QuickBooks Online
Canada

Courseware #1806-2

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Lesson 1: Introduction

Lesson Objectives

The objective of this lesson is to provide you with a brief overview of bookkeeping systems and to introduce you to the basic operation of QuickBooks Online. Upon successful completion of this lesson, you should know how to do the following:

- ☐ work with bookkeeping systems

- ☐ migrate your data and import lists

- ☐ explain the QuickBooks screen components

- ☐ understand the Chart of Accounts

- ☐ create, modify, find, edit and delete general ledger (GL) accounts

- ☐ work with QuickBooks settings

- ☐ find and amend the company information

- ☐ manage users

- ☐ input dates into QuickBooks

- ☐ input, adjust, and delete General Journal transactions

- ☐ create, recall and delete memorized transactions

- ☐ produce a General Journal report

# Understanding Bookkeeping Systems

Accounting

Accounting is often referred to as the language of business.

Every business manager and owner need good financial information to make good business decisions. Orderly records of business financial activities are called accounting records.

Bookkeeping

Bookkeeping is a system of record keeping. It is made up of the recording, summarizing, and reporting of basic accounting information that provide business owners and managers with the information necessary to profitably manage their business.

The following figure illustrates the high-level steps of the Bookkeeping activities:
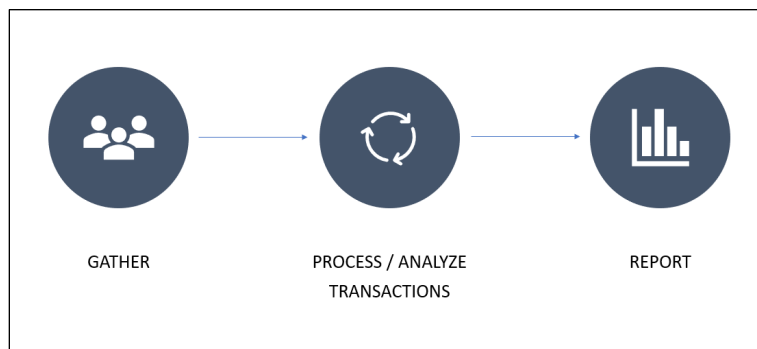
The first step of Bookkeeping is to collect all the needed data and documents. You store them in a repository by scanning and uploading them to software. The second step is to process and analyze the transactions. The third step is to report the findings and build visualizations that help the users to make decisions. Companies need a reliable measurement of their performance and tools to make strategic decisions for revenue and financial goals.

Bookkeeping for a Business

A *transaction* is any business dealing involving an exchange of goods or services for money. It may be a sale, a purchase, a loan or any activity in which money is shifted from one place to another. The money may be in the form of cash, a cheque, a charge slip or an invoice.

The most basic tool for recording transactions is the *journal*, where transactions are recorded in chronological order, the order in which they occur. This process is called making a journal entry or *journalizing*. Journalizing is followed by the next step, which is transferring the information from the journal to the ledger, called *posting*.

Double Entry Bookkeeping System

The double-entry bookkeeping system is most useful because it provides built-in checks and balances that help to determine the accuracy of the work performed in a bookkeeping system.

This means that basically for every dollar entered as a debit, it will be offset with an equal dollar amount of credit.

The Fundamental Accounting Equation

The double-entry bookkeeping system is based on the *Accounting Equation*. This is the formula that will ensure the accuracy of the work performed in the system.

It can be stated in two ways as follows:

Assets – Liabilities = Capital

Assets = Liabilities + Capital

Assets   What the business owns

Any property the business owns is called an *Asset*. This includes any property that is not fully paid for. Any debt owed on such property will be listed as a liability.

Assets include things such as land, buildings, equipment, cash, accounts receivable, and inventories.

Liabilities   What the business owes

Any debts the business owes to others are called *Liabilities*. This may include accounts payable, mortgages, bank loan payable and wages payable.

Capital   What the business owes itself

The amount that would be left over after all debts of the business have been paid.

Revenue   The earnings of the business

This is the money which comes in from the sale of products or services. This includes but is not limited to accounts (records of the same type of activity) such as the following:

Construction Business	**Flower Shop**	**Service Station /Convenience Store**
Housing Construction Sales	Cut Flower Sales	Fuel Sales
Renovation Sales	Dried Flower Sales	Oil Sales
Contract Sales	Live Plant Sales	Parts Sales
	Delivery Revenues	Confection Sales

Expenses   The costs of doing business

These are funds to pay for things needed by the business to generate revenues.

Examples are: Advertising, Bank Charges, Office Supplies, Telephone Expense, Utilities Expense, Miscellaneous Expenses.

Financial Statements	A set of Financial Statements usually comprises two documents – the Balance Sheet and the Income Statement.
Balance Sheet	This is like a snapshot of the business at a certain point in time. Several balance sheets over a period of time for one business will provide a reasonable assessment of the health of the business.
Income Statement	This is a report that shows the results of the business activities over a period of time. The time frames are usually monthly, quarterly, semi-annually, and annually.

Books of Record

In any bookkeeping system, financial information is recorded in various journals and ledgers referred to as **Books of Record**. Some common examples of these books of record are:

- General Journal
- General Ledger
- Accounts Payable
- Accounts Receivable

General Journal   General Ledger   Accounts Payable   Accounts Receivable
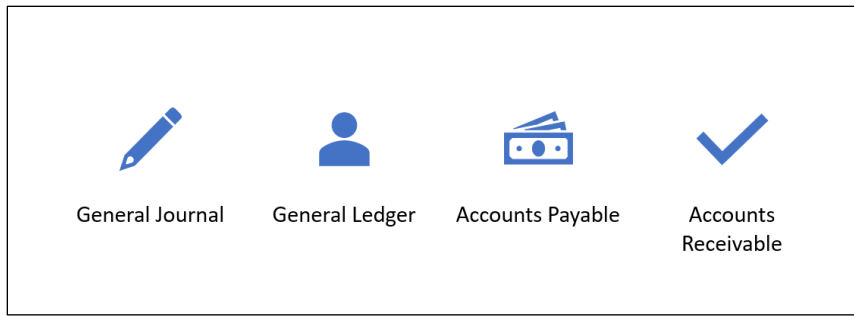
Each of these books has a specific purpose. The process of recording information in them follows very strict guidelines which will be outlined throughout the course.

Note: Canada Revenue Agency requires a minimum of: Journal and Ledger.

Analyzing Transactions

The process of analyzing transactions is determining what information is needed from the source document (a piece of paper that provides the needed information of a business transaction) to create and record the entry into the bookkeeping system.

Making Journal Entries

Once the transaction has been analyzed, then a journal entry must be completed, and posted to the relevant ledger.

When bookkeeping was manually completed on paper, huge journal and ledger books were maintained with each transaction recorded individually. Since the arrival of computers, the mundane aspects of these procedures have been taken over by programs such as QuickBooks and others.

The benefit has been less work for the bookkeeper and increased accuracy of the entries, and thus a vast array of reports and information available to management.

However, the background processes of these computer programs continue to maintain the basics of the double-entry bookkeeping system. This has been the standard for bookkeepers since 1494 when Luca Pacioli first described the system of debits and credits in journals and ledgers that is still the basis of today's accounting systems.

Overview

What is QuickBooks Online?

There are three main versions of QuickBooks; QuickBooks Online, QuickBooks Desktop and QuickBooks for Mac. Each version contains the main features but there are some differences between them.

QuickBooks Online is an accounting software that offers on-premises accounting applications and a cloud-based version that is used by small and medium size companies. It is not installed and does not run on your computer. Instead, it runs through a browser which allows you to access QuickBooks from wherever you have internet access with a set login and password.

The following are the features of QuickBooks Online:

- QuickBooks Online has better automations:
    - Recurring invoices
    - Batch invoicing and progress invoicing
    - Sending invoice reminders to late-paying customers
    - The ability to auto-schedule invoices
    - A client portal where customers can make online payments
    - Invoice tracking so that you can view if a client has received, viewed, or paid their invoice
    - Having your invoices translated into six different languages for international customers
- Payment integration: QuickBooks Online integrations cover more business needs and include multiple payment gateway options
- Invoicing: QuickBooks Online provides a way to create custom invoices, making it convenient for customers
- Collaboration: You can invite your accountant via email. Your accountant will have access to your account from any device that has an internet connection
- Mileage tracking:
    - Automatic mileage tracking is included with all versions of QuickBooks Online but is not offered with any versions of QuickBooks Desktop
    - With QuickBooks Online, you can use your smartphone's GPS to track mileage and transfer the trip to your QuickBooks account. Then, you can categorize trips as "business" or "personal" to help maximize your tax deductions. Also, you can add trips to your account manually, as well as run mileage reports and share them with your accountant
- Backup:
    - Through QuickBooks Online, business owners and accountants can work anywhere, communicate with others, and collaborate in real-time. Furthermore, data is backed up automatically
- Security:
    - QuickBooks Online is cloud-based and the security is taken care of for you by Intuit. On the other hand, QuickBooks Desktop is locally installed, so while this program has the potential to be more secure, you are responsible for taking those security measures yourself
- Other QuickBooks Online features:
    - Automatically schedule and send transactions
    - Attach documents, images, signatures & more details to transactions through mobile and desktop
    - Use audit log to review actions and track changes over time
    - Track by location in addition to (or instead of) by class with multiple location labels
    - Relabel your customers with seven additional label options
    - Automatic nightly bank transaction sync with undo option
    - Custom banking rules by dollar value, percentage, class, and location
    - Auto-add bank rule option

- – Unlimited time tracking
- – Unlimited reports-only users
- – Delayed charges and credits to schedule future transactions
- – Journal entries with multiple AR/AP lines
- – Multiple budgets per fiscal year
- – Management reports create presentation-ready packages of reports

Subscriptions Plans

QuickBooks Online offers multiple subscription plans that suit various business needs. The following is a quick comparison between the features of the QuickBooks Online plans. Additional features per plan are in bold.

Simple Start	Essentials	Plus	Advanced
• Income and expenses	• Income and expenses	• Income and expenses	• Income and expenses
• Securely import transactions and organize your finances automatically	• Securely import transactions and organize your finances automatically	• Securely import transactions and organize your finances automatically	• Securely import transactions and organize your finances automatically
• Invoice and payments	• Invoice and payments	• Invoice and payments	• Invoice and payments
• Tax deductions	• Tax deductions	• Tax deductions	• Tax deductions
• General reports	• Enhanced reports	• Comprehensive reports	• Powerful reports
• Receipt capture	• Receipt capture	• Receipt capture	• Receipt capture
• Mileage tracking	• Mileage tracking	• Mileage tracking	• Mileage tracking
• Cash flow	• Cash flow	• Cash flow	• Cash flow
• Sales and sales tax	• Sales and sales tax	• Sales and sales tax	• Sales and sales tax
• Estimates	• Estimates	• Estimates	• Estimates
• Contractors	• Contractors	• Contractors	• Contractors
	• Includes 3 users	• Includes 5 users	• Includes 25 users
	• Bill management	• Bill management	• Bill management
	• Multi-currency capable	• Multi-currency capable	• Multi-currency capable
	• Enter time	• Enter time	• Enter time
		• Inventory	• Inventory
		• Project profitability	• Project profitability
		• Budgeting	• Budgeting
		• Class tracking and locations	• Unlimited class and locations

Simple Start	Essentials	Plus	Advanced
			• Business analytics with Excel
			• Employee expenses
			• Batch invoices and expenses
			• Customized access
			• Exclusive Premium Apps
			• Dedicated account team
			• Revenue Recognition
			• Workflow automation
			• Data restoration
			• Fixed Assets

To view more details about the plans you may visit the Intuit website.

Signing Up for QuickBooks Online

You need to create an online account to be able to access the QuickBooks Online features. The following are the recommended browsers for the best experience:

- Chrome
- Firefox
- Microsoft Edge
- Safari 6.1 or higher

The following steps will guide you through the sign-up process for your QuickBooks Online account:

The following steps select options randomly as an example of how to sign up. You should select options according to your business. Also, these steps are shown according to the setup of a QuickBooks account from Canada in July of 2025. The steps may differ when creating the account at a later date or from somewhere other than Canada.

1. Navigate to this URL https://quickbooks.com/. You will be prompted to select a website based on your location. When asked to select either **Visit the US site** or **Go to CA site** Select **Go to CA Site**, and you will be directed to the Canadian website, then select **Sign in**.
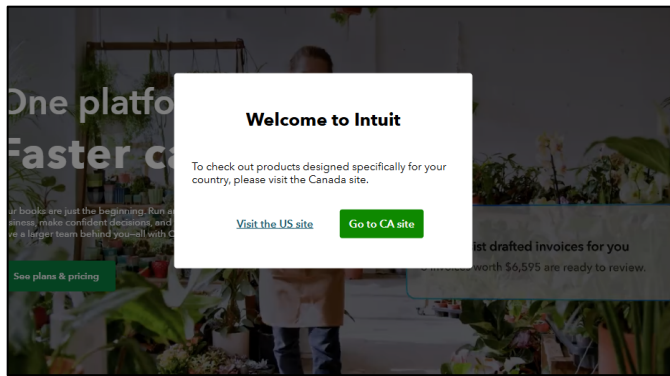
2.   Under QuickBooks Online select **Sign in**.
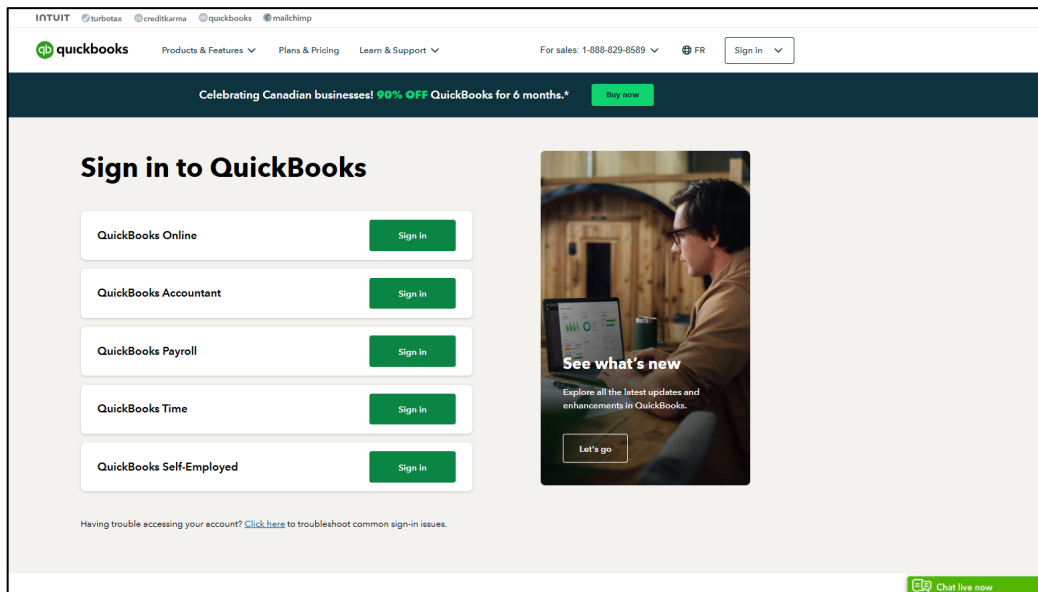
3.   Select **Create an account**.

4.   Select **Free trial for 30 days** to try out QuickBooks before subscribing. Select the **Try it free** under the **Plus** plan. It is important to know all the features of the plus plan.

5. Select **Try it free**.

6. Enter your Email address and your Mobile number. Enter the Password. You will be directed to a screen to validate your phone number. Then, select Sign Up With Email. Continue with the sign-up steps.

7. Once you are signed up, we will be directed to enter some information about your business.

    Enter the following data for the remaining fields in the dialog box then select **Next**:

    Business Name: `ACME Corporation`

    Industry: `Other`

    Business Type: `I'm not sure`

    Your role: `Owner or partner`

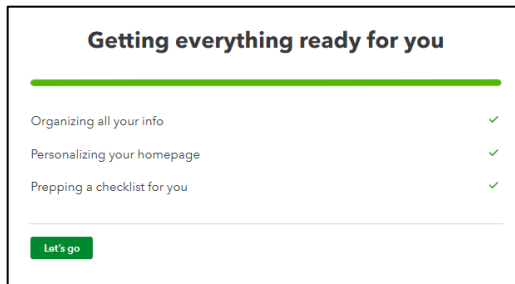   Revenue: `Greater than 2M CAD`

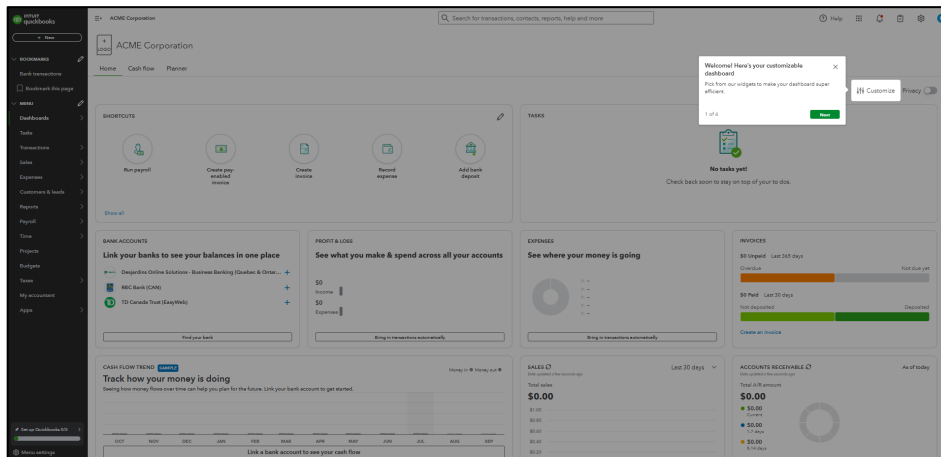8. When asked about where do you want to start? Select Something else then select **Next**.

9. Select **Let's go**. You will be directed to the dashboard.

10. Follow the prompts on the screen.

11. Once you are done, you will be directed to the **dashboard** once again.

Now you are done with the setup. Congratulations!

Setting Up Company Information

The following steps will guide you through the process of setting up your company information.

1. Select the **Settings** (gear icon) button on the top right corner of your screen.

2. In **YOUR COMPANY** menu item list, you can access **Account and Settings** where you can edit/update your company's details and set your preferences through the tabs of Accounts and Settings. Accounts and Settings consolidates your company's details and preferences in the Company, Billing and Subscriptions, Usage, sales, Expenses, Payments Time and Advanced tabs.
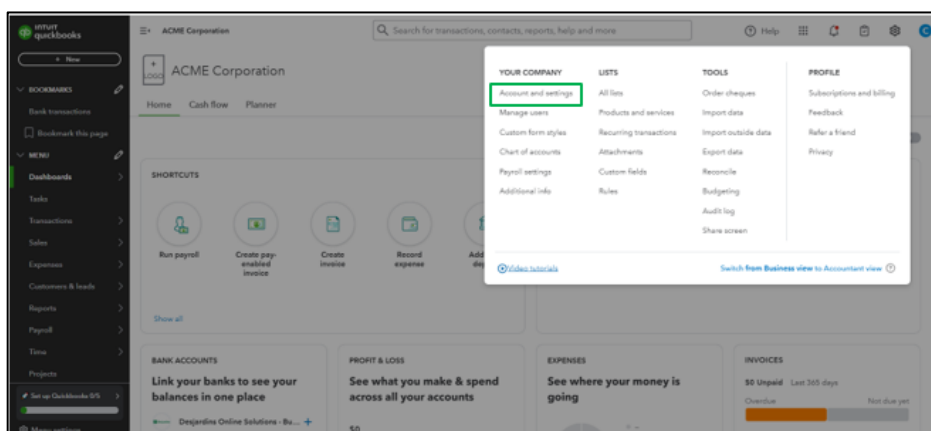
3. Select the **Account and settings** menu item. You will be directed to the default **Company tab** on the left menu. The following figure illustrates the company tab.

Note: Select each section to switch it to editing mode. When done, select **Done** at the bottom of the section to save and close the editing mode.

Company

This tab allows you to enter and edit your company's basic information through the following sections:

Company name	• Add your company's logo that will appear on any forms sent to customers or vendors and on bank statements. • Enter your company's name. • Select whether the legal name, which appears on tax forms, is the same as the company name; if not, remove the checkbox selection and enter the proper legal name. • Select whether you want to add your employer identification number (EIN) or your social security number (SSN) and enter your selection in the below text box.
Company type	• **From the list choose the tax form you use when filing your yearly taxes.** • **Enter your company's industry.**
Contact Info	• Enter the company's email. • If you want your customers to contact you through a different email, remove the checkbox selection and enter the other email. • Enter your company's phone number which appears to the customers on sales forms. • Enter your company's website number which appears to the customers on sales forms.
Address	• Enter the details of your company's default address that helps QuickBooks with tax calculations.

- If you want your customers to view a different address on sales forms which they can use to send you payments, remove the checkbox selection and enter the other address' details.

- If you want your legal address, which you use to file taxes, to be different than the default address, remove the checkbox selection and enter the other address' details.
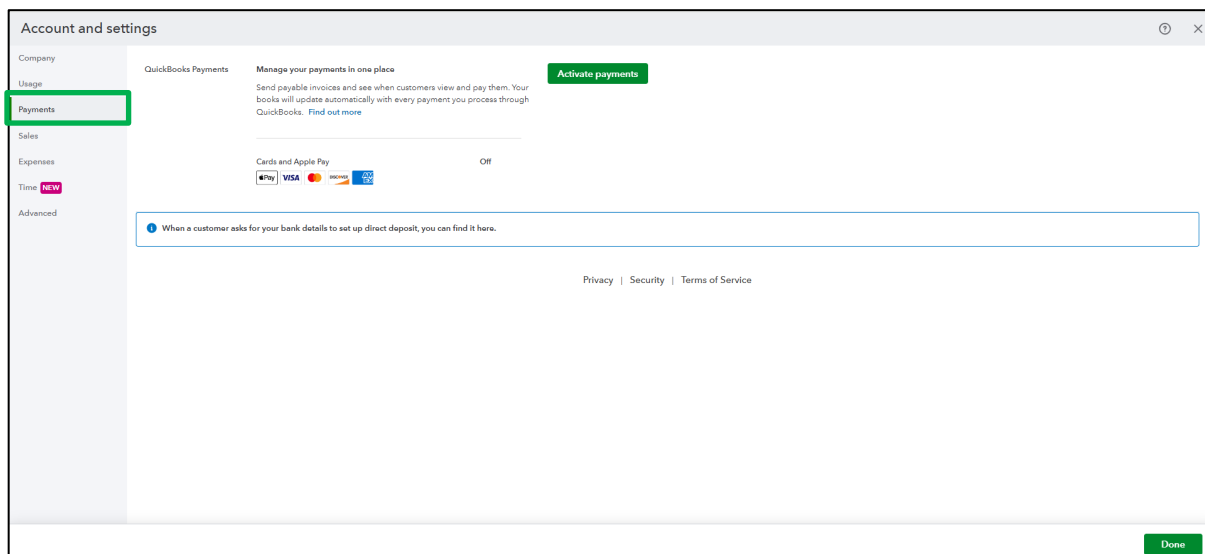
Usage

In this tab, you will find your subscription's limits for Billable users, Charts of accounts, and Tag Groups. If you reach any of the limits of these categories, you will be required to upgrade your subscription.
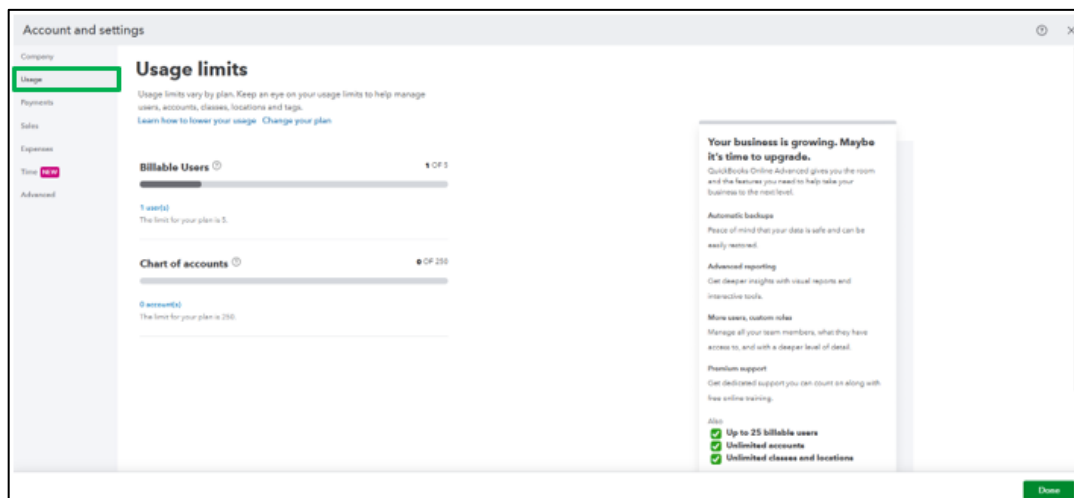
Payments

The Payments tab helps you to set up payment options for your customers and to get paid through them.


QuickBooks Payments	Allows you to receive and process payments from customers using payment options such as PayPal, credit cards and bank transfers.

Sales

In this tab, you can customize your Sales forms content, Products and services and email messages. You can set and decide what information shows on your company forms for customers. Also, you can turn on Progress Invoicing and Automatic reminders features. The following figure illustrates the sales tab.
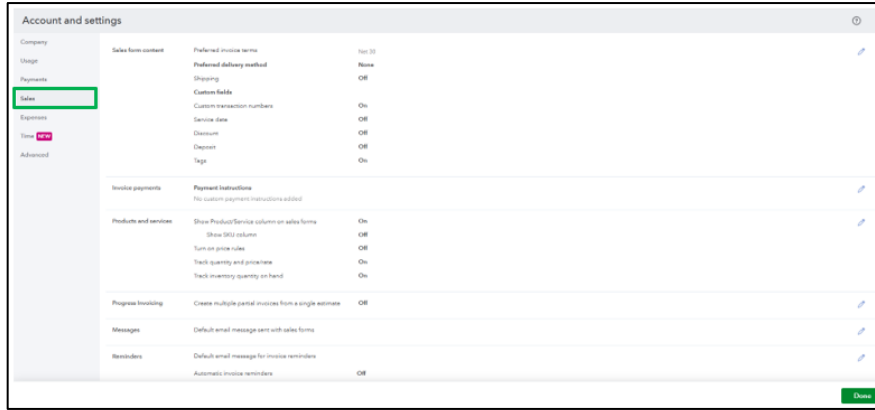
The following is the information and features available for QuickBooks in the Sales tab:

| Customize	This opens an editor where you can change the appearance and feel of the invoices sent to your customers
Sales form content	• **Preferred invoice terms** field is defaulted to "Net 30". "Net 30" means that the payment is due 30 days from the date used to issue the invoice.
	• **Preferred delivery method** field enables you to set a default delivery method of printing or sending sales letter.
	• **Shipping** field is a toggle button which adds a shipping field to your company's sales forms. Once you turn on this feature, you will need to add the default shipping account category in Advanced > Chart of Accounts Settings.
	• **Custom fields** can be managed through Settings > Lists > Custom Fields.
	• QuickBooks Online automatically assigns numbers to your sales transactions starting 1001. To choose your custom numbering system, you enable the **Custom transaction numbers**. When you create an invoice, you will have the invoice number as an editable field, and you can manually set the starting number for your invoices.
	• **Service date** helps you track the date in which the services were performed by your company. This comes in handy when your services were performed in a different date from the invoice date.
	• **Discounts** applies a set value or a percentage to reduce the total amount of your invoice or sales receipt. After turning on discounts, you will need to add a discount account in Settings > YOUR COMPANY > Account and settings > Advanced > Chart of accounts.
	• **Deposit** enables a deposit field to the invoices of your company. This is applicable when you receive payments before you issue your invoice. The deposit field helps you offset this balance before the service was completed.

	• **Tags** allows you to tag sales to track them in a custom way.
Invoice payments	• **Payment Options** allow you to add specific instructions on how customers should make payments, which will appear on their invoices.
Products and services	• **Show Product/Service column on sales forms** adds a column to your form to choose from your company's list of products or services. • **Show SKU column** enables you to track your products and services by Stock Keeping Unit (SKU) number. SKU number is an alphanumeric number which indicates the characteristics of your product e.g., size, color, etc. • **Turn on price rules** enables you to set price structures for different customers. You can provide discounted prices on specific products to certain customers for a duration of time. For example, you may have different prices for retail customers versus wholesale customers versus family and friends. After you enable this feature, you will need to set it up in Settings > Lists > All lists > Product and services > Price rules. • **Track quantity and price/rate** enables a field to display quantities and pricing on sales forms. • **Track inventory quantity on hand** enables the tracking of inventory for your products.
Progress invoicing	This feature is for project-based contracts. It enables contractors to invoice partially across the lifetime of the project. Contractors can create multiple invoices, which represent partial work from a single estimate. It also automatically tracks what is paid versus what is owed so far.
Messages	Set up a default email message to be sent with Sales forms, Estimates, Invoices, Credit memos, Statements, Sales Receipts and Refund Receipts. You can add a Copy (Cc) or Blind Copy (Bcc) as well. You can select your form through the Sales form drop down list to switch between the different forms and update their messages.
Reminders	This feature enables you to set reminders for invoices that can be sent to the customers at the times you specify to remind them of their upcoming payments.
Post-invoice/Feedback survey	This feature is designed to collect customer feedback and referrals after a customer pays an invoice using QuickBooks Payments.
Online delivery	QuickBooks Online provides the option to attach a soft copy of the sales form as a PDF into an email. It can be set up to show either a short summary in the email or full details in the email.
Statements	This section refers to statements provided for customers that show summaries of their invoices, payments, credits and balances. They are gentle reminders of upcoming due dates. You can send statements whenever customers have invoices that will be outstanding soon.

Expenses

In this tab, you can turn on/off your company's billable expenses and purchase orders. Also, you can customize your company's email messages sent out with purchase orders. The following figure illustrates the expenses tab.
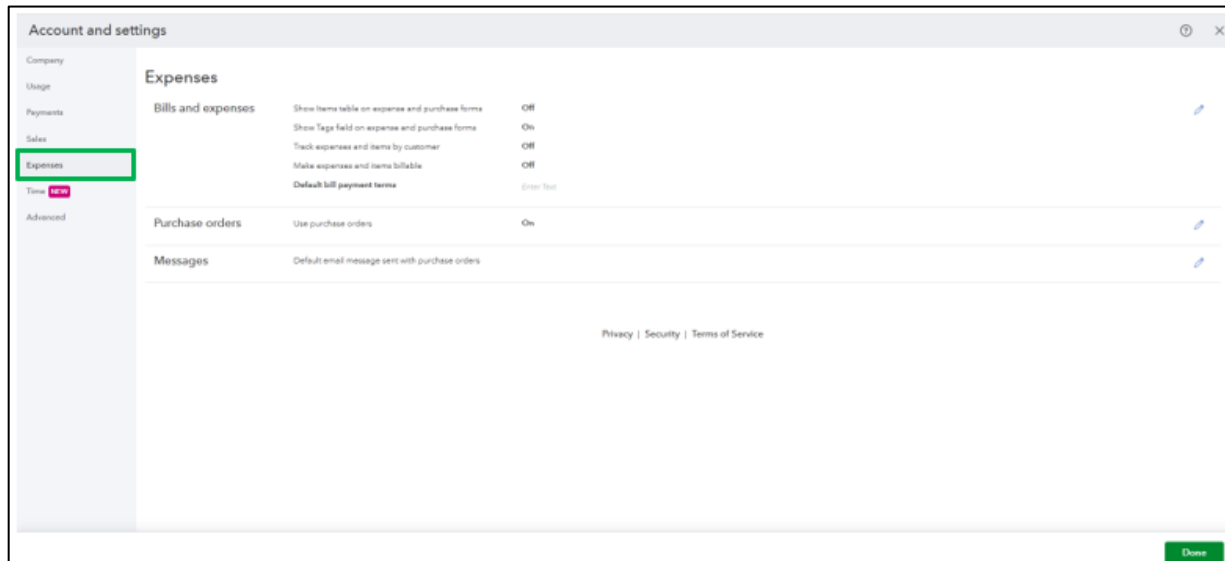
Bills and expenses	You can customize how your items are displayed on the expense and purchase forms according to your preference.
	• **Show items table on expense and purchase forms** enables a products column on forms.
	• **Show Tags field on expense and purchase forms** enables a tag field which allows you to track transactions using tags and tag groups.
	• **Track expenses and items by customer** enables tracking transactions per customer.
	• **Make expenses and items billable** enables you to mark expenses as billable.
	• **Default bill payment terms** enables you to set the default terms for bills, for example: "Net 30".
Purchase orders	You can track products purchased from vendors. They help tracking open orders for inventory. They also help in comparing costs to actual bills.
	• **Custom fields** enable you to add custom fields to purchase orders. You can run custom reports using these custom fields to track information.
	• **Custom transaction numbers** QuickBooks Online assigns an automatic transaction number by default. This feature enables you to use your own custom transaction numbers.
	• **Default message on purchase orders** provides a default message to your purchase orders.
Messages	This section enables you to customize the content of a default email message that is automatically sent with your purchase order.

Time

This tab helps you to set up QuickBooks Online time tracking features for employees and contractors.
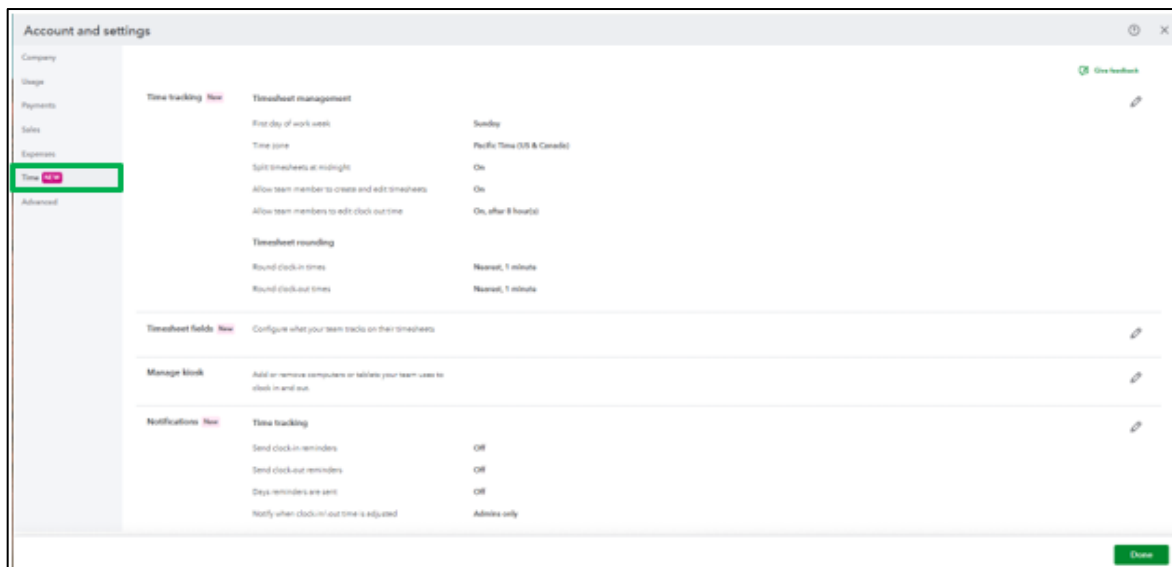
Time Tracking	This enables you to customize the first day of the week.
Timesheet Fields	This enables you to customize fields displayed on timesheets..
Manage Kiosk	This enables you to manage devices (computers, tablets) employees can use for clocking in and out.
Notifications	This enables you to set up reminders for clocking in and out as well as manage other alerts.

Advanced

The Advanced tab includes the most used features and helps you to set up the advanced features that are not enabled by default.

Accounting	• **First month of fiscal year** by default is January. Some companies like to use a different month to start their fiscal year. • **First month of income tax year** can be chosen to be same as the fiscal year or January. • **Accounting method** could be accrual or cash. Accrual is used when you use Accounts Receivable and/or Accounts Payable in QuickBooks Online. Otherwise, you should choose Cash. • **Close the books** enables you to define a period, close the books and assign a password. Users can't change historical data during this period. This comes handy when sales, payroll, and tax return have been filed. • **Default tax rate selection** enables you to display your sales and expense amounts as inclusive or exclusive of tax. If you have deactivated tax, you can use the Out of scope setting.
Company type	**Tax forms** helps you to select your company type. You may need the assistance of your accountant if you are not sure.
Chart of accounts	This section helps you to assign the default income accounts. This helps you to organize the charts of accounts for your business. You will need to create the categories in the chart of accounts then revise this section.
Categories	When you need to organize your transactions data into categories using classes which helps to build reports based on these classes: • **Track classes** enables tracking transactions through classes. • **Warn me when a transaction isn't assigned a class** warns you whenever a transaction is not assigned a class. • **Assign classes** allows you to assign the class to the entire transaction or to rows within the transaction. • **Track locations** tracks additional location data such as department, property, division, and so on.

Automation	• **Pre-fill forms with previously entered content** fills the fields of the forms with values of previously entered content. For example, previously entered data of a vendor, customer, or employee transaction.
	• **Automatically apply credits** carries over overdue/outstanding credits and auto populates them to new invoices.
	• **Automatically invoice unbilled activity** enables you to create a schedule to automate the creation of the invoices of unbilled activities. QuickBooks Online gives you the options to:
	   – Automatically create invoices and do not notify me
	   – Automatically create invoices and notify me
	   – Remind me to create invoices
	• **Automatically apply bill payments** enables you to automate the bill payments. QuickBooks Online applies that automatic payment to the oldest open bill first.

Projects	This section helps you to group activities and tasks related to a job in a one place.
Language	This section enables you to set the interface language.

Currency	• **Home currency** enables you to select the currency you use depending on your company's location and want to apply to all your transactions.
	• **Multicurrency** enables you to use more than one currency for your transactions. This option is irreversible and after enabling it you cannot change your home currency.
Business Network	• This section allows you to connect with other QuickBooks Online customers or vendors to streamline workflows and automate tasks.
Other preferences	• **Date format** enables you to select your preferred date format.
	• **Number format** enables you to select your preferred numbering format.
	• **Warn if duplicate cheque number is used** enables warning you when there is a cheque number duplicate.
	• Warn me when I enter a bill number that's already been used for that supplier enables warning you when you use same bill number for the same supplier.
	• **Warn if duplicate journal number is used** enables warning you when there is a duplicated journal number.
	• **Sign me out if inactive for** enables you to manage your inactive session's duration.

Setting up and Managing Sales Tax

If your business collects sales tax, it is important to set it up properly in QuickBooks Online. Trying to calculate and track sales tax manually for every transaction can be time-consuming and may lead to errors in reporting and remitting taxes. QuickBooks Online helps automate this process by calculating sales tax for you and tracking how much you owe to tax agencies.

Before setting up sales tax, make sure you have the correct business tax details. For example, you will need your business number (BN) from the Canada Revenue Agency (CRA) or your provincial Ministry of Finance, depending on your region. You should also know the types of sales tax you are required to charge—such as GST, HST, or PST—and the current rates.

When setting up sales tax in QuickBooks Online, you will enter information about your tax agency, the tax rates that apply to your business, and how often you file tax returns. QuickBooks will then use this information to apply the correct tax rate to your sales transactions and generate reports to help you stay compliant.

Once sales tax is set up, QuickBooks Online will automatically calculate and track the tax for each taxable transaction. This helps ensure that your records are accurate and that you are ready when it's time to file and remit your taxes.
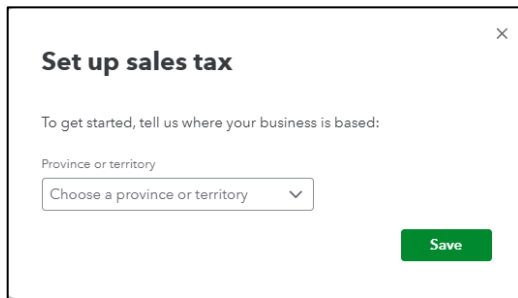
Learn the Skill

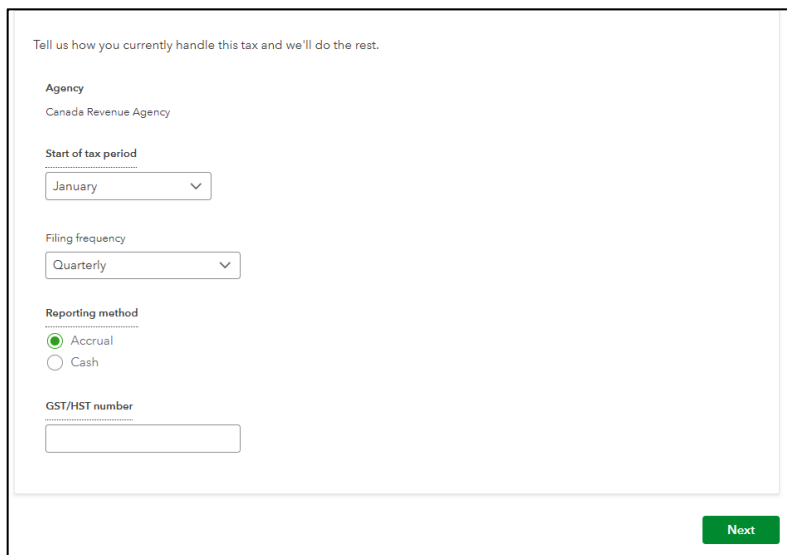In this exercise, you will learn how to set up sales tax.

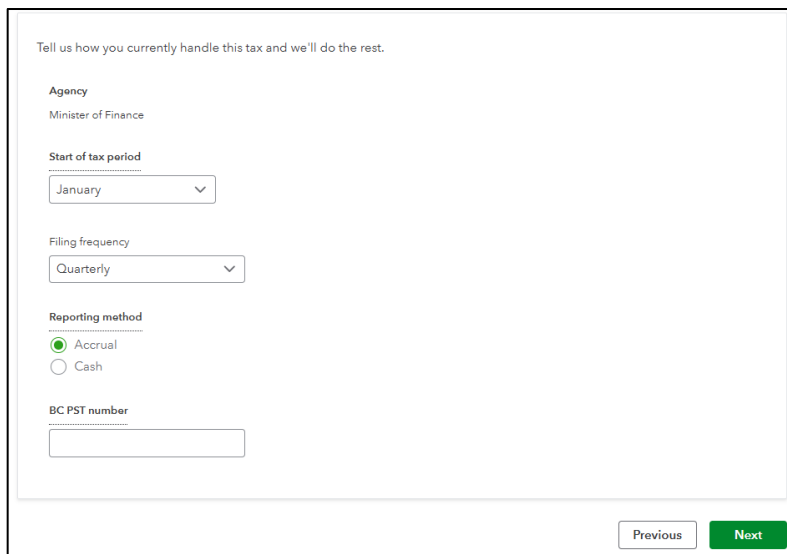1. From the quick menu, select **Taxes** and then **Set up sales tax**.
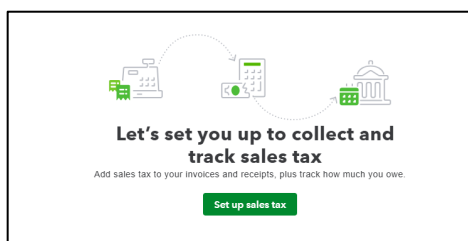
2.   Select **province or territory** using the dropdown menu. For this exercise, we will be setting up sales tax for the province of British Columbia.

3.   Choose the **Start of tax period** and **Filing frequency** for the Canada Revenue Agency then select **next**. For this exercise, we will be setting up a new company start in January.

4.   Choose the **Start of tax period** and **Filing frequency** for the Minister of Finance then select **next**.

5.   Select **ok** on the confirmation window.

Managing Sales Tax

When working with sales tax, there are tasks that you perform once (such as setting your company's sales tax preferences), tasks that you perform on an ongoing basis (to create and manage your sales tax items and suppliers), and tasks that you occasionally perform in preparation to pay sales tax (which can be monthly, quarterly, or at the end of the fiscal year).

The Sales Tax page displays the following:

- tax agencies to which you pay taxes
- the amount of tax due per agency
- previous payments
- creating new installments and reports

To view the Sales Tax page:

- Select **Taxes** in the quick access menu.
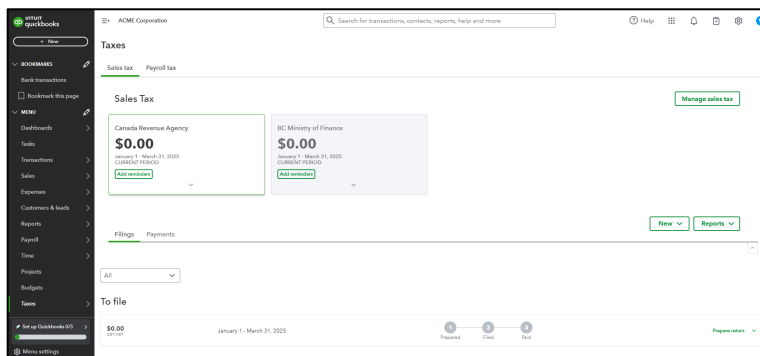
Managing Sales Taxes

On the Sales taxes page, you can manage the agencies already added by viewing each agency's rates, adding custom rates or adjusting the agency's information. You can also add new agencies through this window.

Learn the Skill

In this exercise, you will learn how to add a tax agency.

1. On the Sales Tax page, select the **Manage sales tax** button.
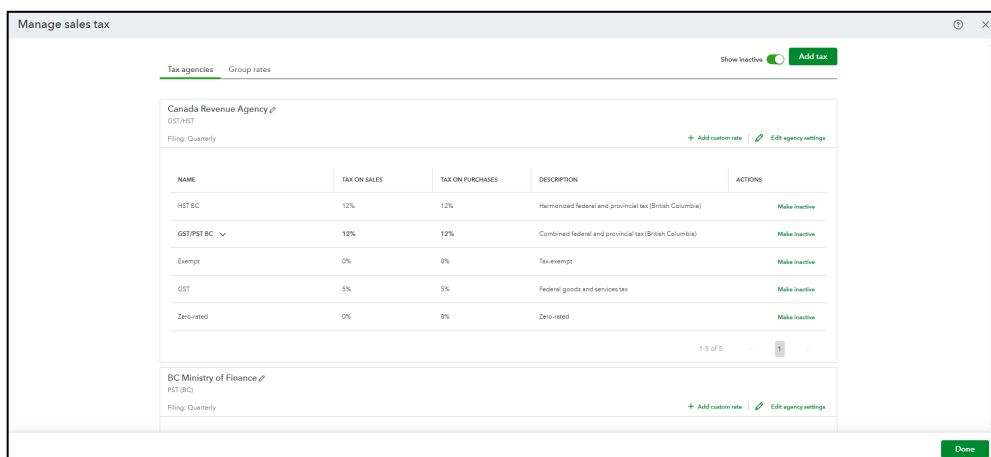
2.   Select the **Add tax** button.
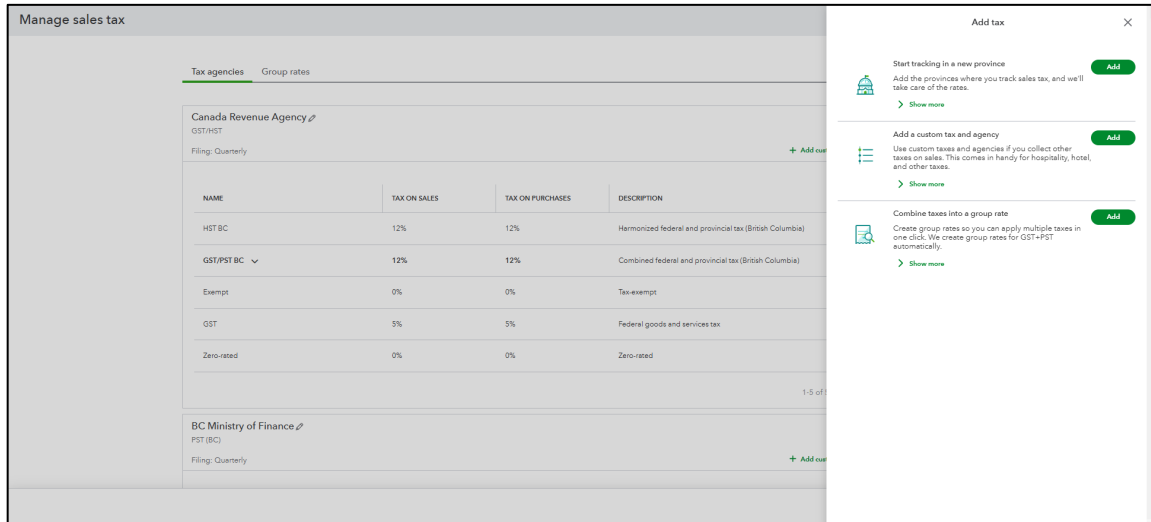
Start tracking in a new province	Select this to add taxes you pay for different provinces in Canada. QuickBooks then keeps the tax rates updated for you if any changes occur.
Add a custom tax and agency	Select this option if you pay taxes to other agencies or you have a customized tax rate.
Combine taxes into a group rate	Select this option if there are more than one tax you pay at the same timing. This enables you to group them and pay them all at once.

3.   Select the **Add** button next to **Start tracking in another province.** For this exercise, we will be adding a tax for the province of Ontario.
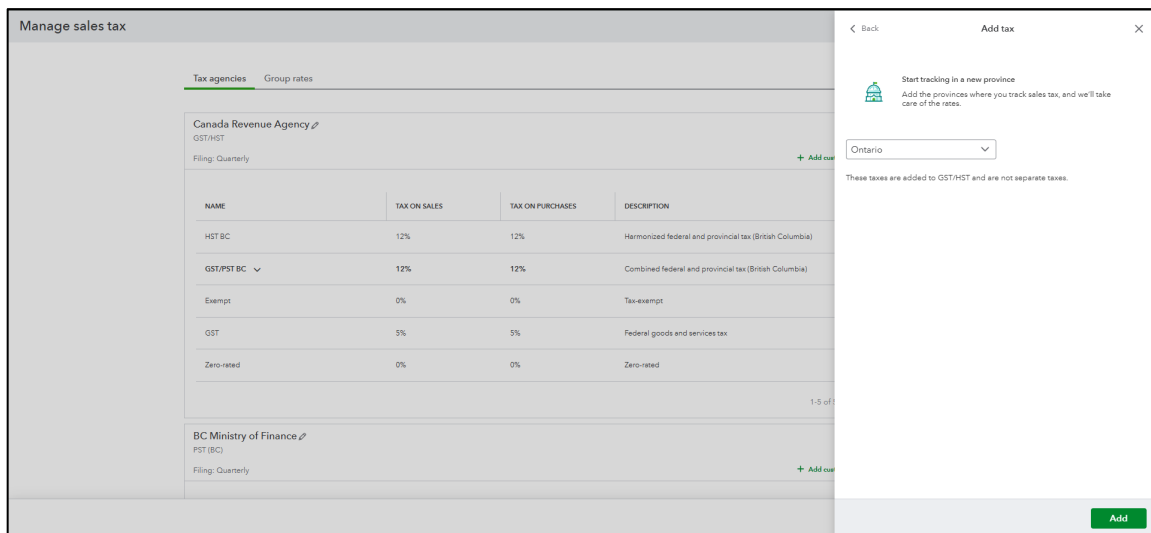
4.   Select **Add**.

You can now find the tax rates added to the Manage sales tax window as follows:
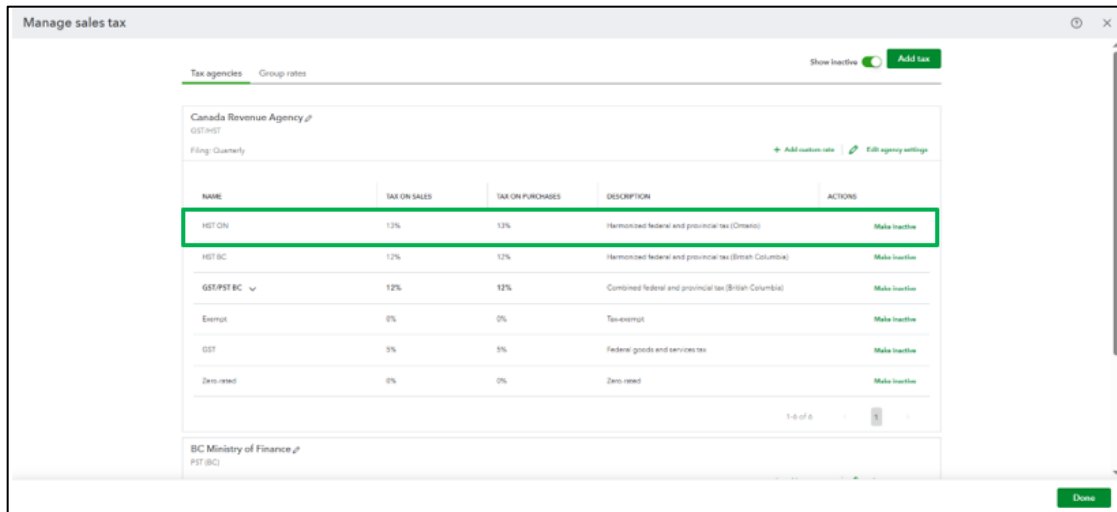
5. Select **Done**.

You can select **Make inactive** next to the tax to deactivate it.

You can now make transactions that are taxable and choose the tax agency to which you want to add the transaction.

Import List Information

Entering a large volume of records through the online user interface could be tedious. Imagine entering hundreds of records one by one. This is a time-consuming process and not a good investment of your time. QuickBooks Online enables you to import large volumes of banks, customers, vendors, charts of accounts, products and services, and invoices data files.

The data must be imported in a specific order though. Therefore, data should be imported in the following order. First, you should import the customers, next the vendors, products and services, and then the Invoices data.

Your data must be in a comma separated values (CSV) file, Google Sheets, or an XLS/XLSX file format to import information to QuickBooks Online.

The first line of the file is very important for mapping the data fields in the spreadsheet to the fields in QuickBooks Online. For example, the first row in the following screenshot of an excel sheet, has "Name" as the title of the column. The values in the "Name" column will be imported and stored to the name field in QuickBooks Online. The values in the "Company" column will be imported and stored to the company field in QuickBooks etc. The values in the first line will not be stored though, so you will not find the value "Name" or "Company" inside the QuickBooks Online data. Its sole purpose is to map the data from the excel sheet to the fields in QuickBooks Online.

Name	Company	Customer Type	Email	Phone	Mobile	Fax
Lynda Higgs	Higgs Food Market	Wholesale Trade	higgs_l@example.ca	604-555-1234	604-555-9876	604-555-1235
Alex Blakey	Blakey's Bin Liners		blakeybins@example.ca	905-555-2345	905-555-8765	905-555-2346
Chris Smith	Christopher's Orthotics	Retail Trade	chris_smith@example.ca	204-555-3456	204-555-9753	204-555-3457
Bryan Fouts	Fouts Cookouts		foutscookouts@example.ca	604-555-4567	604-555-8642	604-555-4568
Roy Fisher	Roy's Pancake Hut	Retail Trade	roys_pancakes@example.ca	418-555-7654	418-555-9786	418-555-7653
Ted Pohlman	Pohlman's Exotic Pet Emporium	Wholesale Trade	ted_pet_emporium@example.ca	902-555-4656	902-555-7980	905-555-4657
Wendy Greenberg	Wendy's Magic Tricks and Treats		wendysmagic@example.ca	403-555-6789	403-555-3450	403-555-6780
Jason Cioran	Cioran's Acorns		cioransacorns@example.ca	905-555-3690	905-555-8468	905-555-3691
Kent Yip	Yip Insurance Adjusters		yip_insurance_adjusters@example.ca	780-555-7610	587-555-7410	780-555-7612

After successfully importing the file, a record in QuickBooks Online is generated for each row. For example, the second row in the excel sheet screenshot has the data of Lynda Higgs. A record with this data will be created in QuickBooks Online as illustrated in the following screenshot.

Note: That the titles "Name" and "Company" were not displayed anywhere in the record.
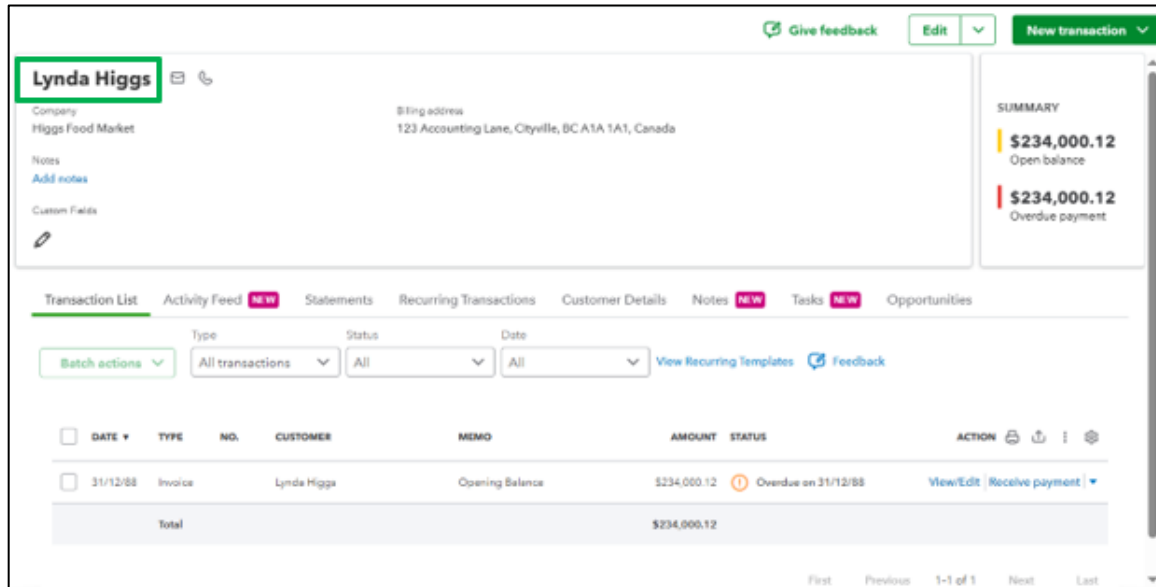

QuickBooks Online has a limit on the imported files. Only files of less than one thousand records can be imported. In the case of files exceeding one thousand records, you will have to split the file into other files with each of the new files not exceeding the one thousand records limitation. Once records are imported, they cannot be deleted in batches. This feature is not yet supported by QuickBooks Online. That means that in order to remove a record, it has to be done one by one.

Learn the Skill

In this lesson, you will learn how to import your data lists into QuickBooks Online. You will need to download a sample file from the students file for this exercise.

1. Select **gear button** on the top right corner of the screen.

2. Select **TOOLS → Import data**.
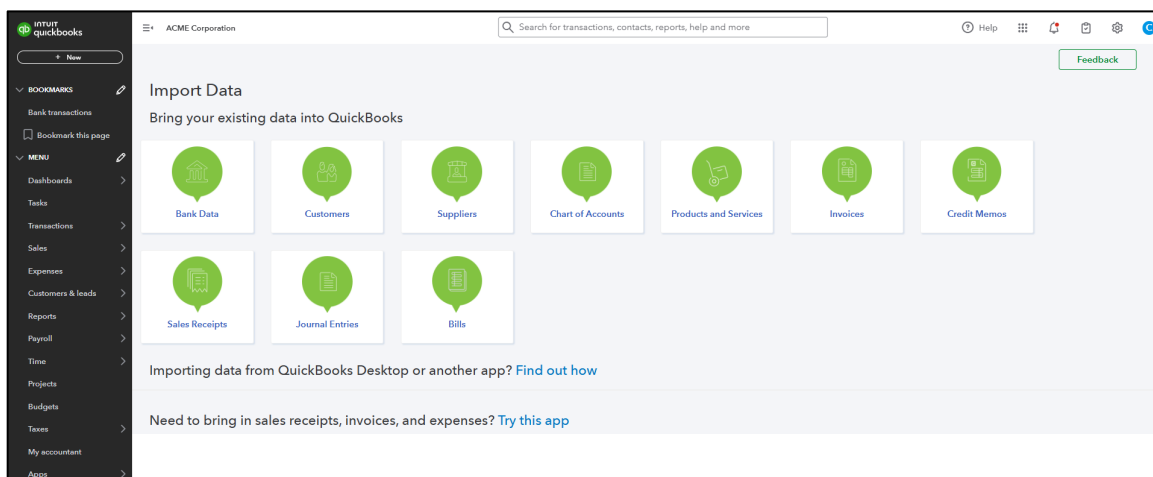
3. Once you choose the category of the data that you would like to import (Customers in this example), you will be directed to the upload screen where you can upload your data. You will view two options, one for CSV and excel files and another for Google sheets. You may use the sample files provided by QuickBooks Online as a starting point to create your own files by selecting the **Download a sample file** link below the textbox.

Note: You can find a sample CSV file named **QuickBooks_Online_Customer_Sample_File** in your student data file download.

4. Under **Select a CSV or Excel file to upload**, Select **Browse** and locate the sample file in your students' files folder for Lesson 1.

Note: The first row in the sheet must contain headers. Also, the file must not exceed 1000 rows or 2 MB and contain only one sheet. Last, the sheet must not contain any formulas or charts. You can select Download a sample file to use it as a reference for the file you need to upload.

5. At the bottom of the page, select **Next** to proceed to the second step **MAP DATA**.

QUICKBOOKS ONLINE FIELD	This column displays the fields as they are used throughout the QuickBooks list.
YOUR FIELD	This column displays, for each field, a list of all the columns' headers in the uploaded spreadsheet.

6. From the **YOUR FIELD** column, select the fields in your uploaded spreadsheet that represent the QuickBooks fields.

Note: Fields that are marked with ✅ are the ones that have a clear match within the uploaded spreadsheet.

7. At the bottom of the page, select **Next** to proceed to the third and final step, **IMPORT**.

8. In this step, make sure that the customers' data is uploaded correctly, and you can edit them accordingly.

Note: Remove the selection of the products or services that you don't want to import. If there are boxes highlighted in red, hover over them with the pointer to display a tooltip with the problem that needs fixing.

9. At the bottom of the page, select **Import**. The customers are now imported successfully and appear in your list that you can access from **Get paid and pay → Customers**.

Note: You may load other data categories using the same method.

Migrating Data to QuickBooks Online

If you have been using any of the following bookkeeping applications and want to switch to QuickBooks Online:

- QuickBooks Desktop
- Sage 50 Desktop
- Xero
- Acomba

You can simply back up the data on whichever application you are using, and then export them to your new QuickBooks Online account. It is advised to import data to QuickBooks Online first before adding any data to your account. Once the data is moved, you will receive an email with the status of the migration and how to access your account.

You can know more about the steps required depending on the application you are migrating from, by accessing the **Import outside data** from the application's settings.

You will be redirected to this page, where you can select the application and follow the steps below.

Managing Users

QuickBooks Online enables you to create user accounts for your team members who help in managing your Bookkeeping activities. There are different access levels and within each, there are permission categories. You can assign the permissions to your bookkeeping team members based on the level of access you want to grant them. There are two main categories of users:

Roles That Are Part of Your User Limit

Once you create a user and assign them the following roles, this user will be counted as part of your user quota. For example, if you have a users' quota of five and you create a user and assign them as your primary admin, the remaining users in your quota will be four. Let's view the different roles available in this category:

- Primary admin

- Company admin: Company admin users have access to the full set of QuickBooks Online features. They can send money, change passwords, add users, etc.

- Standard user: Standard users have limited access. They get access to a subset of the QuickBooks Online features. When creating a new user, you can choose from the below access rights:

  - "**All**": This access right allows users to:

    - Access all customer and vendor features

    - Add, edit, and delete employees

    - 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 tax for the company, make tax adjustments, file tax returns, or change the setup for existing tax info

    - Set up multicurrency

    - Perform home currency adjustments

  - "**None**": This access right does not grant the users access to accounting features. Users with "None" access right can still submit their timesheet

  - "**Limited**": This access right has two options under it where you can select one or both of them; "Customers" and "Vendors". This allows the user to work with either customers, or vendors or both. Based on your selection, the user would be granted different access rights as in the following table.

Option	Can	Cannot
Customers option	• Enter estimates, invoices, sales receipts, credit notes, and refunds • Enter charges and credits • Create and delete statements • Receive payments from customers • Add, edit, and delete customers, products, and services • View customer registers and A/R reports • View tax rates and agency settings • Use/adjust tax in sales transactions and journal entries (i.e., manually override calculated tax amounts) • Add, edit, and delete currencies • Edit exchange rates	• Add, edit, and delete accounts and quantity on hand • View Account history • View total income and expense amounts on Home, Supplier, and Customer pages • Run tax reports or view tax history • Prepare a tax return, record a tax payment or refund, or file taxes • Set up new or change existing tax agencies or settings • Set up multicurrency • Perform home currency adjustments
Vendors option	• Enter bills from suppliers • Enter cash and credit card purchases • Pay bills, write cheques, and view cheque detail reports • Add, edit, and delete suppliers, products, and services • View supplier and A/P reports • View tax rates and agency settings • Use and adjust tax in purchase, credit card, and banking transactions (i.e., manually overriding calculated tax amounts) • Run tax reports or view tax history • Prepare a tax return, record a payment or refund, or file taxes • Add, edit, and delete currencies • Edit exchange rates	• Add, edit, and delete accounts and quantity on hand • View account histories • Set up new or change existing tax rates, tax method, or agency settings • Set up multicurrency • Perform home currency adjustments • View total income and expense amounts on Home, Supplier, and Customer pages
Customers and vendors option	• Enter estimates, invoices, sales receipts, credit notes, refunds, charges, and credits • Create and delete statements • Receive payments from customers • Fill out time sheets for anyone • Add, edit, and delete customers, suppliers, products, and services • View customer registers	• Add, edit, and delete accounts and quantity on hand • View Account history • View total income and expense amounts on Home, Supplier, and Customer pages

| Option	Can	Cannot
	• View customer and A/R report • View supplier and A/P reports • Enter bills from suppliers • Pay bills, write, and print cheques, and view cheques reports • Make bills and purchases billable to customers • Enter cash and credit card purchases	

Roles That Are Not Part of Your User Limit

Once you create a user and assign them the following roles, this user will NOT be counted as part of your user quota. For example, if you have a users' quota of five and you create a user and assign them as Reports only user, the remaining users in your quota will still be five.

- Reports only user
- Time tracking only user

Learn the Skill

In this lesson, you will learn how to create a new user and assign them access levels.

1. Select **gear button** on the top right corner of the screen.

2. Select **YOUR COMPANY→ Manage users**.
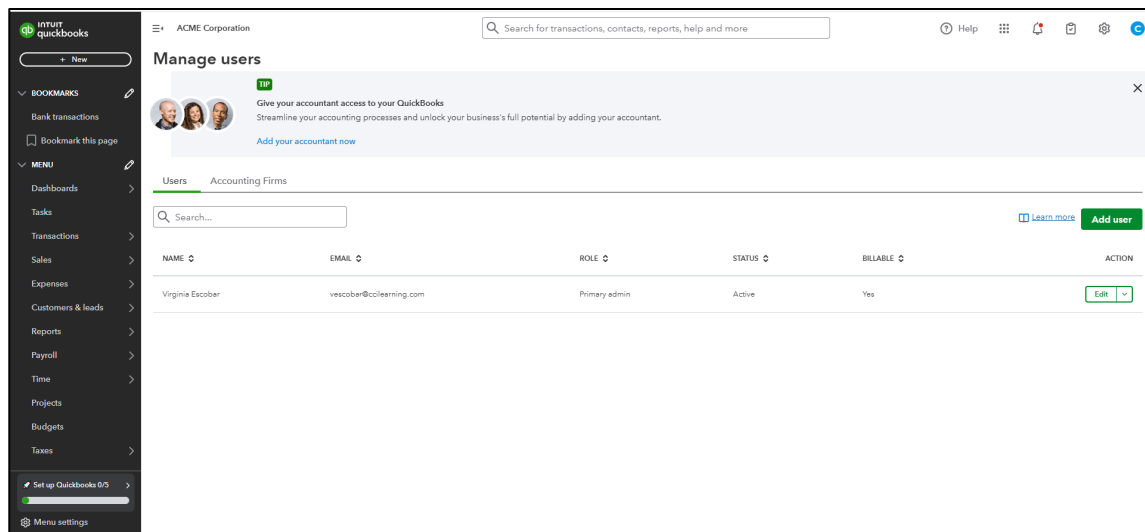
3. Select **Add user** button. You will be directed to the **Add a new user** screen. In this example we will select a **Standard user**. For this user, select **Standard all access** level from the assign roles dropdown. The features available for the level you selected are listed on the right.

The features available for the level can be viewed by clicking on **View less permissions**.

4. Enter the First name, Last name, and the Email address then select **Send Invite**.

The user is now added to the list and receives an email invitation with a URL where they are directed to enter their account's password. If the initiation is not sent for some reason, you can re-send it from the users list.

On the Manage users page, next to the user, open the **ACTIONS** column drop-down list and select **View user activity**.
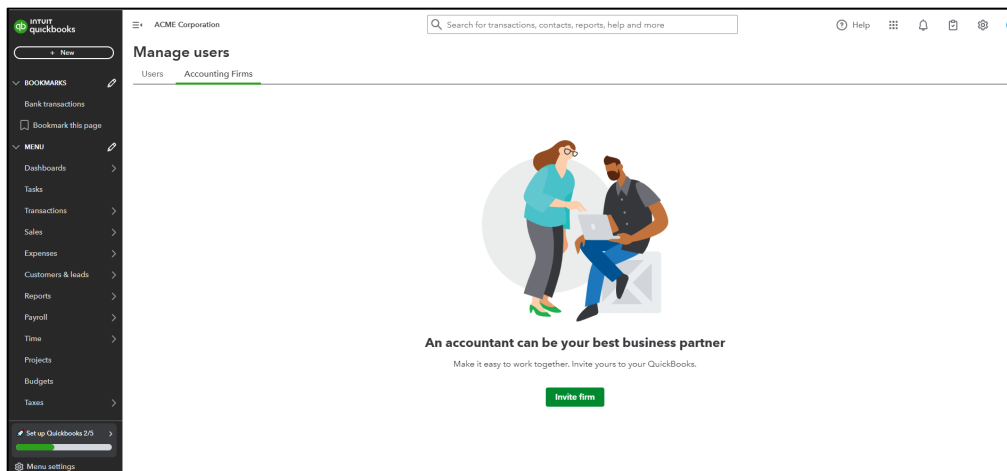

Learn the Skill

In this lesson, you will learn how to invite an accountant to your QuickBooks.

1. From the Manage user page, select the **Accounting firms** tab.

2. Enter the email of the accountant then select Invite. They will receive an email requesting them to create a user ID.

Note: In the Manage users screen, the status of the accountant's account will be **invited** until they accept their invite and sign in. After that, their status will be **active**.

3. Select **Next** then finish.

Learn the Skill

In this lesson, you will learn how to delete a user.

1. On the Manage users page, next to the user, open the **ACTIONS** column drop-down list and select **Delete**.
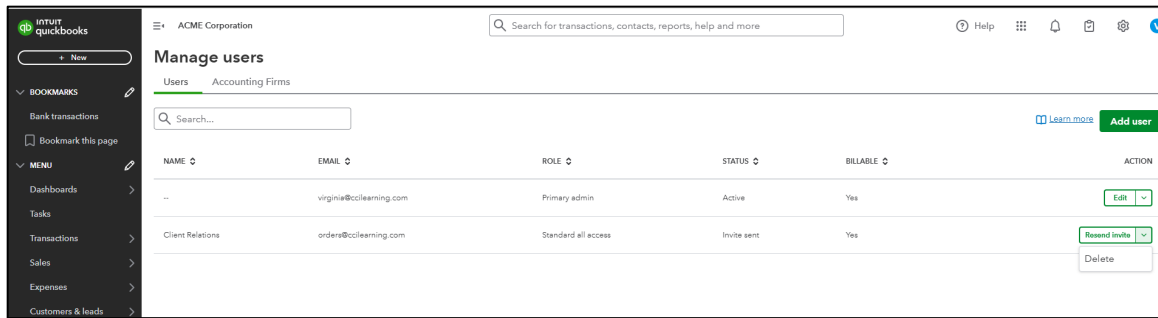
2. You will be promoted to confirm the deletion of the user. Select **Delete**.
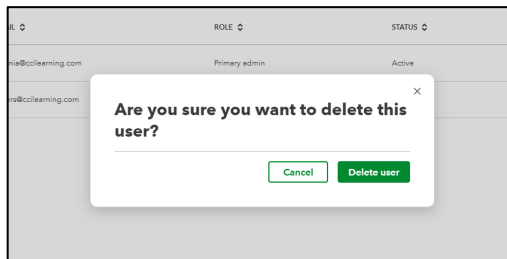
3. The user will be deleted from the list of users.

Looking at the QuickBooks Screen

When you open QuickBooks, you will view a screen similar to the following:

Note: Your view could be slightly different based on your subscription and/or the addition of newly added features or updates.

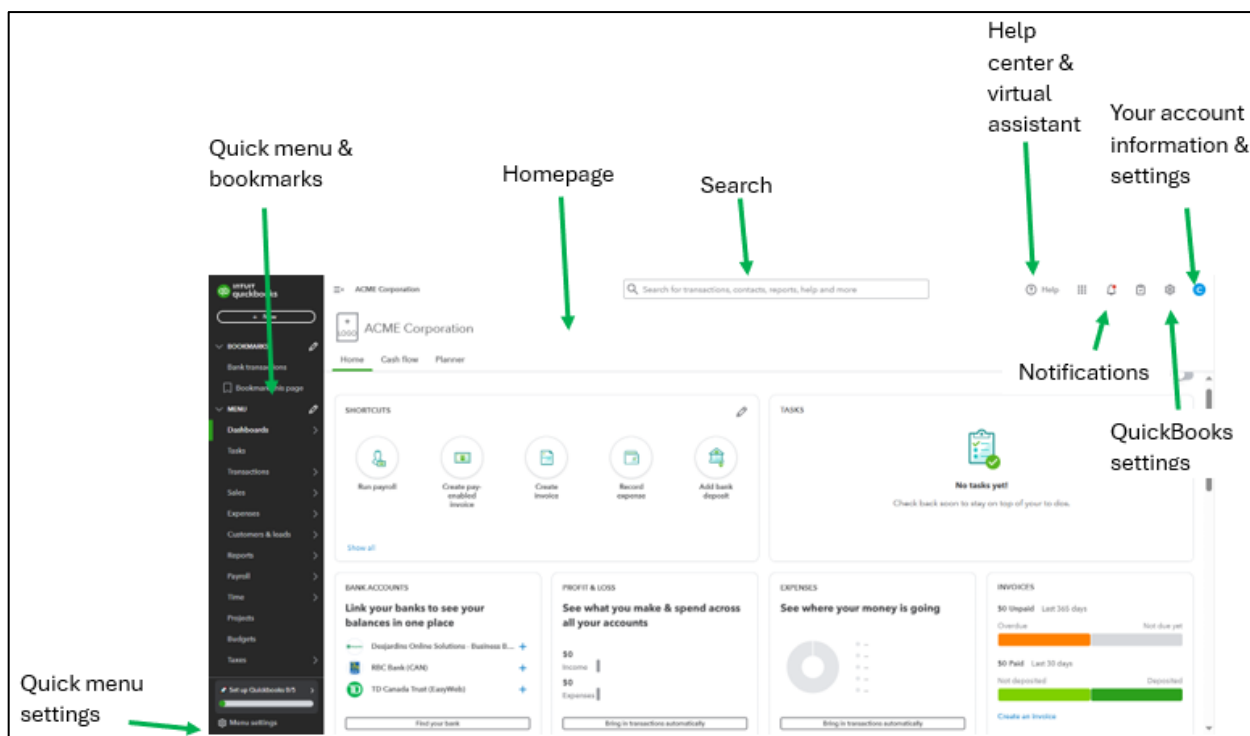| Quick menu	This menu's contents are adjustable to include shortcuts to access your lists and pages. You can also have some pages or lists bookmarked.
Quick menu settings	Settings for shortcuts and bookmarks in the quick menu.
Homepage	The landing page when logging into your QuickBooks Online. It displays shortcuts, a list of your connected bank accounts, and your recent activities.
Help center & virtual assistant	The help center offers quick instructions and explanations of QuickBooks features. It also has a virtual assistant to help with your inquiries.
Search	Use this to search for a transaction.
Notifications	Open Notifications center.
QuickBooks settings	Your QuickBooks settings of anything related to your company, lists, tools, and profile.
Account information & settings	Your Intuit account settings.

The Business View vs. the Accountant View

There are two views available within QuickBooks Online; the business view and the accountant view:

1. The business view is mainly for users who do not have much accounting experience. It lets you focus on your business instead of worrying about the accounting terms. If you are new to accounting, the business view is recommended for you.

2. The accountant view is mainly for users who have accounting knowledge.

The following steps will guide you through the process of switching between the business and the accountant views. Select **Settings** (the gear icon) on the top right corner of the screen. In the menu list displayed, you will have the option to select **Switch to Accountant view**.
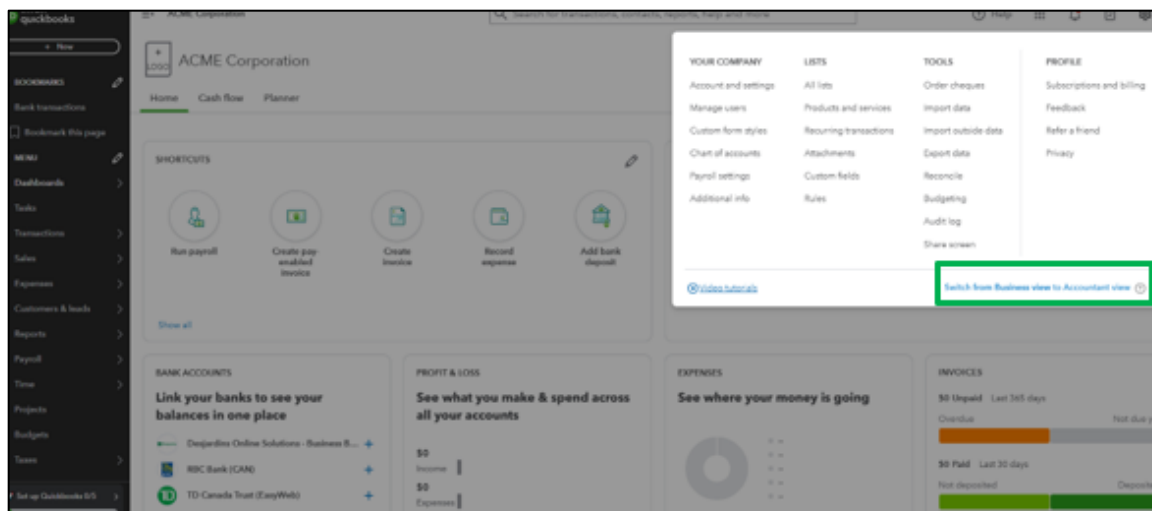
The quick menu enables you to navigate through QuickBooks Online features. It has multiple tabs, and selecting one of them will change the content of the home page to enable you to use the features within this tab. The following figures illustrate the tabs of the navigation bar for business view and accounting view, respectively.
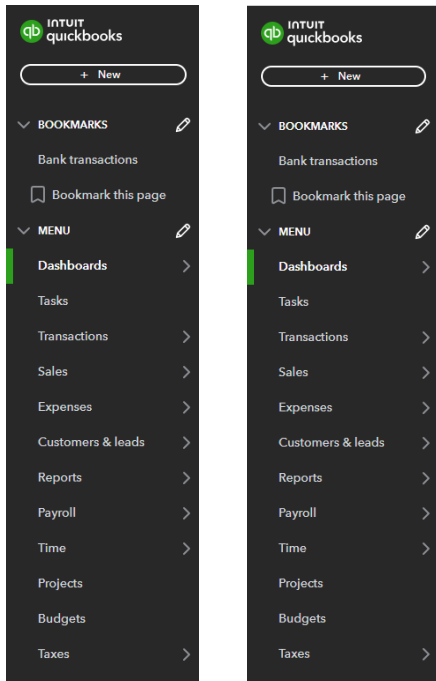
Moving Around Lists

We refer to *lists* that appear when QuickBooks offers information for you before carrying out an action.

- When there is a checkbox next to an item, you can select or clear the item by selecting the checkbox. A cleared checkbox will appear similar to ☐.

- You can perform actions on multiple items in lists by selecting the items' checkboxes. This activates the **Batch Actions** drop-down menu at the top of the list.

- To enter text in a text field, select the appropriate text field and then enter the text.

- To select items from a drop-down list, select the drop-down arrow ▼ next to the option. This will display a list of available items to choose from.

- To increase or decrease amounts with an increment button, move to that command and either select the up or down arrow button or select the **UP** or **DOWN** arrow keys. An increment button is sometimes referred to as a spin button. When you are on a command with increment buttons, the corresponding direction button will highlight (⬍).

- You can also select certain features by selecting the appropriate option button. Option buttons are always found in groups and only one option button from a group can be selected at any one time (◉). As you move to that option, it will appear similar to ◯. Either select the option button or the command name to select it.

- You can also select a date by selecting the calendar button 📅 next to a field. By default, the days of the current month will be displayed in a calendar format, and the entered date (today's date if a date has not been selected) will be marked. You can scroll forward to future months, or back to previous months.

- When a dialog box contains tabs, move to the appropriate tab by selecting the desired tab.

- You can filter the list's data by entering the name of the item or part of the name of the account in the Filter by name bar and then use the ENTER key.

- You can print the list by selecting the print button at the top right of the lists.

- You can manage the columns and number of rows that appear in the lists by selecting the settings button at the top right of the list. A menu is displayed showing the columns selected and the ones hidden. You can select the checkboxes of the columns you want to display. You can also display or hide the inactive accounts (depending on the list you are working with) by selecting the checkbox for Include inactive. You can also specify the number of the rows by selecting to open the **Rows** list.

- The list can be sorted using any of the displayed columns. The sorting is done by alphabetical order. You can select the header of any column once for ascending order; select the header again for descending order.

Using QuickBooks Online Keyboard Shortcuts

QuickBooks Online provides you with the following keyboard shortcuts for ease of use.

Note: These shortcuts work only for Chrome and Firefox.

Category	Shortcut	Function
General	**Ctrl+Alt+I**	Create an invoice
	Ctrl+Alt+W	Create a cheque
	Ctrl+Alt+X	Create an expense
	Ctrl+Alt+R	Create a received payment
	Ctrl+Alt+E	Create an estimate
	Ctrl+Alt+L	Open Lists page
	Ctrl+Alt+A	Open the Chart of Accounts
	Ctrl+Alt+C	Open the Customers list
	Ctrl+Alt+V	Open the Vendors list
	Ctrl+Alt+F	Search for a transaction
	Ctrl+Alt+H	Open Help
	Ctrl+Alt+/	Access the shortcuts list
Actions for transactions (invoices, expenses, etc.)	**Ctrl+Alt+S**	Save and create a new transaction
	Ctrl+Alt+M	Save and send the transaction
	Ctrl+Alt+X = Exit transaction	Exit the transaction
	Ctrl+Alt+C = Cancel	Cancel the transaction
Dates	**T**	Navigate to today
	Y	Navigate to the beginning of the year
	R	Navigate to the end of the year
	M	Navigate to the beginning of the month
	H	Navigate to the end of the month
	W	Navigate to the beginning of the week
	K	Navigate to the end of the week
Zooming	**Ctrl+**	Zoom in
	Ctrl-	Zoom out

Using the QuickBooks Icon Bar

The quick menu contains buttons you can access using the mouse. These buttons provide shortcuts for accessing many QuickBooks features. Some buttons open sub-menus

The quick menu will be displayed by default. You may hide it by selecting the button displayed in the following image. To show the quick menu, select the button again.
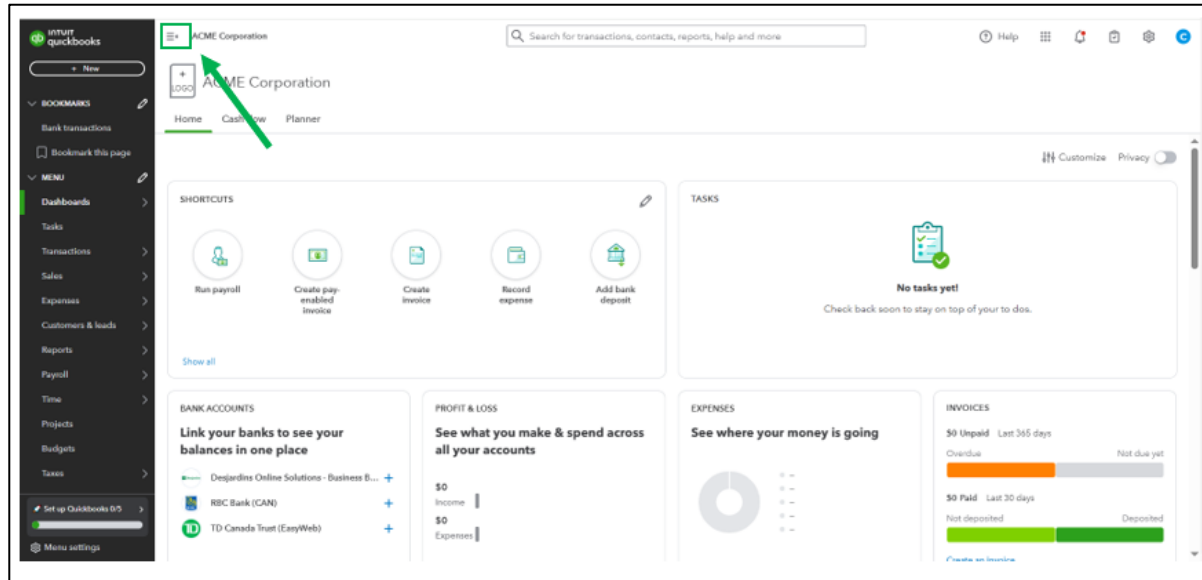
The Chart of Accounts

How the Chart of Accounts Works

Before making entries within QuickBooks, you must first define a Chart of Accounts for your company. This Chart of Accounts works using five main account groups. These are:

Balance Sheet			Income Statement	
o Assets	o Liabilities	o Equity	o Revenue	o Expenses

The Chart of Accounts will contain accounts such as bank accounts, accounts receivable and payable, inventory accounts, equity accounts, revenue, and expense accounts. Your Chart of Accounts can be simple or complex but each account must be identified as one of the QuickBooks Account Types. This table will help describe what each QuickBooks Account Type is and how it relates to financial statements:

QuickBooks Account Type	Account Group	Shows in Financial Statement	Example
Bank	Asset	Balance Sheet	Bank Chequing Account
Accounts Receivable	Asset	Balance Sheet	Accounts Receivable
Other Current Asset	Asset	Balance Sheet	Inventory
Fixed Asset	Asset	Balance Sheet	Equipment
Other Asset	Asset	Balance Sheet	Goodwill
Accounts Payable	Liability	Balance Sheet	Accounts Payable

Credit Card	Liability	Balance Sheet	Credit Card Payable
Other Current Liability	Liability	Balance Sheet	Sales Tax Payable
Long Term Liability	Liability	Balance Sheet	Mortgage Payable
Equity	Equity	Balance Sheet	Owner's Equity
Income	Revenue	Income Statement	Sales Revenue
Cost of Goods Sold	Expense	Income Statement	Cost of Goods Sold
Expense	Expense	Income Statement	Utilities Expense
Other Income	Revenue	Income Statement	Interest Revenue
Other Expense	Expense	Income Statement	Interest Expense

Most Charts of Accounts use account numbers to uniquely identify each account and to identify the account type. In QuickBooks, you can turn this feature on or off. However, most accountants prefer to have the accounts numbered. If you do turn it on, you must follow the following numbering convention.

For **Balance Sheet** accounts:

- For Asset accounts, assign account numbers from 10,000-19,999.
- For Liability accounts, assign account numbers from 20,000-29,999.
- For Equity accounts, assign account numbers from 30,000-39,999.

For Income Statement accounts:

- For Revenue accounts, assign account numbers from 40,000-49,999.
- For Cost of Goods Sold and related accounts, assign account numbers from 50,000-59,999.
- For Expense accounts, assign account numbers from 60,000-69,999.

Within QuickBooks, it is possible to assign account numbers in the 70,000 and 80,000 ranges. However, it is standard practice to keep account numbers within the ranges listed above.

If you do use account numbers, you should also adhere to the following recommended general ledger account structure:

- Leave plenty of room between account numbers to allow for future growth. For example, if you number accounts without any spaces or gaps between the numbers you assign them, you may have a problem should you later want to add an account within a particular range. Remember that you have 10,000 account spaces for each type of account (Assets, Liabilities, Equity, Revenue, and Expenses).
- Place accounts in the order of liquidity. For example, when you are entering the current asset accounts, place your petty cash and bank account before your accounts receivable and inventory. This is a standard practice, so that external readers of your financial statements can determine the "liquidity" of your balance sheet accounts (that is, the relative ease with which you could convert them into cash). Do the same for the liabilities. You should place them in order of timing of payment. For example, you will pay your accounts payable before you make your current bank loan payment. Therefore, you should list the accounts payable first.

Most business enterprises consult and are guided by the advice of an accountant when creating a Chart of Accounts. The accountant will normally provide a suggested Chart of Accounts, as well as a recommended format and layout for the Balance Sheet and Income Statement. This is important, as it will determine the Account Type (view below) to be allocated in QuickBooks.

QuickBooks already has accounts automatically set up for you, depending on your type of business or some of the actions you've taken setting up your account. The following table explains what each account means.

Payments to Deposit	Adding money to your business is added to this account temporarily until you create a bank deposit.
Sales of Product Income	This account represents the money you receive for selling your business' products.
Reconcile/Reconciliation Discrepancies	This account carries any differences that come due to unmatched reconciliations.
Opening Balance Equity	Adjustments are added to this account and you can edit its name only.
Unapplied Cash Payment Income	This account contains cash payments that are received but not added as invoices.
Payable	This account is for sales taxes.
Retained Earnings	This account contains your business' net income. You can edit its name but it is not advisable as it is a common accounting term and appears in most balance sheets.
Inventory/Stock Assets and Cost of Goods Sold/Cost of Sales	These accounts contain the value of your business' stock or products you sell. If you delete these accounts, they are created again if and when you make changes to any of your products and services.

Learn the Skill

In this exercise, you will learn to access the Chart of Accounts.

1. On the Home Page, from the quick menu, select **Transactions** and then **Chart of Accounts**.

Note: You can also open the chart by selecting the settings gear button and then selecting **All lists**. All the lists are displayed for you to select Chart of Accounts.

The Chart of Accounts will be displayed as follows:

The Accounts window displays the General Ledger accounts that have already been created. It contains the following headings and tabs:

Name	Name of the account.
Account Type	The type or group of accounts: Bank, Accounts Receivable, Other Current Assets, Fixed Assets, etc.
Detail Type	The account type's detail depends on the Type and further describes the purpose of the account.
Tax	Rate of the tax.
QuickBooks Balance	Current balance in the account.
Bank Balance	The balance of the connected bank account.
Action	This column displays the actions that can be performed for each account depending on its type.

Columns can be shown or hidden by selecting the settings button at the top right of the list and selecting **Customize Columns**. A window is displayed which allows additional columns to be displayed in the Chart of Accounts window.

2. Double-click any account with a **Balance** value that is not **0.00** (zero) or blank.

    A new page, the account register, opens showing the detailed transactions in that account.

3. Close the account register.

4. Select **gear button** from the top right corner of the screen.

5. Then, under **YOUR COMPANY**, select **Accounting and settings**.

6. Under the **Advanced** tab, select the Chart of accounts section, select the **Enable account numbers**.
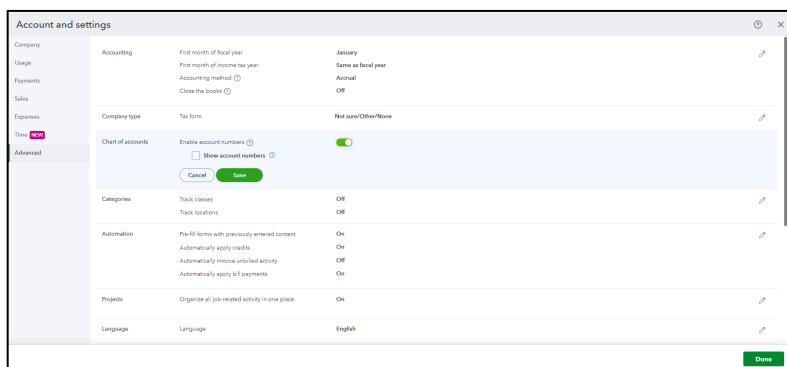
7. Select the **Show account numbers** checkbox, and select **Save** then **Done**.

    The account numbers will now be displayed for accounts with account numbers. The remaining accounts will not show an account number because these numbers have not been previously entered. Now turn off the account number display again.

8. Change the sort sequence of the Chart of Accounts. Select the **Name** title bar to sort all of the accounts in alphabetical sequence by name.

9. Select the **Name** title bar again to re-sort all of the accounts into descending sequence.

10. Select the **QuickBooks Balance** title bar to sort the accounts in ascending order based on the account balance.

11. Select the **Detail Type** title bar to re-sort the accounts by their type. This is the default setting and is recommended.

Account Type

The design of the Chart of Accounts is a very important aspect of QuickBooks because you not only want to track financial information at a level of detail to help you determine your financial state of affairs quickly, but also be able to format the financial statements (Balance Sheet and Income Statement) presentation, as desired.

Consider the following partial sample Balance Sheet:

Beauty Aesthetics Inc.
Balance Sheet

	Jan. 1, 2017
Assets	
Bank Account	$7,000.00
Float	200.00
Petty Cash	50.00
Accounts Receivable	2,630.00
Advances Receivable	0.00
Prepaid Expense	1,200.00
Furniture & Fixtures	5,600.00
Accum. Depreciation - Furniture/Fixtures	(1,425.00)
Total Assets	**$15,255.00**

While this Balance Sheet is correct, it does not display the accounts in an easy-to-read format. All the company's assets are grouped together (current and fixed assets), and it is not that easy to determine the total cash in this business. It is also difficult to determine the net value of the fixed assets (Furniture/Fixtures and Accum. Depreciation – Furniture/Fixtures).

However, you cannot simply decide to keep the number of accounts to a minimum because doing so will eliminate the details, such as the following:

Beauty Aesthetics Inc.
Balance Sheet

	Jan. 1, 2017
Assets	
Current Assets	$11,080.00
Fixed Assets	4,175.00
Total Assets	**$15,255.00**

To overcome this problem, you can make use of the Subaccount option in QuickBooks so that you can have both sufficient detail and also the ability to observe a bird's eye view of the financial state. For example, you may want to track all of your cash in three accounts: bank account, float (cash on hand to conduct daily business), and petty cash (to pay minor expenses). These three accounts can be designated as subaccounts of another account named as Cash, which simply includes all transactions from these three accounts as its own, including the final balance. The Cash account is a summary account of the three subaccounts.

The account type is also used to designate how the accounts are grouped together on the balance sheet or income statement. For example, accounts of types such as Bank, Accounts Receivable, and Other Current Asset are grouped together under Current Assets.

By using subaccounts and account types, the partial balance sheet will now appear like this:

Beauty Aesthetics Inc.
Balance Sheet

		Jan. 1, 2017
Assets		
Current Assets		
Cash		
Bank Account	$7,000.00	
Float	200.00	
Petty Cash	50.00	
Total Cash		$7,250.00
Receivable		
Accounts Receivable	2,630.00	
Advances Receivable	0.00	
Total Receivable		2,630.00
Prepaid Expense		1,200.00
Total Current Assets		**$11,080.00**
Fixed Assets		
Furniture/Fixtures		
Furniture & Fixtures	5,600.00	
Accum. Depreciation	(1,425.00)	
Total Furniture/Fixtures		$4,175.00
Total Fixed Assets		**$4,175.00**
Total Assets		**$15,255.00**

General Ledger Accounts

Creating GL Accounts

From the Chart of Accounts, you can create more General Ledger accounts as you need them.

Learn the Skill

In this exercise, you will create General Ledger accounts.

1. From the quick menu, select **Transactions** and then **Chart of Accounts**.

2. Select **New** from the top right.
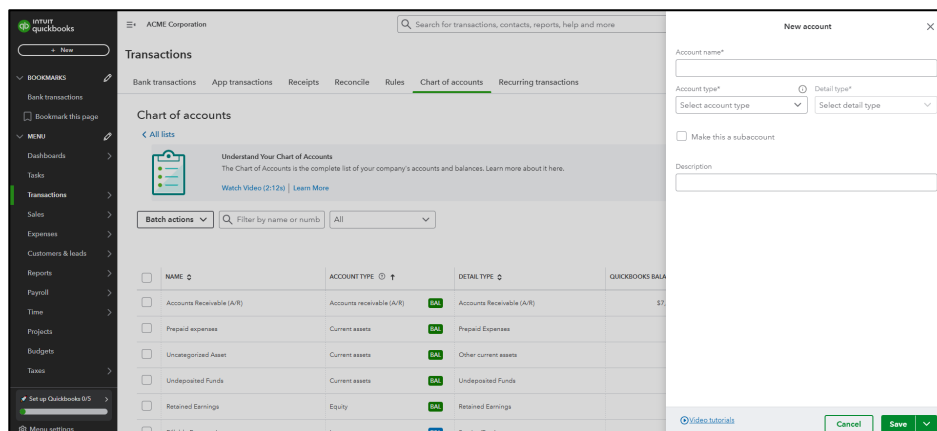
From the Account Type list, select your account's type. The following explains some of the generic types available.

Income	Categorize money earned from normal business operations.
Expense	Categorize money spent in the normal course of business operations.
Long-term Asset	Tracks the value of significant items that have a useful life of more than one year.
Bank	Create one account for each cash account needed.
Loan	Tracks the principal owed on loans or lines of credit.
Credit Card	Create one for each credit card your business uses or accepts.
Equity	Tracks money invested in or taken from the company by owners or investors.
Other Account Types	Select an account type from the list that includes accounts receivable, current assets, other assets, accounts payable, current and/or long-term liabilities, cost of goods sold, other income, other expenses.

3.   Select **Bank**, and then fill the rest of the following fields.

Detail Type	This field is automatically completed from the previous window choice. There is an option to change this by selecting the down arrow beside the field and choosing from the options provided. The Detail Type field serves two functions in your account setup. First, it identifies the various types of accounts. Second, it will categorize them in the correct sections of your Financial Statements. The accounts are also sorted in alphabetic order within each type.
Account Name	Name of the account.
Number	Account numbers to uniquely identify each account and to identify the account type.
Description	This is an optional field to expand on the name of the account.
Make this a subaccount	Identifies whether the account being created is part of a group of accounts. If the account is part of a group, select the checkbox and you are required to select the Parent Account (the main account) from the list below.
Default Tax Code	If you plan to export your tax information to income tax preparation software such as Intuit's QuickTax or ProFile, you can choose the correct tax line from the options offered in the drop-down menu. Otherwise, in general, you should not use tax-line mapping.
Enter Opening Balance	The historical account balance from your previous accounting system, if applicable.

4.   In the **Account Name** field, enter: BMO Chequing

5.   Enter the following data for the remaining fields in the dialog box:

Detail Type: Chequing
Description: Bank of Montreal Chequing
Bank Account Number: 40987

Do not enter an opening balance. Do not use the Tax-Line Mapping option.

Your screen will be similar to the following:

At this point, you have two choices in saving your information:

– Save: Will save the new account and close the Chart of Accounts window.

– Save & New: Will save the account and opens a blank Account page to input a new ledger account.

6.   Select **Save & New**.

At any time in the process, you can cancel the creation of an account by selecting **Cancel** or by using **ESC**.

7.   Use the method outlined previously to create the following new accounts:

Account Name:	Cash
Account Type:	Bank
Detail Type:	Cash on hand
Description:	Cash Summary

Account Name:	Bank
Account Type:	Bank
Detail Type:	Cash on hand
Description:	Cash Summary

Account Name:	Cash.
Account Type:	Bank
Detail Type:	Cash on hand
Description:	Cash Summary

8.   Select **Save & Close**.

Remain in the Chart of Accounts window and proceed with the next exercise.

Modifying GL Accounts

Within the Chart of Accounts window, you can access, modify, and delete previously entered General Ledger accounts.

Learn the Skill

In this exercise, you will modify General Ledger accounts.

1. From the account's **ACTION** column next to Bank account, select the arrow to open the drop-down list and then select **Edit** to display the Edit Account window.

2. Enter the following data into the Edit Account window:

    Is subaccount?   Yes   Cash

    The completed window should appear similar to the following:

3. Select **Save & Close** to save the changes.

Now change the other two bank accounts and the Cash on hand account to be subaccounts of Cash.

4. Next to BMO Chequing account, in the **ACTION** column, select the arrow to open the drop-down list and then select **Edit**.

5. Make the following changes in the Edit Account window:

    Is subaccount?   Yes   Cash

6. Select **Save & Close**.

Learn the Skill

Use the methods outlined previously to set up and modify the following accounts:

1. From the Chart of Accounts window, select **Account**, select **New** and complete as follows:

Account Name:	Trade Publications
Account Type:	Expenses
Detail account:	Dues & Subscriptions
Subaccount:	Dues & Subscriptions
Description:	Subscriptions to trade magazines

2. Select **Save & Close**.

3. In the Chart of Accounts window, select **Edit** for *Advertising*. Complete as follows:

Subaccount	Dues & Subscriptions

4. Select **Save & Close**.

    The Chart of Accounts window should now appear similar to the following:

5. Leave the Chart of Accounts window open for the next exercise.

Removing GL Accounts

QuickBooks Online allows you to delete an account by making it inactive. This does not remove the account from your QuickBooks completely but moves it to an inactive state where you can restore it at a later stage. If the account you want to inactivate already has a balance, QuickBooks creates a journal entry with the amount in the account so that you don't lose the transaction in your bookings and to not affect any reports. However, if you re-activate the account, the balance amount is not returned to the account.

You cannot make an account inactive if any of the following applies:

- The account is a default one added by QuickBooks automatically depending on your business or added after performing a specific action such as adding a tax

- The account is connected to online banking

- The account has sub-accounts

- The account is linked to a service or product that is being paid for

- The account has invoices that are not yet paid

- The account has a recurring payment set

Learn the Skill

In this exercise, you will learn how to remove an account.

1. Locate the account named **Cash.**, from the account's **ACTION** column, select the arrow to open the drop-down list.

2. Select **Make Inactive (reduce usage)**. A confirmation message appears.

3. Select **Yes, make inactive**. The account is now inactive and doesn't appear in the list

Note: You need to filter the list to view inactive accounts. You can also remove more than one account by using the Batch Action menu at the top of the list.

Restore an Inactive Account

You can make inactive accounts active again, but that doesn't return the amount removed from its balance.

Learn the Skill

In this exercise, you will learn how to restore a removed account.

1. Select **the gear button** at the top right of the list and select the checkbox for **Include inactive**.

2. Now as the inactive accounts are displayed, locate the inactive account **Cash.** in your Chart of Accounts that was (deleted) next to its name.

3. From the account's **ACTION** column, select **Make active**.

    The account is now active and can be used again with your transactions.

Merging Duplicate Accounts

There can be accounts in your Chart of Accounts that serve the same purpose and there is no need to have more than one. Instead of deleting the duplicate account, QuickBooks allows you to merge both accounts. This moves the transactions of the duplicate account to the one you decide to keep.

You need to keep in mind the following when merging accounts:

- Merging accounts is only available in Accountant View
- Both accounts must be already created using the same Name, Account Type, and Detail Type
- If both accounts are parent accounts, make sure they have no sub-accounts
- If both are sub-accounts, make sure that both accounts belong to the same parent account
- If only one account is a sub-account, you can change the Account Type to match the parent's, which in turn makes it a parent account

Learn the Skill

In this exercise, you will learn how to merge duplicate accounts.

1. Select gear icon from the top right and then select **Switch to accountant view**.

2. From the quick menu, select **Transactions** and then **Chart of accounts**.

3. Locate the account named **Cash.** and select **Edit** from its **ACTION** menu.

4. In the Account window, change the **Account Type**, **Name** (change the name to Cash), and **Detail Type** to be the same as the account to which you want to merge this account.

5. From the bottom of the window, select **Save**.

   A confirmation window appears as follows:
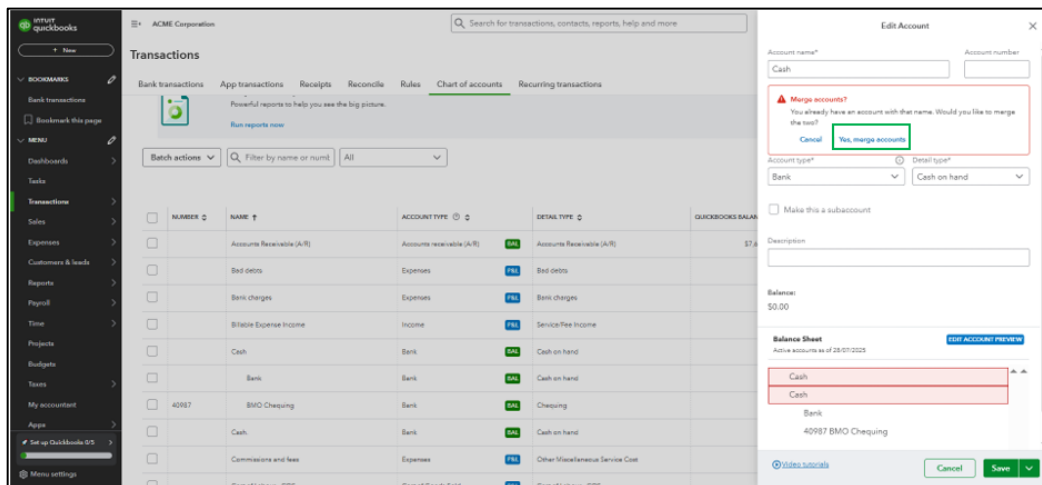
6. Select **Yes, merge accounts** then select **Save**. The accounts are now merged into one.

Printing the Chart of Accounts Listing

In order to ensure that you have entered the Chart of Accounts correctly, you should view a listing of the accounts.

Learn the Skill

In this exercise, you will learn how to print a list report.

1. Select **Run Report** from the top right of the chart of accounts.

    The Account Listing window is displayed. This is one of the pre-built reports that QuickBooks supplies. You can modify the format and content of the report to suit your individual needs as well. The default date setting will always be the current date.

2. Select the **Printer icon** at the top of the Account Listing window to display the Print Reports dialog box, which allows you to change your printer and page settings for the report.
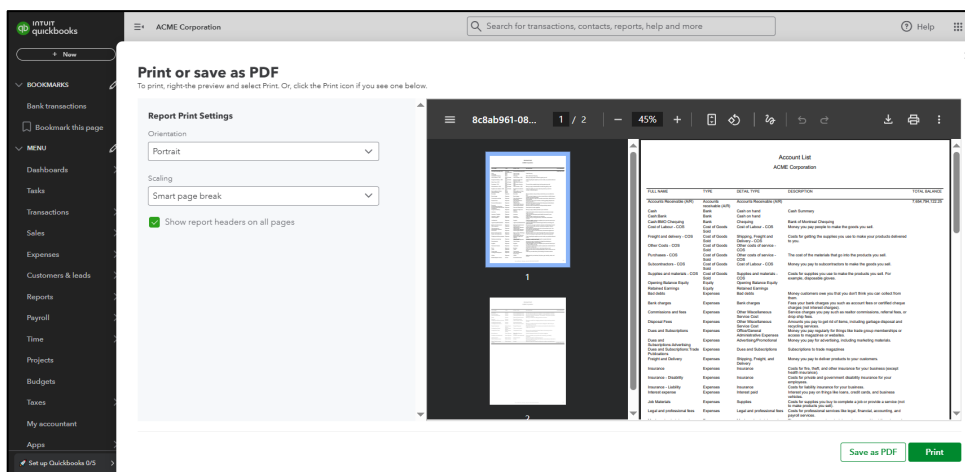
Note: You can change the report's orientation, email it, or save as a PDF file to your computer.

3. Select **Print** in the Print Reports dialog box to print the report.

4. Close the print preview and select **back to chart of accounts** from the top left of the page.

Note: You can print a report for each account separately by selecting print from the account's **ACTION** column's drop-down list in the chart of accounts.

General Journal Transactions

Creating Journal Transactions

Within QuickBooks, you should always select the appropriate document for a particular type of transaction. For example, you would choose the Invoice when you are entering a sale and the Pay Bills when you want to enter a payment to one of your vendors.

The General Journal is slightly different. You will use it for miscellaneous transactions that are not handled by any of the other transactions. Note that you must enter all purchases and sales either into the Invoices or the Pay Bills transaction windows, rather than the General Journal. This is because QuickBooks does not automatically track the GST/HST entered within the General Journal. If you enter purchases and sales into the appropriate transaction windows, then QuickBooks can keep accurate records of the GST/HST you have charged and paid, and create accurate Customer and Vendor records.

The types of transactions that might be entered in the General Journal include:

- loan interest
- depreciation transactions
- accruals
- General Ledger adjustments
- transfers from one bank to another
- Owner's loans and changes to the capital structure of the business

Learn the Skill

In this exercise, you will learn how to create General Journal Entries.

QuickBooks Online (QBO) uses a live, real-time environment. For the purpose of these exercises, please use the **current calendar year** when entering transactions, unless otherwise specified. This courseware was updated in **2025**, so all example transaction dates are shown using **2025**.

Following this guideline ensures your entries align with realistic accounting periods and helps avoid date-related errors.

1. Select **New** from the top of the quick menu, under OTHER, then select **Journal Entry**.

2. In the **Journal date** field, enter: `01/03/25` (March 1, 2025) as the date for this General Journal entry and select **TAB** two times. This will bypass the automatic Journal no.

3.   In the **Account** field, select the drop-down button, select account **BMO Chequing** and select **TAB**.

4.   Enter: 5000 as the **Debit** and select **TAB** twice.

> QuickBooks assumes that you are working with dollar amounts, so that if 5000 is keyed in, the program recognizes it as $5,000.00. You only need to key in a decimal point if there is a cent amount, for example, $10.50 should be entered as 10.5 or 10.50.
>
> If you wanted to enter a credit for this account, you would select **TAB** without an entry in order to move to the Credit column.

5.   In the **Description** field, enter: Transfer from Royal chequing as a descriptive comment for this transaction and select **TAB** four times to jump to the Account field on the next line.

QuickBooks now defaults to a $5,000.00 credit in order to try to balance this entry.

6.   For this second Account, select **Bank account** and select **TAB** three times.

7.   Enter: Transfer to BMO chequing in the description column.

     Your entry should be similar to the following:

8.   Select **Save & New**.

9.   Input the following General Journal entry:

Date	3/01/25 (March 1, 2025)		
Account	Debit	Credit	Memo
Cash	300.00		Establish Petty Cash
BMO Chequing		300.00	

10. Select **Save & New** to keep the Journal window open for the next exercise.

Creating Memorized Journal Transactions

When an entry is a standard entry that recurs on a regular basis, you can save time by creating a memorized transaction. This function lets you instruct QuickBooks to make a copy of the transaction for future use so that you will not have to rethink the bookkeeping entries or re-enter most of the information.

Learn the Skill

In this exercise, you will learn how to memorize a General Journal transaction.

1. Enter the following General Journal transaction, but do not save.

Date	10/10/25 (Oct 10, 2025)
Interest expense	500.00 Loan payment
BMO Chequing	500.00

2. Select **Make recurring** button at the bottom.

3. Enter the following values or options in the Memorize Transaction dialog box:

Template Name	Term Loan Payment
Interval	Monthly
Start date	09/11/25 (Nov 09, 2025)
End After	3

The completed dialog box should appear similar to the following:

4. Select **Save template** to save the recurring entry.

Recalling Memorized Journal Transactions

You have created a recurring transaction for the monthly loan payment. Now you can reuse this transaction without having to re-enter any of the information, with QuickBooks inserting the next due date for you.

Learn the Skill

In this exercise, you will recall and post a recurring transaction.

1. Select gear button and select **Recurring transactions** under **LISTS**.
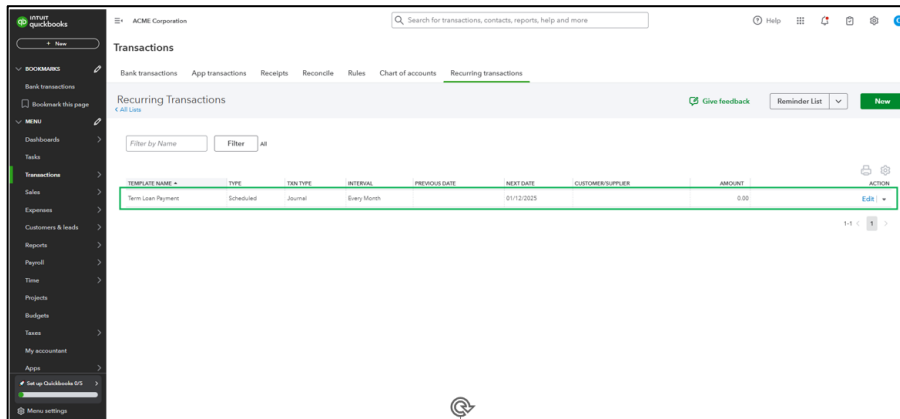
The Recurring transaction list displays the transactions, including the new one just entered, along with such information as the interval and the next date.

2. If necessary, select **Use** from the transaction's **ACTION** column's drop-down list.

QuickBooks now creates a new transaction, using the memorized transaction data. QuickBooks has also automatically adjusted the transaction date to your current date for this new transaction.

3. Select **Save & Close** to save this entry.

Adjusting Previously Posted General Journal Entries

Journal entries that have already been posted may be adjusted if errors are found later.

Learn the Skill

In this exercise, you will learn how to adjust a previously posted journal entry.

The journal entry for the cash entry posted on Mar 1, 2025 was subsequently found to be incorrect. The amount should have been taken from the Bank Account, not the BMO Chequing Account.

1. Click in the search bar in the centre of the homepage, you can find the journal entry in the search window under Recent Transactions section. If necessary, you can select the **Advanced transactions search** at the bottom of the search window.

Assume that you do not remember any details about the transaction except that you know it was recorded in the General Journal, and the amount was entered as $5000.00.

You should avoid this situation of not having details of recorded transactions. For example, you should have recorded (as a minimum) the transaction entry number, date of entry, amount, and your initials (or whoever entered the data) on the source document—the accountant's memo as an example. These documents are required to be stored in any case for audit reasons.

2.   In the search criteria use the dropdown menu and select **Journal**.

3.   In the **Amount** field, select Amount **Equals** then enter: `5000.00`

4.   Click **Apply** to search for all transactions that meet these criteria.

   The Find window should appear similar to the following:
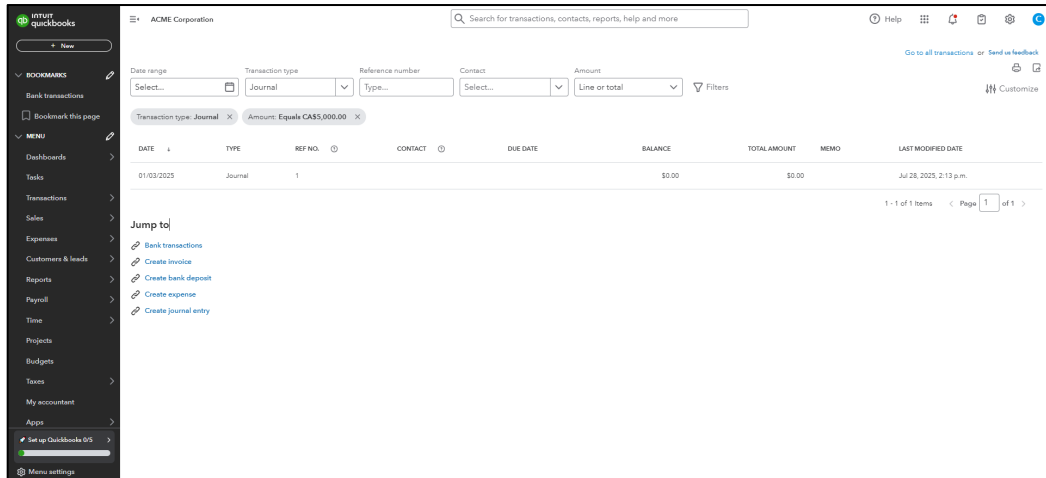
5.   Select the journal entry number **1** (dated Mar 1) row.

   The General Journal transaction is now displayed.

6.   Change the bank account from BMO Chequing to **Bank** and then select **Save & Close**.

> Use this same procedure if an entry was originally posted with an incorrect date. Recall the original transaction, amend the date instead of the amount, and save the transaction again.

Reversing General Journal Entries

To remove a General Journal entry that has already been saved, you can either void or delete it. You should always choose to void a transaction because this action will simply change the amount values to zero but otherwise leave the transaction in the records.

If you need to completely remove the transaction from the records, you can choose to delete it. However, the transaction number will not be re-used, and an audit of your records will reveal that a transaction has been deleted.

Learn the Skill

In this exercise, you will reverse a previously posted General Journal entry.

You have renegotiated a loan with the bank. You would like to void the loan payment that was generated on Oct 10, 2025.

1.   Select search from the top right, you can find the journal entry in the search window under Recent Transactions section. If necessary, you can select the **Advanced search** at the bottom of the search window.

2.   In the search criteria select **Journal** > **Amount** > **Equals** > **500**.

3.   Select **Apply** for all transactions that meet these criteria.

4.   Select the **Loan Payment** that is displayed.

5.   At the bottom of the transaction select **Reverse**.

6.   Select **Save & Close**.

7.   As the search window is still open, select the transaction again.

8.   At the bottom of the transaction window, select **More** > **Delete**.
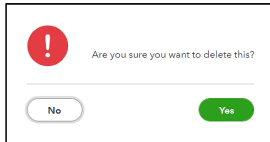
9.   Select **Yes** in the confirmation window.

General Journal Report

Learn the Skill

In this exercise, you will learn how to generate a general journal report, review the entries that have been posted, and check that QuickBooks has made the necessary adjustments for the correction shown above.

1.   Under Reports in the quick menu, select **Standard Reports**.

2.   In the **For my accountant** section, select **Journal**.

     The Journal report is immediately generated for the current month and displayed on screen.

3.. At the top of the Journal report window, in the **Dates** field, change the **From** date to **Mar 1, 2025** and the **To** date to **Oct 09, 2025**.

     The new Journal report is immediately generated and displayed on screen.

Practice the Skill

The following additional exercise covers many of the items discussed in this Lesson. The Practice the Skill exercises are included as extra practice and may be completed by the students in class or on their own. Your teacher has access to the Answer Key for these exercises.

1.   Modify the company information by adding the following additional information:

Company name:	HHG
Logo:	upload the one in your student file
Business Number (BN):	4033288177

2.   Create the following new ledger accounts:

Account Type	Detail Type	Account Name
Bank	Cash on hand	Petty Cash
Expenses	Cost of Labour	Janitorial Expense

3.   Adjust Journal Entry no.2 made to establish Petty Cash. Change the bank account from Cash to **Petty Cash**.

4.   Print the Chart of Accounts.

Lesson Summary

In this lesson, you learned about the basic functions and features of QuickBooks Premier. In particular, you learned how to do the following:

- ☑ work with bookkeeping systems
- ☑ migrate your data and import lists
- ☑ explain the QuickBooks screen components
- ☑ understand the Chart of Accounts
- ☑ create, modify, find, edit and delete general ledger (GL) accounts
- ☑ work with QuickBooks settings
- ☑ find and amend the company information
- ☑ manage users
- ☑ input dates into QuickBooks
- ☑ input, adjust, and delete General Journal transactions
- ☑ create, recall and delete memorized transactions
- ☑ produce a General Journal report

Practice Questions

1. Name five items that can be found on the Lists menu.

2. How can you manage the columns displayed in a list?

3. Which menu option would you access to change your company's address or name?

4. List the different ways you can access a command within QuickBooks.

5. How do you import your existing lists?

6. How can you switch between business and accountant views?

7. What conditions prevent you from deleting an account in QuickBooks?

8. The General Journal is used to input bookkeeping transactions that do not obviously fit into one of the other modules.

    a. True

    b. False

9. Once you have posted a General Journal entry, the only way to adjust it is to void the original entry, and then create a new transaction.

    a. True

    b. False

10. Inactive accounts cannot be re-activated.

    a. True

    b. False

11. What report is used to print the General Journal transactions posted between specific dates?

12. List the different tabs that can be found in the Account and Settings menu.

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From delving into QuickBooks fundamentals and exploring bookkeeping systems to establishing a company, managing cash and credit transactions, and navigating the General Ledger, this course lays the groundwork for comprehensive financial management.

Upon Completion, Learners Will Gain Proficiency in:

• Bookkeeping Systems and the intricacies of Setting Up a Company
• The Chart of Accounts, General Ledger Accounts and handling General Journal Transactions
• Reconciling Accounts, working with Foreign Currencies, and integrating QuickBooks Online with Apps
• Product and Services List, the Suppliers List and Importing Lists
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