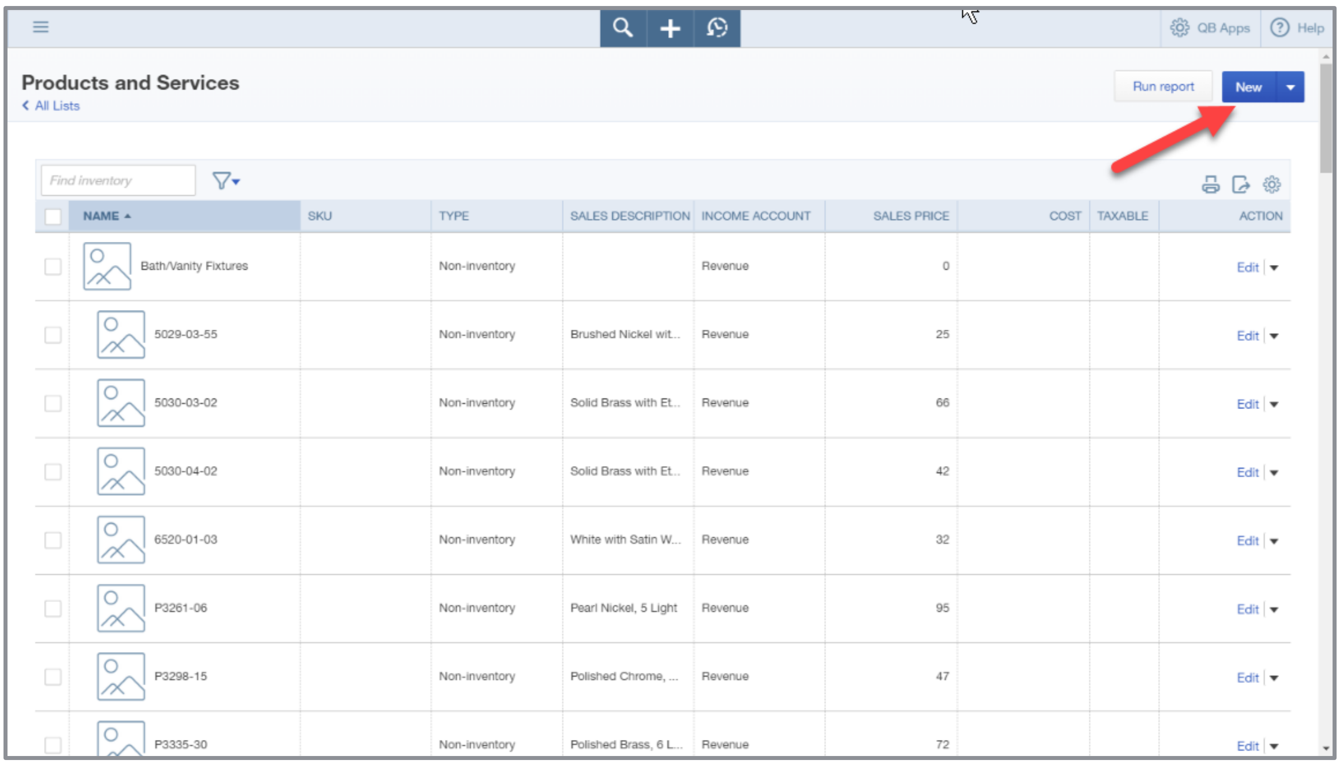

Bella Blue Art Gallery
Chart of Accounts
All Lists
NUMBER
NAME
TYPE
DETAIL TYPE
Checking Account
Bank
Checking
PayPal Bank
Bank
Savings
PayPal Funds Transfer Account
Bank
Checking
Savings
Bank
Savings
Accounts Receivable
Accounts receivable (A/R)
Accounts Receivable (A/R)
Inventory Asset
Other Current Assets
Inventory

PRODUCTS AND SERVICES LIST

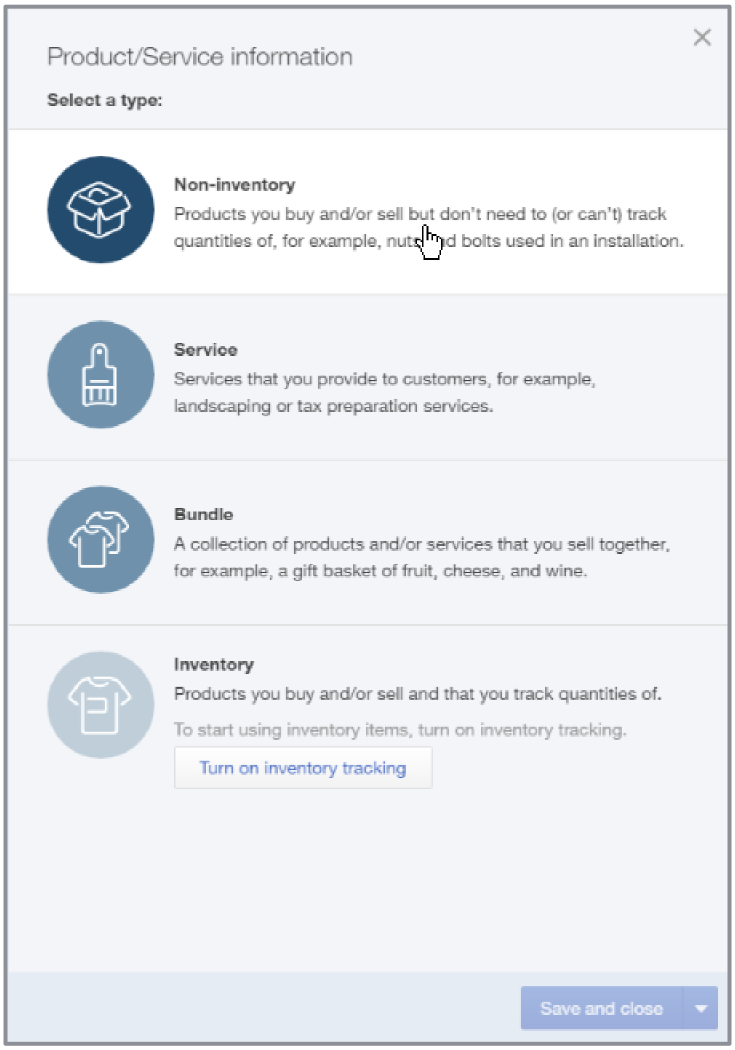
The Products and Services list contains the items that will appear on your purchase and sales transactions. Each item must be mapped to an account in the Chart of Accounts. Each time the item is used in the transaction, the appropriate entry is made behind the scenes. You can import your Items list from Excel using the Import utility, which we will learn about later in this module.

Step-by-Step: **Create a new Product or Service**

1. Click the blue **New** button at the top right of your Products and Services list.

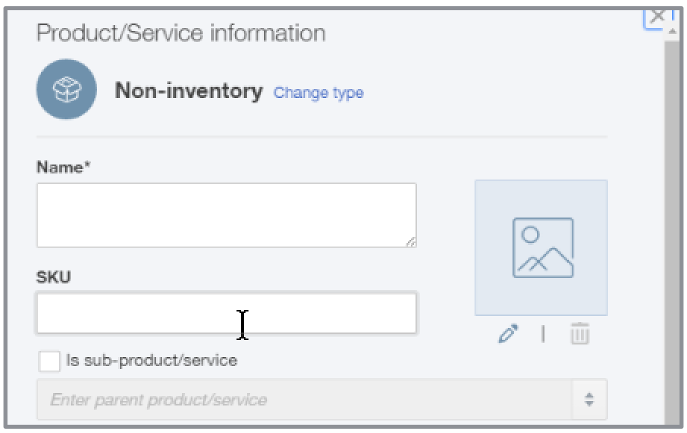


2. If you are working in a QuickBooks Online Plus subscription with inventory enabled, you'll have four item types to choose from:
   - Non-inventory
   - Service
   - Bundle
   - Inventory

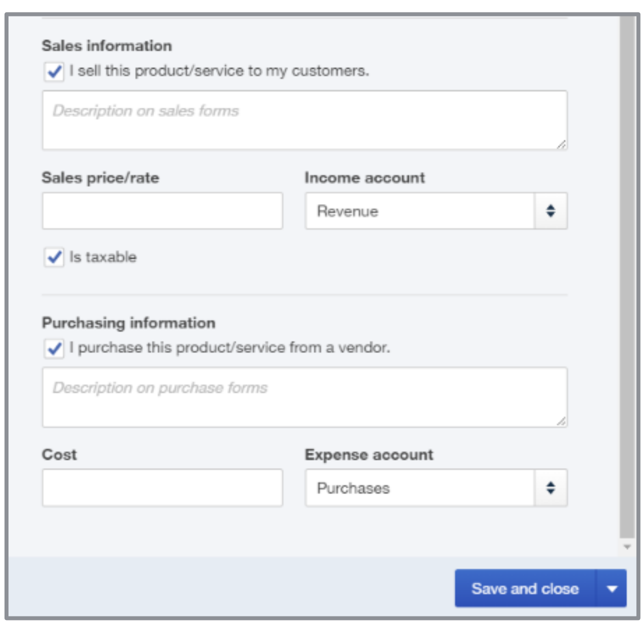


3. Choose a name for your item and enter a description. You can enter the SKU number and upload a photo of your item.

TIP: *You can have sub-items in QuickBooks Online. Sub-items of the same parent are totaled on your reports. They can also make data entry easier, you can choose the parent item in the drop-down on the sales form and the sub-items will be listed below it. This can make finding items faster, especially if you have a lot of them.*



4. The bottom of the screen is where you enter the Sales information – description, sales price/rate and code the item to the appropriate income account. If you want to track the profitability of your items and use them in expense transactions, check the box under **Purchasing information** for Non-inventory and Service items and enter the Cost and Expense account.



To enable inventory tracking in QuickBooks Online Plus, you must first enable the feature in the Company Settings menu: **Sales** tab → **Products and services** → **Track quantity on hand** or click **Turn on inventory tracking** when you click the blue **New** button to add a new item. QuickBooks Online values inventory using the FIFO method.

NOTE: *All versions of QuickBooks Desktop use the average cost method of inventory valuation, with the exception of QuickBooks Enterprise Solutions with Advanced Inventory.*

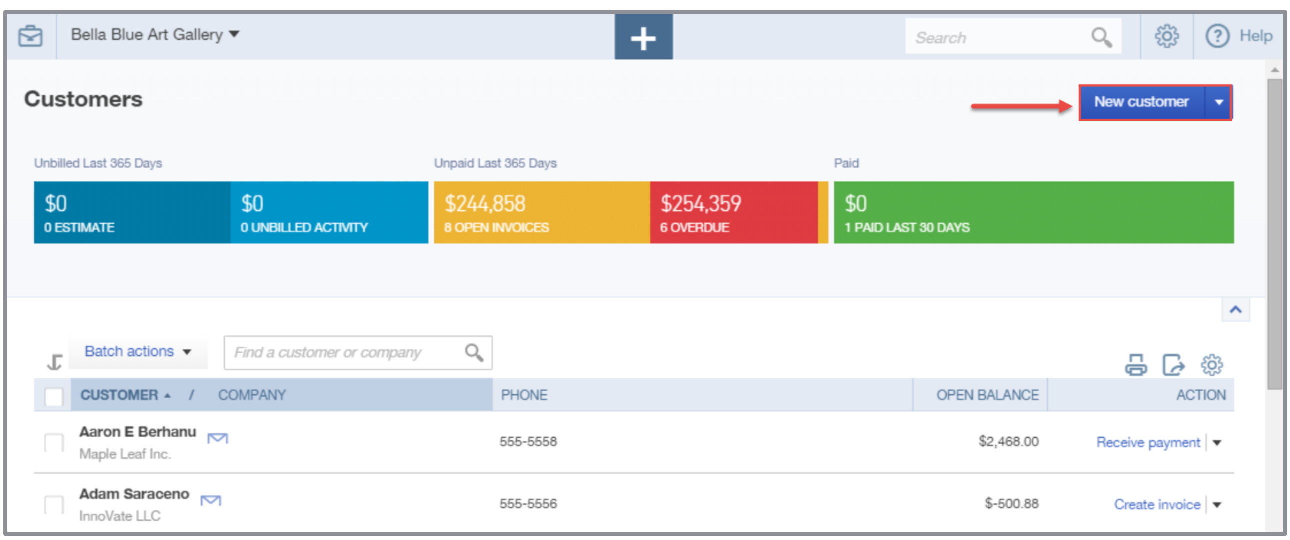
NOTE: *If you enter a beginning quantity on hand when creating a new Inventory item, QuickBooks will create a journal entry to debit the Inventory Asset account and credit the Opening Balance Equity account. If you do not want this to occur, enter a beginning quantity of zero.*

WORKING WITH THE CUSTOMER, VENDOR AND EMPLOYEE LISTS

You create a new customer, vendor or employee from their center in the left navigation pane. You can also add a new name from the name fields in transactions by selecting **+ add new** from the drop-down list. Each setup screen will have fields related to the type of name you are creating.

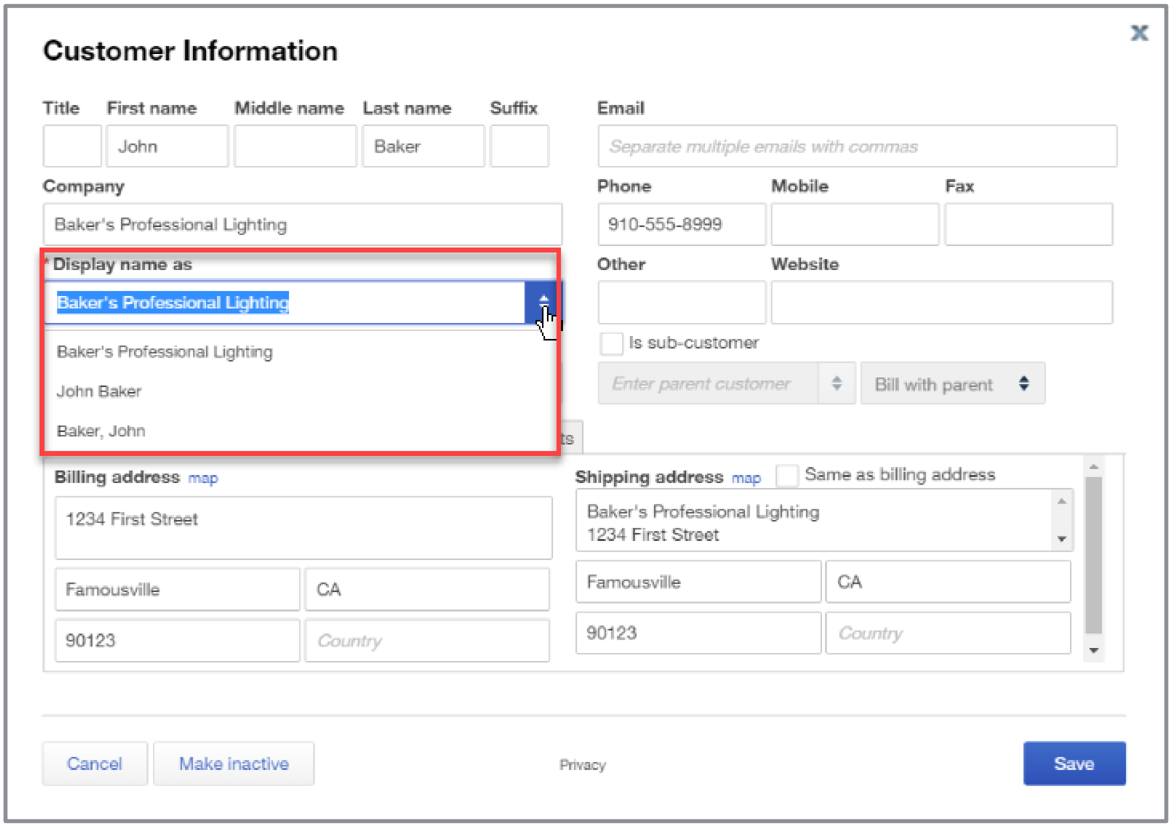
Step-by-Step: Add a New Customer

1. Click the blue **New** customer button at the top right of the screen.

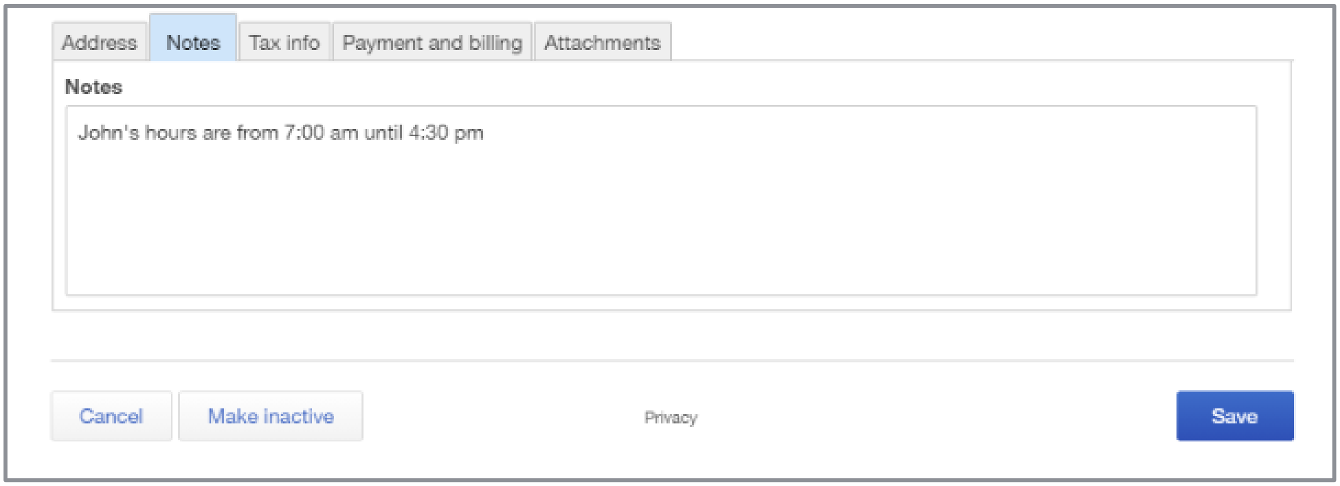


2. Enter information about your customer such as name, address and other contact information.

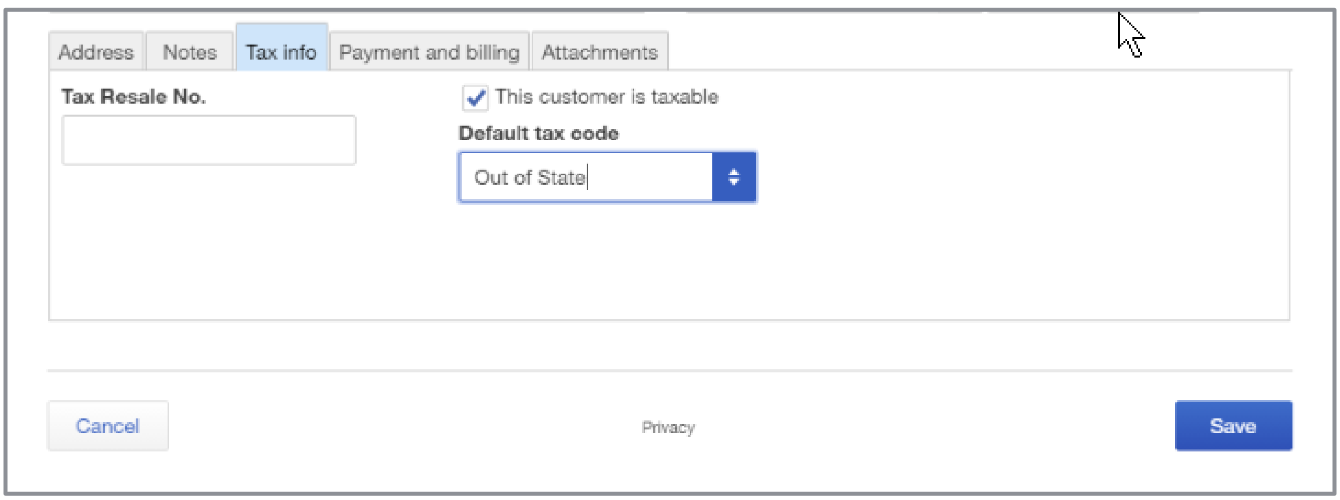
TIP: *You can choose how your client name is displayed in the Client list by clicking the drop-down menu next to* ***Display name as****.*



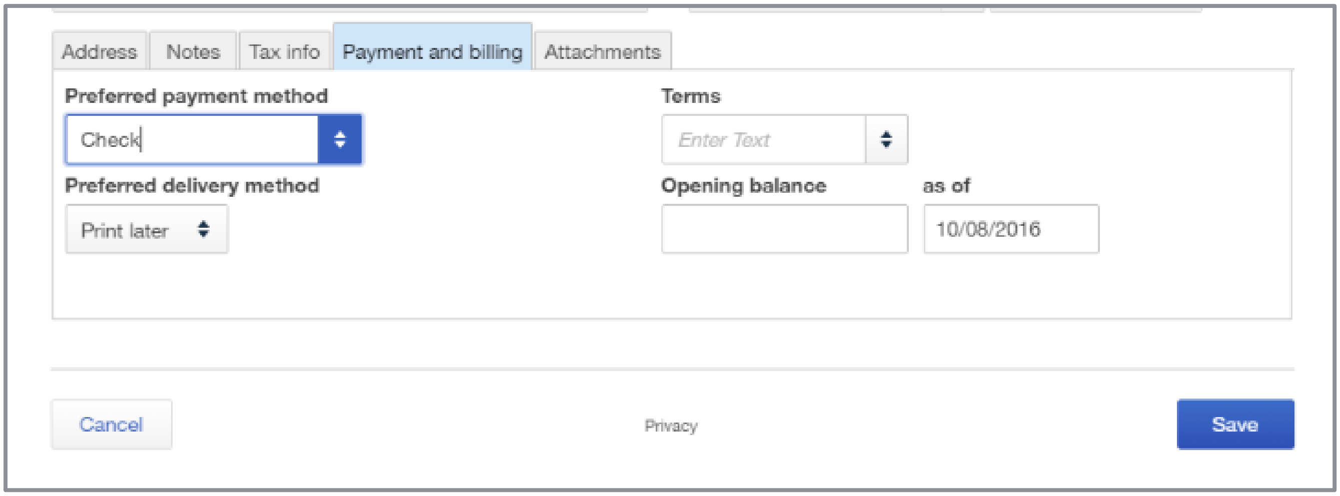
3. You can enter notes about your customer such as product specifications or shipping account info in the Notes tab.



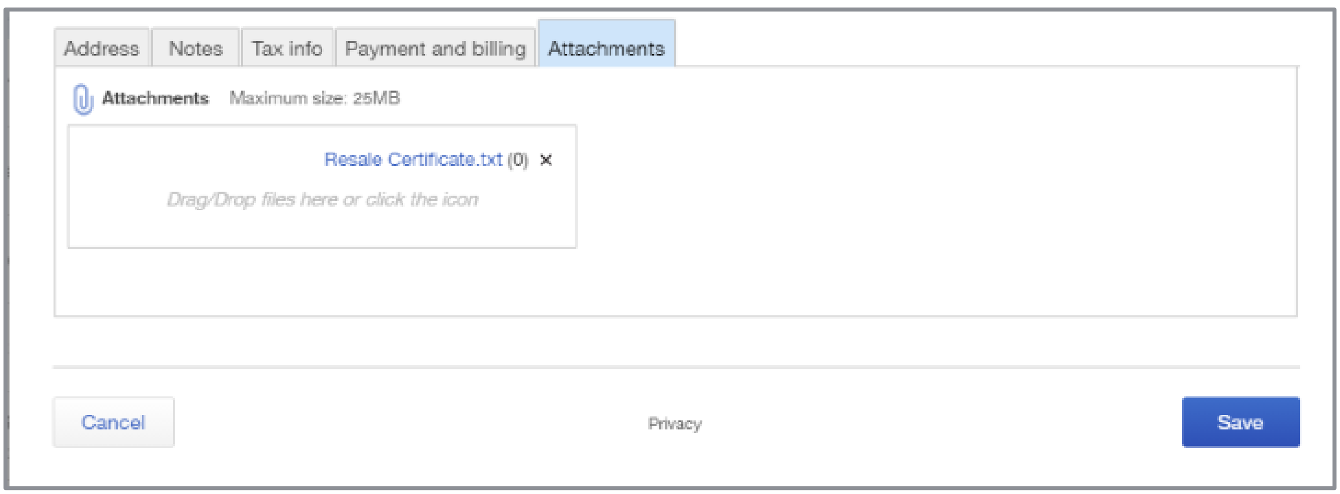
4. If you must collect sales tax from your customers, Tax info is where you set the default sales tax code and store an exempt customer's tax resale number.



5. You can set preferences for payment method, preferred invoice delivery method and terms using the Payment and billing tab.



6. You can attach documents to the Customer such as a contract, quote or resale certificate.



7. Click **Save** and your customer has been added.

NOTE: *It is a good idea to enter as much information as you can when you initially set up a name so you can fully utilize the power of the QuickBooks Online database when creating reports and working with your list data. It can save time up front to skip fields, but you may regret it later when you realize your lists aren't complete.*

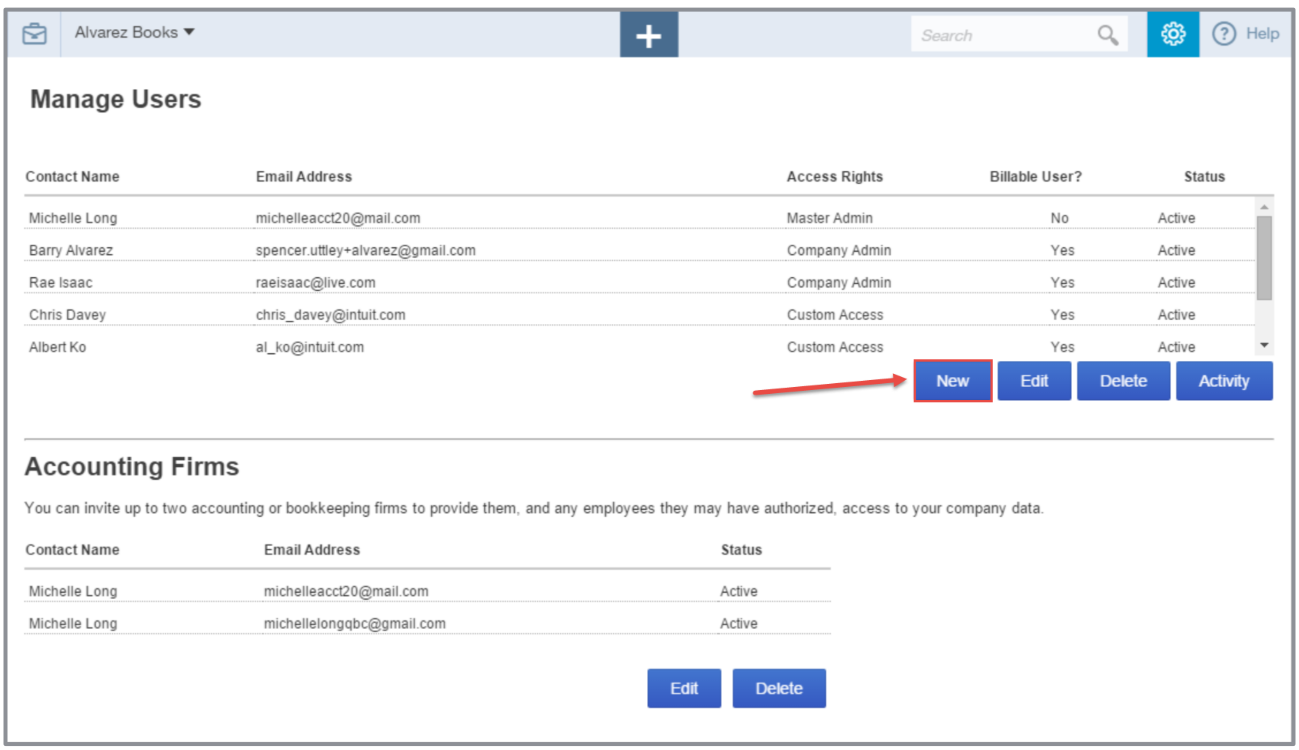
MANAGE USERS

Step-by-Step: Set up Users

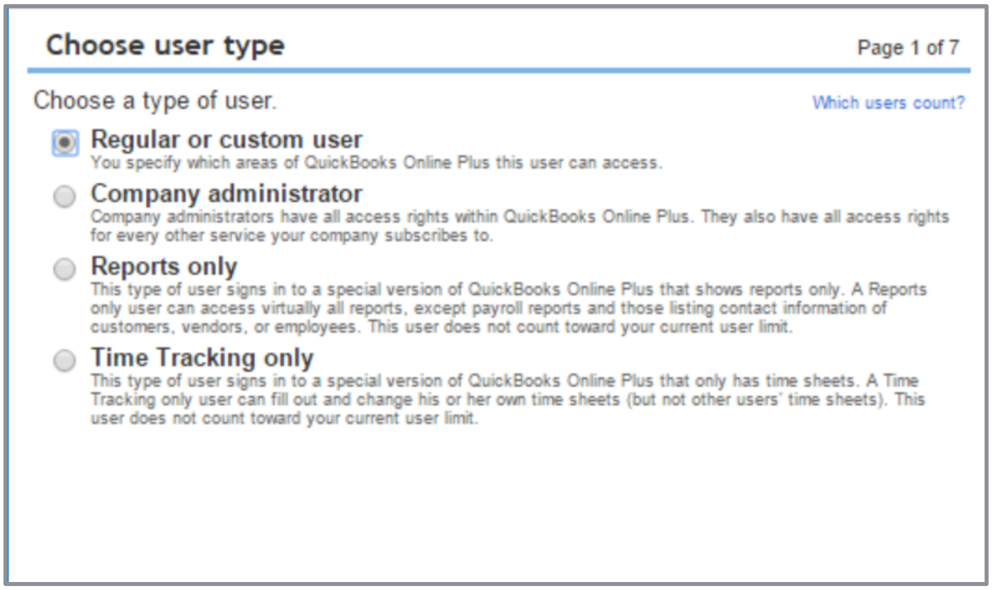
1. Click the **gear** icon in the top right top navigation bar then select **Manage Users** under the Your Company column.

2. To add a user, click the blue **New** button.

TIP: *You must allow pop-ups in your browser to add a new user.*



3. Choose the type of user you would like to add. You can choose from the following types:



- **Regular or custom user** – you control which areas the user has access to
- **Company administrator** has access to all areas of the program including settings and full access rights to all other services the QuickBooks Online company subscribes to, such as payroll and Intuit Payments
- **Reports only** users log into a special version of QuickBooks Online that gives them access to almost all reports except payroll and list reports that include contact information (you can have unlimited Reports only users with your QuickBooks Online Plus subscription)
- **Time Tracking only users** log into a special version of QuickBooks Online that only has time sheets; the users fill out and change their own time sheets but do not have access to other users' timesheets (you can have unlimited Time Tracking users with your QuickBooks Online Plus subscription)

4. If you choose Custom user, you will need to specify the user's access rights within QuickBooks Online.

5. After you have configured access, invite the user by entering their email address and name. Once the user is added they will receive an invitation email with instructions to create a new user account and log in.

6. To modify a user's rights or login information, click the **Edit** button from the Manage users screen. You can also delete users and view their activity from the Manage user screen.

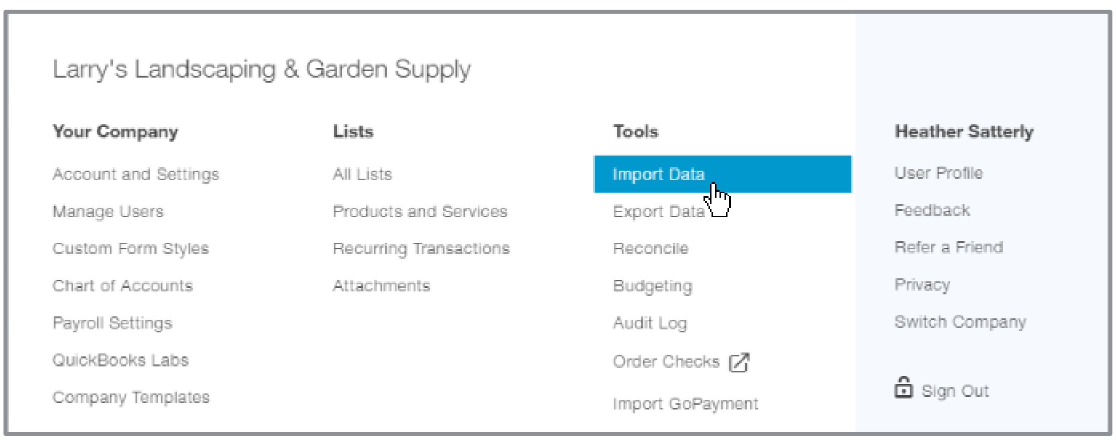
Topic 4: **Import Data into QuickBooks Online**

IMPORT LISTS INTO QUICKBOOKS ONLINE

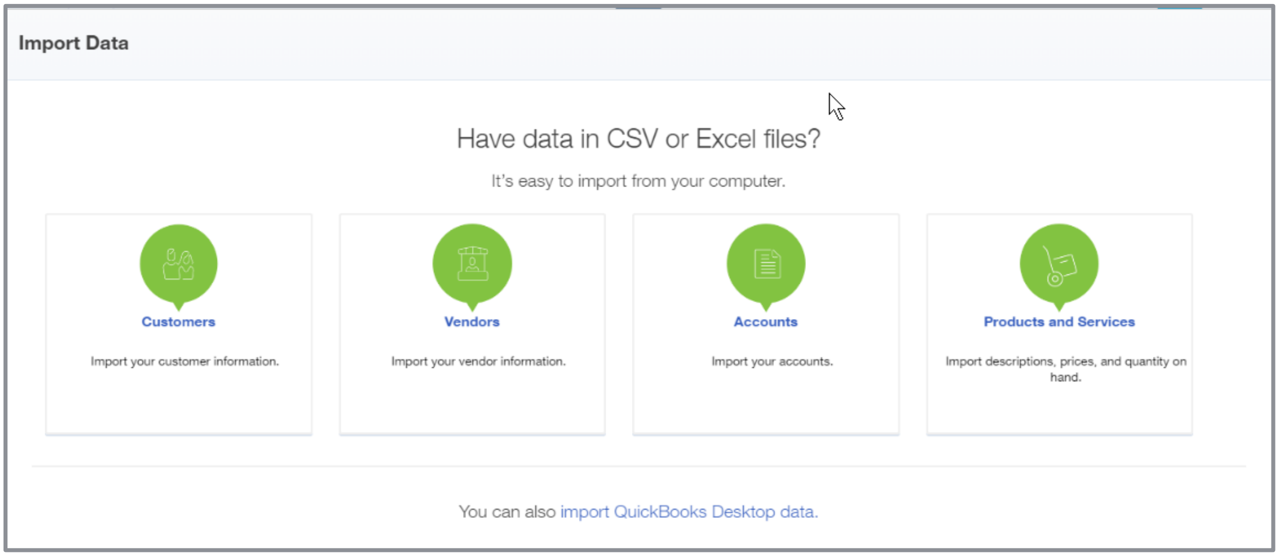
You can import the following lists into QuickBooks Online using the Import utility from a CSV or Excel file:

- Customers
- Vendors
- Chart of Accounts
- Products and Services

The import utility is found by clicking on the **gear** icon then selecting **Import Data** under the Tools list.



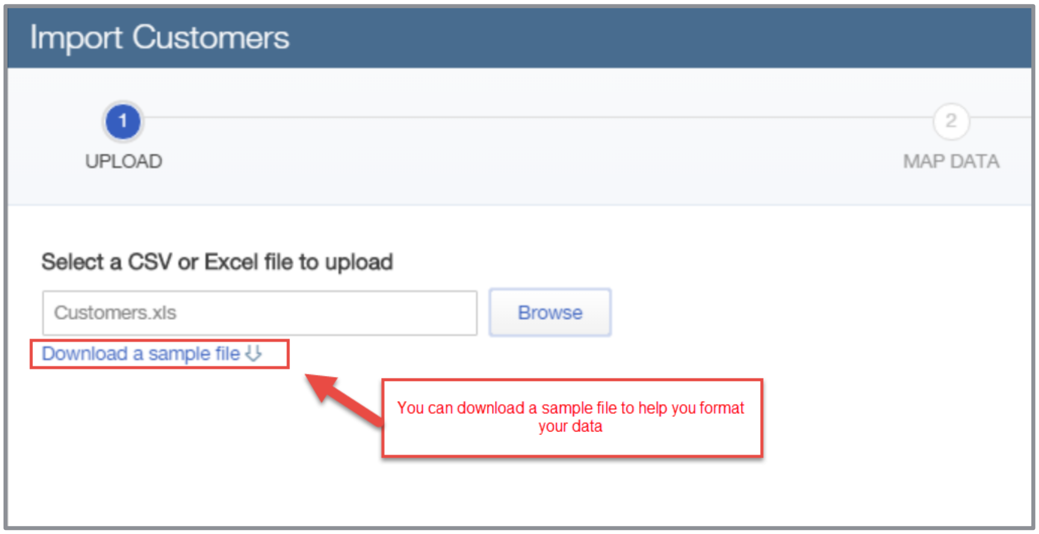
Before you attempt to import list data into QuickBooks Online, it is helpful to know what fields can be imported. You can find this by downloading a sample file from the import data screen.



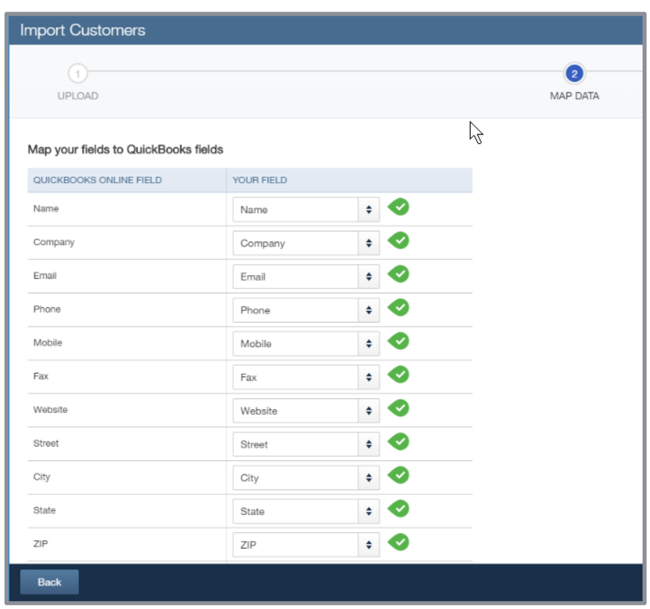
There is a template Excel file for each list type you can use to format your data or simply copy and paste each column from another source. Once you have correctly formatted your Excel data, you are ready to import.

Step-by-Step: **Import a List**

1. From the Import screen, click the **Browse** button to find your workbook.
2. Click **Next**.

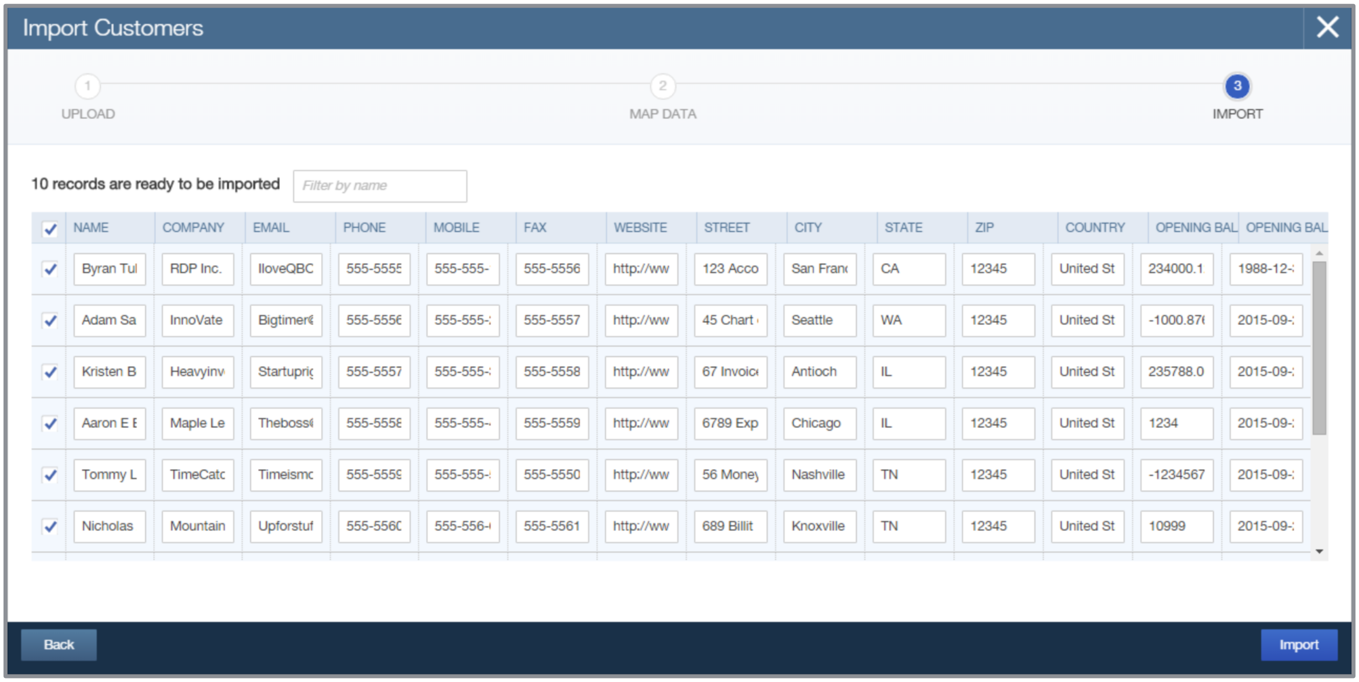


3. QuickBooks will try to match the labels in your worksheet to the fields in QuickBooks Online. One of the major benefits of using the template provided is you won't need to manually map the fields. But if you do need to map, click the **drop-down** next to the QuickBooks Online field name to choose the corresponding field in Excel.
4. When you have finished your mapping, click **Next**.



5. The Import screen displays the data before you actually import it into QuickBooks Online. You can make changes to the data here if you need to.

6. Once you are happy with your data, click **Import**. QuickBooks will tell you if your data was imported successfully.



Import from QuickBooks Desktop

QuickBooks Online allows users to import data from QuickBooks Desktop within the first 60 days of creating the QuickBooks Online account. When this data is imported, it replaces any data in the QuickBooks Online account.

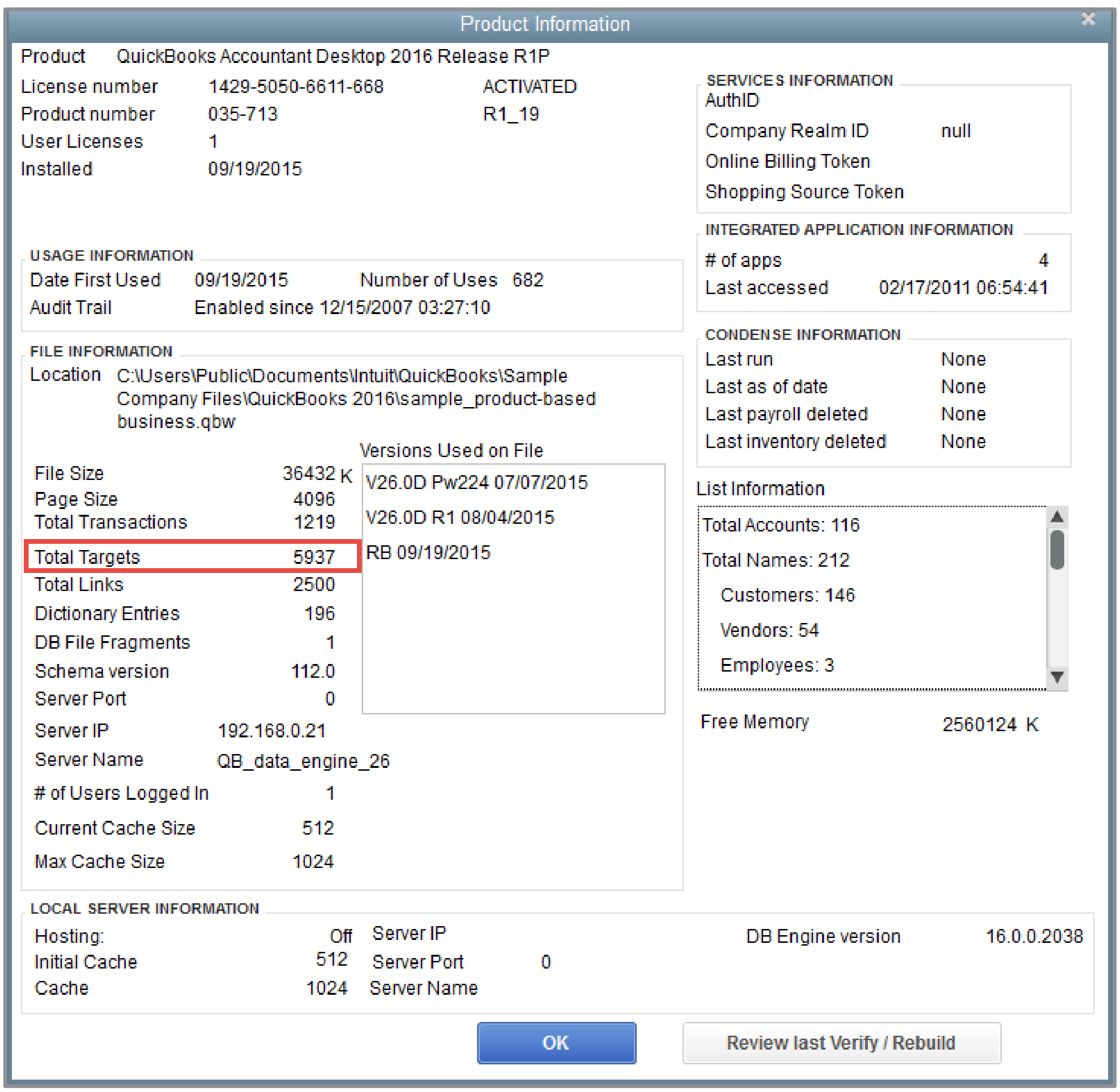
Most QuickBooks Desktop data can be imported, but there are some limitations. International versions of QuickBooks Desktop cannot be imported into QuickBooks Online's U.S. version. This link contains a comprehensive guide to converting from QuickBooks Desktop to QuickBooks Online: https://community.intuit.com/questions/1145779-survival-guide-import-to-quickbooks-online-from-quickbooks-desktop

Step-by-Step: **Convert from QuickBooks Desktop to QuickBooks Online**

This will not work with the QuickBooks Online sample company, but these steps may be followed with a new client who has been using QuickBooks Desktop.

A QuickBooks Online company should be set up by the client or by the accountant user creating a QuickBooks Online company on behalf of the client from within QuickBooks Accountant (covered in Topic 1).

1. Open the QuickBooks Desktop company data file as the administrator user.
2. The file cannot have more than 350k targets. To view the size of your file, press the **F2** key. If the file has more than 350k targets, you can still import lists.



3. Navigate to **File → Utilities** (or **Maintenance**) **→ Rebuild data**. A backup must be created before QuickBooks Desktop runs the Rebuild action.
4. Navigate to **File → Utilities** (or **Maintenance**) **→ Verify Data**. Correct any errors in the QuickBooks data before proceeding to the next step.
5. Navigate to **Company → Export Company File to QuickBooks Online**. The wizard will provide the steps to sign in and identify the proper QuickBooks Online account then import data directly from the Desktop company.

NOTE: *Be very careful with this step as it will overwrite all data in the QuickBooks Online account you select. If you are practicing this process, create a new QuickBooks Online account that can be cancelled.*

6. Once complete, wait for confirmation that the QuickBooks Desktop file has been successfully imported. An email notification will be sent within 24 hours. Often the conversion is very quick and email confirmation is received almost immediately.
7. Verify the data was imported correctly. If you are an accountant user, you will receive an Import Summary Report attached to the confirmation email mentioned in step 6 that will tell you if any list names were not imported or if there were any differences in balances. You'll also need to create a Balance Sheet and Profit & Loss report in both QuickBooks Online and Desktop. Customize the date range to All Dates. Set the accounting method to Accrual. Compare the balances, looking for any inconsistencies.

NOTE: *It is recommended that you do any necessary cleanup in your QuickBooks Desktop file before you convert it to QuickBooks Online. This includes cleaning up list items, writing off old invoices, etc.*

Guide Conclusion

You have just completed *Module 2: Setting Up*. This Supplemental Guide, in tandem with its recorded module, has been provided to help prepare you for the QuickBooks Online Certification Exam. Continue on to the remaining modules and their related guides and then proceed to the certification exam.

By completing this module, you should be able to:

- Specify the steps to create a new QuickBooks Online Company
- Recognize the steps to manage Account and Settings
- Identify accounting-related preferences
- Identify sales-related settings
- Identify expense-related settings
- Specify the steps to setup and modify lists and users
- Identify the steps to import data into QuickBooks Online