QUICKBOOKS ONLINE STUDENT GUIDE

Lesson 12

Company activities part II

Contents

In this lesson, you'll learn how QuickBooks handles advanced transactions and tasks in QuickBooks. Growing businesses need additional features and functions to manage the new tasks they're required to manage. You'll learn how QuickBooks handles the year-end and what tasks you'll need perform.

Lesson objectives

In this lesson, you'll learn how to:

- Customize form templates
- Edit settings for communicating with customers
- Set up and use class tracking
- Set up budgets
- File annual sales tax return
- Enter year-end journal entries

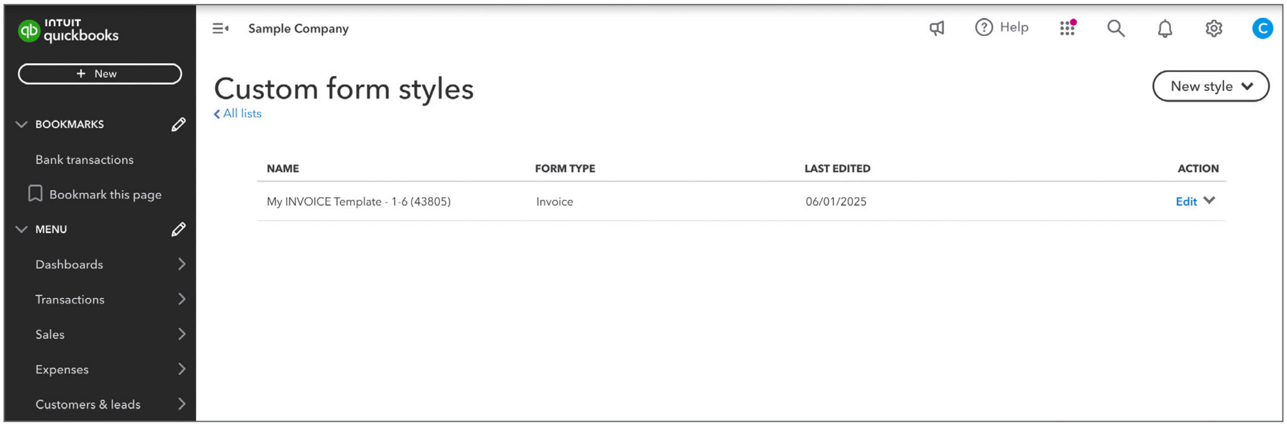
Customize form templates

As your business grows you may want to add more customization in QuickBooks. You can customize the style of invoices, sales receipts, and estimates, plus you can control which data entry fields are available on sales forms. QuickBooks lets you add, remove, and customize items like the logo, column widths, fonts and much more.

You can add new templates as needed. You may need to customize a template for a customer, or industry type of customer or for whatever specific need your company requires.

To view your forms, do the following:

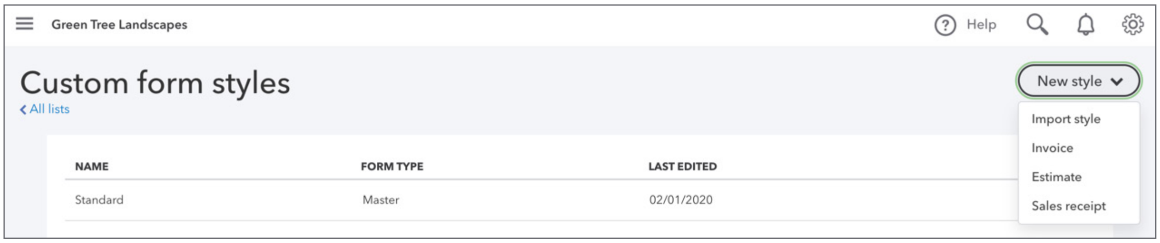
1. Click the **Gear** menu.
2. Click **Custom form styles**.



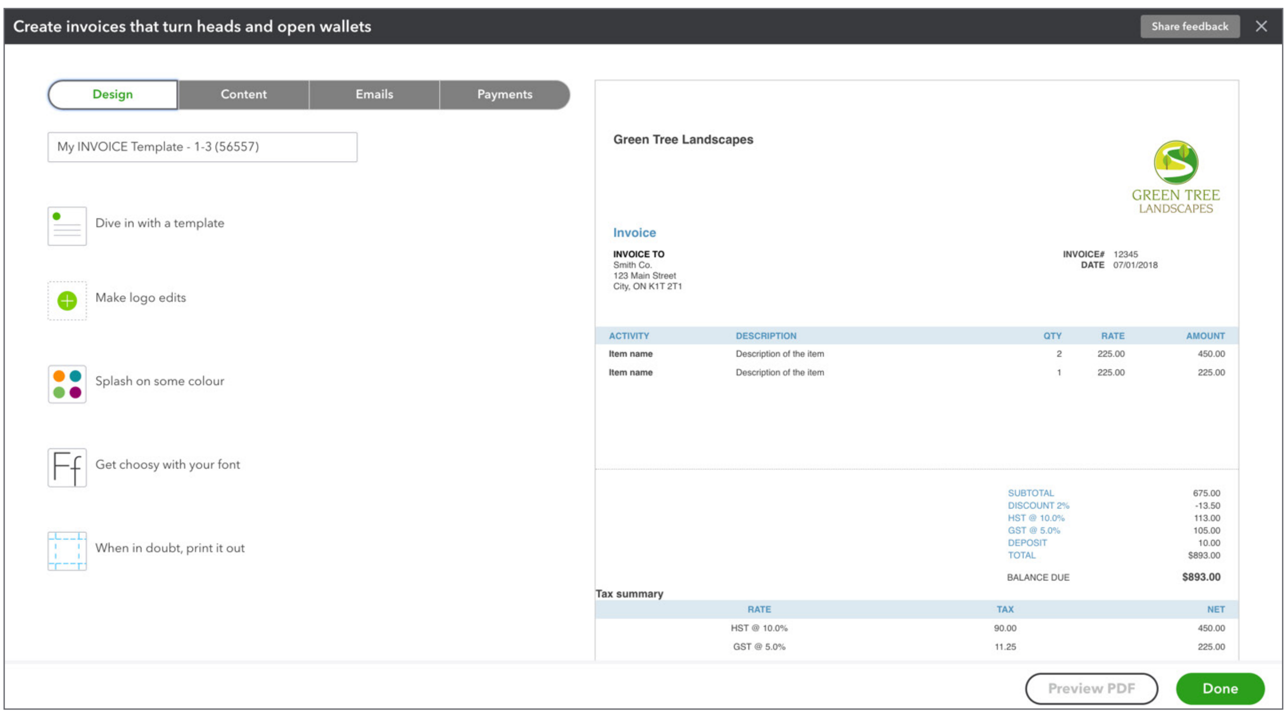
Create a new custom form style

You can create a new form style for the Invoice, Estimate and Sales receipts. To create a new custom form style:

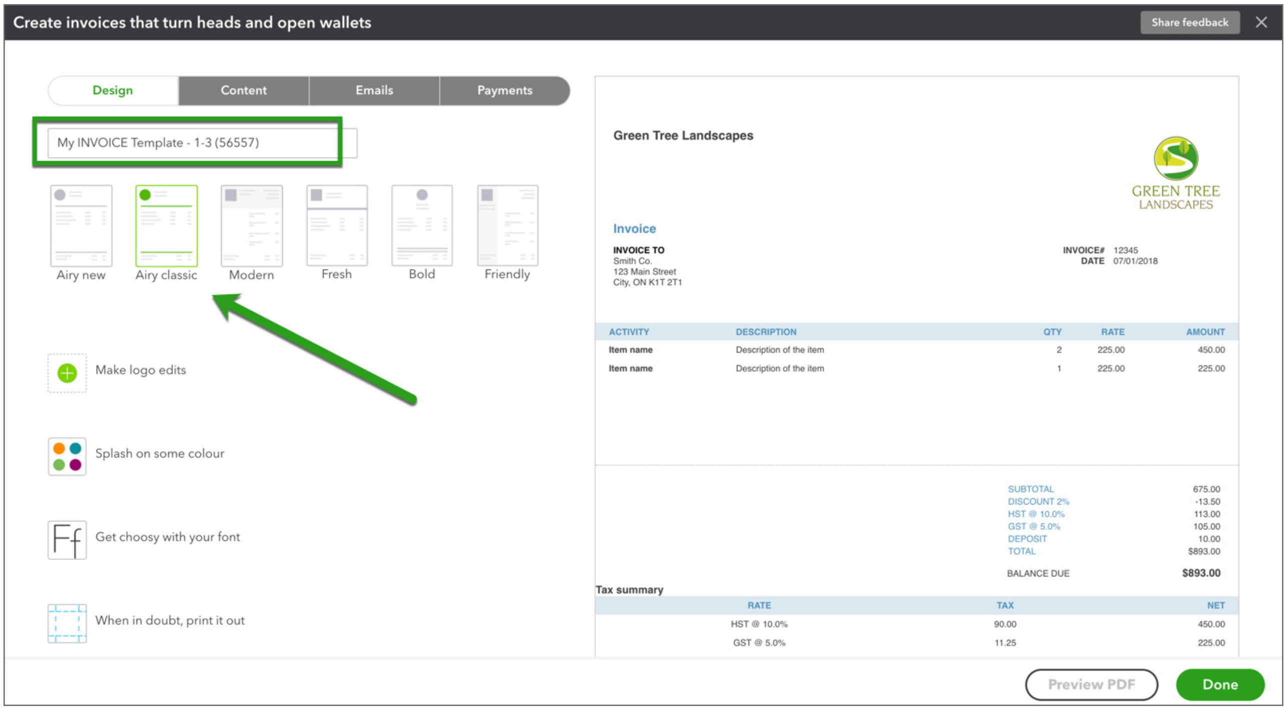
1. Click **New style**.
2. Choose **Invoice**. QuickBooks opens the customization window. There are four areas that you can customize.



3. Click **Design** to edit one of 5 areas.



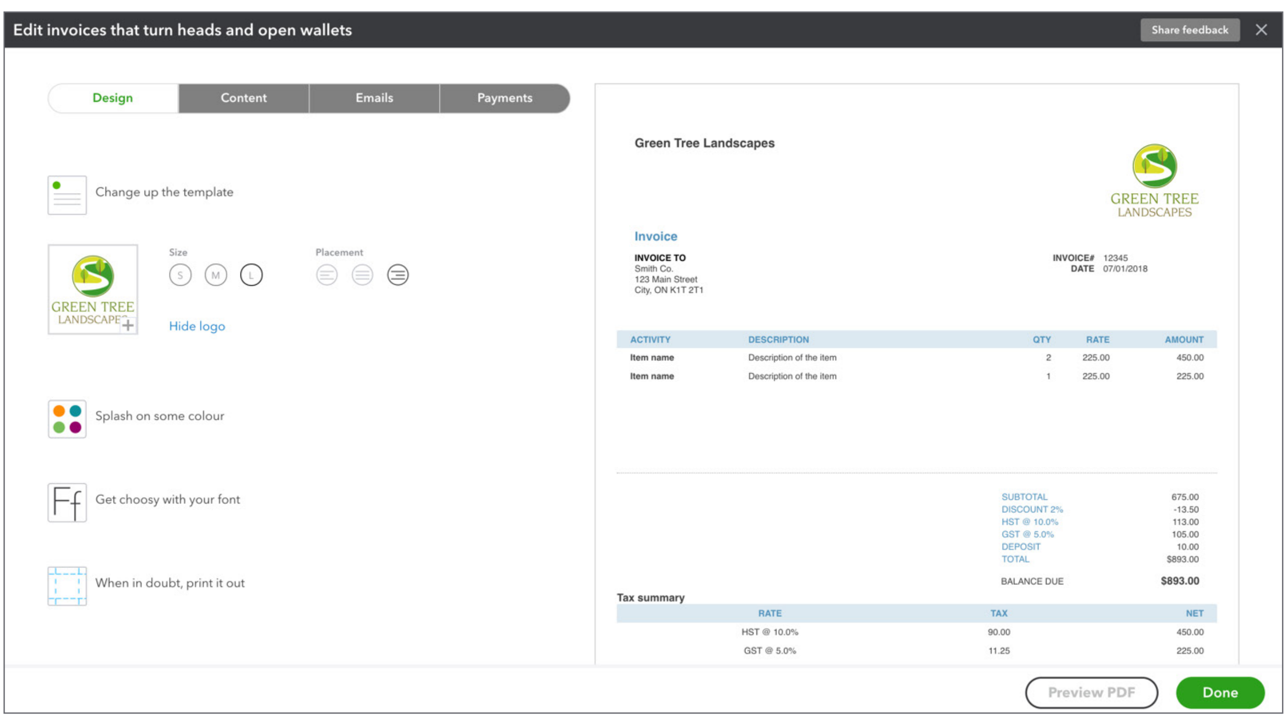
4. On the **Design** tab you can start with a template that QuickBooks provides for you. Click **Change up the template**.



5. Edit the template name.

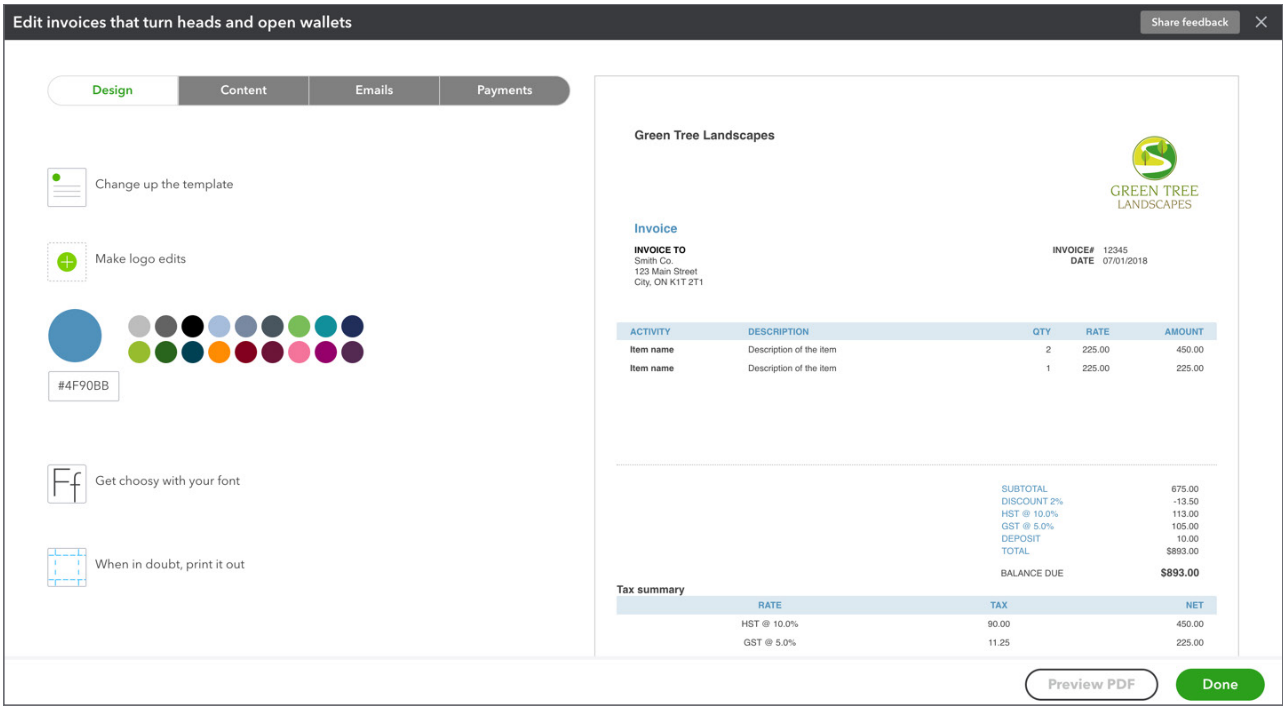
6. Choose your template style. After choosing your template, QuickBooks displays the corresponding template on the right side of the window.

7. Click **Make logo edits**.



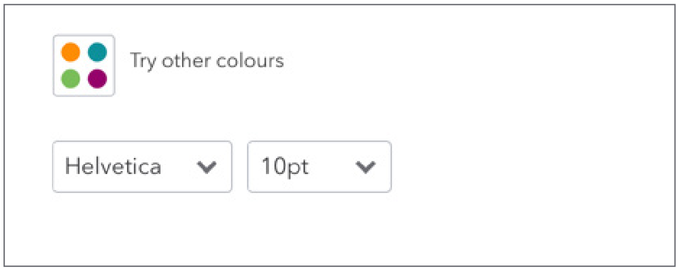
8. Add a logo from your computer. Choose your **Size** and **Placement** for your company logo.

9. Click **Splash on some colour** to change the colors on your template.



10. Click your color and the template preview will reflect your selection. Alternatively, you can enter a color # in the field to match your template with a specific colour.

11. Click **Get choosy with your font**.



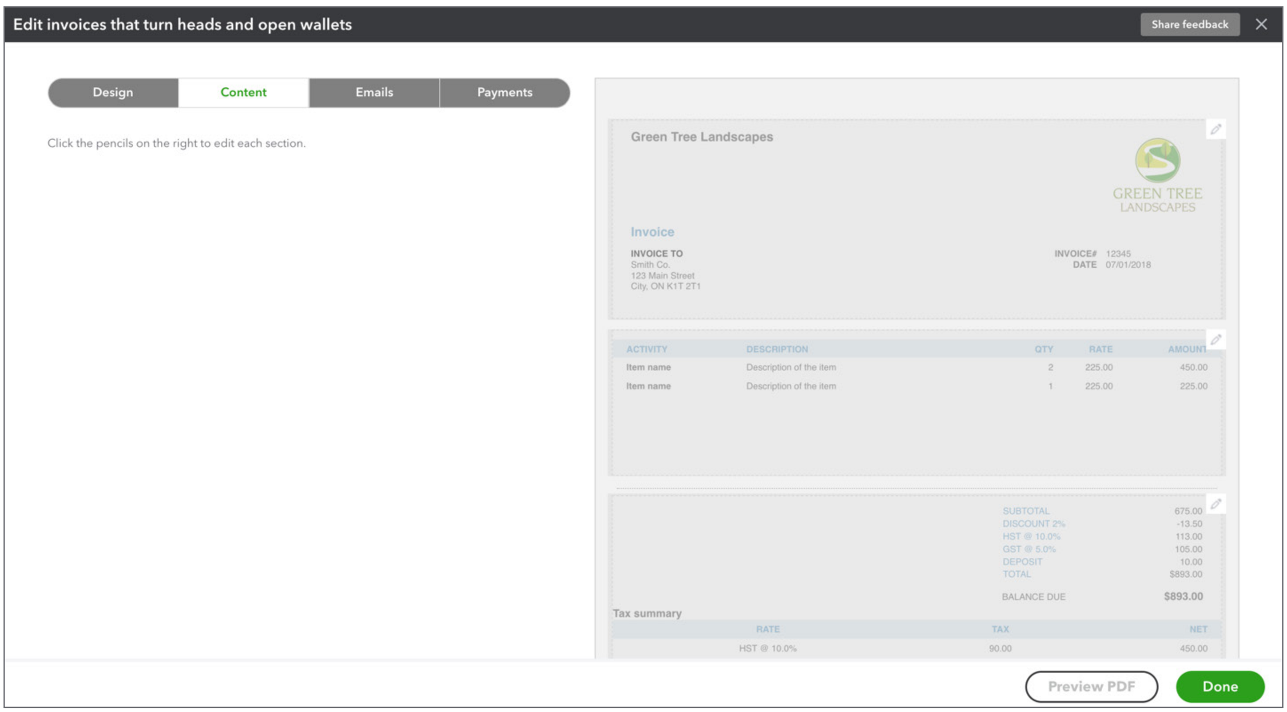
12. Choose your font.

13. Click **Edit print settings**.

14. Edit the **Page margins**.

After editing the Design elements, you can edit the **Content.** To edit the content settings do the following:

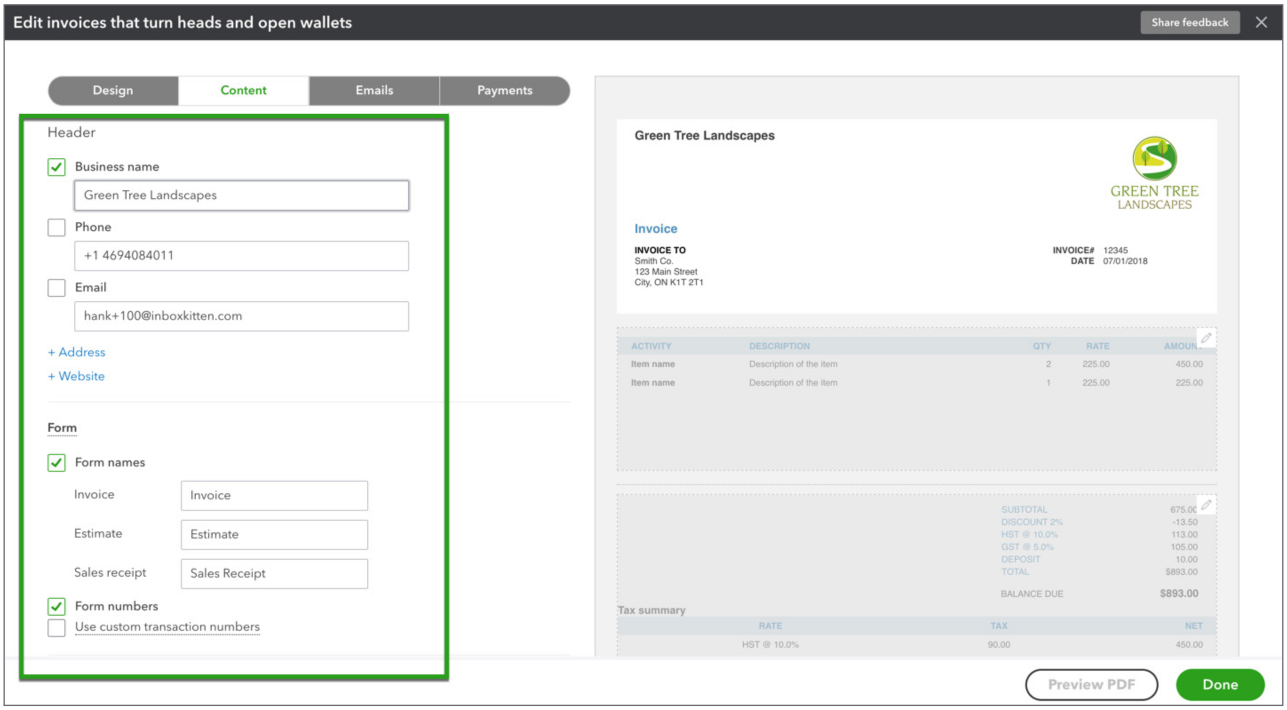
1. Click **Content**. The template displays on the right-side of the window in a grayed out format. There are three sections to edit: **Header**, **Body** and **Footer**.



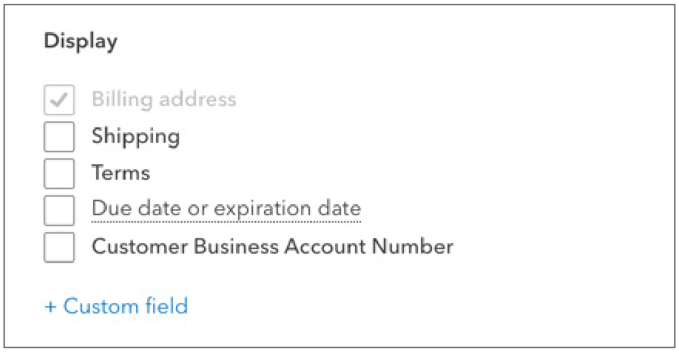
2. Click the **Header** to edit the content in that section.

3. Select the options available to add to the Header. Uncheck any items to remove them from the Header portion of the template.

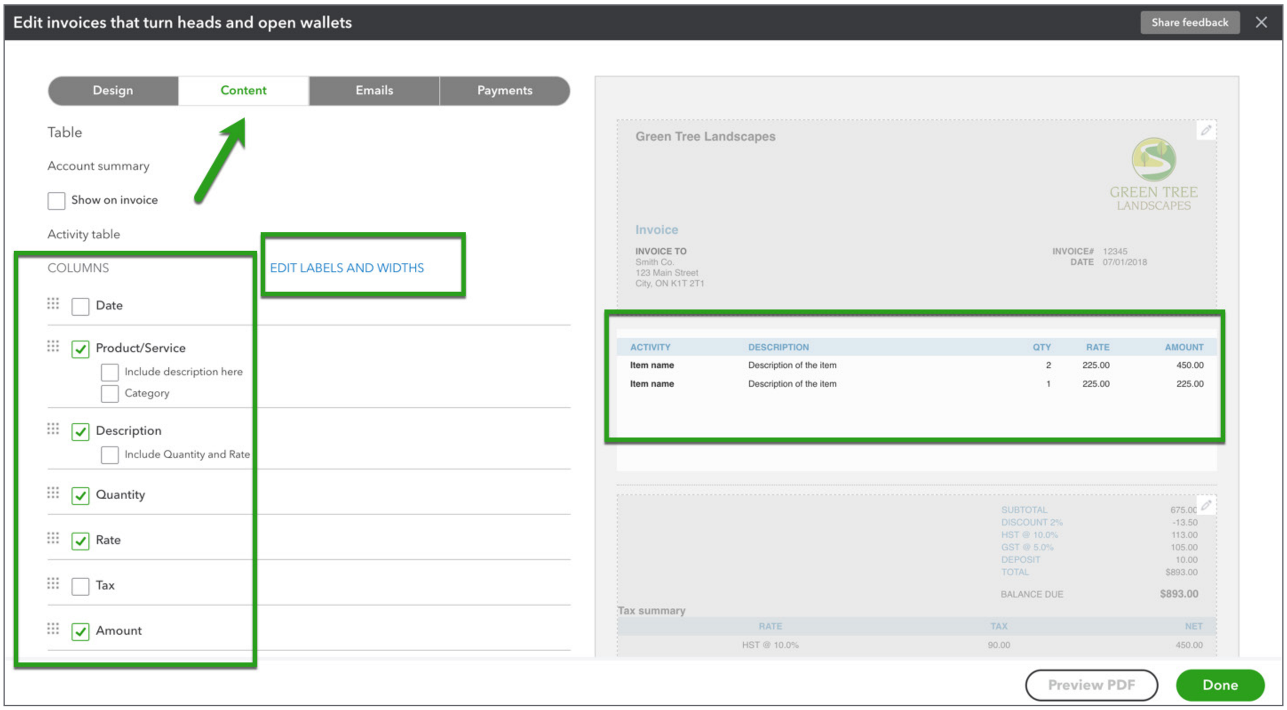
4. In the **Form** section you can edit the title of the form.



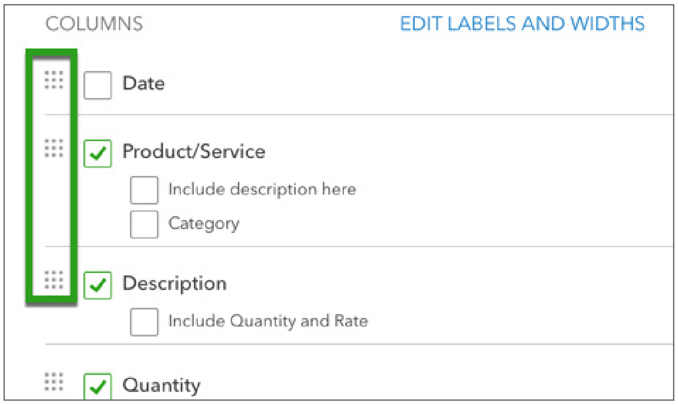
5. In the **Display** section, select or deselect all the information you want to display on the template.



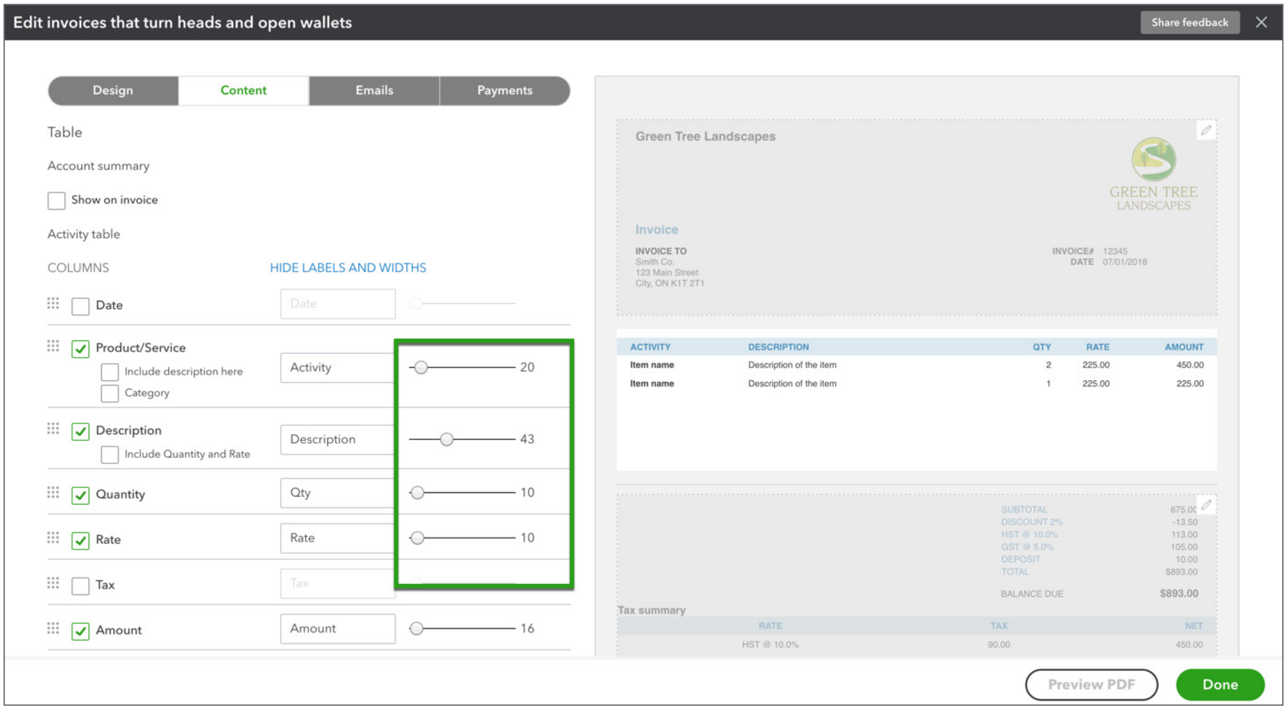
NOTE You can add up to three custom fields to a template. For example, you could track a Sales rep on the sales invoice, or add other important information that you need to track on a sales form.



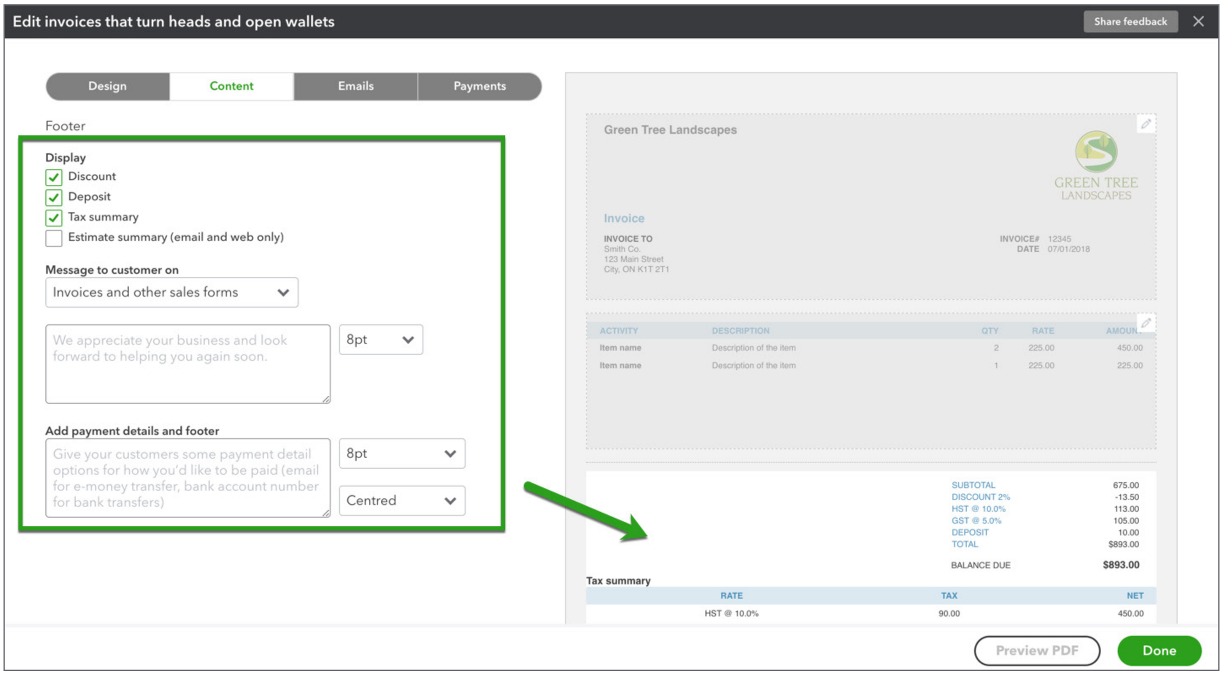
6. Click the **Body** of the template to edit the body of the form. QuickBooks displays a new set of customization options. In this section you can add or remove columns, reorder columns (left to right) and edit the column labels and widths.



7. Select the column options on the left-hand column. Drag and drop the icon next to the Column title to reorder the columns.



8. Click **Edit labels and widths**. Edit the title of the column. Drag the slider option to edit the width of the column. The template will adjust accordingly.

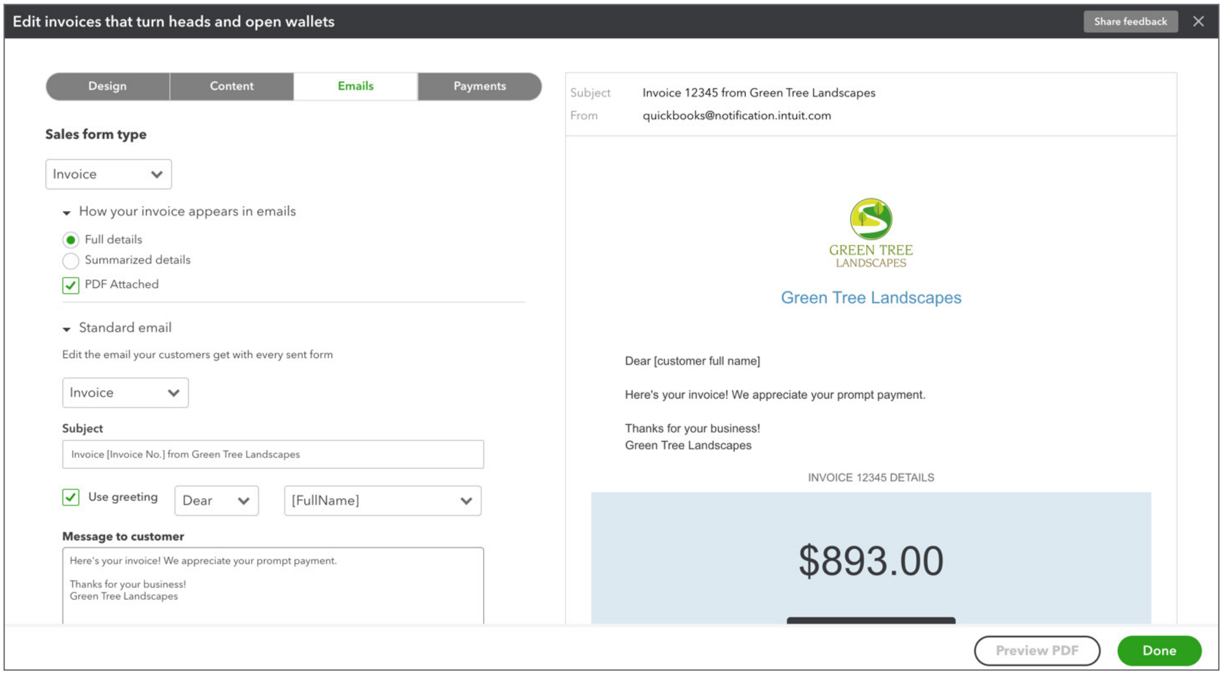


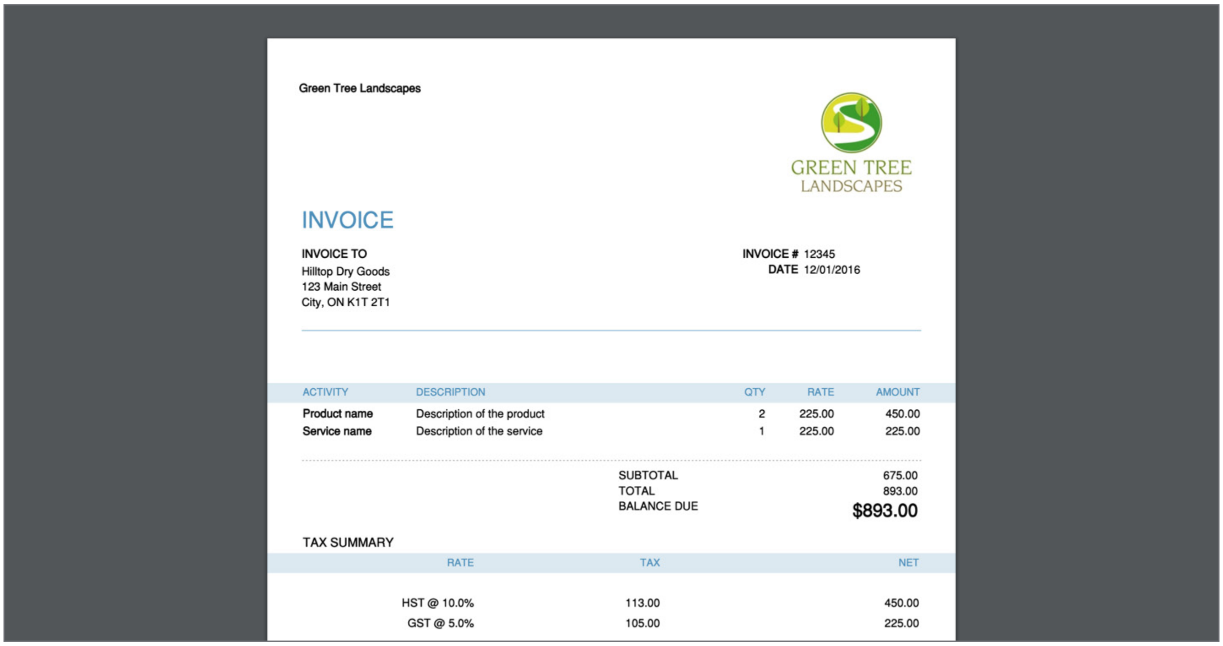
9. Finally, click the **Footer** to edit the footer information on the template. Edit the fields to display the messages and other information for the customer.

10. To edit the email settings when sending emails to customers, click the **Emails** link.

11. Edit the **Subject** and **Message to customer** and any other email information.

Click **Preview PDF** to view a preview of the template. Click **Done** to complete the customization.

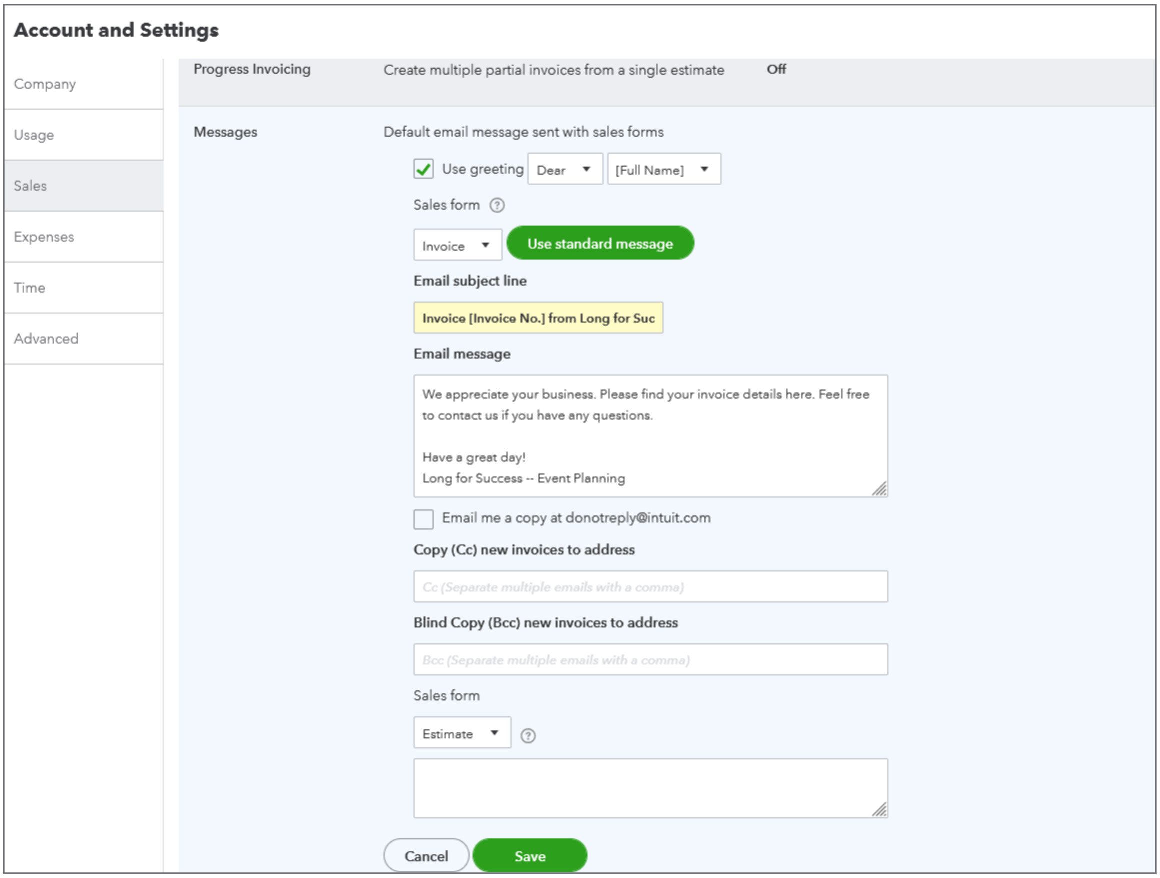




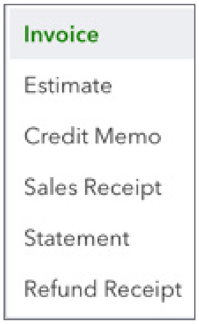
To learn how to customize sales forms watch this video: https://youtu.be/UmY758NrNKc

Communicating with customers settings

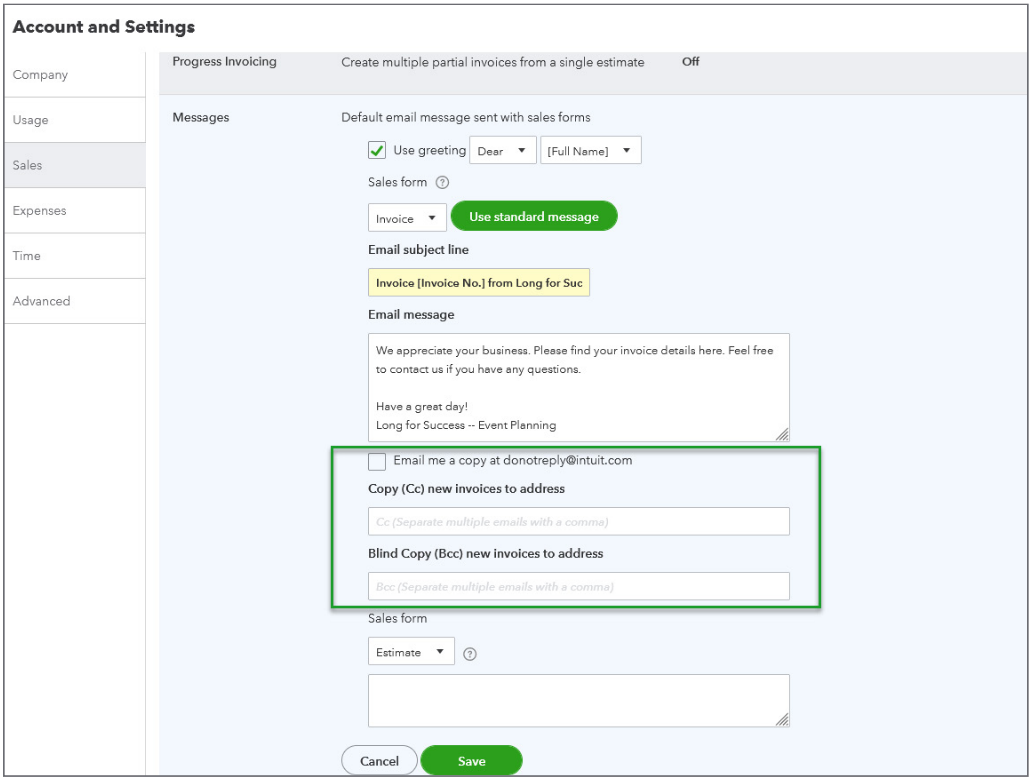
QuickBooks makes it easy to communicate with your customers. You can email forms directly from QuickBooks making it easy for your customer view and pay their invoices. There are several important settings you can use to manage the email communication. To review these settings, go to **Account and settings** and then click **Sales** and then click **Messages**.



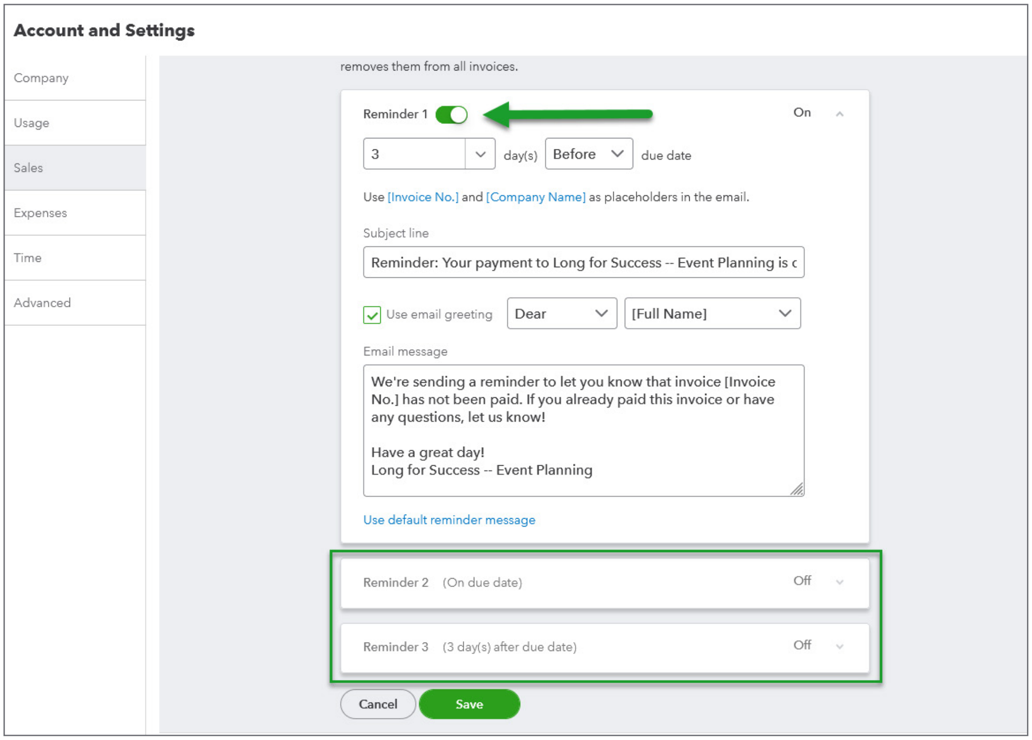
Edit the email details for the default email messaging. You can setup a default for estimates, credit memos, sales receipts, statements, and refund receipts.



Edit the Email message as needed for each form. You can choose to email yourself a copy by selecting **Email me a copy at….**



Click **Save**. Click the **Reminders** section to edit the default email message sent with reminders.



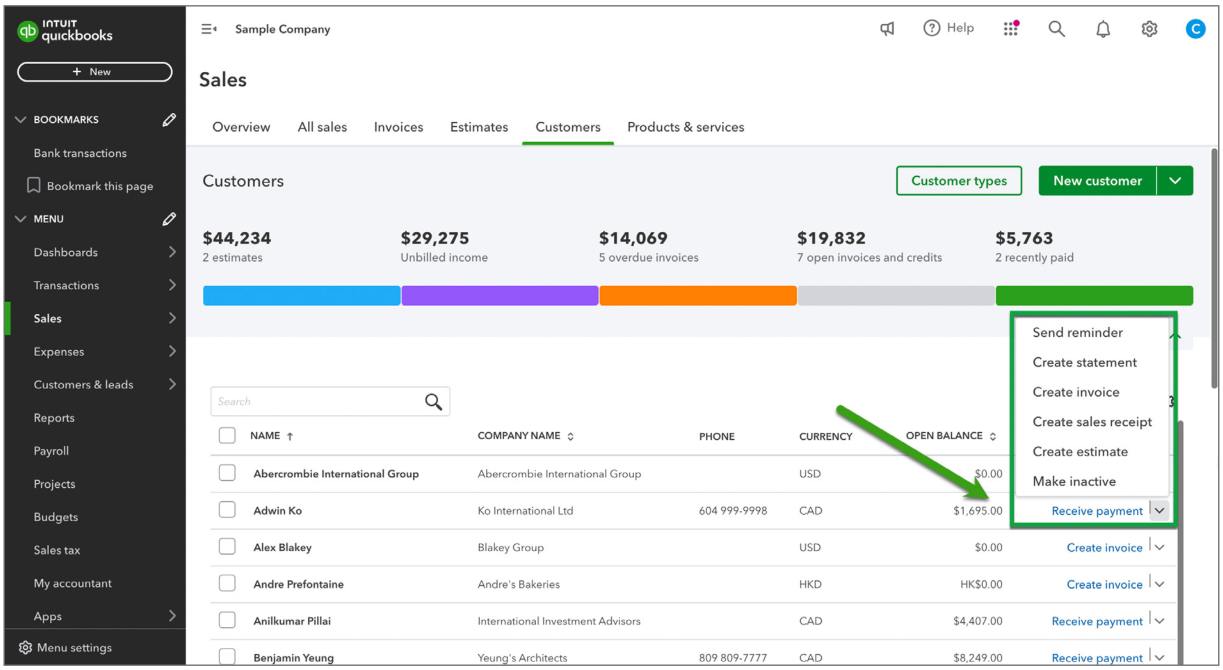
You can enable automatic reminders in QuickBooks Online. This feature automatically sends reminder emails to customers about their outstanding invoices. You can setup up to three reminders.

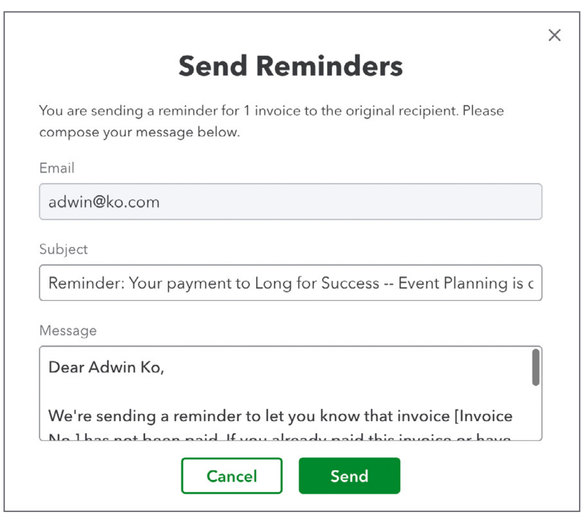
Slide **Automatic invoice reminders** to on. Now you can edit the reminder information for the reminder series.

Send reminders

You can send reminders for overdue/outstanding invoice form the Customer centre.

1. Click **Sales** and then click **Customers**.
2. Choose a **Customer** with an overdue balance and click the drop-down arrow next to their name.
3. Click **Send reminder**.





4. Click **Send**.

Class tracking

Classes provide a system for categorizing transactions that goes beyond the basic ways of assigning transactions to expense or income accounts. A common accounting term used is “departments”. Class tracking lets you track your income and expenses by department, business unit, separate properties you own, or any other meaningful breakdown of your business.

With classes, you can categorize each detail line on a transaction. This lets you write one cheque to the office supply store for things bought for two different classes and still track the business unit for those purchases.

For example, suppose you have a consulting business and an installation business. Class tracking is ideal for you if it is typical to have purchases and sales that include both types of work. By specifying the appropriate class on each detail line, you can run a **Profit and loss by class** report that will tell you if your consulting business is more or less profitable than the installation business.

Examples of how people use classes are:

- Departments
- Enterprises
- Properties
- Construction industry standard categories (General, Site Work, Concrete, Masonry, and so on)
- Manufacturers
- Partners
- Product lines

NOTE Classes are only available in the QuickBooks Online Plus version of QuickBooks.

Using classes overview

1. Turn on class tracking (in **Account and settings**).
2. Add classes that are meaningful to your business.
3. When you enter invoices, cheques, credit card charges, or other transactions, assign a class to the transaction (or detail lines of the transaction), if it makes sense.
4. Create Class Reports.

Here are some general tips for using classes:

- Set up classes according type of reporting that you want to do, and consider how you want to see your business segmented on reports.
- Set up a class such as “other” that you can use to deliberately classify transactions that don’t fit into any specific class that you’ve defined.
- Don’t use classes for two different purposes. For example, don’t create classes for tracking office residential/commercial business in addition to tracking partners.

- Consistently enter the class information on your forms and registers to ensure that Class information is valid and useful.

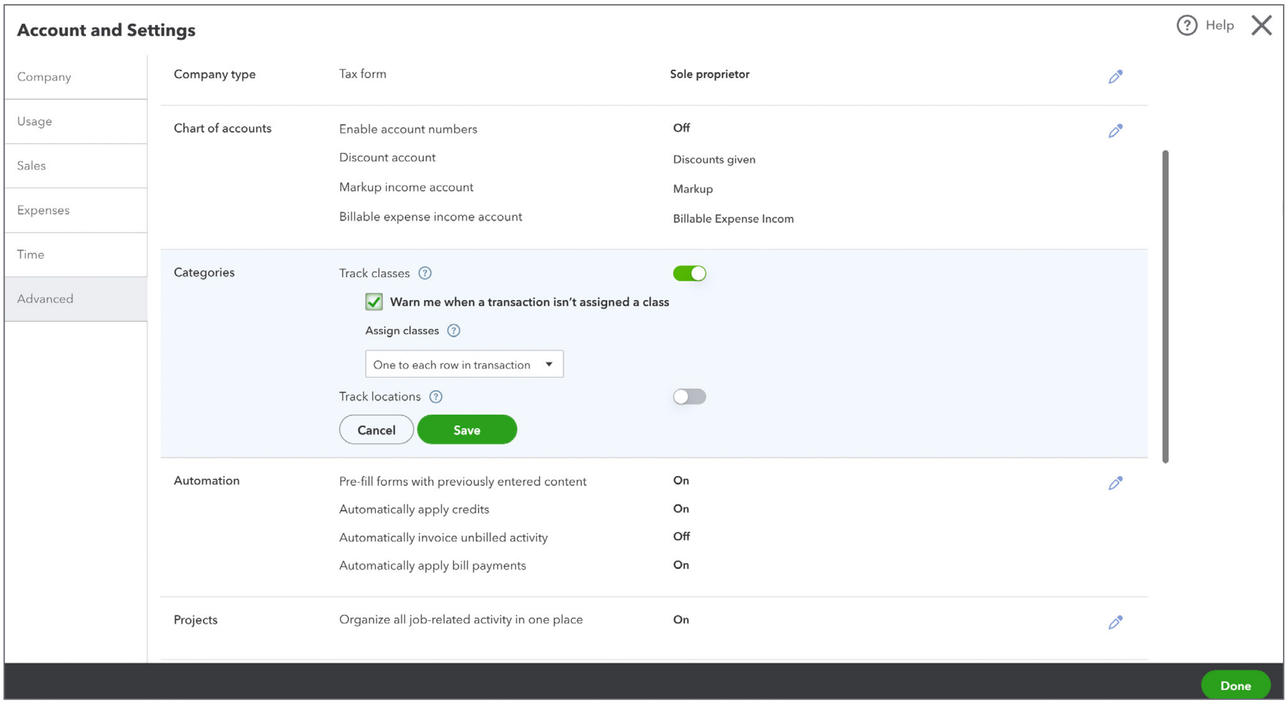
Enable class tracking

To enable class tracking:

1. Click the **Gear** menu.
2. Click **Account and settings**.
3. Click **Advanced** and then click **Categories**.

Choose the appropriate options for tracking classes.

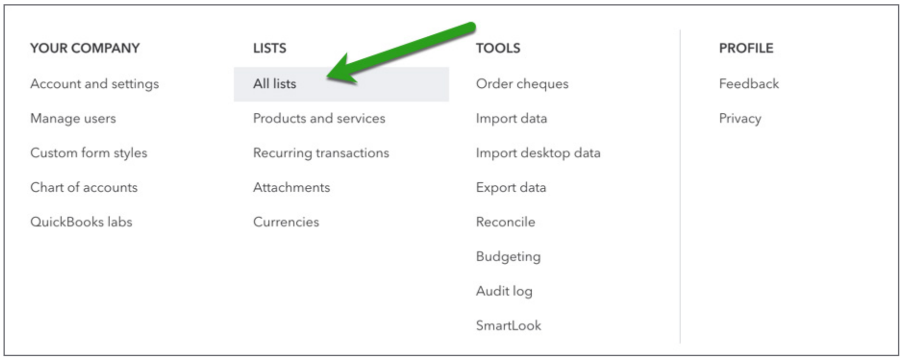
1. Select **Track classes**.
2. Select the option labeled **Warn me when a transaction isn't assigned a class.** This option makes sure you don't forget to add class information to every transaction by reminding you to add class tracking to sales, expenses, and other transactions.
3. Choose the **Assign classes** option. You can choose one of the two following options:
   a. **One to entire transaction**. This means that you're going to assign one class per transaction. Choose this option is you never make purchases or sales with multiple classes.
   b. **One to each row in transaction**. Choose this option if you want to assign more than one class per transaction. For example, if you purchase supplies at Home Depot you will assign a portion of the supplies to Class A and another portion to Class B. This option requires more work, but may be required for accurate class tracking in your business.
4. Click **Save**.



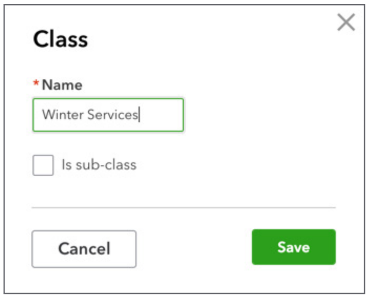
Add classes

Now you'll add classes that apply to your business. You can add classes as you go, but it's a good practice to set them up in advance. To add classes, open the Class list.

1. Click the **Gear** menu.
2. Click **All lists**.



3. Click **Classes**. QuickBooks displays the Class list.
4. Click **New**.
5. Enter the **Name** of the class.
6. Click **Save**.



NOTE QuickBooks Online allows you to setup sub-classes under classes. To do this add the new class and sub class enter it in the following format: Construction: Residential. The colon is required to identify the sub-class.

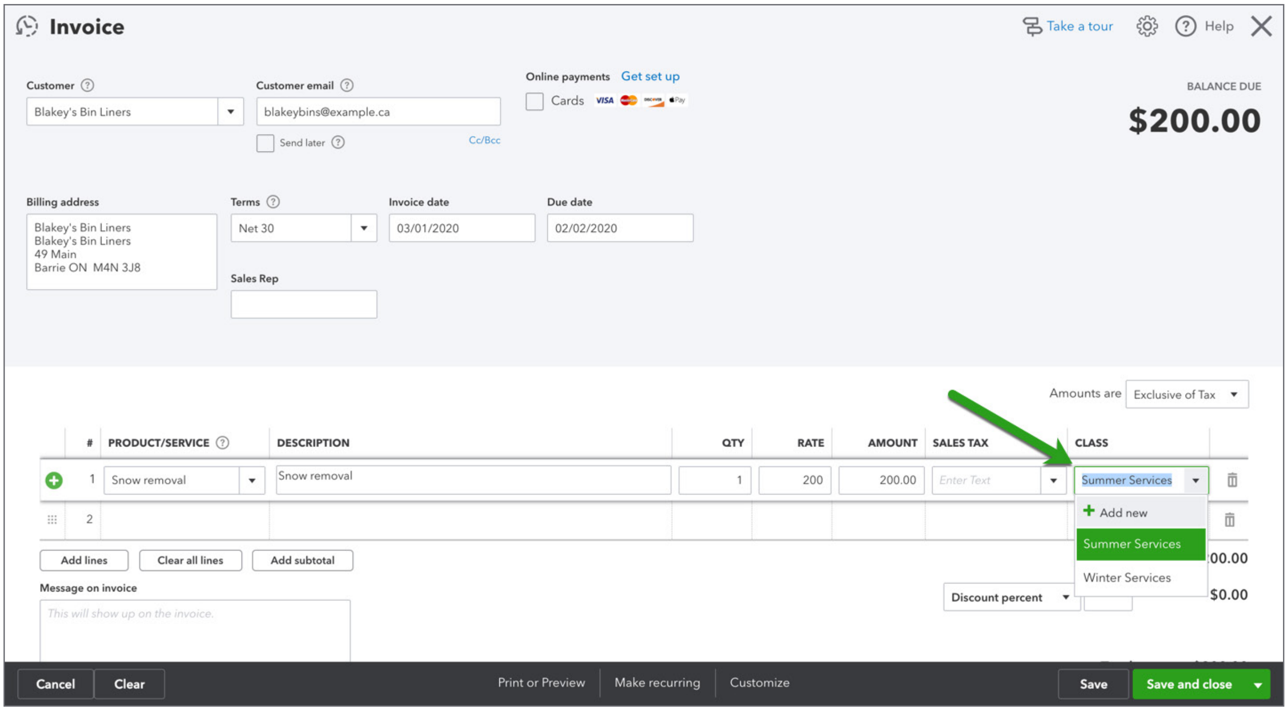
Tracking classes on transactions

After setting up classes you must ensure that every transaction in QuickBooks includes a class. This means that every income or expense transactions must include a class. QuickBooks labels that transaction with the class you choose and then reports on classes in the Profit & Loss report.

Classing sales transactions

After turning on classes you will see a class field on every transaction. Depending on your setting you may have one field for every transaction or you may see class on every line item on transactions. To track classes on sales transactions:

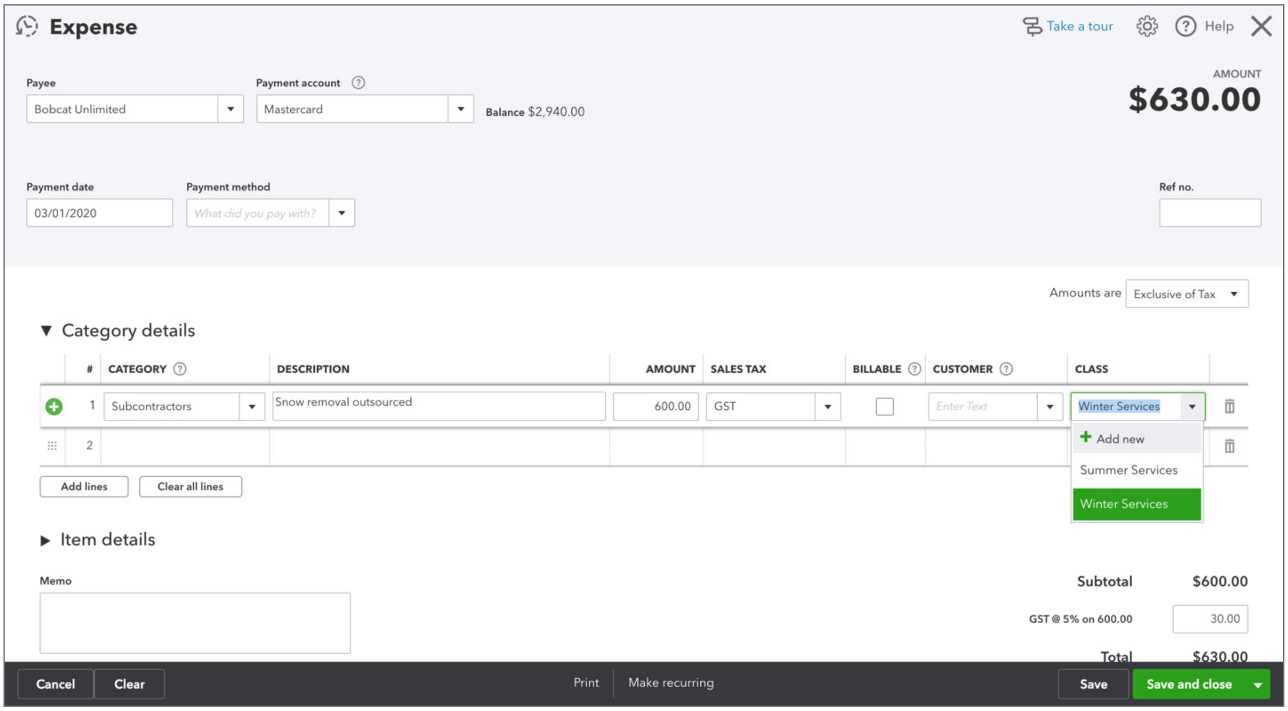
1. Click the **+ New** menu.
2. Click **Invoice**.
3. Enter the details of the transaction as you normally would.
4. Choose the **Class** on the transaction.
5. Click **Save**. QuickBooks labels the transaction (sales amount) to be added to Class reports.



Classing expense transactions

You'll add classes to expense and purchase transactions in the same way.

1. Click the **+ New** menu.
2. Click **Expense**.
3. Enter the details of the transaction as you normally would.
4. Choose the **Class** on the transaction.



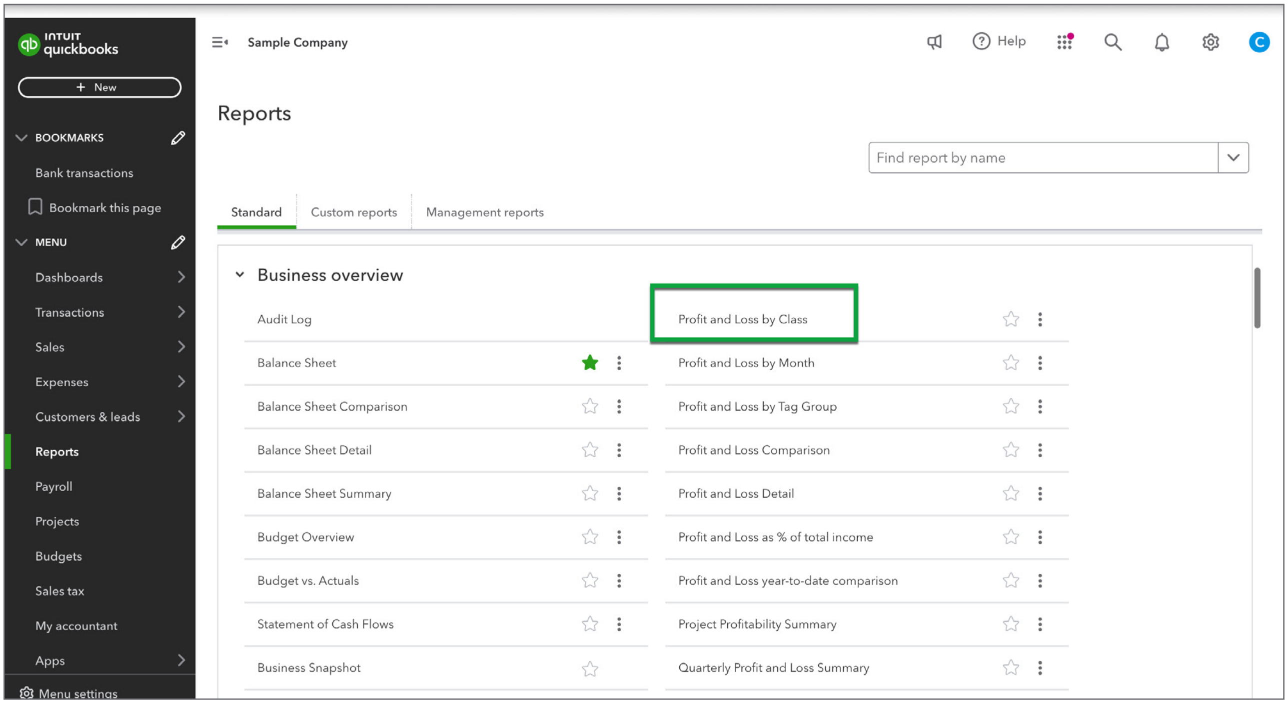
5. Click **Save**. QuickBooks labels the transaction (expense amount) to be added to Class reports.

Class reporting

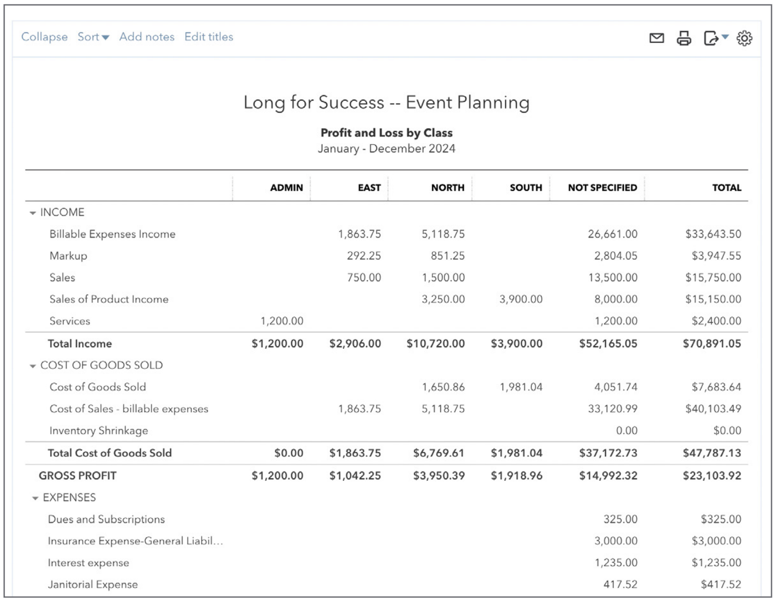
This report shows how much you are making or losing within each segment of your business, as defined by the QuickBooks classes you have set up. To create a Profit and loss by class report:

1. Click **Reports**.
2. Scroll to **Business overview**.

3. Click **Profit and loss by class**.



QuickBooks displays the Profit and loss broken down by classes.


Collapse Sort Add notes Edit titles

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Profit and Loss by Class
January - December 2024

	ADMIN	EAST	NORTH	SOUTH	NOT SPECIFIED	TOTAL
INCOME						
Billable Expenses Income		1,863.75	5,118.75		26,661.00	$33,643.50
Markup		292.25	851.25		2,804.05	$3,947.55
Sales		750.00	1,500.00		13,500.00	$15,750.00
Sales of Product Income			3,250.00	3,900.00	8,000.00	$15,150.00
Services	1,200.00				1,200.00	$2,400.00
Total Income	**$1,200.00**	**$2,906.00**	**$10,720.00**	**$3,900.00**	**$52,165.05**	**$70,891.05**
COST OF GOODS SOLD						
Cost of Goods Sold			1,650.86	1,981.04	4,051.74	$7,683.64
Cost of Sales - billable expenses		1,863.75	5,118.75		33,120.99	$40,103.49
Inventory Shrinkage					0.00	$0.00
Total Cost of Goods Sold	**$0.00**	**$1,863.75**	**$6,769.61**	**$1,981.04**	**$37,172.73**	**$47,787.13**
GROSS PROFIT	**$1,200.00**	**$1,042.25**	**$3,950.39**	**$1,918.96**	**$14,992.32**	**$23,103.92**
EXPENSES						
Dues and Subscriptions					325.00	$325.00
Insurance Expense-General Liabil...					3,000.00	$3,000.00
Interest expense					1,235.00	$1,235.00
Janitorial Expense					417.52	$417.52

NOTE There is a **NOT SPECIFIED** column on the report. This means that these transactions have not been assigned a class. If you have a lot of information in this column it typically means that your reports will not be accurate. You should review these transactions and add a class to each one to ensure that each transaction include a class. To drill down on any transaction, click the amounts on the report.

Collapse Sort Add notes Edit titles

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Profit and Loss by Class
January - December 2024

	ADMIN	EAST	NORTH	SOUTH	NOT SPECIFIED	TOTAL
INCOME						
Billable Expenses Income		1,863.75	5,118.75		26,661.00	$33,643.50
Markup		292.25	851.25		2,804.05	$3,947.55
Sales		750.00	1,500.00		13,500.00	$15,750.00
Sales of Product Income			3,250.00	3,900.00	8,000.00	$15,150.00
Services	1,200.00				1,200.00	$2,400.00
Total Income	**$1,200.00**	**$2,906.00**	**$10,720.00**	**$3,900.00**	**$52,165.05**	**$70,891.05**
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Dues and Subscriptions					325.00	$325.00
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Interest expense					1,235.00	$1,235.00
Janitorial Expense					417.52	$417.52

To learn how to use class tracking watch this video: https://youtu.be/fewOEzSRU4w

Budgets in QuickBooks

You can use a budget to estimate future income and expenses. Then, as time goes by, you can compare actual income and expense activity with your budget.

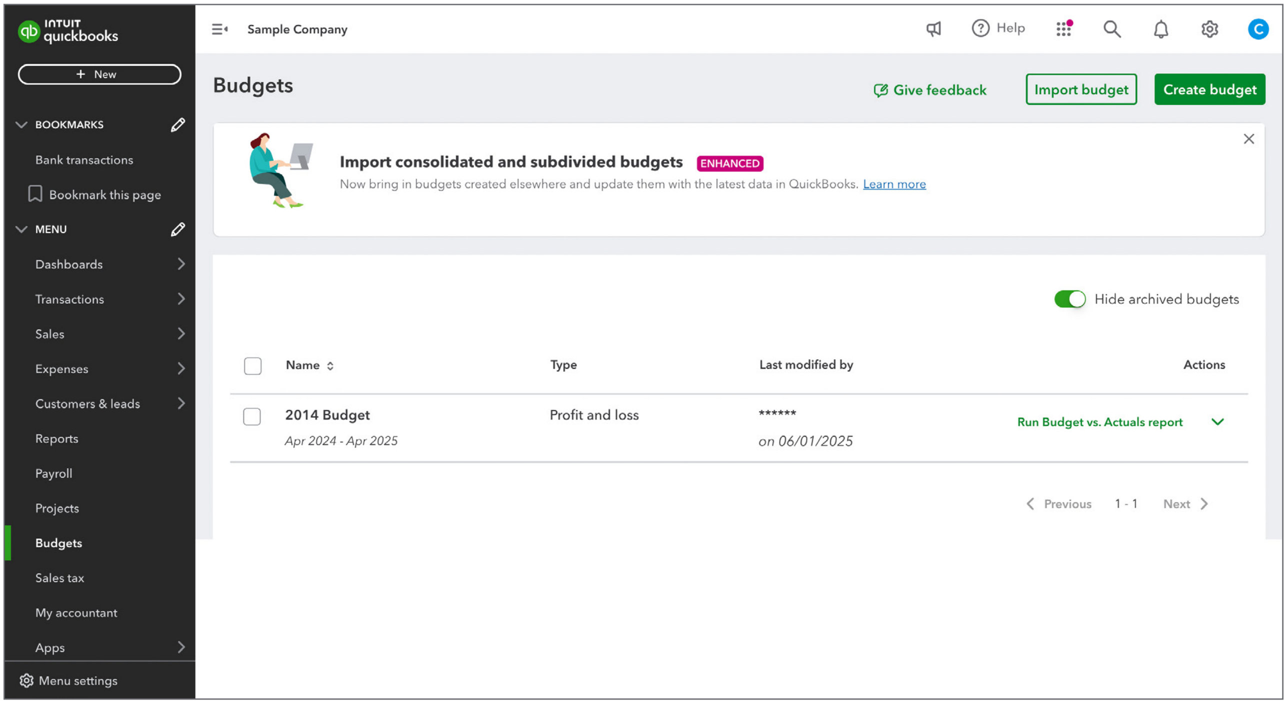
A basic budget includes a row for each of your income and expense accounts. There is a column for each month. Additionally, you can track an amount in the intersection of each row and column.

A subdivided budget lets you be even more specific about what you track. You can track monthly account amounts for each class, each department/location, or each customer.

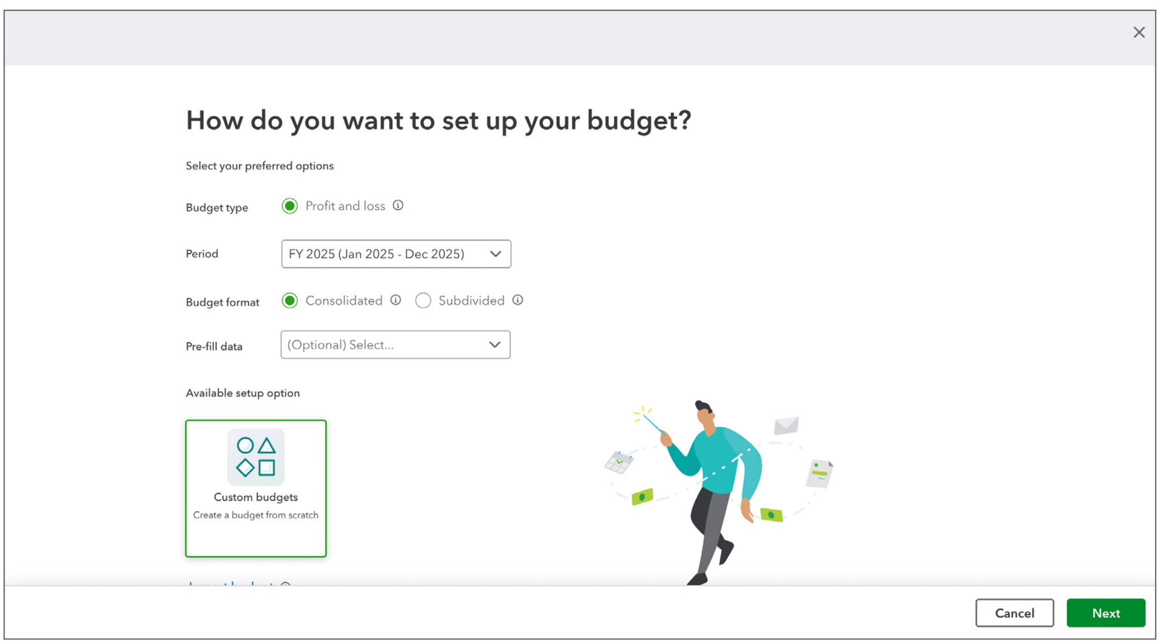
NOTE Budgets are only available in QuickBooks Online Plus.

To create a budget in QuickBooks:

1. Click the **Gear** menu.
2. Click **Budgeting**.

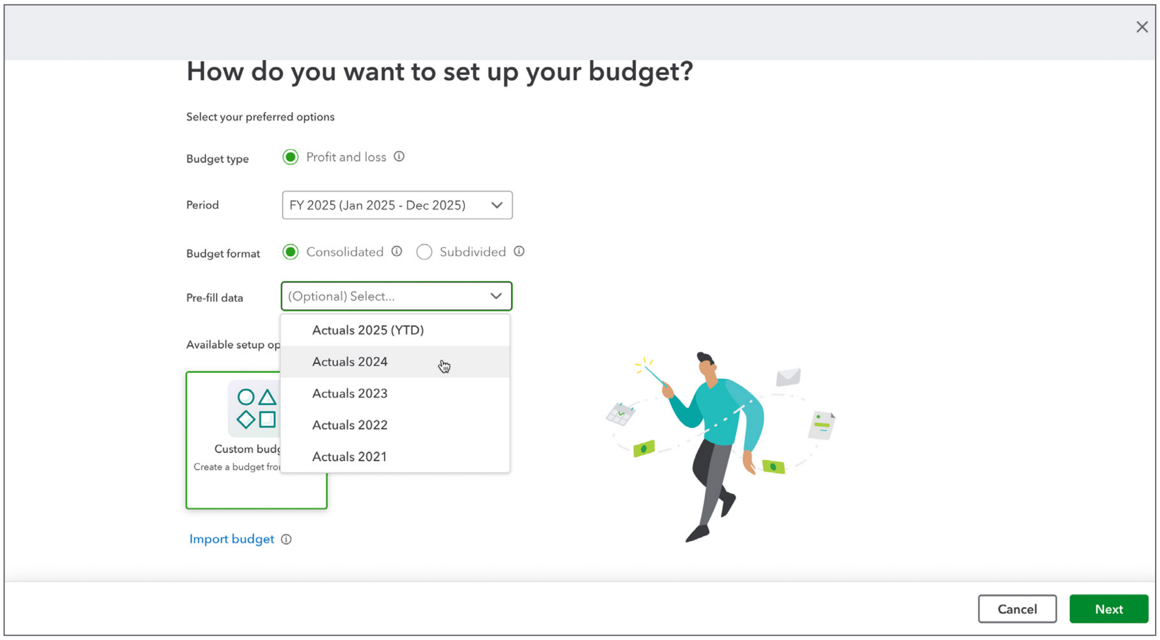


3. Click **Create budget**.



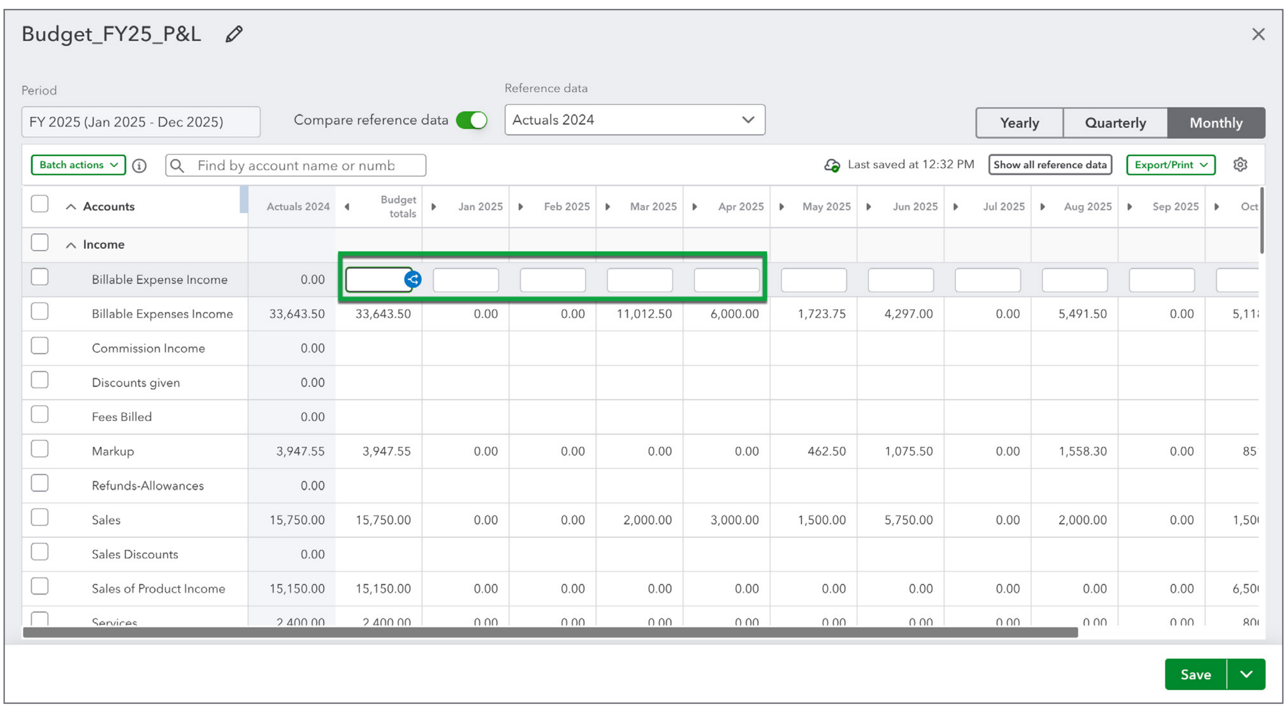
4. Choose the budget period.
5. Choose if the budget is for the whole company (consolidated) or if you're creating a budget based on locations, classes, customers, etc. (Subdivided).

6. You can choose to **Pre-fill your budget** with previous period information. Click the drop-down option and then choose the selected period.



7. Click **Next**.

8. Fill in any fields that may not be filled with previous data. These will be the estimated budget amounts for the period. You can enter a total amount and then click the blue button to divide the total across the period.



9. Click **Save**.

To learn how to setup budgets watch this video: https://youtu.be/lSwgviuRk-Y

Reporting on budgets

QuickBooks includes two important reports for budgeting. To review your budget, you can create the Budget overview report.

1. Click **Reports** and then click **Business overview**.
2. Click **Budget overview**.

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Budget Overview: Budget_FY25_P&L - FY25 P&L

January - December 2025

	FEB. 2025	MAR. 2025	APR. 2025	MAY 2025	JUN. 2025	JUL. 2025	AUG. 2025	SEP. 2025	OCT. 2025	NOV. 2025
Income										
Billable Expense Income	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33
Billable Expenses Income	0.00	11,012.50	6,000.00	1,723.75	4,297.00	0.00	5,491.50	0.00	5,118.75	0.00
Markup	0.00	0.00	0.00	462.50	1,075.50	0.00	1,558.30	0.00	851.25	0.00
Sales	0.00	2,000.00	3,000.00	1,500.00	5,750.00	0.00	2,000.00	0.00	1,500.00	0.00
Sales of Product Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,500.00	1,500.00
Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	800.00	1,600.00
Total Income	**$8,333.33**	**$21,345.83**	**$17,333.33**	**$12,019.58**	**$19,455.83**	**$8,333.33**	**$17,383.13**	**$8,333.33**	**$23,103.33**	**$11,433.33**
Cost of Goods Sold										
Cost of Goods Sold	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,301.74	750.00
Cost of Sales - billable expen…	5,000.00	84.99	0.00	1,723.75	2,234.50	2,804.00	4,750.00	1,368.75	4,200.00	17,937.50
Inventory Shrinkage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Cost of Goods Sold	**$5,000.00**	**$84.99**	**$0.00**	**$1,723.75**	**$2,234.50**	**$2,804.00**	**$4,750.00**	**$1,368.75**	**$7,501.74**	**$18,687.50**
GROSS PROFIT	**$3,333.33**	**$21,260.84**	**$17,333.33**	**$10,295.83**	**$17,221.33**	**$5,529.33**	**$12,633.13**	**$6,964.58**	**$15,601.59**	**$ -7,254.17**
Expenses										

To view your progress against your budget, open the **Budget vs. actuals** report. This report compares the budgeted amount to the actual amount in income or expensed. QuickBooks also provides you with % of budget and amounts over budget.

Long for Success -- Event Planning

Budget vs. Actuals: Budget_FY25_P&L - FY25 P&L

January - December 2024

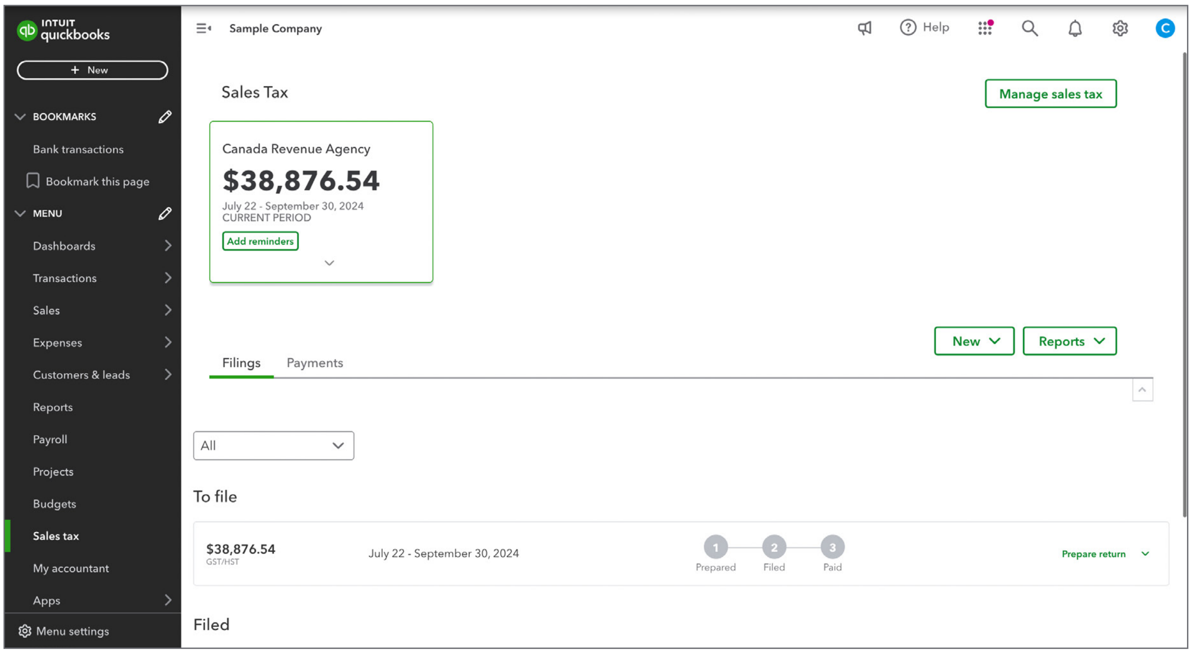
	JUN. 2024				JUL. 2024				AUG. 2024		
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET	ACTUAL	BUDGET	OVER BU
Income											
Billable Expenses Income	4,297.00		4,297.00						5,491.50		5,49
Markup	1,075.50		1,075.50						1,558.30		1,55
Sales	5,750.00		5,750.00						2,000.00		2,00
Sales of Product Income											
Services											
Total Income	**$11,122.50**	**$0.00**	**$11,122.50**	**0.00%**	**$0.00**	**$0.00**	**$0.00**	**0.00%**	**$9,049.80**	**$0.00**	**$9,04**
Cost of Goods Sold											
Cost of Goods Sold											
Cost of Sales - billable expen…	2,234.50		2,234.50		2,804.00		2,804.00		4,750.00		4,75
Inventory Shrinkage											
Total Cost of Goods Sold	**$2,234.50**	**$0.00**	**$2,234.50**	**0.00%**	**$2,804.00**	**$0.00**	**$2,804.00**	**0.00%**	**$4,750.00**	**$0.00**	**$4,75**

File sales taxes

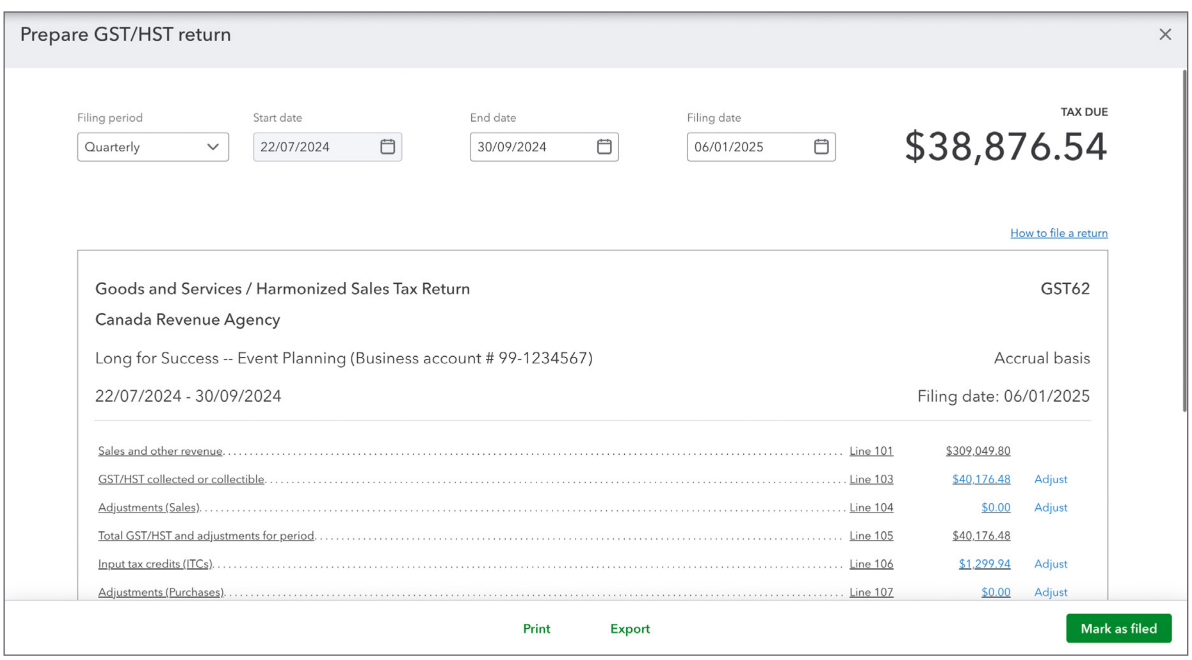
Filing sales tax is a two-part process. First, prepare your sales tax return in QuickBooks. Second, close your filing period in QuickBooks and record the payment to the CRA.

Step 1 – Prepare your return

1. In the navigation bar, click **Sales tax**.
2. Click **Prepare return**.



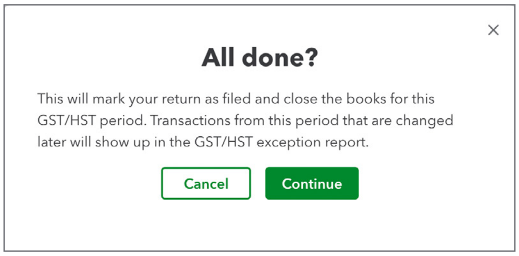
3. Edit the start date and the end date to match your tax period.



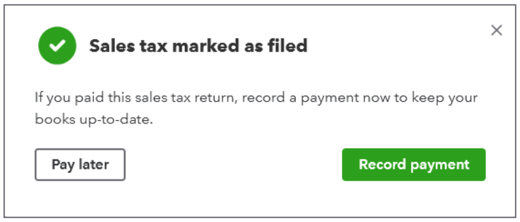
4. Enter the **Filing date**.

5. Click **Mark as filed**.

6. Click **Continue**.

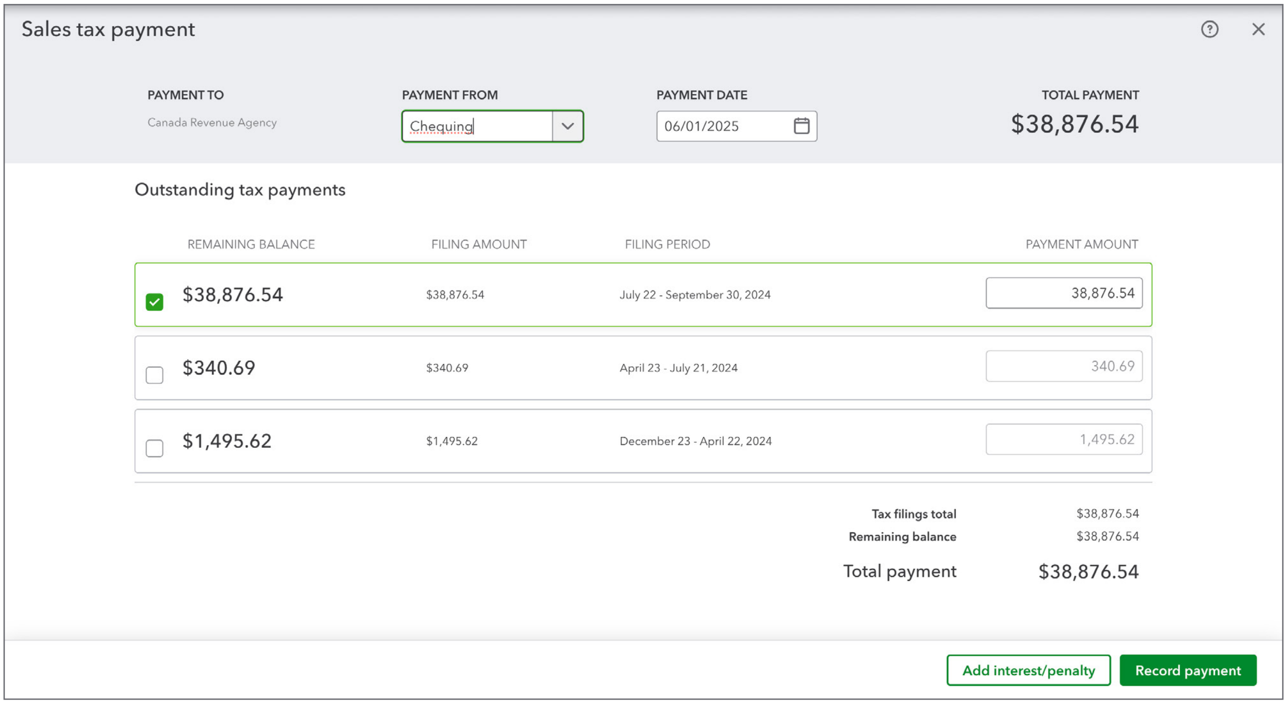


7. Click **Record payment**.

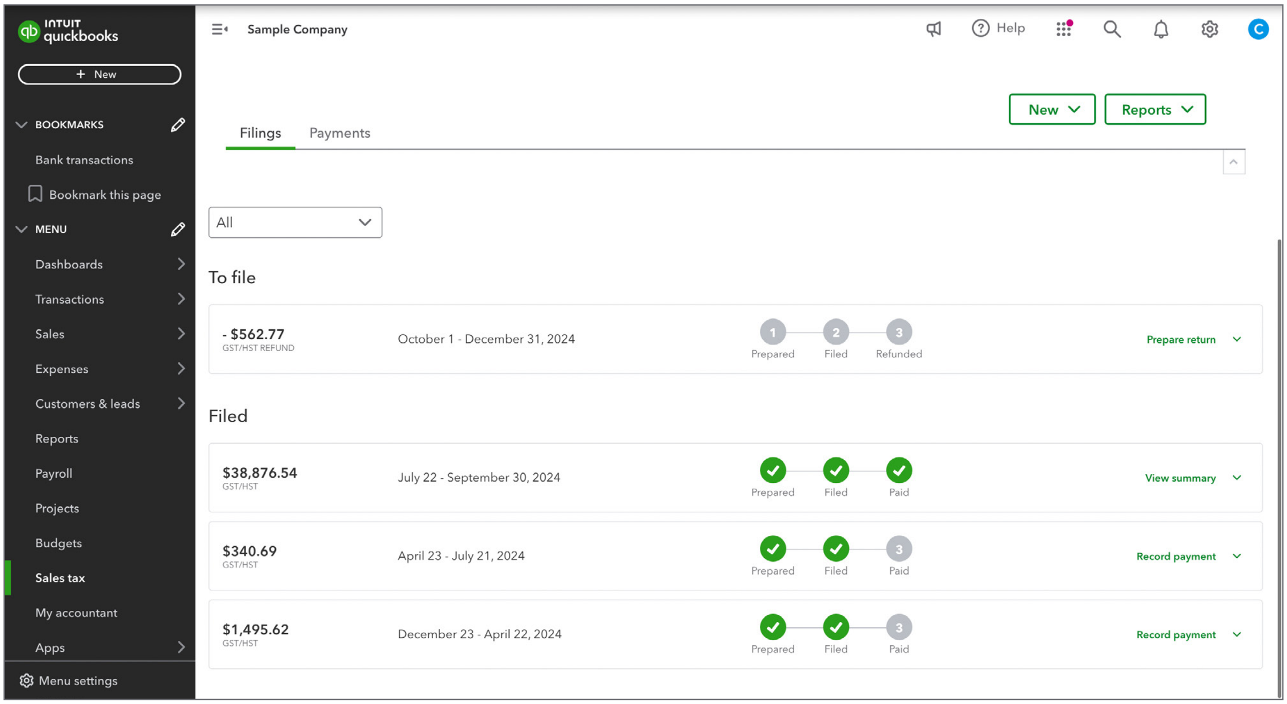


8. Choose your payment information including the account, payment date and payment amount.

9. Click **Record payment** to pay the sales tax liability in QuickBooks.



NOTE This does not record the sales tax payment with the CRA or Minister of Finance (or other provincial authority).



To learn how to file sales tax watch this video: https://youtu.be/C1IhGG9Ssp8

Make journal entries

At the end of your fiscal year, QuickBooks automatically closes out your income and expense accounts and make the necessary adjustments to the Retained Earnings account. If you need to do additional journal entries, you can make them using the **Journal entry** window.

1. Click the **+ New** menu.
2. Click **Journal entry**.
3. Enter the **date**.
4. Enter the **Debit** and **Credit** amounts.
5. Enter any **memo**.
6. Repeat for each line of the entry.
7. Click **Save**.