**Table of Contents**

**About This Course Book**

Course Description ix

Course Series ix

Course Prerequisites ix

Course Requirements ix

Course Objectives x

Course Design xi

Conventions and Graphics xii

Download the QuickBooks Data Files xii

[**Lesson 1: Introduction**](#_Toc206151513)

[Lesson Objectives 1](#_Toc206151514)

[Understanding Bookkeeping Systems 2](#_Toc206151515)

[Overview 4](#_Toc206151516)

[What is QuickBooks Online? 4](#_Toc206151517)

[Subscriptions Plans 6](#_Toc206151518)

[Signing Up for QuickBooks Online 7](#_Toc206151519)

[Setting Up Company Information 11](#_Toc206151520)

[Company 12](#_Toc206151521)

[Usage 13](#_Toc206151522)

[Payments 13](#_Toc206151523)

[Sales 14](#_Toc206151524)

[Expenses 16](#_Toc206151525)

[Time 17](#_Toc206151526)

[Advanced 17](#_Toc206151527)

[Setting up and Managing Sales Tax 19](#_Toc206151528)

[Managing Sales Tax 21](#_Toc206151529)

[Managing Sales Taxes 21](#_Toc206151530)

[Import List Information 23](#_Toc206151531)

[Migrating Data to QuickBooks Online 26](#_Toc206151532)

[Managing Users 27](#_Toc206151533)

[Roles That Are Part of Your User Limit 27](#_Toc206151534)

[Roles That Are Not Part of Your User Limit 29](#_Toc206151535)

[Looking at the QuickBooks Screen 32](#_Toc206151536)

[The Business View vs. the Accountant View 33](#_Toc206151537)

[Moving Around Lists 34](#_Toc206151538)

[Using QuickBooks Online Keyboard Shortcuts 35](#_Toc206151539)

[Using the QuickBooks Icon Bar 36](#_Toc206151540)

[The Chart of Accounts 36](#_Toc206151541)

[How the Chart of Accounts Works 36](#_Toc206151542)

[Account Type 40](#_Toc206151543)

[General Ledger Accounts 41](#_Toc206151544)

[Creating GL Accounts 41](#_Toc206151545)

[Modifying GL Accounts 44](#_Toc206151546)

[Removing GL Accounts 45](#_Toc206151547)

[Restore an Inactive Account 46](#_Toc206151548)

[Merging Duplicate Accounts 47](#_Toc206151549)

[Printing the Chart of Accounts Listing 48](#_Toc206151550)

[General Journal Transactions 49](#_Toc206151551)

[Creating Journal Transactions 49](#_Toc206151552)

[Creating Memorized Journal Transactions 51](#_Toc206151553)

[Recalling Memorized Journal Transactions 52](#_Toc206151554)

[Adjusting Previously Posted General Journal Entries 52](#_Toc206151555)

[Reversing General Journal Entries 53](#_Toc206151556)

[General Journal Report 54](#_Toc206151557)

[Lesson Summary 55](#_Toc206151558)

[Practice Questions 56](#_Toc206151559)

[**Lesson 2: Inventory and Services**](#_Toc206151560)

[Lesson Objectives 57](#_Toc206151561)

[Inventory 58](#_Toc206151562)

[Working with the Products and Services Page 58](#_Toc206151563)

[Managing Categories 59](#_Toc206151564)

[Creating Inventory Accounts 60](#_Toc206151565)

[Creating Inventory Items 63](#_Toc206151566)

[Products and Services List 63](#_Toc206151567)

[Service Items 63](#_Toc206151568)

[Non-Inventory Items 64](#_Toc206151569)

[Inventory Items 64](#_Toc206151570)

[Bundle Items 64](#_Toc206151571)

[Creating Service Items 66](#_Toc206151572)

[Managing Inventory and Service Item Data 67](#_Toc206151573)

[Managing the Products and Services List 68](#_Toc206151574)

[Inventory Reports 69](#_Toc206151575)

[Lesson Summary 71](#_Toc206151576)

[Practice Questions 72](#_Toc206151577)

[**Lesson 3: Suppliers and Accounts Payable**](#_Toc206151578)

[Lesson Objectives 73](#_Toc206151579)

[Suppliers 74](#_Toc206151580)

[Working with the Suppliers Page 74](#_Toc206151581)

[Managing Terms 74](#_Toc206151582)

[Managing the Suppliers List 76](#_Toc206151583)

[Creating Supplier Records 76](#_Toc206151584)

[Modifying Suppliers 80](#_Toc206151585)

[Making Purchases 81](#_Toc206151586)

[Understanding the Workflow 81](#_Toc206151587)

[Entering Supplier Bills 82](#_Toc206151588)

[Writing Cheques 86](#_Toc206151589)

[Memorized Payment Transactions 87](#_Toc206151590)

[Creating Purchase Orders 88](#_Toc206151591)

[Receiving Supplier Bills 89](#_Toc206151592)

[Finding and Modifying Bills 91](#_Toc206151593)

[Connecting Your Bank or Credit Card 91](#_Toc206151594)

[Paying Supplier Bills 93](#_Toc206151595)

[Printing Cheques 94](#_Toc206151596)

[Supplier Reports 96](#_Toc206151597)

[Lesson Summary 99](#_Toc206151598)

[Practice Questions 100](#_Toc206151599)

[**Lesson 4: Customers and Accounts Receivable**](#_Toc206151600)

[Lesson Objectives 101](#_Toc206151601)

[Customers 102](#_Toc206151602)

[The Customer Page 102](#_Toc206151603)

[Customer Types 103](#_Toc206151604)

[Payment Methods 104](#_Toc206151605)

[The Customers List 105](#_Toc206151606)

[Modifying Customer Records 108](#_Toc206151607)

[Recording Sales 109](#_Toc206151608)

[The Types of Transactions 109](#_Toc206151609)

[Create Sales Receipts 110](#_Toc206151610)

[Entering Sales on Invoice 111](#_Toc206151611)

[Viewing, Adjusting, and Deleting Sales Invoices 112](#_Toc206151612)

[Payments and Credits on Receivables 113](#_Toc206151613)

[Receiving Payments 113](#_Toc206151614)

[Refunds and Credits 115](#_Toc206151615)

[Creating a Credit Memo 116](#_Toc206151616)

[Applying a Credit 117](#_Toc206151617)

[Adjusting Payments 117](#_Toc206151618)

[Recording Deposits 118](#_Toc206151619)

[Customer Reports 119](#_Toc206151620)

[Lesson Summary 123](#_Toc206151621)

[Practice Questions 124](#_Toc206151622)

[**Lesson 5: Employees and Payroll**](#_Toc206151623)

[Lesson Objectives 125](#_Toc206151624)

[Payroll Overview and Setup 126](#_Toc206151625)

[Payroll Options 126](#_Toc206151626)

[Payroll Overview 127](#_Toc206151627)

[Payroll Taxes 128](#_Toc206151628)

[Employee Page 130](#_Toc206151629)

[Employee Records 130](#_Toc206151630)

[Adding a New Employee 130](#_Toc206151631)

[Editing Individual Employee Data 137](#_Toc206151632)

[Running Payrolls 137](#_Toc206151633)

[Creating Employee and Payroll Reports 139](#_Toc206151634)

[Lesson Summary 141](#_Toc206151635)

[Practice Questions 142](#_Toc206151636)

[**Lesson 6: Reporting, Miscellaneous and Year-End Procedures**](#_Toc206151637)

[Lesson Objectives 143](#_Toc206151638)

[Creating and Printing Financial Reports 144](#_Toc206151639)

[Cash Flow Overview 147](#_Toc206151640)

[Cash Flow Planner 148](#_Toc206151641)

[Prepare Tax Returns 149](#_Toc206151642)

[Year-End Procedures 152](#_Toc206151643)

[Closing the Books 152](#_Toc206151644)

[Closing Dates in QuickBooks 153](#_Toc206151645)

[Lesson Summary 155](#_Toc206151646)

[Practice Questions 156](#_Toc206151647)

[**Lesson 7: Setting Up Data and Customizing Settings**](#_Toc206151648)

[Lesson Objectives 157](#_Toc206151649)

[Setting Up a Primary Administrator 158](#_Toc206151650)

[Adding Banks to an Account 159](#_Toc206151651)

[Adding Accounts to the General Ledger 160](#_Toc206151652)

[Using Account Numbers 160](#_Toc206151653)

[Entering G/L Account Opening Balances 161](#_Toc206151654)

[Entering Additional Customers and Balances 164](#_Toc206151655)

[Entering Additional Suppliers and Balances 165](#_Toc206151656)

[Working with Registers 166](#_Toc206151657)

[Entering Additional Inventory and Balances 167](#_Toc206151658)

[Lesson Summary 169](#_Toc206151659)

[Practice Questions 170](#_Toc206151660)

[**Lesson 8: Banking and Credit Cards**](#_Toc206151661)

[Lesson Objectives 171](#_Toc206151662)

[Online Banking with QuickBooks 172](#_Toc206151663)

[The Banking Page 172](#_Toc206151664)

[Bank Account Reconciliation 174](#_Toc206151665)

[Creating and Setting Up Credit Cards for Purchases 179](#_Toc206151666)

[Enter Supplier Purchases on Credit Card 181](#_Toc206151667)

[Reconciling the Credit Card Account for Purchases 183](#_Toc206151668)

[Banking Reports 185](#_Toc206151669)

[Lesson Summary 187](#_Toc206151670)

[Practice Questions 188](#_Toc206151671)

[**Lesson 9: Budgets, Business Overview, Classes, and Inventory**](#_Toc206151672)

[Lesson Objectives 189](#_Toc206151673)

[Budgeting 190](#_Toc206151674)

[Creating a Budget 190](#_Toc206151675)

[Reporting Against the Budget 192](#_Toc206151676)

[Using the Business Overview Page 194](#_Toc206151677)

[Handling Accounting by Class 195](#_Toc206151678)

[Activating the Class Feature 195](#_Toc206151679)

[Creating Classes 196](#_Toc206151680)

[Allocating Expenses and Income 197](#_Toc206151681)

[Reporting on Performance by Class 199](#_Toc206151682)

[Managing Inventory 199](#_Toc206151683)

[Generating an Inventory Count Worksheet 199](#_Toc206151684)

[Writing Off Inventory 200](#_Toc206151685)

[Creating a Bundle 200](#_Toc206151686)

[Lesson Summary 203](#_Toc206151687)

[Practice Questions 204](#_Toc206151688)

[**Lesson 10: Additional Payroll Features**](#_Toc206151689)

[Lesson Objectives 205](#_Toc206151690)

[Set up Payroll Taxes 206](#_Toc206151691)

[Edit Payroll Items 207](#_Toc206151692)

[Updating Employee Payroll Records 210](#_Toc206151693)

[Allocating Payroll Expenses to Classes 212](#_Toc206151694)

[Remitting Payroll Deductions/Contributions 214](#_Toc206151695)

[Employee Departures 217](#_Toc206151696)

[Changing an Employee’s Status to Terminated 219](#_Toc206151697)

[Generating a Record of Employment 220](#_Toc206151698)

[Generating T4 Slips 222](#_Toc206151699)

[Lesson Summary 225](#_Toc206151700)

[Practice Questions 226](#_Toc206151701)

[**Lesson 11: Working with Foreign Currencies**](#_Toc206151702)

[Lesson Objectives 227](#_Toc206151703)

[Dealing with Foreign Currency 228](#_Toc206151704)

[Setting Up Foreign Currency 228](#_Toc206151705)

[Updating the Foreign Currency Exchange Rate 229](#_Toc206151706)

[Setting Up a Foreign Currency Bank Account 231](#_Toc206151707)

[Making Purchases in Foreign Currency 233](#_Toc206151708)

[Foreign Currency Accounts Payable 233](#_Toc206151709)

[Setting Up a Supplier 233](#_Toc206151710)

[Entering Supplier Bills in a Foreign Currency 234](#_Toc206151711)

[Paying Bills in a Foreign Currency 235](#_Toc206151712)

[Setting Up for Sales to Foreign Customers 236](#_Toc206151713)

[Foreign Currency Accounts Receivable 236](#_Toc206151714)

[Setting Up Foreign Customers 236](#_Toc206151715)

[Setting Up Price Rules for Customers 237](#_Toc206151716)

[Making Sales Using a Foreign Currency 240](#_Toc206151717)

[Receiving Customer Payments in a Foreign Currency 241](#_Toc206151718)

[Foreign Currency Reporting 242](#_Toc206151719)

[Lesson Summary 245](#_Toc206151720)

[Practice Questions 246](#_Toc206151721)

[**Lesson 12: Miscellaneous Items**](#_Toc206151722)

[Lesson Objectives 247](#_Toc206151723)

[Preparing Customer Statements 248](#_Toc206151724)

[NSF Cheques 249](#_Toc206151725)

[Setting Up Charges for NSF Cheques 250](#_Toc206151726)

[Handling NSF Cheques 251](#_Toc206151727)

[Processing Payment of NSF Cheques 253](#_Toc206151728)

[Handling Bad Debts 253](#_Toc206151729)

[Setting Up Special Items for Bad Debt Write-offs 254](#_Toc206151730)

[Writing Off Bad Debt 254](#_Toc206151731)

[Using Projects 256](#_Toc206151732)

[Activating the Projects Features 256](#_Toc206151733)

[Creating Projects 256](#_Toc206151734)

[Creating Estimates 258](#_Toc206151735)

[Invoicing Against Estimates 259](#_Toc206151736)

[Reporting on Projects 260](#_Toc206151737)

[Accessing the QuickBooks Web Site 261](#_Toc206151738)

[Lesson Summary 263](#_Toc206151739)

[Practice Questions 264](#_Toc206151740)

[**Appendices**](#_Toc206151741)

[Appendix A: Course Book Mapping A2](#_Toc206151745)

[Appendix B: Key Terms A5](#_Toc206151746)

[Appendix C: Index A9](#_Toc206151747)