

Lesson 5

Company activities part 1

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In this lesson, you'll learn about how QuickBooks is built using lists and transactions. You'll learn more about the importance of lists and how to manage them to keep your business information organized.

▶ Lesson objectives

In this lesson, you'll learn how to:

- Manage your customer and supplier lists
- Work with your Chart of Accounts
- Add fixed asset accounts and purchase fixed assets
- Edit, merge and work with list entries

▶ Lists: the foundation of QuickBooks

Lists are the backbone of QuickBooks, helping you complete forms like invoices, expenses, bills, and purchase orders. For example, when paying a bill, simply select a name from your **Supplier list** on the **Enter bills** form. QuickBooks automatically fills in the relevant information, saving you time and reducing errors. If needed, you can adjust the details directly on the form.

While many lists in QuickBooks are simple to set up, others—like the **Chart of accounts**, **Products and services**, and **Class lists**—require thoughtful planning to ensure accuracy and efficiency.

QuickBooks centres

Your **Customers**, **Suppliers**, and **Employees** lists are available in the **Sales**, **Expenses**, and **Payroll** centres, respectively. They're included in the left-hand navigation bar.

The screenshot shows the QuickBooks interface for 'Sample Company'. The left-hand navigation bar includes sections for BOOKMARKS, MENU, and various business functions. The main content area is titled 'Sales' and has tabs for Overview, All sales, Invoices, Estimates, Customers, and Products & services. The 'Overview' tab is selected, showing an 'INCOME OVER TIME' chart with a peak on Dec 16 and a summary of 'INVOICES' with four categories: Unpaid, Paid, Not due yet, and Deposited.

Category	Amount	Status	Last Action
Unpaid	\$31,131.50	Overdue	Last 365 days
Paid	\$5,763.00	Not deposited	Last 30 days
Not due yet	\$17,063.00	Not due yet	
Deposited	\$5,763.00	Deposited	

Other lists

Other lists, such as **Chart of accounts** and **Products and services** are found in the **Gear** menu.

1. To view one of these lists, go to the **Gear** menu and click the list you want.
2. To make a new entry in the list, click the **New** button.

YOUR COMPANY	LISTS	TOOLS	PROFILE
Account and settings	All lists	Order cheques	Feedback
Manage users	Products and services	Import data	Privacy
Custom form styles	Recurring transactions	Import outside data	
Chart of accounts	Attachments	Export data	
Additional info	Custom fields	Reconcile	
	Tags	Budgeting	
	Rules	Audit log	
	Currencies	SmartLook	

To view all of the lists in QuickBooks other than **Customers**, **Suppliers**, and **Employees**:

1. Click the **Gear** icon.
2. Click **All lists** and QuickBooks displays a list of other lists that can be used in your day-to-day work in QuickBooks. Over the next few lessons you'll learn how to use most of these lists in QuickBooks.

The screenshot shows the QuickBooks interface for 'Sample Company'. The left sidebar has a 'MENU' section with options like Dashboards, Transactions, Sales, Expenses, Customers & leads, Reports, Payroll, Projects, Budgets, Sales tax, My accountant, and Apps. The main content area is titled 'Lists' and displays a grid of list categories:

- Chart of Accounts**: Displays your accounts. Balance sheet accounts track your assets and liabilities, and income and expense accounts categorise your transactions. From here, you can add or edit accounts.
- Recurring Transactions**: Displays a list of transactions that have been saved for reuse. From here, you can schedule transactions to occur either automatically or with reminders. You can also save unscheduled transactions to use at any time.
- Products and Services**: Displays the products and services you sell. From here, you can edit information about a product or service, such as its description, or the rate you charge.
- Product Categories**: A means of classifying items that you sell to customers. Provide a way for you to quickly organise what you sell, and save you time when completing sales transaction forms.
- Custom Form Styles**: Customise your sales form designs, set defaults, and manage multiple templates.
- Currencies**: Manage foreign currencies and rates for your customers and suppliers.
- Custom Fields**
- Payment Methods**: Displays Cash, Check, and any other ways you categorise payments you receive from customers. That way, you can print deposit slips when you deposit the payments you have received.
- Terms**: Displays the list of terms that determine the due dates for payments from customers, or payments to suppliers. Terms can also specify discounts for early payment. From here, you can add or edit terms.
- Attachments**: Displays the list of all attachments uploaded. From here, you can add, edit, download, and export your attachments. You can also see all transactions linked to a particular attachment.
- Tags**: Displays the list of all tags created. You can add, edit, and delete your tags here.

▶ Definitions of other lists in QuickBooks

Chart of Accounts—A list of your accounts in QuickBooks Online. The **Chart of accounts** will be used on every transaction recorded in QuickBooks. It provides the foundation on which QuickBooks is built. It is the most important list in your company file.

Balance sheet accounts track your assets, liabilities, and equity. Your balance sheet will report on the financial position of your company at any point in time.

Profit and loss accounts track the income and expenses in your business. The **Profit and loss** report will report on the financial performance of your company in any period of time.

You'll use the **Chart of accounts** to categorize every transaction in QuickBooks.

The screenshot displays the 'Chart of accounts' page in QuickBooks Online. The page title is 'Sample Company' and the main heading is 'Transactions'. The 'Chart of accounts' tab is active. The interface includes a search bar, a filter dropdown set to 'All', and a 'Run report' button. Below the search bar is a table listing various accounts.

<input type="checkbox"/>	NAME ↕	ACCOUNT TYPE ↕	DETAIL TYPE ↕	CURRENCY ↕	QUICKBOOKS BALANCE ↕	BANK BALANCE ↕	ACTION
<input type="checkbox"/>	Chequing	Bank	Chequing	CAD	\$3,927.48	\$40,071.20	Account history ✓
<input type="checkbox"/>	Accounts Receivable	Accounts receivable (A/R)	Accounts Receivable (A/R)	CAD	\$29,702.04		Account history ✓
<input type="checkbox"/>	Accounts Receivable (A/R) - USD	Accounts receivable (A/R)	Accounts Receivable (A/R)	USD	\$0.00		Account history ✓
<input type="checkbox"/>	Inventory Asset	Current assets	Inventory	CAD	\$7,781.91		Account history ✓
<input type="checkbox"/>	Prepaid expenses	Current assets	Prepaid Expenses	CAD	\$0.00		Account history ✓
<input type="checkbox"/>	Uncategorised Asset	Current assets	Other current assets	CAD	\$0.00		Account history ✓

Recurring transactions—A list of scheduled, unscheduled, or reminders of transactions that will be or need to be entered in QuickBooks. From here, you can schedule transactions to occur automatically or with reminders. You will learn about this transaction in Lesson 8.

Transactions

Bank transactions App transactions Receipts Reconcile Rules Chart of accounts Recurring transactions

Recurring Transactions [Give feedback](#) Reminder List New

[Filter by Name](#) Filter All

TEMPLATE NAME	TYPE	TXN TYPE	INTERVAL	PREVIOUS DATE	NEXT DATE	CUSTOMER/SUPPLIER	AMOUNT	ACTION
Cass Hayden - Insurance	Scheduled	Cheque Expense	Every 3 Months		03/03/2025	Cass Hayden	847.50	Edit
Loan payment	Scheduled	Cheque Expense	Every Month		05/01/2025	Bank of AnyCity	471.78	Edit
Monthly Depreciation	Scheduled	Journal	Every Month	20/11/2024	21/12/2024		0.00	Edit
Monthly rent	Scheduled	Cheque Expense	Every Month		05/01/2025	Mark Howard	1,412.50	Edit
Whitehead and Sons - monthly consulting	Scheduled	Invoice	Every Month		10/01/2025	Whitehead and Sons	1,356.00	Edit



1-5 < 1 >

Products & services—A list of the products and services you sell. They can include a combination of services, inventory parts, non-inventory parts and bundles.

Sales



Overview All sales Invoices Estimates Customers Products & services

Products and Services More New

 0 LOW STOCK  1 OUT OF STOCK

Filter

Previous 1-20 Next

NAME	SKU	TYPE	SALES DESCRIPT	SALES PRICE	COST	QTY ON HAND	REORDER POINT	ACTION
Employee events								
<input type="checkbox"/>  Employee Celebration		Service	Employee ce...	500				Edit
<input type="checkbox"/>  Employee Training		Service	Employee tr...	1,500				Edit

Custom form styles—A list of the customized sales forms available in QuickBooks. These include **Invoices**, **Estimates**, and **Sales receipts**.

NAME	FORM TYPE	LAST EDITED	ACTION
My INVOICE Template - 1-1 (43955)	Invoice	01/01/2020	Edit

Currencies—If your business is buying or selling goods and services outside of Canada you may choose to enable the multicurrency feature in QuickBooks. After it's enabled QuickBooks creates and stores a list of currencies on the currency list.

CURRENCY	USD	LAST UPDATED	ACTION
USD - United States Dollar	1.42371	16/12/2024 at 02:03 p.m. Central Standard Time	Edit currencies exchange
EUR - Euro	1.496446	16/12/2024 at 02:03 p.m. Central Standard Time	Edit currencies exchange
HKD - Hong Kong Dollar	0.183107	16/12/2024 at 02:03 p.m. Central Standard Time	Edit currencies exchange

Payment methods—You can create new payment methods to reflect how your customers pay for your goods and services. Payment methods are also used on expense transactions.

NAME	CREDIT CARD	ACTION
Cash		Run report
Cheque		Run report
Credit Card		Run report
Direct Debit		Run report

Terms—You can add terms to your customer invoices. Terms can determine due dates for payments from customers, or payment to suppliers.

NAME	ACTION
Due on receipt	Run report
Net 15	Run report
Net 30	Run report
Net 60	Run report

Attachments—A list of all attachments you've uploaded to transactions or lists in QuickBooks Online. From here you can add, edit, download, and export the attachments. You can also view all the transactions linked to the attachments.

THUMBNAIL	TYPE	NAME	SIZE	UPLOADED	LINKS	NOTE	ACTION
	PDF	Kroger Receipt Jan_9_18	97.18 KB	01/01/2...			Download

Tags—Tags are customizable labels that let you track transactions however you'd like. You can tag invoices, expenses, and bills. Group tags together and run reports to see how specific areas of your business are doing. They don't impact your books. Instead, they're a way for you to track the info that matters most to you.

Tags

[Give feedback](#)

MONEY IN

Get more details about what you earn

[See how it works](#) (3:38)

\$0.00 Aerobics classes

\$0.00 Yoga classes

Start tagging transactions

MONEY OUT

See a breakdown of what you spend

[See how it works](#) (3:38)

\$0.00 Fitness instructor payroll

\$0.00 Utilities

Start tagging transactions

[See all untagged transactions](#)

New

	TRANSACTIONS	ACTION
<input type="checkbox"/> TAGS AND TAG GROUPS		
<input type="checkbox"/> Hotel Catering Services		Run report

Custom fields—Custom fields let you track the information that matters most to you and your customers. You can add custom fields on invoices, sales receipts and other sales forms as well as purchase orders. You can add any information that's important to you. For example you may want to track the name of the sales rep on an invoice. You will use a custom field to track this information.

Add custom field

×

Name

Select form type

All Sales forms

Sales Receipt

Estimate

Invoice

Credit Memo

Refund Receipt

Purchase Order

Print on form

Print on form

Save

▶ Chart of accounts

The chart of accounts is a complete list of a company's accounts and their balances. When you set up your company file, QuickBooks automatically created a chart of accounts. QuickBooks uses the chart of accounts to track how much money your company has, how much money it owes, how much money is coming in, and how much is going out.

Because QuickBooks handles most of the accounting behind the scenes, you may not have to use the chart of accounts very often. Even so, it's helpful to understand how the chart of accounts works.

To open the **Chart of accounts**, click the **Gear** menu and then click **Chart of accounts**.

Transactions

Bank transactions App transactions Receipts Reconcile Rules Chart of accounts Recurring transactions

Chart of accounts Feedback Run report New ▼

[< All lists](#)

Batch actions ▼ Filter by name or numl All ▼ ✎ 🖨 ⚙

< Previous 1 - 75 Next >

<input type="checkbox"/>	NAME ⇅	ACCOUNT TYPE ⇅	DETAIL TYPE ⇅	CURRENCY ⇅	QUICKBOOKS BALANCE ⇅	BANK BALANCE ⇅	ACTION
<input type="checkbox"/>	Chequing	Bank	Chequing	CAD	\$3,927.48	\$40,071.20	Account history ▼
<input type="checkbox"/>	Accounts Receivable	Accounts receivable (A/R)	Accounts Receivable (A/R)	CAD	\$29,702.04		Account history ▼
<input type="checkbox"/>	Accounts Receivable (A/R) - USD	Accounts receivable (A/R)	Accounts Receivable (A/R)	USD	\$0.00		Account history ▼
<input type="checkbox"/>	Inventory Asset	Current assets	Inventory	CAD	\$7,781.91		Account history ▼
<input type="checkbox"/>	Prepaid expenses	Current assets	Prepaid Expenses	CAD	\$0.00		Account history ▼
<input type="checkbox"/>	Uncategorised Asset	Current assets	Other current assets	CAD	\$0.00		Account history ▼

The **Chart of accounts** displays several columns of information. The first column is the account **Name**. The next column is the **Account type**. The remaining columns can be customized to include just the information you want to display.

Transactions

Bank transactions App transactions Receipts Reconcile Rules **Chart of accounts** Recurring transactions

Chart of accounts Feedback Run report New ▼

[< All lists](#)

Batch actions Filter by name or numl All ▼ ✎ 🖨 ⚙

[< Previous](#) 1 - 75 [Next >](#)

<input type="checkbox"/>	NAME ↕	ACCOUNT TYPE ↕	DETAIL TYPE ↕	CURRENCY ↕	QUICKBOOKS BALANCE ↕	BANK BALANCE ↕	ACTION
<input type="checkbox"/>	Chequing	Bank	Chequing	CAD	\$3,927.48	\$40,071.20	Account history ▼
<input type="checkbox"/>	Accounts Receivable	Accounts receivable (A/R)	Accounts Receivable (A/R)	CAD	\$29,702.04		Account history ▼
<input type="checkbox"/>	Accounts Receivable (A/R) - USD	Accounts receivable (A/R)	Accounts Receivable (A/R)	USD	\$0.00		Account history ▼
<input type="checkbox"/>	Inventory Asset	Current assets	Inventory	CAD	\$7,781.91		Account history ▼
<input type="checkbox"/>	Prepaid expenses	Current assets	Prepaid Expenses	CAD	\$0.00		Account history ▼
<input type="checkbox"/>	Uncategorised Asset	Current assets	Other current assets	CAD	\$0.00		Account history ▼



NOTE You can customize the display of the **Chart of accounts** by clicking the **Gear** icon on the Chart of accounts. Select the columns to display or deselect the columns to remove them from the Chart of accounts.

Settings ×

Columns

- Type
- Detail type
- Currency
- QuickBooks balance
- Bank balance

Other

- Include inactive

Page Size

- 50
- 75

The **Chart of accounts** displays the **Balance sheet** accounts first followed by the **Profit and loss** accounts.

Transactions

Bank transactions App transactions Receipts Reconcile Rules Chart of accounts Recurring transactions

Chart of accounts Feedback Run report New ▼

[< All lists](#)

Batch actions All ▼ ✎ 🖨 ⚙

< Previous 1 - 75 Next >

<input type="checkbox"/>	NAME ↕	ACCOUNT TYPE ↕	DETAIL TYPE ↕	CURRENCY ↕	QUICKBOOKS BALANCE ↕	BANK BALANCE ↕	ACTION
<input type="checkbox"/>	Chequing	Bank	Chequing	CAD	\$3,927.48	\$40,071.20	Account history ▼
<input type="checkbox"/>	Accounts Receivable	Accounts receivable (A/R)	Accounts Receivable (A/R)	CAD	\$29,702.04		Account history ▼
<input type="checkbox"/>	Accounts Receivable (A/R) - USD	Accounts receivable (A/R)	Accounts Receivable (A/R)	USD	\$0.00		Account history ▼
<input type="checkbox"/>	Inventory Asset	Current assets	Inventory	CAD	\$7,781.91		Account history ▼
<input type="checkbox"/>	Prepaid expenses	Current assets	Prepaid Expenses	CAD	\$0.00		Account history ▼
<input type="checkbox"/>	Uncategorised Asset	Current assets	Other current assets	CAD	\$0.00		Account history ▼

Transactions

Bank transactions App transactions Receipts Reconcile Rules Chart of accounts Recurring transactions

<input type="checkbox"/>	NAME ↕	ACCOUNT TYPE ↕	DETAIL TYPE ↕	CURRENCY ↕	QUICKBOOKS BALANCE ↕	BANK BALANCE ↕	ACTION
<input type="checkbox"/>	Billable Expense Income	Income	Service/Fee Income	CAD			Run report ▼
<input type="checkbox"/>	Billable Expenses Income	Income	Other Primary Income	CAD			Run report ▼
<input type="checkbox"/>	Commission Income	Income	Other Primary Income	CAD			Run report ▼
<input type="checkbox"/>	Discounts given	Income	Discounts/Refunds Given	CAD			Run report ▼
<input type="checkbox"/>	Fees Billed	Income	Other Primary Income	CAD			Run report ▼
<input type="checkbox"/>	Markup	Income	Service/Fee Income	CAD			Run report ▼
<input type="checkbox"/>	Refunds-Allowances	Income	Discounts/Refunds Given	CAD			Run report ▼
<input type="checkbox"/>	Sales	Income	Other Primary Income	CAD			Run report ▼
<input type="checkbox"/>	Sales Discounts	Income	Discounts/Refunds Given	CAD			Run report ▼

Account types in QuickBooks Online

There are several account types in QuickBooks that fall into one of the 5 accounting categories. QuickBooks breaks them down into more detail.

Balance sheet accounts

Bank—Add one bank account for every account your company has at a bank or other financial institution.

Accounts receivable—Transactions related to customers including sales invoices, payments, and credits on customer accounts.

Current asset—Assets that are likely to be converted to cash or used up within one year. This includes accounts like petty cash, notes receivable, prepaid expenses, etc.

Fixed asset—Depreciable assets your company owns that aren't going to be converted to cash in the short term. These includes equipment, vehicles, furniture, etc.

Other asset—Any asset that is not a current or fixed asset.

Accounts payable—Transactions related to money you owe, including bills, bill payments, and any credit you have with suppliers.

Credit card—Tracks credit card purchase, bills and payments.

Current liability—Liabilities scheduled to be paid within one year, such as sales tax, payroll taxes, etc.

Non-current liability—Liabilities such as loans or mortgages scheduled to be paid over periods longer than one year.

Owner's equity—This account tracks the owner's investments and withdrawals in the business.

Profit and loss accounts

Income—Tracks money coming into the business. Sales or revenue accounts.

Other income—Money received for something other than normal business operations such as interest income.

Expense—tracks money going out of the business for expenses and purchases.

Other expense—Money spent on expenses other than normal business operations such as corporate taxes.

Cost of goods sold—The cost of goods and materials held in inventory and then sold. This account can also be used to track cost of sales of non-inventory costs.

▶ Adding bank accounts

To create a new balance sheet account in QuickBooks, from the Chart of accounts:

1. Click **New**.
2. Choose the **Type**, i.e., *Bank* (balance sheet type of account).
3. **Choose a detail type**. The detail type is a required field.
4. Enter the account **Name** and add a **Description** (optional).
5. Click **Save and close**.

New account ✕

Account name*

Account type* ⓘ Detail type*

Make this a subaccount

Default tax code
 ▼

Opening balance ⓘ As of
 📅

[More info on opening balances](#)

Currency
 ▼

Description

Balance Sheet NEW ACCOUNT PREVIEW
Active accounts as of 16/12/2024

[▶ Video tutorials](#) ▼



NOTE When setting up balance sheet accounts the **Default tax code** and **Balance** fields are optional. The opening balance field is only used if you're setting up your Chart of accounts from scratch and entering an existing balance sheet.

Default Tax Code	
<input type="text" value="Enter Text"/>	▼
Balance	as of
<input type="text"/>	<input type="text" value="03/27/2017"/>



NOTE When you create an account in QuickBooks Online, you will choose a broad account type (expense, income, liability, etc.) and then select a **Detail account type**. The detail type assigns the account into a subcategory in order to have it appear in the correct place according to GAAP (Generally Accepted Accounting Principles).

Detail types are predefined and cannot be changed by the user. If you cannot find the exact type you are looking for, you will need to select the detail type that is the nearest match.



To learn how to add a new account watch this video: <https://youtu.be/e6FWzLvrByg>

Creating fixed asset accounts

When your company purchases a new fixed asset, you will record the purchase using a Fixed asset account. QuickBooks helps you setup the Fixed assets including accounts to track the cost of the asset and the depreciation of the asset. To create a Fixed asset account:

1. Click **New**.
2. Choose the **Property, plant, and equipment** type.
3. Choose the **Detail type**.
4. Enter the **Name** of the asset.
5. Select the **Track depreciation of this asset** option.

The screenshot shows the 'New account' dialog box with the following details:

- Account name*:** Machinery & Equipment
- Account type*:** Property, plant and equip...
- Detail type*:** Machinery and equipment
- Make this a subaccount
- Default tax code:** (empty)
- Currency:** CAD Canadian Dollar
- Original cost:** (empty)
- As of:** 16/12/2024
- Create a category to keep track of depreciation. [What's depreciation?](#)
- Description:** (empty)
- Balance Sheet:** Active accounts as of 16/12/2024
- [Video tutorials](#)
- Buttons:** Cancel, Save, and a dropdown arrow.

6. Click **Save and close** to setup the accounts.



NOTE QuickBooks Online Plus creates two subaccounts for this asset: an account to track the cost of the asset and an account to track the depreciation of the asset. It is recommended that you record the purchase of the asset using a transaction form (see topic below) It is **not** recommended that you enter the **Original cost** or **Depreciation** in the fields in the Account setup.

Add a loan account

Another common type of account in QuickBooks is a loan account. If you make monthly installment payments on a long-term loan, you can keep track of the balance of your loan in QuickBooks and have your monthly payments deducted from your loan principal.

When you owe money to a bank or another lending institution, the amount of the loan is a liability for your company. You can track a loan in QuickBooks by setting up a liability account for it.

To create a loan account provided by the equipment supplier account:

1. On the **Chart of accounts**, click **New**.
2. Choose **Long-term liabilities** under **Category type**.
3. Choose **Bank loans** under **Detail type**.
4. Enter the **Name** of the loan account.
5. Click **Save and close**.



NOTE Now you're prepared to make the purchase of the fixed asset using a loan from the equipment supplier.

New account ✕

Account name*

Account type* i Detail type*

Make this a subaccount

Default tax code

Unpaid balance i As of

[More info on opening balances](#)

Currency

Description

Balance Sheet NEW ACCOUNT PREVIEW
Active accounts as of 16/12/2024

[Video tutorials](#)

Purchase a fixed asset

Now that you've setup the necessary fixed asset accounts for the equipment you've purchased, you can make the purchase transaction. You can make the purchase transaction using a bill, cheque or expense transaction. Each transaction will be entered in the same way. In this purchase transaction, you will learn how to record the purchase of the fixed asset using a bank loan. Entering the purchase transaction using this method will add a balance to the fixed asset account, the bank loan account and will record any sales tax incurred on the purchase of the fixed asset.

1. Click the **+New** menu and then click **Cheque**.
2. Enter the name of **Supplier** and **Date** of the purchase.
3. In the **Account details** section enter the **Original cost** account of the asset you're purchasing.
4. Enter the cost of the purchase in the **Amount** field.
5. Add the **Tax** rate.

Cheque no. To print

 Help

Payee: ▼

Bank Account: ▼

Balance \$3,927.48

AMOUNT

\$113,000.00

Mailing address:

Payment date:

Cheque no.:

Print later

Amounts are: Exclusive of Tax ▼

▼ **Category details**

#	CATEGORY	DESCRIPTION	AMOUNT (CAD)	SALES TAX	
1	Machinery and equipment	What did you pay for?	100,000.00	HST ON	
2					

► **Item details**

Memo:

Subtotal **100,000.00**

HST (ON) @ 13% on 100,000.00

Total 113,000.00

▼

6. To record the loan amount, enter the **Loan** account on the second line of the transaction.
7. Enter the amount as a negative amount to reduce the amount to be paid. QuickBooks records the loan amount. Make this line **Tax exempt**.
8. Click **Save**. The remaining amount will be the amount of the cheque to the supplier.

Cheque no. To print

 Help

Payee:

Bank Account: Balance \$3,927.48

Mailing address:

Payment date:

Cheque no.: Print later

AMOUNT

\$33,000.00

Amounts are

▼ Category details

	#	CATEGORY	DESCRIPTION	AMOUNT (CAD)	SALES TAX	
⋮	1	Machinery and equipment	What did you pay for?	100,000.00	HST ON	🗑
+	2	<input type="text"/>	<input type="text"/>	-80,000.00	Exempt <input type="text" value="v"/>	🗑
⋮	3					🗑

▶ Item details

Subtotal 20,000.00

Memo HST (ON) @ 13% on 100,000.00 13,000.00

Add expense accounts

You'll record expenses and purchases using expense accounts. Expense accounts track and categorize what your company is spending. (You can think of expenses as money that leaves the company.) To add an expense account:

1. On the **Chart of accounts**, click **New**.
2. Choose **Expenses** as the **Category type**.
3. Enter the **Name**.
4. Add a **Default tax code**.
5. Click **Save and close**.

New account ✕

Account name*

Account type* Detail type*

Make this a subaccount

Default tax code

Description

Profit & Loss NEW ACCOUNT PREVIEW
Active accounts as of 16/12/2024

Insurance Expense-Life and Disability Insurance

Interest expense

Internet

Janitorial Expense

Legal and professional fees

[Video tutorials](#) Cancel Save ▼



NOTE The **Default tax code** tells QuickBooks that every time this account is used in a transaction, QuickBooks will add the specified default tax code. It's recommended that you add a default tax code to every expense account to automate the tracking of sales tax.

Creating subaccounts

To make a large account more manageable or to group related expenses together for your reports, it's useful to set up subaccounts. Another way to think of this is that you are breaking down expenses into greater details for reporting purposes.

In QuickBooks, the more general category of expenses is called a "parent account." The more detailed categories that are grouped under the parent account are called subaccounts. Subaccounts let you track several related types of income or expenses independently yet keep them all under the "umbrella" of a single parent account.

For example, if your business has substantial advertising expenses, you might decide to divide your Advertising expense account into several subaccounts, such as Direct Mailings, SEO, Facebook Ads, and Google AdWords. Your chart of accounts displays these accounts in the following manner:

Advertising

- Direct mailings
- SEO
- Facebook Ads
- Google AdWords

Your reports will now show subtotals for the various ways that you advertise, as well as the total for all your advertising.

In your chart of accounts, each subaccount appears indented immediately below its parent account. If the subaccount is a balance sheet account, QuickBooks includes its balance in the balance of the parent account. When you open the register of the parent account, the register shows all the transactions in the subaccounts.

To create a subaccount:

- 1.** On the **Chart of accounts**, click **New**.
- 2.** Choose **Expenses** as the **Category type**.
- 3.** Enter the **Name**.
- 4.** Select the **Make this a subaccount** checkbox and then choose the parent account.
- 5.** Add a **Default tax code**.

6. Click Save and close.

New account ✕

Account name*

Account type* ⓘ Detail type*

Make this a subaccount

Default tax code

Description

Profit & Loss NEW ACCOUNT PREVIEW
Active accounts as of 16/12/2024

- Janitorial Expense
- Legal and professional fees
- Marketing
- Meals and entertainment
- Office expenses

[Video tutorials](#)

 To learn how to create a subaccount watch this video: <https://youtu.be/xQD5Rg9KBsM>



NOTE To create a subaccount in QuickBooks. The subaccount must be of the same category type and detail type as the parent account.

Working with lists

Maintaining your lists in QuickBooks is important to ensure accuracy when recording transactions. There are several functions you can perform on QuickBooks Lists.

Account numbers

Account numbers are not enabled by default. However, you can enable account numbers in the Company Settings.

1. Click the **Gear** menu.
2. Click **Account and settings**.
3. Click **Advanced** and then click **Chart of accounts**.
4. Select **Enable account numbers**.
5. Click **Save**.

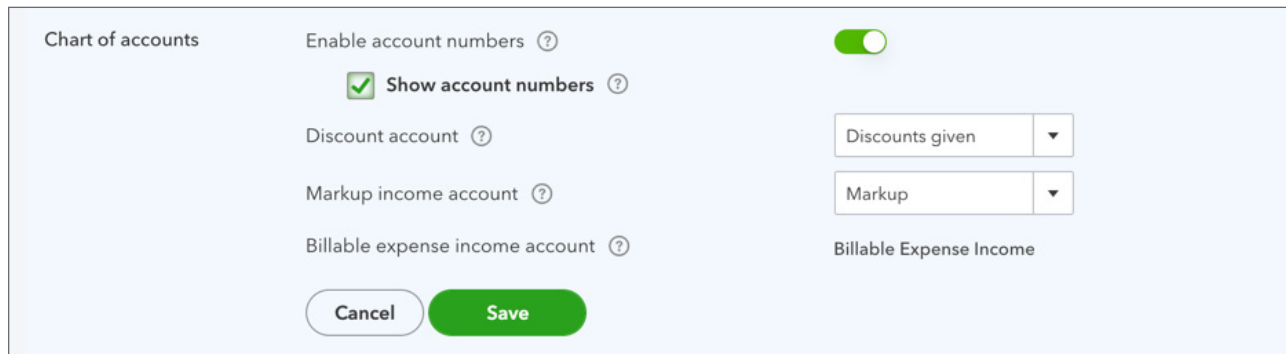



Chart of accounts

Enable account numbers 

Show account numbers

Discount account

Markup income account

Billable expense income account



NOTE QuickBooks Online does not automatically assign account numbers. You're required to assign the account numbers to each account.


Edit names (Sales, Expenses, Employees)

You can edit names like customers, suppliers and employees when you click the appropriate link from the left-hand navigation; i.e., click **Sales** to edit the **Customer list**.

1. Display the list that contains the entry you want to edit.
2. Click the **Name** or list entry.
3. Click **Edit**.
4. Edit the information shown for the entry as needed.

Editing the chart of accounts

<input type="checkbox"/>	Dues and Subscriptions	Expenses	Dues and Subscriptions	CAD		Run report	▼
<input type="checkbox"/>	Equipment rental	Expenses	Equipment rental	CAD		Run report	▼
<input type="checkbox"/>	Insurance	Expenses	Insurance	CAD		Run report	▼
<input type="checkbox"/>	Insurance Expense	Expenses	Insurance	CAD		Run report	▼
<input type="checkbox"/>	Insurance Expense-General Liability Insurance	Expenses	Insurance	CAD		Run report	▼

 To learn how to edit an account watch this video: <https://youtu.be/bo6o9oXgVLA>



NOTE The account list cannot include duplicate names.

Merge accounts

It's helpful to merge accounts if you use two similar accounts and want to see those accounts represented by a single line in your reports.



NOTE Merging accounts is irreversible.

To merge accounts:

1. Click the **Gear** menu > **Chart of accounts**.

Make sure that the accounts you want to merge are at the same sub-level and have the same detail type. If they're not, edit one of the accounts to put it at the same level and give it the same detail type as the other.

2. Select the account whose name you *don't* want to use, and click its drop-down arrow under the Action column.
3. Click **Edit**.
4. Change the account name so that it is the same as the account with which you're merging.
5. Click **Save**.
6. Click **Yes** to confirm that you want to merge the two accounts.

Please Confirm
That name is already being used. Would you like to merge the two?



NOTE Any transactions in the account being merged will be moved to the remaining account at the time the merge is processed.



To learn how to merge accounts watch this video: <https://youtu.be/KbG5HcA4yxo>

Merge customer names

Merging customers is helpful if you've been using two duplicate customers and want to see those customers represented by a single customer.

The process of merging deletes one customer and reassigns all its data to another customer.



NOTE The merging process is not reversible. Merging is permanent and cannot be undone at a later point.

1. Click **Sales** on the left navigation panel.
2. Click **Customers**.
3. Make sure that the customers you want to merge are at the same sublevel. If they're not, edit one of the customers to the same level.
4. Select the customer whose name you'd like to remove.
5. Click **Edit**.
6. Change the customer's **Title**, **First name**, **Middle name**, **Last name** and **Suffix** to be the same as the customer you're merging it with. Ensure that the **Display name** is also the same as the customer being merged with. Click **Save**.

Customer

Name and contact
^

Title	First name	Middle name	Last name	Suffix
<input type="text"/>	<input type="text" value="Adwin"/>	<input type="text"/>	<input type="text" value="Ko"/>	<input type="text"/>

Company name	Customer display name *
<input type="text" value="Ko International Ltd"/>	<input type="text" value="Adwin Kd"/> v

Email	Phone number
<input type="text"/>	<input type="text" value="604 999-9998"/>

Mobile number	Fax
<input type="text"/>	<input type="text"/>

Other	Website
<input type="text"/>	<input type="text"/>

Name to print on cheques

Is a sub-customer

7. Click **Yes** to confirm that you want to merge the two customers.



NOTE Follow the same process when merging suppliers.

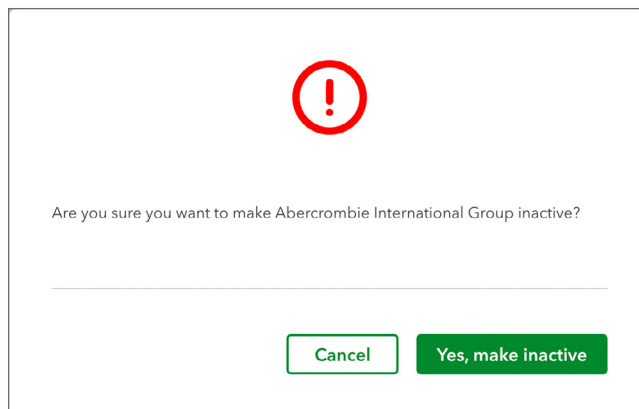
Deleting list entries

You can delete entries from lists in QuickBooks including customers, suppliers, product and services and accounts.

Instead of making a customer inactive or archiving them, you simply “delete” the customer name. This is not a permanent deletion. Below are steps to delete and restore a customer.

To delete a customer name:

1. Click **Customers**.
2. Click the **Customer name**.
3. Click **Edit**.
4. Click **Make inactive**.
5. Click **Yes**.



 To learn how to make accounts inactive watch this video: <https://youtu.be/ukRTR4gNWPc>



NOTE If a customer has a balance when deleted, QuickBooks Online will automatically add an adjusting entry to make the customer balance \$0.00. If this is unwanted, make sure the customer has a zero balance before deleting them from the customer list. It's recommended not to delete customers with balances.



NOTE You can restore a customer in QuickBooks Online. To restore a customer:

1. Click **Sales**.
2. Click the **Gear** icon on the Chart of Accounts.
3. Select **Include inactive**.
4. Click the **Inactive customer name**.
5. Click **Make active**.

Sales

Overview All sales Invoices Estimates **Customers** Products & services

Search

<input type="checkbox"/>	NAME ↑	COMPANY NAME ↓	PHONE	CURRENCY	OF
<input type="checkbox"/>	Abercrombie International Group (deleted)	Abercrombie International Group		USD	
<input type="checkbox"/>	Adwin Ko	Ko International Ltd	604 999-9998	CAD	
<input type="checkbox"/>	Alex Blakley	Blakley Group		USD	
<input type="checkbox"/>	Andre Prefontaine	Andre's Bakeries		HKD	
<input type="checkbox"/>	Anilkumar Pillai	International Investment Advisors		CAD	
<input type="checkbox"/>	Benjamin Yeung	Yeung's Architects	809 809-7777	CAD	
<input type="checkbox"/>	Cathy's Consulting Company	Cathy's Consulting Company	555-5555	CAD	
<input type="checkbox"/>	Chadha's Consultants	Chadha's Consultants		CAD	
<input type="checkbox"/>	Cheng-Cheng Lok	Lok's Management Co.	613 613-6131	CAD	
<input type="checkbox"/>	Clement's Cleaners	Clement's Cleaners	514 878-8787	CAD	\$0.00 Create invoice v
<input type="checkbox"/>	Ecker Designs	Ecker Designs	212 112-2121	CAD	\$0.00 Create invoice v

Customer type

Currency

Attachments

Other

Include inactive

Include projects

Page size

50

75

100

150

200

Sample Company

Help

Sales

Overview All sales Invoices Estimates **Customers** Products & services

< Customers

Search by name or details

Recently viewed customers

Abercrombie International...
\$0.00

Adwin Ko
\$12,995.00

Abercrombie International Group (deleted)

Company: Abercrombie International Group Billing address: Boveney, Windsor SL4 6QP

Notes: [Add notes](#)

SUMMARY

\$0.00 Open balance

\$0.00 Overdue payment

[Make active](#)

Transaction List Statements Customer Details

Batch actions Type: All transactions Status: All Date: All