INTUIT quickbooks

QUICKBOOKS ONLINE STUDENT GUIDE

Lesson 5

Company activities part 1

Contents

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.

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.

▶ 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.

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
‹ All Lists

📝 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
‹ All Lists

| More ⌄ | | New | ⌄ |

0 LOW STOCK   1 OUT OF STOCK

| Find products and services | 🔽▼ |

Previous 1-20 Next

	NAME ▲	SKU	TYPE	SALES DESCRIPTI	SALES PRICE	COST	QTY ON HAND	REORDER POINT	ACTION
	Employee events								
☐	Employee Celebration		Service	Employee ce…	500				Edit ▼
☐	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**.

Custom form styles

‹ All lists

New style ⌄

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.

‹ All lists

Currencies

Add currency

Home currency: CAD - Canadian Dollar

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.

Payment Methods

‹ All Lists

Run Report | New

Filter by name

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.

Terms
< All Lists

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

[Run Report] [New]

Filter by name

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.

Attachments
< All Lists

Attachments   Maximum size: 20MB

Looking for shared documents? Go to My Accountant

Drag/Drop files here or click the icon

Batch actions ▾

THUMBNAIL	TYPE	NAME	SIZE	UPLOADED	LINKS	NOTE	ACTION
NO PREVIEW AVAILABLE	PDF	Kroger Receipt Jan_9_18	97.18 KB	01/01/2...			Download ▾

< First   Previous   1-1   Next   Last >

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	MONEY OUT
Get more details about what you earn	**See a breakdown of what you spend**
▶ See how it works (3:38)	▶ See how it works (3:38)
$0.00 Aerobics classes	$0.00 Fitness instructor payroll
$0.00 Yoga classes	$0.00 Utilities
Start tagging transactions	Start tagging transactions

See all untagged transactions   🔍 Search by tag name   New ⌄

☐	TAGS AND TAG GROUPS	TRANSACTIONS	ACTION
☐	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

| Sales Rep |

Select form type

☑ All Sales forms   ⬤ Print on form

    Sales Receipt

    Estimate

    Invoice

    Credit Memo

    Refund Receipt

☐ Purchase Order   ⬤ 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

〈 All lists

Batch actions ⌄ | 🔍 Filter by name or numl | All ⌄   ✏ 🖨 ⚙

〈 Previous   1 - 75   Next 〉

	NAME ⇅	ACCOUNT TYPE ⇅	DETAIL TYPE ⇅	CURRENCY ⇅	QUICKBOOKS BALANCE ⇅	BANK BALANCE ⇅	ACTION
☐	Chequing	⇄ Bank	⇄ Chequing	CAD	$3,927.48	$40,071.20	Account history ⌄
☐	Accounts Receivable	Accounts receivable (A/R)	Accounts Receivable (A/R)	CAD	$29,702.04		Account history ⌄
☐	Accounts Receivable (A/R) - USD	Accounts receivable (A/R)	Accounts Receivable (A/R)	USD	$0.00		Account history ⌄
☐	Inventory Asset	Current assets	Inventory	CAD	$7,781.91		Account history ⌄
☐	Prepaid expenses	Current assets	Prepaid Expenses	CAD	$0.00		Account history ⌄
☐	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.

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.

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

‹ All lists

Batch actions ⌄   🔍 Filter by name or numl   All ⌄   ✏️ 🖨️ ⚙️

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	NAME ⇕	ACCOUNT TYPE ⇕	DETAIL TYPE ⇕	CURRENCY ⇕	QUICKBOOKS BALANCE ⇕	BANK BALANCE ⇕	ACTION
☐	Chequing	⇄ Bank	⇄ Chequing	CAD	$3,927.48	$40,071.20	Account history ⌄
☐	Accounts Receivable	Accounts receivable (A/R)	Accounts Receivable (A/R)	CAD	$29,702.04		Account history ⌄
☐	Accounts Receivable (A/R) - USD	Accounts receivable (A/R)	Accounts Receivable (A/R)	USD	$0.00		Account history ⌄
☐	Inventory Asset	Current assets	Inventory	CAD	$7,781.91		Account history ⌄
☐	Prepaid expenses	Current assets	Prepaid Expenses	CAD	$0.00		Account history ⌄
☐	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

	NAME ⇕	ACCOUNT TYPE ⇕	DETAIL TYPE ⇕	CURRENCY ⇕	QUICKBOOKS BALANCE ⇕	BANK BALANCE ⇕	ACTION
☐	Billable Expense Income	Income	Service/Fee Income	CAD			Run report ⌄
☐	Billable Expenses Income	Income	Other Primary Income	CAD			Run report ⌄
☐	Commission Income	Income	Other Primary Income	CAD			Run report ⌄
☐	Discounts given	Income	Discounts/Refunds Given	CAD			Run report ⌄
☐	Fees Billed	Income	Other Primary Income	CAD			Run report ⌄
☐	Markup	Income	Service/Fee Income	CAD			Run report ⌄
☐	Refunds-Allowances	Income	Discounts/Refunds Given	CAD			Run report ⌄
☐	Sales	Income	Other Primary Income	CAD			Run report ⌄
☐	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**.

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

Enter Text

Balance   as of

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.

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.

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 **Supplie**r 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.

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.

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**.

> **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**.

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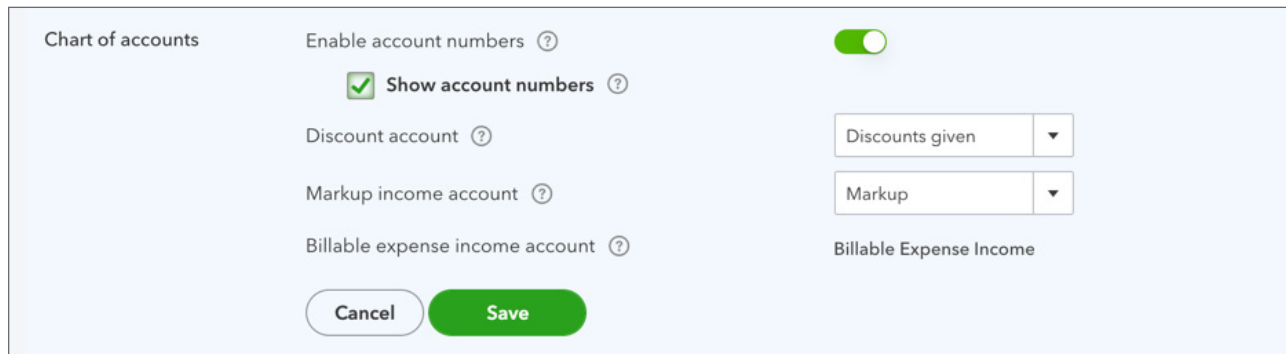
> 👍 **NOTE** QuickBooks Online does not automatically assign account numbers. You're required to assign the account numbers to each account.

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

▶️ 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.

> 👍 **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**.

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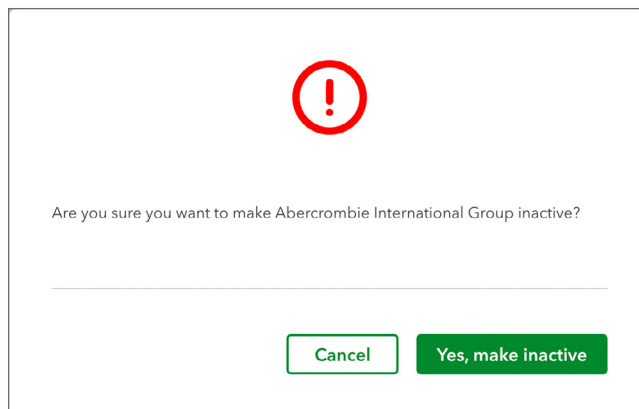
▶️ To learn how to make accounts inactive watch this video: https://youtu.be/ukRTR4gNWPc

> 👍 **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**.