



# Basic: Using QBO+ for Bookkeeping



**This slideshow is a comprehensive guide for QuickBooks Online designed for VE students to create entries and reports from QuickBooks Online and maintain accurate, organized financial reports for their firm.**

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# I. Setting up your business

## 1. Signing Up for Your QBO+ Account

For a teacher account, use this [QBOA teacher registration link](#) and enter the required information onto the form.

For student accounts, use this [QBO+ student registration form](#) and enter the required information onto the form. Once the form is completed, download the file and email it to Emily\_Watkins@intuit.com. Students should expect a response within 1-2 business days.

Note: The document has two tabs that must be completed. There is a tab for teacher's information and a tab for Accounting and Finance Department students. Be sure to complete both sheets before sending the email.



## 2. Signing Into Your Account

Log in page is located at: [qbo.intuit.com](https://qbo.intuit.com)

When logging into the account, QBO+ will ask to verify your identity.

The verification code will be sent via the following methods:

- Text to phone number
- Call to phone number
- Sent to email address



Once you receive the verification code, you can log into your account.




## 2. Signing Into Your Account (continued)

**intuit.**  
qb quickbooks ✓ turbotax

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**Sign In**

Sign in to your Intuit account to access all our products including QuickBooks. [Learn more](#)

 Sign in with Google

or


User ID

czhang@veinternational.org

Password

.....

☐ Remember my user ID

 Sign in

**intuit.**  
qb quickbooks ✓ turbotax

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**Let's make sure it's you**

How would you like to verify your account? [Why are we asking?](#)

☐ **Get a code texted to:**  
\*\*\*\*\*2710

☐ **Call me:**  
\*\*\*\*\*2710

☒ **Get a code emailed to:**  
c\*\*\*\*\*g@veinternational.org

☐ Verify my account a different way  
(takes longer)


[Back to sign in](#)

Continue

**intuit.**  
qb quickbooks ✓ turbotax

---

**Enter the code we emailed you**

 ✓

We sent a code to:

**c\*\*\*\*\*g@veinternational.org**  
Please don't close this web browser window.

Enter the 6-digit code

598813

[Didn't receive a code?](#)

Continue



### 3. What is a Fiscal Year?

#### Definition

- A fiscal year is a 12-month period of time that, unlike the calendar year, does not necessarily end on December 31. The first and last month of the fiscal year is customizable to the individual firm, as it sets in place the accounting cycle for that firm.

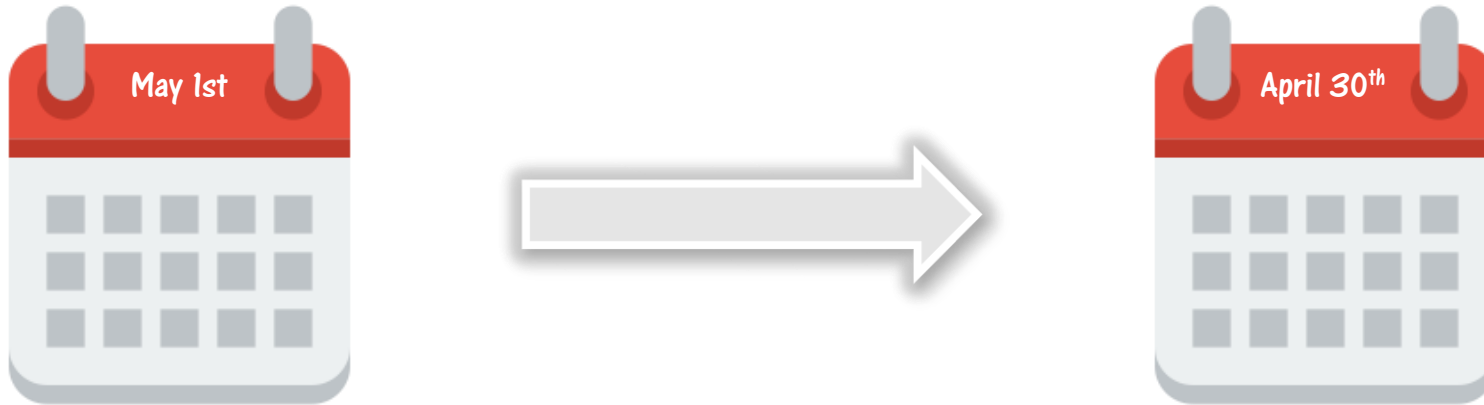
#### **Why do some firms choose to operate on a fiscal year as opposed to a calendar year?**

- Firms may choose to follow a fiscal year instead of a calendar year because they can customize the operation year to better fit their natural business cycle. For example, many retail firms' fiscal year end on January 31 due to the fact that December is an extremely busy month because of the holidays. The retail firms need more time to close their books and summarize sales occurred in December.



## 4. Setting Up a Fiscal Year

After logging into your account, it is **crucial** to set up your firm's fiscal year.



Follow the steps in the next few slides to set up the fiscal year for your firm.

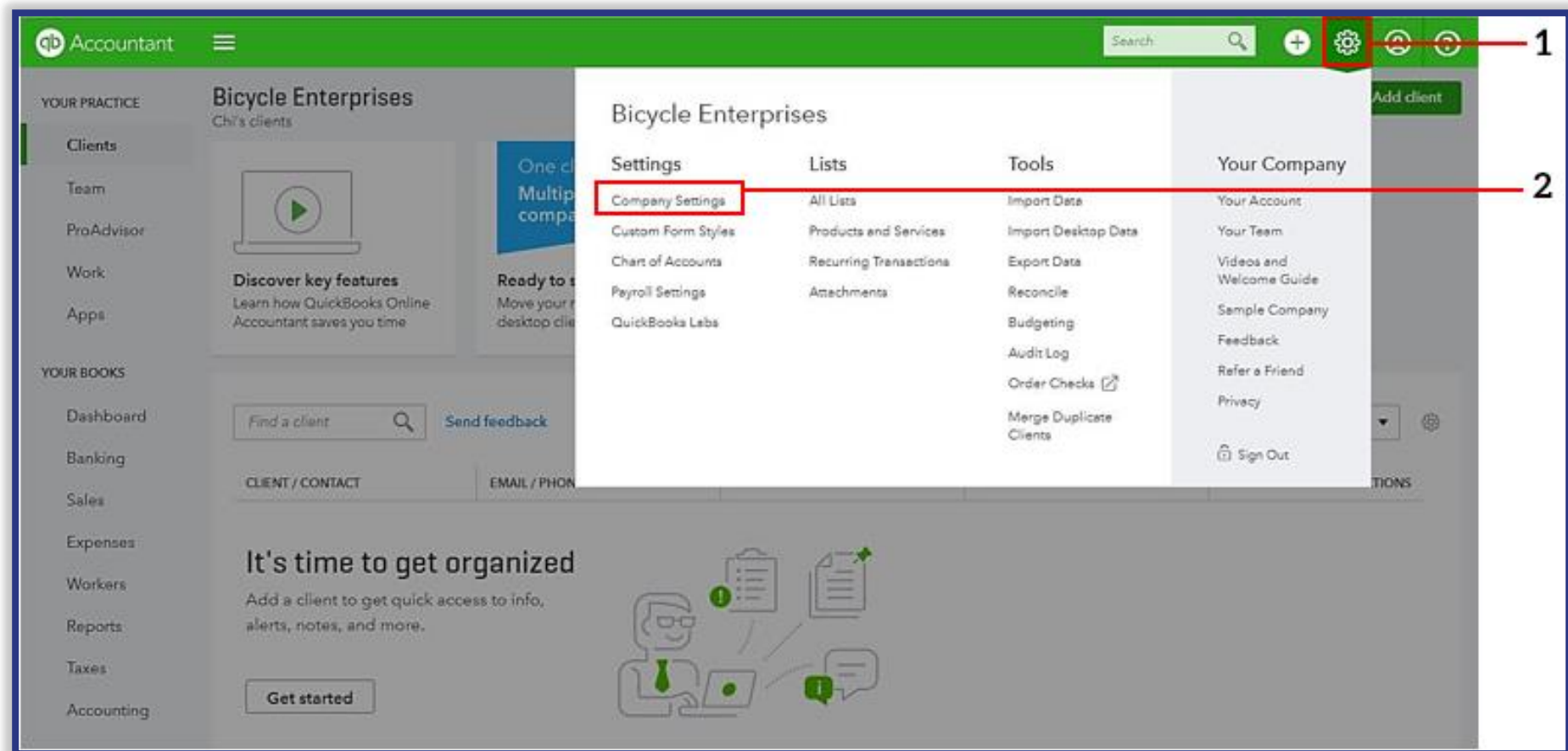
*Note: VE's fiscal year begins on May 1<sup>st</sup> and ends April 30<sup>th</sup>*





## 4. Setting Up a Fiscal Year (continued)

Go to Settings and click on “Company Settings”.



## 4. Setting Up a Fiscal Year (continued)

Select “Advanced” from the left menu, then click on the pencil shaped button on the right hand corner of the page.

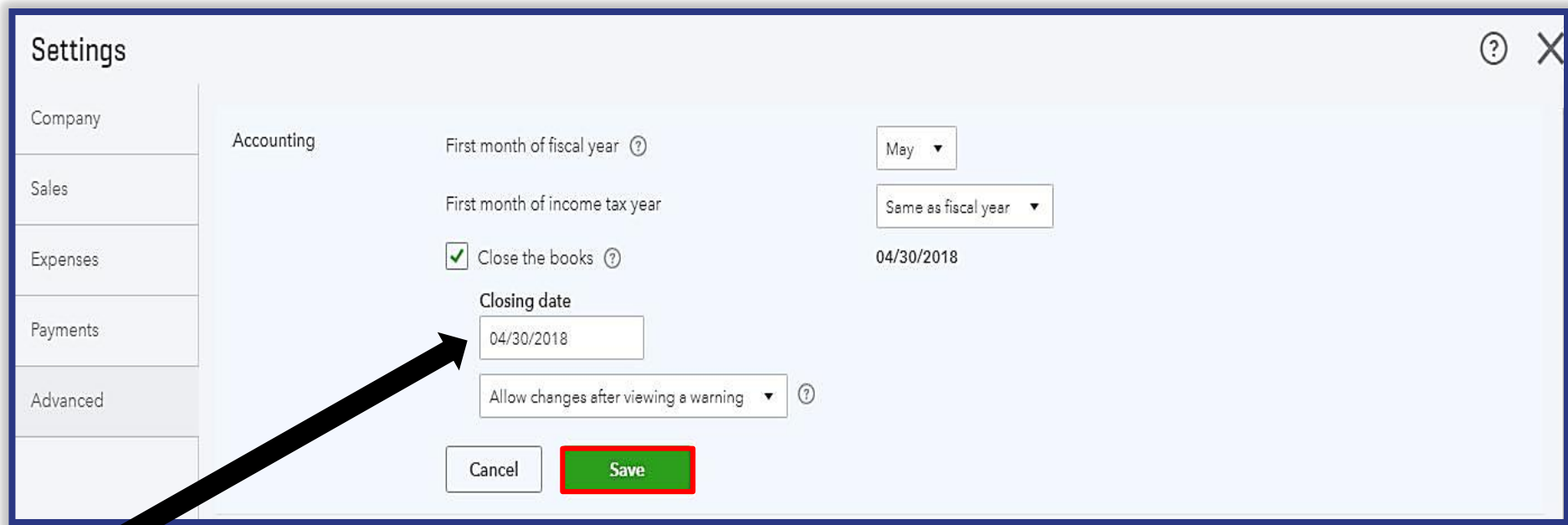
The screenshot shows a settings interface with a sidebar on the left and a main content area on the right. The sidebar has a 'Settings' header and a list of menu items: Company, Sales, Expenses, Payments, and Advanced. The 'Advanced' item is highlighted with a red box and labeled '1'. The main content area displays settings for various categories. At the top right of the main content area, there is a red box labeled '2' containing a pencil icon, indicating where to click to edit the settings.

Category	Setting	Value	Action
Accounting	First month of fiscal year	May	✎
	First month of income tax year	Same as fiscal year	
	Close the books	04/30/2018	
Chart of accounts	Enable account numbers	Off	✎
Automation	Pre-fill forms with previously entered content	On	✎
	Automatically apply credits	On	
	Automatically invoice unbilled activity	Off	
	Automatically apply bill payments	On	
Projects	Use project financial tracking	Off	✎
Time tracking	Add Service field to timesheets	Off	✎
	Make Single-Time Activity Billable to Customer	On	
Currency	Home Currency	United States Dollar	✎
	Multicurrency	Off	
Other preferences	Date format	MM/dd/yyyy	✎
	Number format	123,456.00	
	Warn if duplicate check number is used	On	
	Warn if duplicate bill number is used	Off	
	Sign me out if inactive for	1 hour	



## 4. Setting Up a Fiscal Year (continued)

Enter the fiscal year information, then save and exit.



The screenshot shows the 'Settings' window with the 'Accounting' tab selected. The 'Closing date' field is highlighted with a red box and a black arrow pointing to it. The 'Save' button is also highlighted with a red box. The 'First month of fiscal year' is set to 'May', and the 'First month of income tax year' is set to 'Same as fiscal year'. The 'Close the books' checkbox is checked, and the 'Closing date' is set to '04/30/2018'. The 'Allow changes after viewing a warning' dropdown is set to 'Allow changes after viewing a warning'.



Note: for the purpose of demonstrating the sample transactions from Bicycle Enterprises' transaction list, the closing date is set to be 4/30/2018. When setting up the fiscal year for your firm for the 2018-2019 school year, be sure to set the closing date as 4/30/2019.

## 5. What is Sales Tax?

### Definition

- Sales tax is a retail point-of-purchase tax set by the state and local government that is paid by the buyer for goods and services purchased. The tax is collected by the firm and then paid out to the local government agency on a quarterly basis (every four month). Firms must file the State and Local Sales Tax Return along with the submission of sales tax collected.
- In VE, in order to enhance students' understanding and competency of the State and Local Sales Tax Return, it is recommended that students complete the return on a monthly basis.

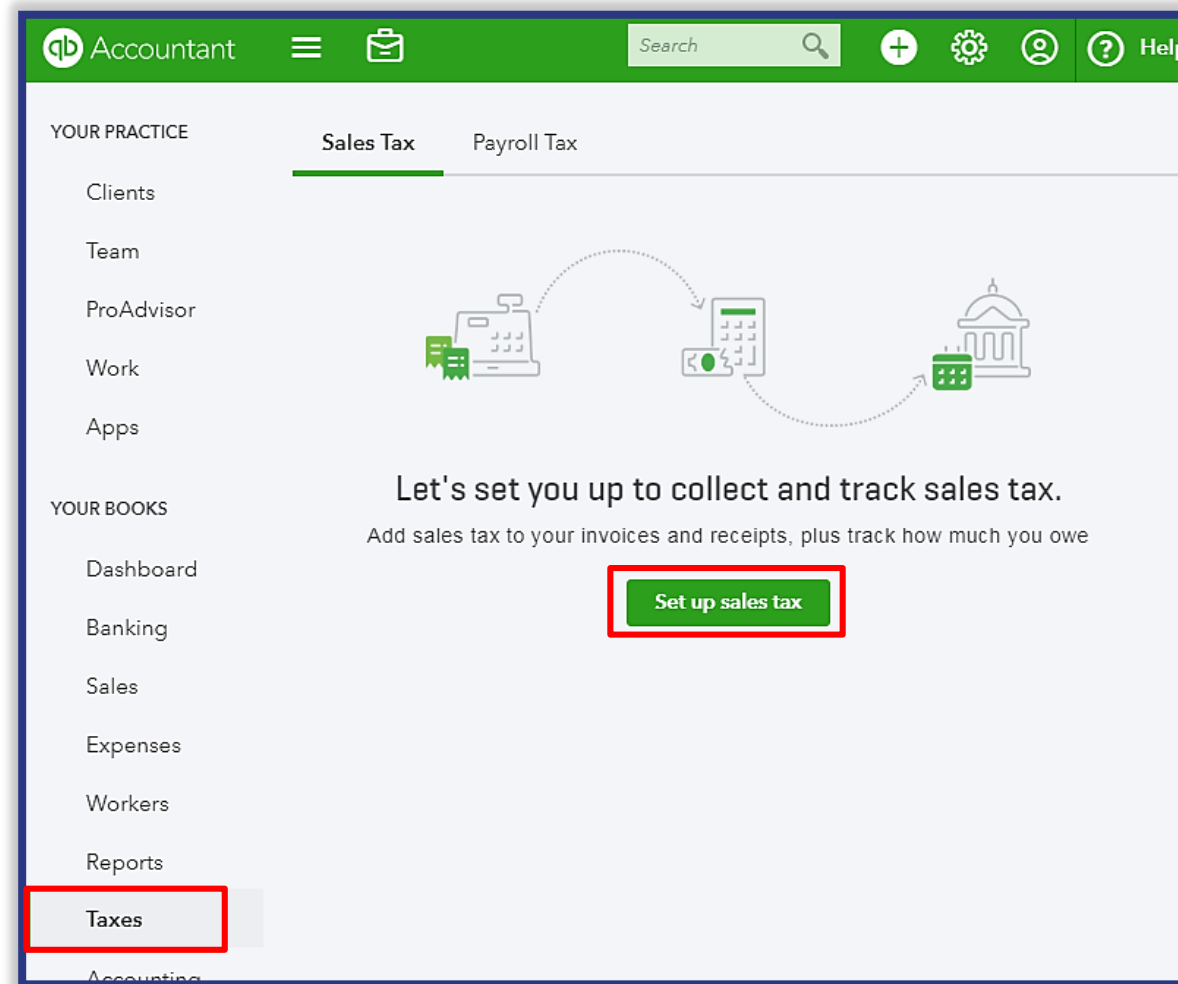
### Which firms do not need to collect Sales Tax?

- Firms located in Alaska, Delaware, Montana, New Hampshire and Oregon do not need to collect sales tax.
- Insurance firms, non-profit organizations, religious and charitable organizations are usually tax exempt. Be sure to check with your central office to confirm that your firm does not need to collect sales tax.



## 5. What is Sales Tax? (continued)

Click on Taxes under “YOUR BOOKS,” then select “Set up sales tax.”



## 6. Setting Up Sales Tax

Enter your firm's address (school address). *Note: Tax rate will vary depending on your region.*

**Tell us your company's physical address.**  
Type in and confirm your physical address so we can find your current sales tax rate.

Your company address

122 Amsterdam Avenue

New York NY

10023

Confirm

Next



## 6. Setting Up Sales Tax (continued)

Do you need to collect sales tax outside of New York?

If you sell products in other states, you probably have to collect sales tax. [Learn more](#)

☒ No

☐ Yes

Back **Next**

1

Enter the date your firm was incorporated as the start date for collecting taxes.  
*Note: In VE, it is recommended for Sales Tax to be filed monthly.*

Can you tell us about who you pay?

Looks like you need to pay tax to just one government office in New York. We call this your tax agency. We just need a little more info about it.

[I'm not sure](#)

Your tax agency  
 New York Department of Taxation and Finance

How often do you have to file a tax return for this agency?

Monthly ▼


Start of the tax period  
 March

When did you start collecting sales tax for this agency?

09/01/2017

SEPTEMBER 2017						
S	M	T	W	T	F	S
27	28	29	30	31	<b>1</b>	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
1	2	3	4	5	6	7

2



Sales tax is set up!

You're ready to start tracking sales tax.

**Got it**

3



## 7. What is a Chart of Accounts?

### Definition

- A chart of accounts is a listing of all accounts used in the general ledger of an organization. The chart is used by the accounting software to summarize information into an entity's financial statements. The chart is usually sorted in order by account number to ease the task of locating specific accounts.
- For a sample chart of accounts, check out the VE portal.

**Path:** Log into Portal > Select “Accounting & Finance” (on the left side of page) > “Reference Files” tab > Click “[Excel] Chart of Accounts”





## 8. Chart of Accounts

Once you create a business in QBO, there will be a set of preloaded accounts. Before you begin entering transactions, you will have to add some more accounts. The two options to add or modify a firm's Chart of Accounts are:

- Import a .xlsx format workbook with a preloaded Chart of Accounts. (Recommended). For a sample chart, use the excel file available in the Portal.

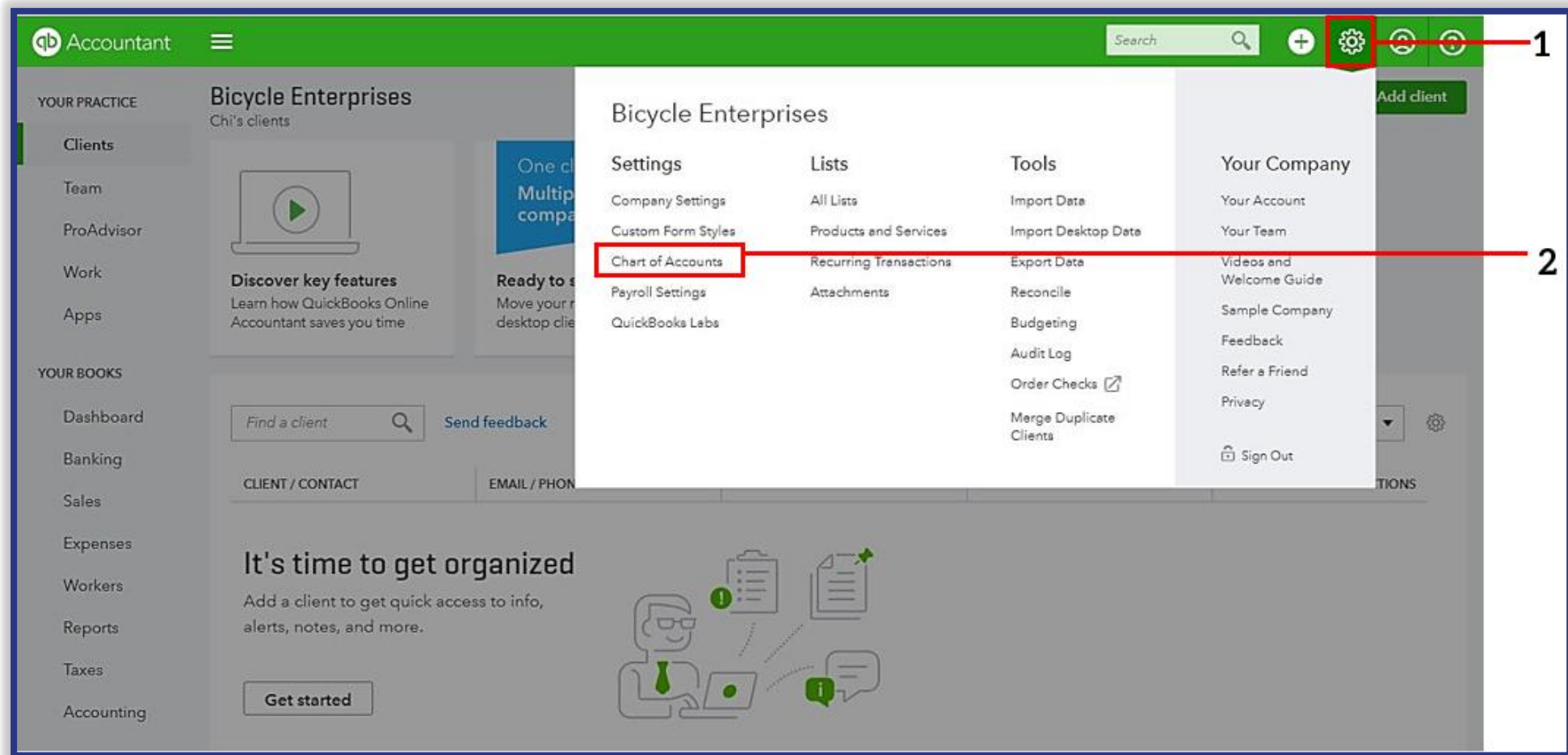
**Path:** Log into Portal > Select "Accounting & Finance" (on the left side of page) > "Reference Files" tab > Click "[Excel] Chart of Accounts"

- Insert individual accounts, as necessary, that are unique to your firm from the Chart of Accounts page in QBO.



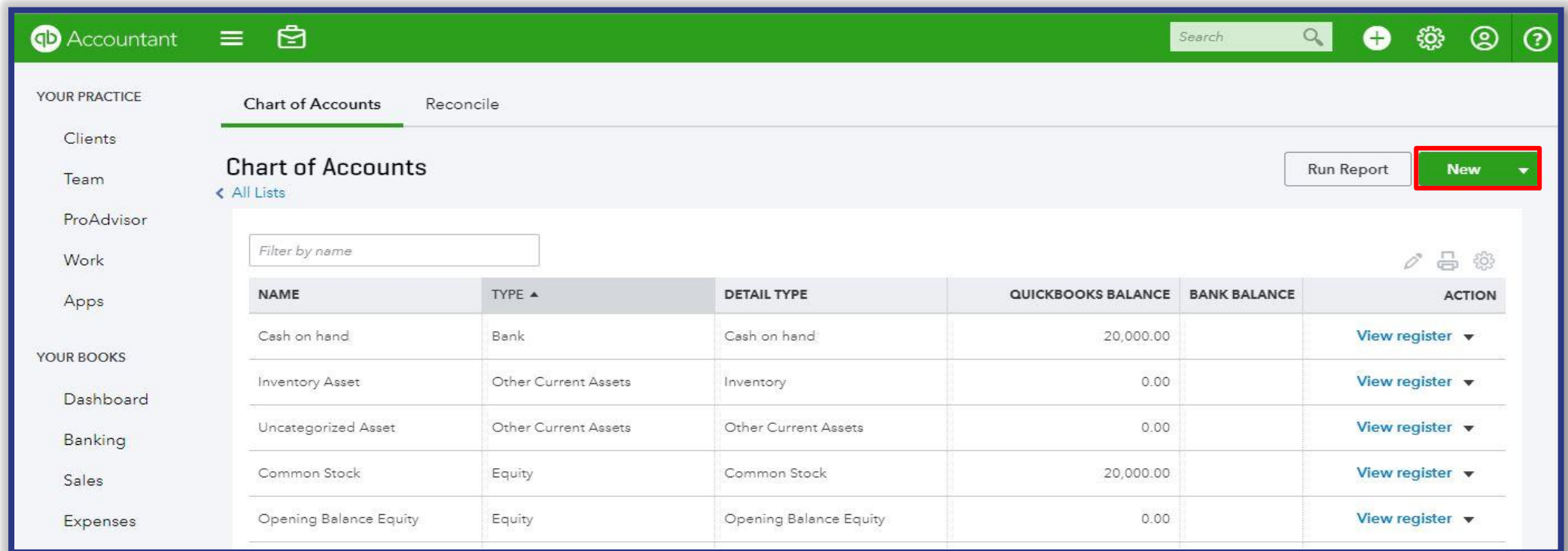
## 8. Chart of Accounts (continued)

Click on the gear icon on the right hand corner, then select “Chart of Accounts.”



## 8. Chart of Accounts (continued)

Click on “New”, then select “Import” from the drop down menu.



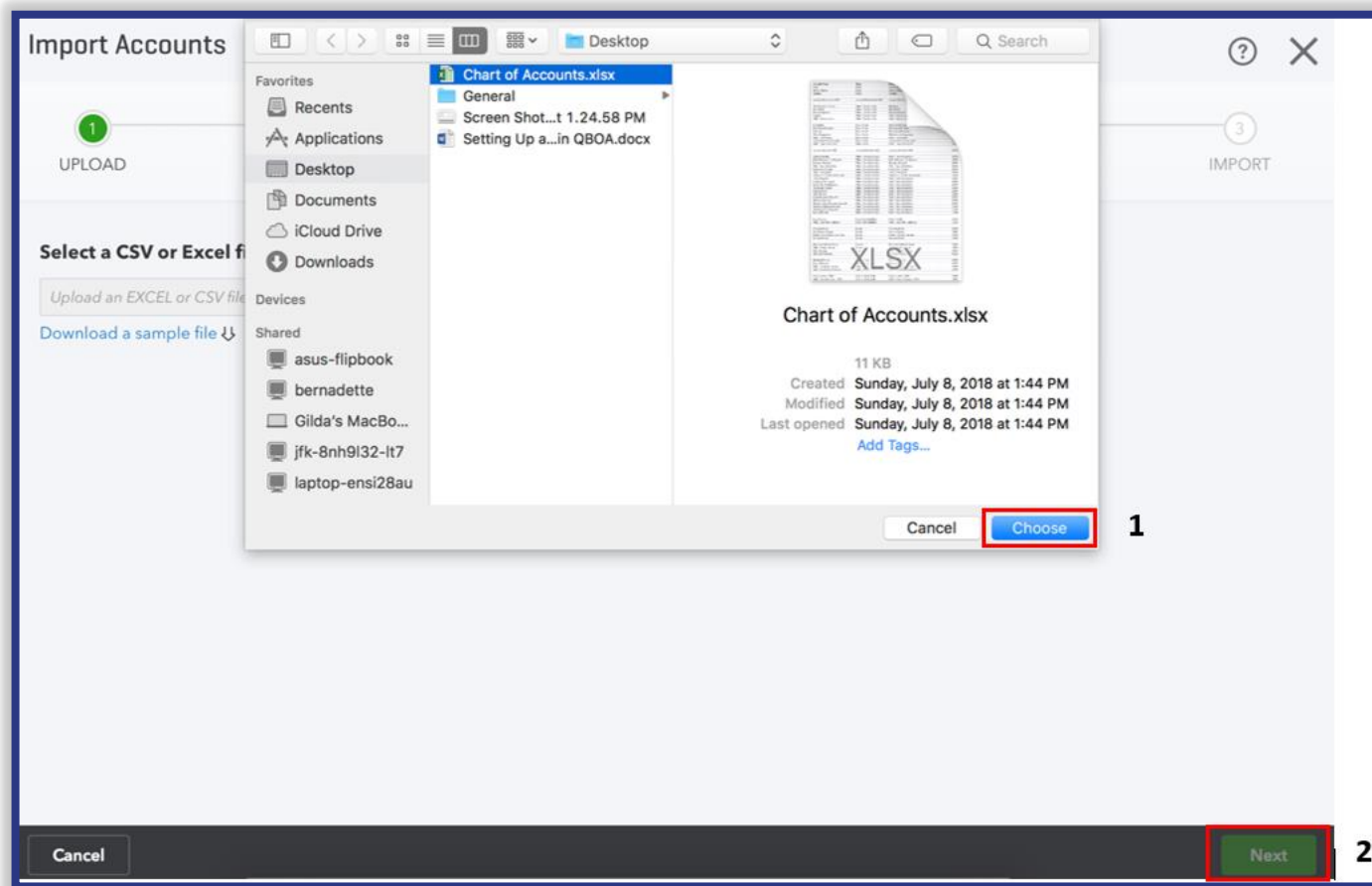
The screenshot shows the QuickBooks Accountant interface. The top navigation bar is green with the 'qb Accountant' logo, a menu icon, a briefcase icon, a search bar, and icons for adding, settings, user, and help. The left sidebar has two sections: 'YOUR PRACTICE' with links for Clients, Team, ProAdvisor, Work, and Apps; and 'YOUR BOOKS' with links for Dashboard, Banking, Sales, and Expenses. The main content area is titled 'Chart of Accounts' and has a sub-tab 'Reconcile'. Below the title is a 'Run Report' button and a 'New' button with a dropdown arrow, which is highlighted with a red box. A filter box labeled 'Filter by name' is above a table of accounts.

NAME	TYPE ▲	DETAIL TYPE	QUICKBOOKS BALANCE	BANK BALANCE	ACTION
Cash on hand	Bank	Cash on hand	20,000.00		<a href="#">View register</a> ▼
Inventory Asset	Other Current Assets	Inventory	0.00		<a href="#">View register</a> ▼
Uncategorized Asset	Other Current Assets	Other Current Assets	0.00		<a href="#">View register</a> ▼
Common Stock	Equity	Common Stock	20,000.00		<a href="#">View register</a> ▼
Opening Balance Equity	Equity	Opening Balance Equity	0.00		<a href="#">View register</a> ▼



## 8. Chart of Accounts (continued)

Locate the Excel file of the sample chart of accounts, choose the document, and then click “Next”.



## II. Preparing a 10/31 Balance Sheet

# 1. What is a Balance Sheet?

## Definition

- A Balance Sheet is a statement produced by a company's accounting department detailing the assets, liabilities, and equity of that company at a particular point in time.



## 2. Basic Accounting Equation

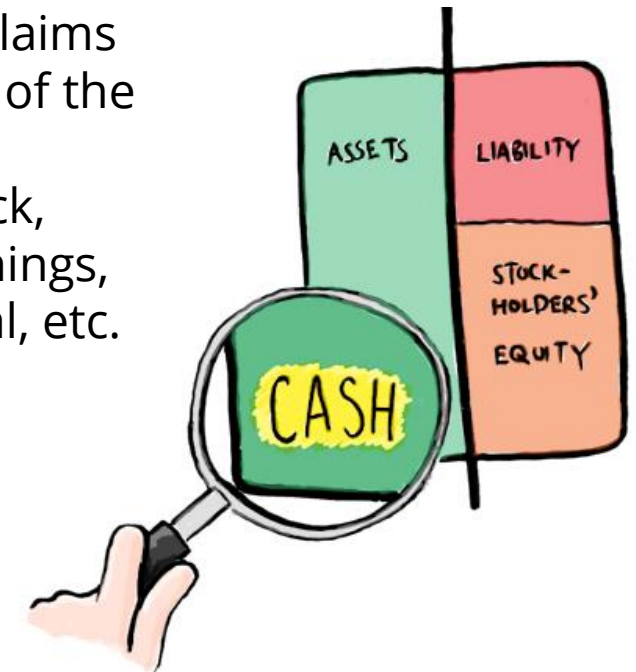
To understand the concept of the Balance Sheet created through QuickBooks, you should familiarize yourself with this equation:

$$\text{Assets} = \text{Liabilities} + \text{Equity}$$

Assets are anything a company owns of value, such as cash, receivables, furniture, fixtures, equipment, etc.

Liabilities are what a firm owes to other firms and/or people, such as loans, accounts payable, etc.

Equity represents the owner's claims to the Assets of the firm, such as common stock, retained earnings, paid-in capital, etc.



### 3. Balance Sheet Components

Cash (comprised of: )	Slides	Impact Sections on Balance Sheet	Source
Seed Money	38	Current Asset & Equity	Received from central office
Angel Investors	40	Current Asset & Equity	Funds received through central office
Loan Proceeds	41	Current Asset & Liabilities	Received from central office
Out-of-Network Sales	42	Current Asset & Net. Earnings	Funds received from central office
Sales	60-61	Current Asset & Net. Earnings	Payment received from VE customers
Inventory	60-61	Current Asset	Merchandise inventory purchased for initial sales
Fixed Assets - Furniture, fixture, equipment, land, building.	52-53	Fixed Assets & Current Asset or Liabilities	Fixed assets purchased for start-up firms





## 4. What is a Journal Entry?

### Definition

The Balance Sheet is a summary statement of all transactions that took place during the fiscal year and had an impact on the company's assets, liabilities, and/or equity. You can see journal entries as individual details that make up the Balance Sheet.

### Components of a journal entry:

- The appropriate date
- The amount(s) & account(s) that will be **debited**
- The amount(s) & account(s) that will be **credited**
- A short description/memo of the transaction being recorded
- A reference journal entry # (usually generated automatically by QBO+)

*Note: For details on debits and credits, refer to slides 34 - 35*



## 5. Debit and Credit

### Definition

In accounting, debit and credit are terms used to indicate increases and decreases to an account. Depending on the type of account, debit/credit can represent either an increase or decrease to that account. For more details, refer to the table below:

Account Type	To Increase	To Decrease
Asset	Debit	Credit
Liability	Credit	Debit
Equity	Credit	Debit
Income	Credit	Debit
Expense	Debit	Credit



## 6. Debits and Credits in Action

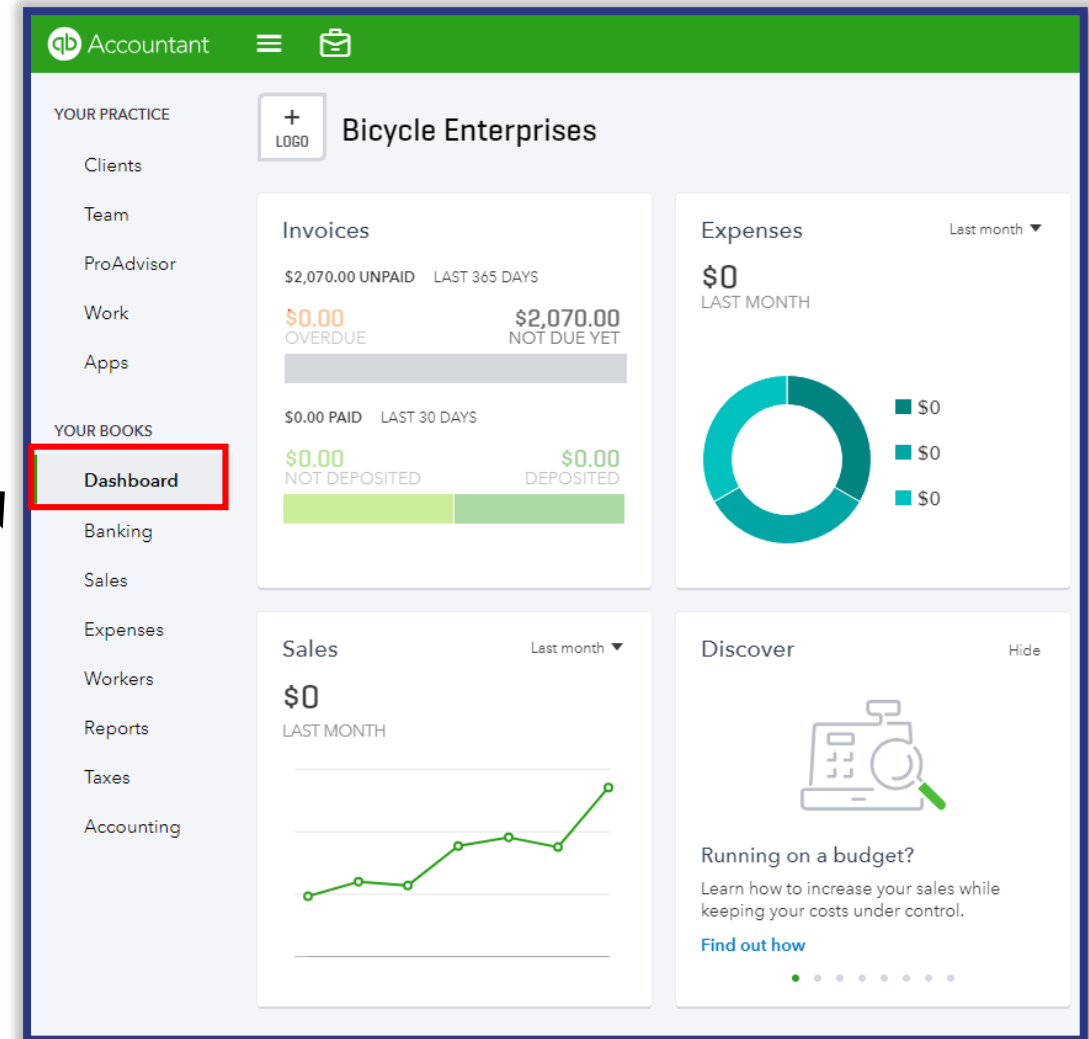
	Account #	Account Title	To Increase	Financial Statement	Description/Explanation of Account	Sample Transaction	Debit	Credit
Asset	10100	Cash	Debit	Balance Sheet	The sum of all coins, currency and liquid funds available that have been placed on deposit with a financial institution. Cash in bank is considered a highly liquid form of current asset.	After approval of the Business Registration Form, Bicycle Enterprises received seed funding of \$20,000 from VEI .	Cash	Common Stock
Liability	20100	Accounts Payable (A/P)	Credit	Balance Sheet	An accounting entry that represents a company's obligation to pay off a short-term debt to its creditors or suppliers.	Bicycle Enterprises purchases equipment on account from Johnny's Equipment Store for \$10,000	Office Equipment	Accounts Payable - Johnny's Equipment Store
Equity	30100	Common Stock	Credit	Balance Sheet	A security that represents ownership in a corporation.	After approval of the Equity Investment Application, Bicycle Enterprises received \$50,000 from an Angel Investor, Jerry Williams, on September 28th.	Cash	Common Stock
Income	40310	Out-of-Network Sale	Credit	P&L	A sale made to an individual or entity that is not affiliated with VE.	Bicycle Enterprises sold \$75,000 worth of goods to ABC High School by entering into an Out-of-Network sales contract. ABC High School paid in full on October 11th.	Cash	Sales Revenue
Expense	41010	Rent Expense	Debit	P&L	The cost of occupying rental property during a reporting period.	Bicycle Enterprises pays rent for the month of October of \$1,500 to VEC Realty on October 1st.	Rent Expense	Cash

## 7. Preparing Journal Entries in QBO+

Refer to the *Bicycle Enterprises Sample Transactions* located in the VE Portal to assist in recording transaction in QBO+ for your firm.

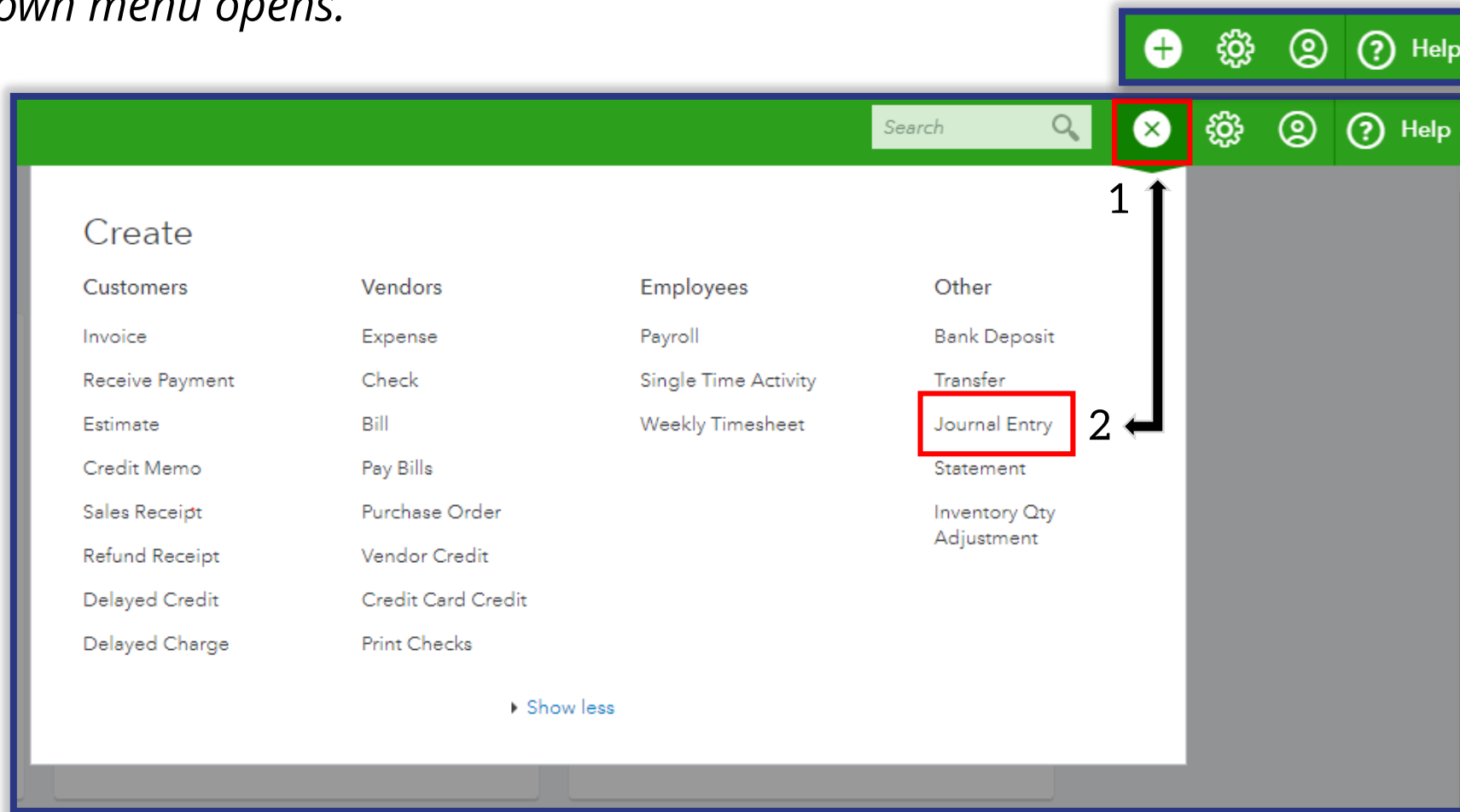
**Path:** Log into Portal > Select “Accounting & Finance” (on the left side of page) > “Reference Files” tab > Click “[Excel] Bicycle Enterprises Sample Transactions General Journal”

Navigate to Dashboard  
under “YOUR BOOKS”



## 7. Preparing Journal Entries in QBO+ (continued)

Navigate to the “Create” menu by clicking on the plus sign on the top right corner of the page, then select “Journal Entry”. *Note: The plus sign will turn into an ‘x’ after the drop down menu opens.*



## 7a. Receipt of Seed Funding

**Transaction #1:** After approval of the Business Registration Form, Bicycle Enterprises received seed funding of \$20,000 from VEI on September 21<sup>st</sup>.

Start by entering the Journal Date

Record the account with a change in debit first

Journal Entry #1

Journal date: 09/21/2017 Journal no.: 1 ☐ Is Adjusting Journal Entry?

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME
1	Cash	20,000.00		To record seed funding from VEI	
2	Common Stock		20,000.00	To record seed funding from VEI	VEI
3					
4					
5					
6					
7					
8					
Total		20,000.00	20,000.00		

Add lines Clear all lines

Remember to insert a description for each line. This will serve as a note for the origin of the transaction in the future.

Note that for Accounts Receivable, Accounts Payable and Common Stock, a corresponding name must be entered. In this case, the seed funding was from VEI and therefore in the NAME section, VEI should be documented. For details on how to add a name, refer to the next slide.



## 7b. Adding the Name of a Customer/Vendor

Journal Entry #1

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME
1	Cash	20,000.00		To record seed funding from VEI	
2	Common Stock		20,000.00	To record seed funding from VEI	Enter Text
3					+ Add new
4					Chi Zhang Customer
5					Denise Jacks Customer
6					VEI Customer
					Wholesale Marketplace Vendor

New Name

\* Name

VEI

Type

Vendor

Customer

Vendor

Save

1. Click on the drop down menu in the "Name" section and select "Add new."
2. Enter the information requested and click "Save" when complete.

*Note: For the following types of transactions, a name must be added in order to save the journal entry:*


- Common Stock
- Angel Investors
- Accounts Receivable
- Accounts Payable



## 7c. Angel Investors

**Transaction #2:** After getting approved for their Equity Investment Application, Bicycle Enterprises received \$50,000 from an Angel Investor named Jerry Williams on September 28<sup>th</sup>.




**Journal Entry #2**

Journal date

09/28/2017

Journal no.

2

☐ Is Adjusting Journal Entry?



	#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME
⋮	1	Cash	50,000.00		To record Angel Investor Investment	
⋮	2	Common Stock		50,000.00	To record Angel Investor Investment	Jerry Williams





## 7d. Receipt of Loan Proceeds

**Transaction #5:** After approval of the Small Business Loan Application, Bicycle Enterprises received a loan of \$150,000 from VEC Lending on October 9<sup>th</sup>.


**Journal Entry #5**


Journal date

10/09/2017

Journal no.

5



☐ Is Adjusting Journal Entry?

	#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME
⋮	1	Cash	150,000.00		To record loan proceeds from VEC Lending	
⋮	2	Loan Payable		150,000.00	To record loan proceeds from VEC Lending	VEC-Lending




## 7e. Recording Out-of-Network Sales

**Transaction #6:** Bicycle Enterprises sold \$75,000 worth of goods to ABC High School by entering into an Out-of-Network sales contract. ABC High School paid in full on October 11<sup>th</sup>.


**Journal Entry #10**


Journal date  



Journal no.

☐ Is Adjusting Journal Entry?

	#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	
⋮	1	Cash	75,000.00		To record Out-of-Network Sale to ABC High School		🗑
⋮	2	Sales Revenue		75,000.00	To record Out-of-Network Sale ABC High School		🗑



## 7f. Running the Balance Sheet in QBO+

- All initial Balance Sheet components' sample transactions have been shown, so you should be able to run the report for your firm at this point. For instructions on how to run the Balance Sheet, refer to section V slides 77 - 80.
- If your firm has made sales and paid expenses as of 10/31, check out sections III and IV for instructions on how to record sales and expenses in QBO+. After all transactions occurred and have been recorded up to date, run the Balance Sheet.



## **III. Recording Expenses Using Bill Payment Function in QBO**

## 1a. Recording Loan Repayment: Loan Amortization Schedule

**Transaction #13:** Bicycle Enterprises makes their first loan payment of \$2,952.52 on November 1<sup>st</sup>. \$2,108.77 of the total payment is the principal reduction of the loan and \$843.75 is the interest payment for the month of October. *Refer to Loan Amortization Table template provided. Note: This table is not part of QBO+ and can be found in the VE Portal following this path: Log into Portal > "Accounting and Finance" (left side of page) > "Reference Files" tab > Scroll down to "Debt Financing" > Click "Loan Amortization Worksheet"*

### LOAN AMORTIZATION SCHEDULE

#### ENTER VALUES

Loan amount	\$150,000.00
Annual interest rate	6.75%
Loan period in years	5
Number of payments per year	12
Start date of loan	10/1/2017
Optional extra payments	\$0.00

#### LOAN SUMMARY

Scheduled payment	\$2,952.52
Scheduled number of payments	60
Actual number of payments	60
Total early payments	\$0.00
Total interest	\$27,151.15

#### LENDER NAME

VEI Savings & Loan

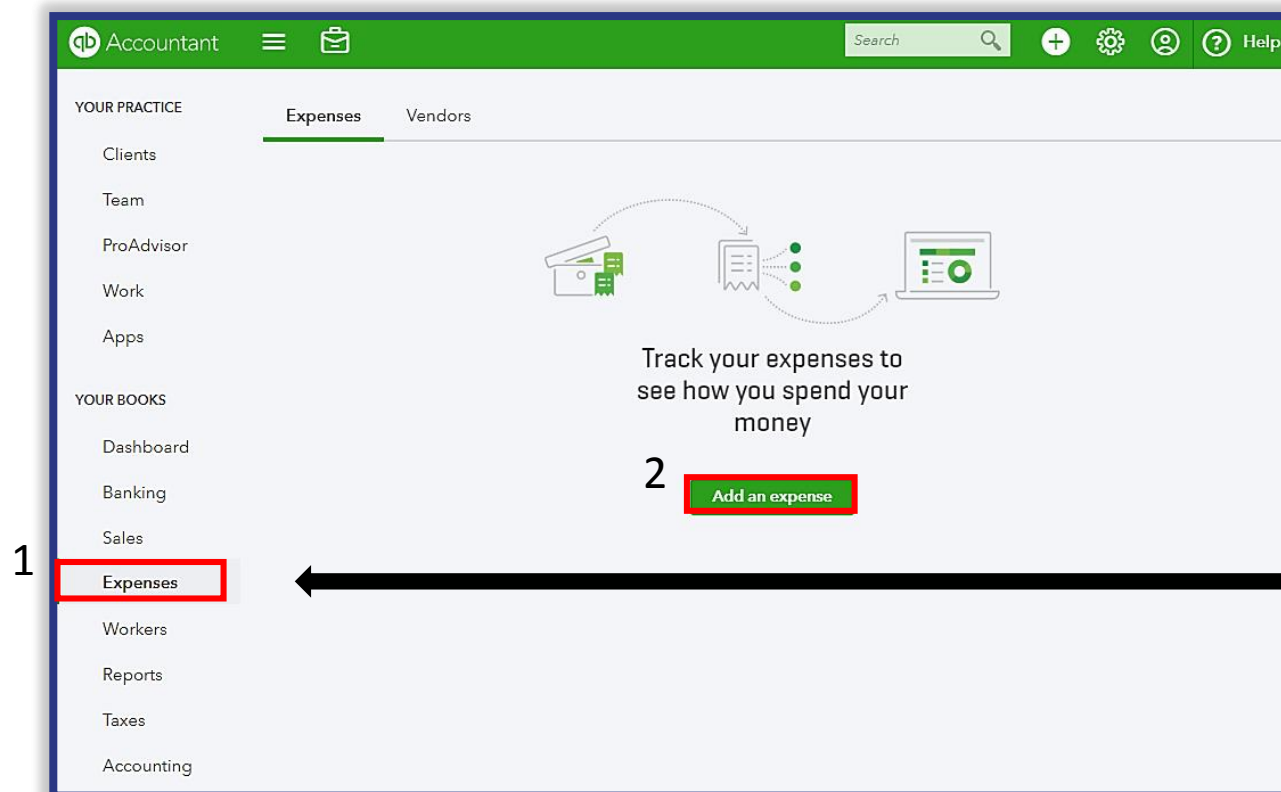
Refer to line 1 in the table to determine the principal & interest amounts.

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	CUMULATIVE INTEREST
1	10/1/2017	\$150,000.00	\$2,952.52	\$0.00	\$2,952.52	\$2,108.77	\$843.75	\$147,891.23	\$843.75
2	11/1/2017	\$147,891.23	\$2,952.52	\$0.00	\$2,952.52	\$2,120.63	\$831.89	\$145,770.60	\$1,675.64
3	12/1/2017	\$145,770.60	\$2,952.52	\$0.00	\$2,952.52	\$2,132.56	\$819.96	\$143,638.04	\$2,495.60
4	1/1/2018	\$143,638.04	\$2,952.52	\$0.00	\$2,952.52	\$2,144.56	\$807.96	\$141,493.49	\$3,303.56
5	2/1/2018	\$141,493.49	\$2,952.52	\$0.00	\$2,952.52	\$2,156.62	\$795.90	\$139,336.87	\$4,099.46
6	3/1/2018	\$139,336.87	\$2,952.52	\$0.00	\$2,952.52	\$2,168.75	\$783.77	\$137,168.12	\$4,883.23
7	4/1/2018	\$137,168.12	\$2,952.52	\$0.00	\$2,952.52	\$2,180.95	\$771.57	\$134,987.17	\$5,654.80
8	5/1/2018	\$134,987.17	\$2,952.52	\$0.00	\$2,952.52	\$2,193.22	\$759.30	\$132,793.95	\$6,414.11
9	6/1/2018	\$132,793.95	\$2,952.52	\$0.00	\$2,952.52	\$2,205.55	\$746.97	\$130,588.40	\$7,161.07
10	7/1/2018	\$130,588.40	\$2,952.52	\$0.00	\$2,952.52	\$2,217.96	\$734.56	\$128,370.44	\$7,895.63



## 1b. Recording Loan Repayment: Bill Payment

**Transaction #13:** Bicycle Enterprises makes their first loan payment of \$2,952.52 on November 1<sup>st</sup>. \$2,108.77 of the total payment is the principal reduction of the loan and \$843.75 is the interest payment for the month of October. *Refer to Loan Amortization Table – line 1, for the breakdown of the loan payment.*

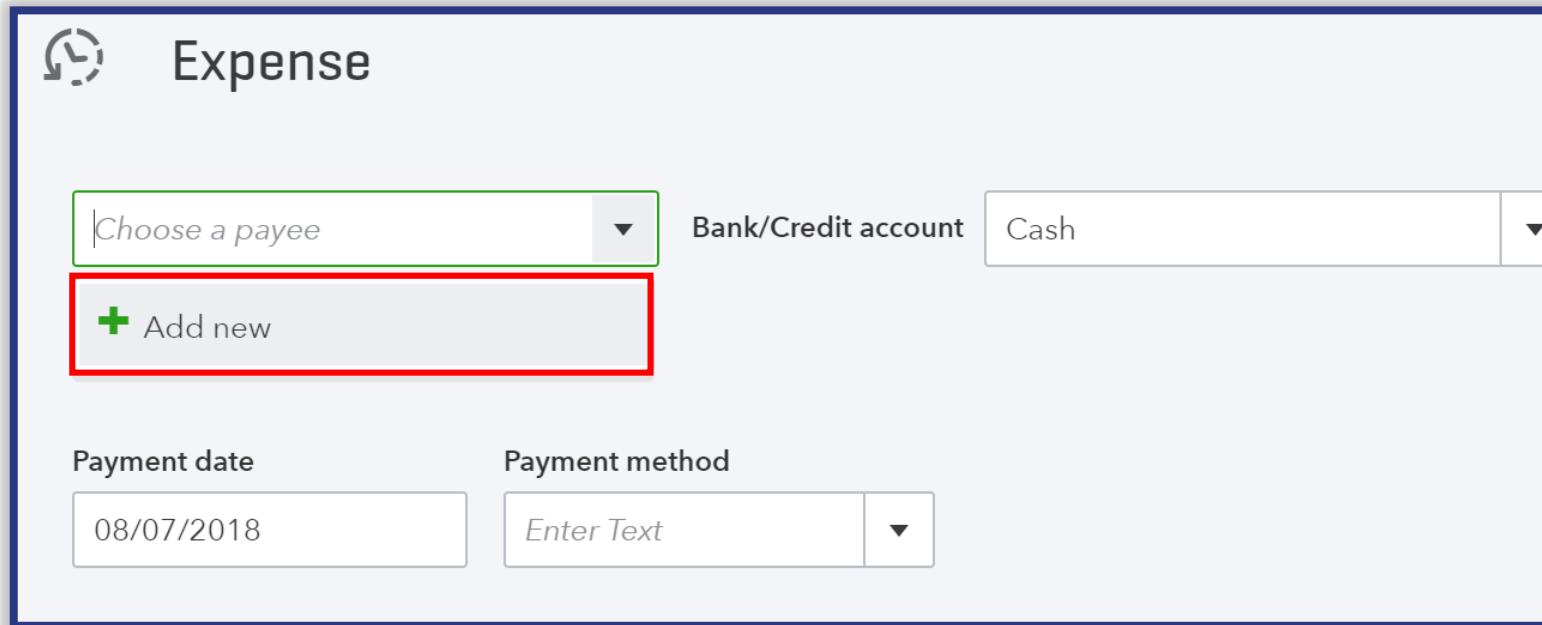


Navigate to Expenses under "YOUR BOOKS" and select "Expenses" then "Add an expense".



## 1b. Recording Loan Repayment: Bill Payment (continued)

**Transaction #13:** Bicycle Enterprises makes their first loan payment of \$2,952.52 on November 1<sup>st</sup>. \$2,108.77 of the total payment is the principal reduction of the loan and \$843.75 is the interest payment for the month of October. *Refer to Loan Amortization Table provided.*



The image shows a screenshot of an "Expense" form. At the top left is a clock icon. The title "Expense" is centered at the top. Below the title, there are two dropdown menus: "Choose a payee" and "Bank/Credit account". The "Bank/Credit account" dropdown is currently set to "Cash". Below the "Choose a payee" dropdown is a button with a green plus icon and the text "Add new", which is highlighted with a red rectangular border. At the bottom of the form, there are two more fields: "Payment date" with a date input showing "08/07/2018", and "Payment method" with a text input showing "Enter Text" and a dropdown arrow.

From the "Payee" dropdown menu, select "Add new" to enter a new payee.




## 1b. Recording Loan Repayment: Bill Payment (continued)

**Transaction #13:** Bicycle Enterprises makes their first loan payment of \$2,952.52 on November 1<sup>st</sup>. \$2,108.77 of the total payment is the principal reduction of the loan and \$843.75 is the interest payment for the month of October. *Refer to Loan Amortization Table provided.*

Fill in the name of the Payee. In this sample transaction, the Name is VEC-LENDING and the Type is Vendor.



 Expense

Choose a payee ▼

 Bank/Credit account

New Name

\* Name

VEC-LENDING

Type

Vendor ▼

+ Details

Save

OR

▼ Maybe later

Connect your Gmail account

After you connect, your contacts will appear in a holding list.  
You can then choose which ones to add to QuickBooks.



## 1b. Recording Loan Repayment: Bill Payment (continued)

The total Amount recorded should equal to the cash payment from your firm's bank account.

**Expense**

VEC-LENDING Bank/Credit account Cash Balance \$0.00

Payment date 11/01/2017 Payment method Cash

3 **AMOUNT**  
**\$2,952.52**

Ref no.  
Permit no.

1 Select Cash for Bank/Credit account and Payment method.

#	ACCOUNT	DESCRIPTION	AMOUNT
1	Loan Payable	To record the loan repayment amount for deductions of the loan principal balance	2,108.77
2	Interest Expense	Loan repayment of interest expense incurred for the month of October	843.75
3			

2 Enter the accounts that are affected by the transaction. For this sample transaction, be sure to separate the loan payment into two payment amounts: principal payment and interest payment.

Add lines Clear all lines

Cancel Clear Make recurring Save Save and new



## 1b+. Loan Repayment: Principal vs. Interest Expense

Note: When recording the offset to cash under loan repayment, you are separating the principal repayment and interest expense. This is done in order to correctly categorize the full payment amount onto the P&L statement and Balance Sheet. The principal repayment will serve as a deduction to the remaining payable amount of the loan on the Balance Sheet and the interest expense will be recorded on the P&L statement under operating expenses.



## 2. Expense Summary

When an expense is recorded, it will appear under the “Expenses” tab. You will still have the ability to edit the recorded expense.

The screenshot displays the QBO+ interface for the 'Expenses' tab. The left sidebar contains navigation links: Clients, Team, ProAdvisor, Work, Apps, YOUR BOOKS, Dashboard, Banking, Sales, Expenses (highlighted), Workers, and Reports. The main content area is titled 'Expense Transactions' and includes a 'Filter' dropdown set to 'Last 365 Days' and a 'Batch actions' dropdown. A table lists transactions with columns: DATE, TYPE, NO., PAYEE, CATEGORY, TOTAL, and ACTION. One transaction is shown with DATE '11/01/2017', TYPE 'Expense', PAYEE 'VEC-LENDING', and CATEGORY '-Split-'. The CATEGORY cell is highlighted with a red box, and an arrow points from the explanatory text on the right to this box. The TOTAL for this transaction is \$2,952.52. A 'Total' row at the bottom shows a total of \$2,952.52. The ACTION column for the transaction has a 'View/Edit' link. The top navigation bar includes a search bar and icons for adding, settings, user, and help.


DATE	TYPE	NO.	PAYEE	CATEGORY	TOTAL	ACTION
11/01/2017	Expense		VEC-LENDING	-Split-	\$2,952.52	<a href="#">View/Edit</a>
Total					\$2,952.52	

QBO+ will indicate “Split” under the CATEGORY column when multiple accounts have been recorded as offsets to cash for any transaction. The accounts will then impact different financial statements as mentioned in the previous slide.



### 3. Acquiring Fixed Assets: On Account

**Transaction #7:** Bicycle Enterprises purchases furniture **on account** from Lucy's Furniture for \$50,000 on October 12<sup>th</sup>.

Journal date		Journal no.		<input type="checkbox"/> Is Adjusting Journal Entry?		
10/12/2017 		7				

	#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME
⋮	1	Furniture & Fixtures	50,000.00		To record purchase of furniture	
⋮	2	Accounts Payable (A/P)		50,000.00	To record purchase of furniture	Lucy's Furniture



## 4. Acquiring Fixed Assets: Direct Debit (Cash)

**Transaction #8:** Bicycle Enterprises purchases computers with direct payment from Gotham Enterprises for \$25,700 on October 12<sup>th</sup>.

### Billing and Shipping information

G. Pol  
c/o Gotham Enterprises (US01031\*)  
122 Amsterdam Avenue  
New York, NY 10023

### Shopping Cart

[Edit](#)

Item	Amount (\$)
Dell Laptop Item number: 8 Price: \$514.00 Quantity: 50	25700.00
Subtotal	25700.00
Shipping	1000.00
Tax	1799.00
Total	28499.00

Note that Gotham Enterprises charged shipping of \$1,000 and sales tax of \$1,799. These charges do not count towards the total value of the computers since they are not part of the original value of the computers being purchased. The journal entry detailing this transaction including shipping and sales tax, will be shown on the next slide.



### 3. Acquiring Fixed Assets: Direct Debit (Cash) (continued)

**Transaction #8:** Bicycle Enterprises purchases computers with direct payment from the Wholesale Marketplace for \$35,000 on October 12<sup>th</sup>.

Journal date		Journal no.		<input type="checkbox"/> Is Adjusting Journal Entry?			
10/12/2017		8					

	#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	
⋮	1	Computers	25,700.00		To record purchase of computers		🗑
⋮	2	Sales Tax Expense	1,799.00		Sales tax incurred for the purchase of computers		🗑
⋮	3	Shipping Expense	1,000.00		To record shipping expense incurred for the purchase of computers		🗑
⋮	4	Cash		28,499.00	To record payment for the purchase of computers		🗑



## 5. What is a Payroll Register?

### Definition

To understand the payroll register, we must first know the definition of a pay period.

- A pay period is a recurring length of time in which the time employees worked are recorded and paid. Pay periods can be weekly, bi-weekly, semi-monthly, and monthly. Most companies in the real world today has a semi-monthly pay period. For this reason, students in VE are recommended to follow a semi-monthly pay period when recording and paying employee payroll.

Now that we understand the pay period, let's take a look at the payroll register.

- A payroll register is the record for a pay period of a firm that lists the number of hours employees worked, their gross pay, net pay, deductions and payroll date. The following slide shows the VE payroll register template with sample employees and pay rates.



## 5a. Recording Payroll

**Transaction #12:** Bicycle Enterprises accrues Payroll Expense and related payables for the month of October on October 31<sup>st</sup>.

Bicycle Enterprises													
Monthly Payroll Register													
Pay Period: From October 1 to October 31													
Total 941 Remit. Amount = B + C + E + F + G + H													
Total 401(K) Remit. Amount = D + I													
Matching Company Expenses													
NAME	# of W-4 exemptions	HOURS	HOURLY RATE	GROSS	SOCIAL SECURITY	MEDI-CARE	Taxable Fed. Income	FWT	SWT	401 (K)	TOTAL DEDUCTIONS	NET PAY	
1 Jerry	1	35.00	15.00	525.00	32.55	7.61	325.83	17.18	22.11	26.25	105.71	419.29	
2 Jessica	1	35.00	20.00	700.00	43.40	10.15	492.08	33.81	32.14	35.00	154.50	545.50	
3 Jenny	1	35.00	25.00	875.00	54.25	12.69	658.33	52.58	42.46	43.75	205.73	669.27	
4 John	1	35.00	30.00	1,050.00	65.10	15.23	824.58	72.53	53.42	52.50	258.78	791.22	
5 Bob	1	35.00	35.00	1,225.00	75.95	17.76	990.83	92.48	64.50	61.25	311.94	913.06	
Total				4,375.00	271.25	63.44	3,291.65	268.58	214.64	218.75	1,036.65	3,338.35	
					E	F		B	C	D		A	
Matching Company Expenses													
SOCIAL SECURITY													
MEDI-CARE													
401(K)													
Total 941 Remit. Amount													
Total 401(K) Remit. Amount													
32.55													
7.61													
26.25													
43.40													
10.15													
35.00													
54.25													
12.69													
43.75													
65.10													
15.23													
52.50													
75.95													
17.76													
61.25													
271.25													
63.44													
218.75													
119.62													
52.50													
173.05													
70.00													
228.92													
87.50													
286.60													
105.00													
344.40													
122.50													
1,152.59													
437.50													
Matching Company Expenses													
SOCIAL SECURITY													
MEDI-CARE													
401(K)													
Total 941 Remit. Amount													
Total 401(K) Remit. Amount													
271.25													
63.44													
218.75													
1,152.59													
437.50													



This payroll register template can be found in the VE Portal. **Path:** Log into Portal > Select "Accounting & Finance" (on the left side of page) > "Reference Files" tab > Click "[Spreadsheet] Payroll Register Template"



## 5a. Recording Payroll (continued)

**Transaction #12:** Bicycle Enterprises pays employee payroll for October on October 31. Refer to Payroll Register provided.

Journal date		Journal no.		<input type="checkbox"/> Is Adjusting Journal Entry?			
10/31/2017		12					

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	
1	Payroll Expense A	3,338.35		Net Pay for October		🗑
2	Cash A		3,338.35	Net Pay for October		🗑
3	Payroll Expense B C D E F	1,036.66		Payroll Taxes Paid for October (FWT, SWT, Social Security, Medicare)		🗑
4	Cash B C D E F		1,036.66	Payroll Taxes Paid for October (FWT, SWT, Social Security, Medicare)		🗑
5	Matching Payroll Tax Expenses G H I	553.44		Matching Social Security, Medicare, and 401(k)		🗑
6	Cash G H I		553.44	Matching Social Security, Medicare, and 401(k)		🗑



## 5b. Recording Payment of Sales Tax Collected

**Transaction #14:** Bicycle Enterprises pays Sales Tax for the bicycles sold during the month of October of \$88.75 on November 20<sup>th</sup>. Refer to State and Local Sales Tax Return provided.

Journal date		Journal no.		<input type="checkbox"/> Is Adjusting Journal Entry?			
11/20/2017		14					

	#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	
⋮	1	Sales Tax Payable	88.75		To record payment of Sales Tax collected for the month of October		🗑
⋮	2	Cash		88.75	To record payment of Sales Tax collected for the month of October		🗑

*Note: Refer to transaction #11, page 59 in this presentation for details on the origin of the Sales Tax Payable being paid.*



## **IV. Recording Sales using Sales Invoice Function in QBO**

# 1. What is Just-in-Time (JIT) Inventory Method?

## Definition

Just-in-Time inventory method is a management technique designed to increase efficiency. Firms use this inventory strategy to cut costs and decrease waste by receiving goods only as they are needed.

## Advantages of JIT

- Simplified management of cash flow
  - When inventory is purchased in bulk, vendors may offer a larger discount but it is very likely that you will purchase more than needed for present purposes. Working capital (Cash in hand) is tied up in material that is not as liquid or easily converted to cash. Your firm may need cash for day-to day operating expenses such as rent and payroll



## 2a. Just-in-Time (JIT) Method

### Step 1: Purchasing Inventory for a Sale

**Transaction #11:** Bicycle Enterprises makes a sale of one Bicycle Economy on October 24th. As a firm that uses JIT inventory, they must purchase the bicycle from the Wholesale Marketplace. *Refer to slides 46 - 49 for instructions on how to complete a Bill Payment form.*

If you purchase inventory as you make sales, rather than buying large blocks of inventory in advance of making sales, you are exercising the process of JIT inventory.

Using the Bill Payment function under the "Expense" tab, record the purchase of inventory for the sale. In addition to the inventory purchase, be sure to record the shipping amount.



Expense

Wholesale Market Place

Bank/Credit account

Cash

Balance \$-2,952.52

AMOUNT

\$515.00

Payment date

10/24/2017

Payment method

Cash

Ref no.

Permit no.

Account details

#	ACCOUNT	DESCRIPTION	AMOUNT
1	Shipping, Freight & Delivery - COS	Shipping for merchandise inventory purchased	15.00
2			

Add lines Clear all lines

Item details

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
1	Bicycles:Bicycle Economy	To record the purchase of one bicycle economy from the wholesale market place	1	500	500.00
2					

Add lines Clear all lines

Cancel

Clear

Make recurring

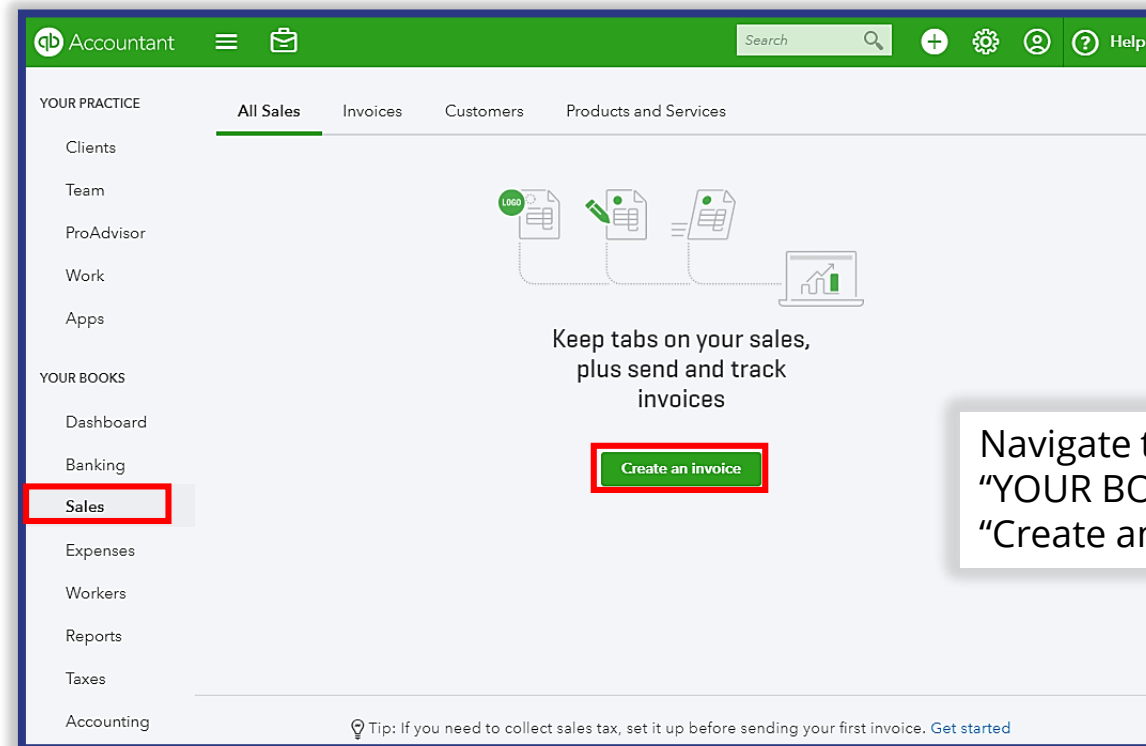
Save

Save and new

## 2b. Just-in-Time (JIT) Method

### Step 2: Recording a Sale

**Transaction #11:** Bicycle Enterprises makes a sale of one Bicycle Economy on October 24<sup>th</sup>. As a firm that uses JIT inventory, they must purchase the bicycle from the Wholesale Marketplace.



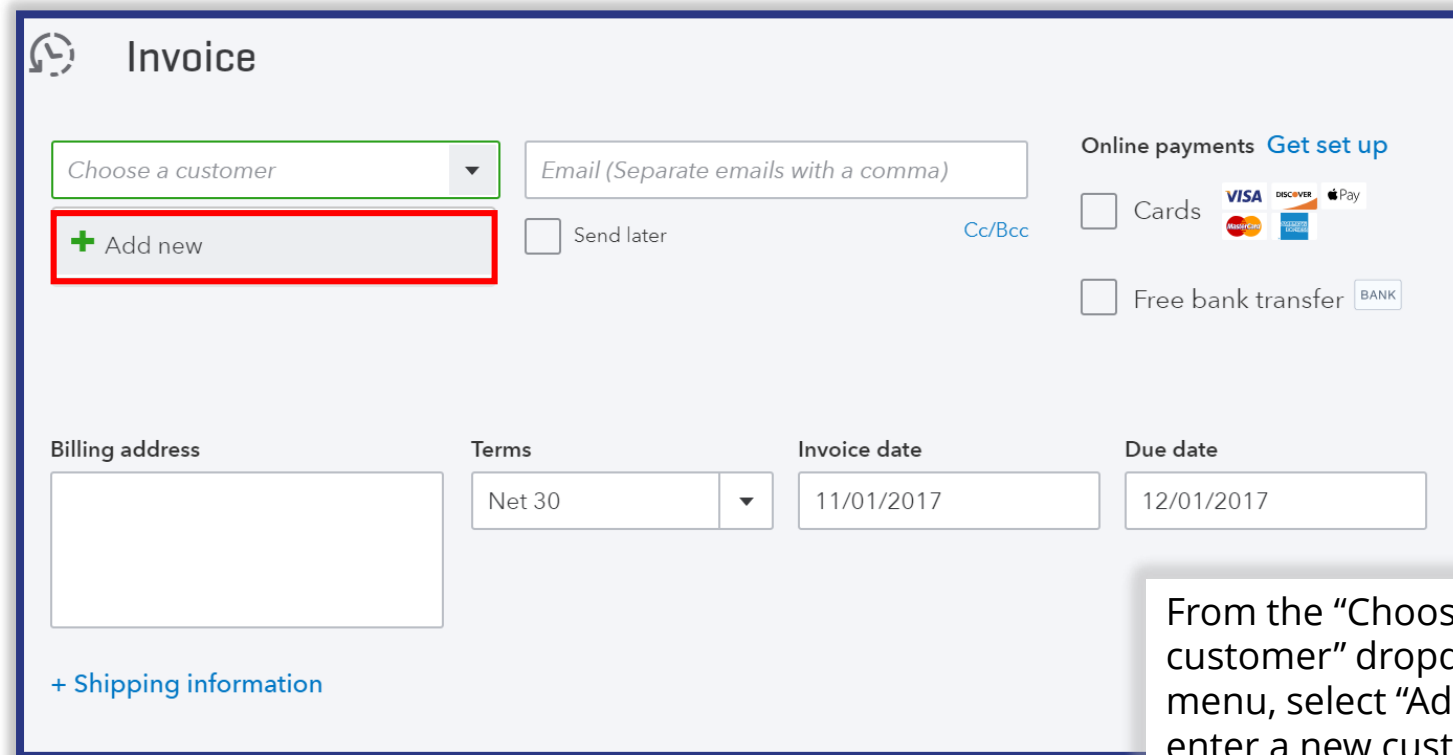
Navigate to Sales under "YOUR BOOKS" and select "Create an invoice".



## 2b. Just-in-Time (JIT) Method

### Step 2: Recording a Sale (continued)



**Transaction #11:** Bicycle Enterprises makes a sale of one Bicycle Economy on October 24<sup>th</sup>. As a firm that uses JIT inventory, they must purchase the bicycle from the Wholesale Marketplace.



**Invoice**

Choose a customer ▼  
**+ Add new**

Email (Separate emails with a comma)  
☐ Send later Cc/Bcc

Online payments [Get set up](#)  
☐ Cards   
☐ Free bank transfer 

Billing address

Terms: Net 30 ▼ Invoice date: 11/01/2017 Due date: 12/01/2017

[+ Shipping information](#)

From the "Choose a customer" dropdown menu, select "Add new" to enter a new customer.



## 2b. Just-in-Time (JIT) Method

### Step 2: Recording a Sale (continued)

**Transaction #11:** Bicycle Enterprises makes a sale of one Bicycle Economy on October 24<sup>th</sup>. As a firm that uses JIT inventory, they must purchase the bicycle from the Wholesale Marketplace.

The screenshot shows an invoice form with the following fields and values:

- Customer Name:** Lawrence Stephens
- Email:** lstephens@samplemail.com
- Send later:** ☐
- Online payments:** [Get set up](#)
- Payment Methods:**
  - ☐ Cards (VISA, MasterCard, Discover, American Express, Apple Pay)
  - ☐ Free bank transfer (BANK)
- BALANCE DUE:** \$0.00
- Billing address:** Lawrence Stephens
- Terms:** Net 30
- Invoice date:** 10/24/2017
- Due date:** 11/23/2017
- + Shipping information:** (link)

A callout box points to the 'Terms' field with the text: "Fill in the customer's information, which includes the billing address, terms, invoice date and due date."



Common "Terms" are 'Net 30' and '2/10, Net 30.' 'Net 30' indicates that customers who pay in full within 30 days will not receive an interest charge. '2/10, Net 30' indicates that customers receive 2% off if they pay within 10 days and will not receive an interest charge if they pay in full within 30 days.



## 2b. Just-in-Time (JIT) Method

### Step 2: Recording a Sale (continued)

**Transaction #11:** Bicycle Enterprises makes a sale of one Bicycle Economy on October 24<sup>th</sup>. As a firm that uses JIT inventory, they must purchase the bicycle from the Wholesale Marketplace.

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	T
1	<input type="text" value="Enter Text"/>					
2	<div> <div>+</div> <div>Add new</div> </div>					
	Hours					
	Sales					
					Sales tax	
					Total	

Add lines

Message disp



When you record the sale of a Product/Service for the first time, select "Add new" from the Product/Service dropdown menu.

## 2b. Just-in-Time (JIT) Method


### Step 2: Recording a Sale (continued)


After selecting “Add new” from the previous slide, the following menu will appear on the left side of the screen. Select “Turn on inventory tracking,” then click on inventory after inventory tracking has been enabled. For service firms, select service.





Product/Service information ×

Select a type:

**Non-inventory**  
Products you buy and/or sell but don't need to (or can't) track quantities of, for example, nuts and bolts used in an installation.


**Service**  
Services that you provide to customers, for example, landscaping or tax preparation services.


**Bundle**  
A collection of products and/or services that you sell together, for example, a gift basket of fruit, cheese, and wine.


**Inventory**  
Products you buy and/or sell and that you track quantities of.  
To start using inventory items, turn on inventory tracking.  
**Turn on inventory tracking**


Product/Service information ×

Select a type:

**Inventory**  
Products you buy and/or sell and that you track quantities of.

**Non-inventory**  
Products you buy and/or sell but don't need to (or can't) track quantities of, for example, nuts and bolts used in an installation.

**Service**  
Services that you provide to customers, for example, landscaping or tax preparation services.


**Bundle**  
A collection of products and/or services that you sell together, for example, a gift basket of fruit, cheese, and wine.

## 2b. Just-in-Time (JIT) Method

### Step 2: Recording a Sale (continued)

Consult your firm's sales department and complete the following form.

**Product/Service information**

 Inventory [Change type](#)

---

**Name\***

Bicycle Economy

**SKU**

BE-01

**Category**

Bicycles

---

**Initial quantity on hand\***

1

**As of date\***

10/24/2017

[What's the as of date?](#)

**Reorder point**

1

[What's the reorder point?](#)

**Inventory asset account**

Merchandise Inventory

---

**Sales information**

Description on sales forms

---

**Sales price/rate**

1,000

**Income account**

Sales Revenue

---

☒ **Is taxable**

**Sales tax category**

Retail

**What you sell**

Athletic & sports equipment

---

**Athletic & sports equipment** - Clothing - Athletic & sports equipment.



## 2b. Just-in-Time (JIT) Method

### Step 2: Recording a Sale (continued)

Consult your firm's sales department and complete the following form.

**Purchasing information**  

Description on purchase forms

**Cost**  
500

**Expense account**  
Cost of Goods Sold ▼

**Preferred Vendor**  
Wholesale Market Place ▼

Save and close ▼




## 2b. Just-in-Time (JIT) Method

### Step 2: Recording a Sale (continued)

**Invoice**

Lawrence Stephens  ☐ Send later [Cc/Bcc](#)

Online payments [Get set up](#)




☐ Cards  ☐ Free bank transfer

**BALANCE DUE**  
**\$1,088.75**

Billing address: Lawrence Stephens

Terms: Net 30 Invoice date: 10/24/2017 Due date: 11/23/2017

[+ Shipping information](#)

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX	
1	Bicycles:Bicycle Economy	To record the sale of one bicycle economy	1	1,000	1,000.00	✓	
2							
3							

Message displayed on invoice

Subtotal \$1,000.00

Taxable subtotal \$1,000.00

Sales tax \$88.75

Total \$1,088.75

Balance due \$1,088.75

Message displayed on statement

Sample of a completed invoice





**For more sample transactions, refer to Accounting Workshop Entries.**

## V. Running Reports in QBO+

# 1. What is a Profit & Loss Statement?

## Definition

A financial statement that summarizes the revenues and expenses incurred during a specific period.





## 2. Components of a Profit & Loss Statement: Revenues and Expenses

To familiarize yourself with how the Profit & Loss Report calculates Net Income/Loss, follow the equation below:

**Revenue - Expenses = Net Income/Net Loss**



-

-



=

=



**Accumulated Net Income/  
Net Loss for all past fiscal years**

=

**Retained Earnings**

### 3. Generating a Profit & Loss Statement

The screenshot shows the QB Accountant interface. On the left, under 'YOUR BOOKS', the 'Reports' menu item is highlighted with a red box and labeled '1'. The main area is titled 'Reports' and has tabs for 'All', 'Custom Reports', and 'Management Reports'. The 'All' tab is selected. A search bar at the top right of the main area says 'Enter report name'. Below this, there's a 'Favorites' section with a list of reports: 'Accounts receivable aging summary', 'Balance Sheet', and 'Profit and Loss'. The 'Balance Sheet' item is highlighted with a red box and labeled '2'. A callout box points to it with the text 'Select Profit and Loss'. Below the 'Favorites' section is a 'Business overview' section with a list of reports: 'Audit Log', 'Balance Sheet Comparison', and 'Balance Sheet Detail'. The 'Balance Sheet Comparison' and 'Balance Sheet Detail' items have star icons next to them.

1 Navigate to Reports under "YOUR BOOKS"

2 Select Profit and Loss



### 3. Generating a Profit & Loss Statement (continued)

#### Selecting a Reporting Period

When you click on the drop down menu for "Report period," it will provide the options available for the reporting period. The "Custom" selection is also available.

For this set of sample transactions, select "Custom" and set the reporting period from 9/1/2017 – 11/30/2017.



qb Accountant

YOUR PRACTICE

- Clients
- Team
- ProAdvisor
- Work
- Apps

YOUR BOOKS

- Dashboard
- Banking
- Sales
- Expenses
- Workers
- Reports

Report period

Custom

All Dates

Custom

Today

This Week

This Week-to-date

This Month

This Month-to-date

This Quarter

This Quarter-to-date

This Year

This Year-to-date

This Year-to-last-month

09/01/2017 to 11/30/2017

Show non-zero or active only

Compare another period

Active rows/active columns

Select period

Sort Add notes

cycle Enterprises

**PROFIT AND LOSS**

June 2018

This report does not contain any data.

Accrual basis Friday, July 27, 2018



### 3. Generating a Profit & Loss Statement (continued)

Note that the period which you have selected to generate your P&L statement should **never** crossover multiple fiscal years.

[Back to report list](#)

**Report period**

Custom ▼ 09/01/2017 to 11/30/2017

Customize Save customization

**Display columns by** Total Only ▼

**Show non-zero or active only** Active rows/active columns ▼

**Compare another period** Select period ▼

**Accounting method** ☐ Cash ☒ Accrual

**Run report**

Click on "Run report"

Collapse Sort ▼ Add notes

Bicycle Enterprises

**PROFIT AND LOSS**

September - November, 2017





	TOTAL
▼ Income	



### 3. Generating a Profit & Loss Statement (continued)

Bicycle Enterprises	
PROFIT AND LOSS	
September - November, 2017	
	TOTAL
▼ Income	
Sales Revenue	76,000.00
<b>Total Income</b>	<b>\$76,000.00</b>
▼ Cost of Goods Sold	
Cost of Goods Sold	500.00
Shipping, Freight & Delivery - COS	15.00
<b>Total Cost of Goods Sold</b>	<b>\$515.00</b>
<b>GROSS PROFIT</b>	<b>\$75,485.00</b>
▼ Expenses	
Interest Expense	843.75
Payroll Expense	4,375.01
Rent Expense	1,500.00
Sales Tax Expenses	1,799.00
Shipping Expense	1,000.00
Supplies Expense	2,500.00
Utilities Expense	500.00
<b>Total Expenses</b>	<b>\$12,517.76</b>
<b>NET OPERATING INCOME</b>	<b>\$62,967.24</b>
▼ Other Expenses	
Matching Payroll Tax Expenses	553.44
<b>Total Other Expenses</b>	<b>\$553.44</b>
<b>NET OTHER INCOME</b>	<b>\$ -553.44</b>
<b>NET INCOME</b>	<b>\$62,413.80</b>

Note that the P&L can also be shared via email, printed, and exported.

   	
Bicycle Enterprises	
<b>PROFIT AND LOSS</b>	
September - November, 2017	



## 4. Generating a Balance Sheet

The screenshot shows the qb Accountant interface. On the left, under 'YOUR BOOKS', the 'Reports' menu item is highlighted with a red box. In the main area, under 'Reports', the 'Balance Sheet' option is highlighted with a red box. A callout box with the number '2' and the text 'Select Balance Sheet' points to this option. The interface also shows a search bar, tabs for 'All', 'Custom Reports', and 'Management Reports', and sections for 'Favorites' and 'Business overview'.

qb Accountant

Search

YOUR PRACTICE

- Clients
- Team
- ProAdvisor
- Work
- Apps

YOUR BOOKS

- Dashboard
- Banking
- Sales
- Expenses
- Workers
- Reports**
- Taxes
- Accounting

Reports

All Custom Reports Management Reports

Enter report name

▼ Favorites

- Accounts receivable aging summary
- Balance Sheet**
- Profit and Loss

2 Select Balance Sheet

▼ Business overview

- Audit Log
- Balance Sheet Comparison
- Balance Sheet Detail

1  
Navigate to Reports  
under "YOUR BOOKS"

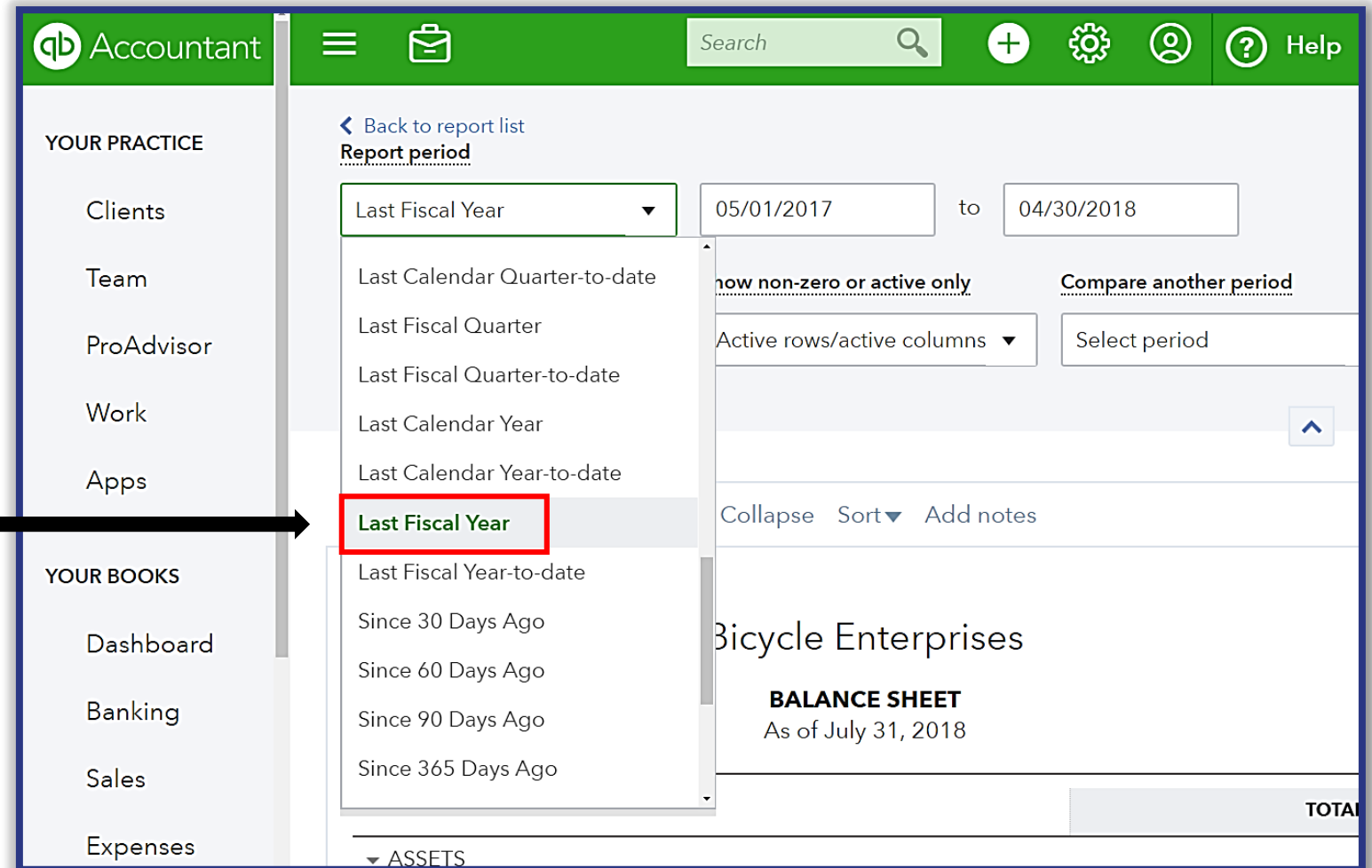


## 4. Generating a Balance Sheet (continued)

### Selecting a Reporting Period

Although there are several report period options available, the Balance Sheet is a cumulative statement. Unless the firm needs to generate a monthly Balance Sheet or one from a prior fiscal year, you will typically select "Today."

In this example, we will select "Last Fiscal Year" because the sample transactions took place in 2017.

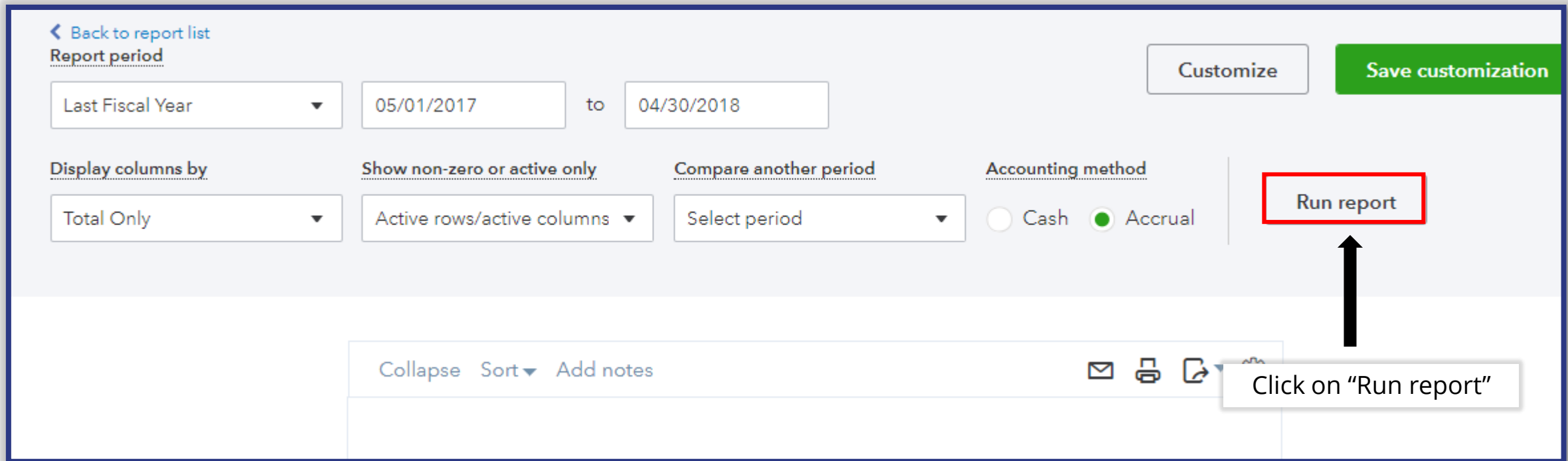


The screenshot shows the QB Accountant software interface. On the left is a sidebar with navigation options under 'YOUR PRACTICE' (Clients, Team, ProAdvisor, Work, Apps) and 'YOUR BOOKS' (Dashboard, Banking, Sales, Expenses). The main area displays the 'Report period' dropdown menu, which is open, showing various options. The 'Last Fiscal Year' option is highlighted with a red box. A black arrow points from the text box on the left to this option. The date range is set from 05/01/2017 to 04/30/2018. Below the date range, there are options for 'now non-zero or active only' and 'Compare another period'. The report title is 'Bicycle Enterprises' and the report type is 'BALANCE SHEET As of July 31, 2018'. The bottom of the screen shows the 'ASSETS' section with a 'TOTAL' label.



## 4. Generating a Balance Sheet (continued)

Note that the period which you have selected to generate your Balance Sheet should **never** crossover multiple fiscal years.



The screenshot shows a web interface for generating a Balance Sheet. At the top left is a link "< Back to report list". Below it is the "Report period" section with a dropdown menu set to "Last Fiscal Year", a date field "05/01/2017", the word "to", and another date field "04/30/2018". To the right of these are two buttons: "Customize" and "Save customization". Below the "Report period" section are four sections: "Display columns by" with a dropdown set to "Total Only"; "Show non-zero or active only" with a dropdown set to "Active rows/active columns"; "Compare another period" with a dropdown set to "Select period"; and "Accounting method" with two radio buttons, "Cash" (unselected) and "Accrual" (selected). To the right of these sections is a button labeled "Run report", which is highlighted with a red rectangle. A black arrow points from a callout box below to the "Run report" button. The callout box contains the text "Click on 'Run report'". At the bottom of the interface, there are links for "Collapse", "Sort", and "Add notes", followed by icons for email, print, and share.

< Back to report list

Report period

Last Fiscal Year ▼ 05/01/2017 to 04/30/2018

Customize Save customization

Display columns by

Total Only ▼

Show non-zero or active only

Active rows/active columns ▼

Compare another period

Select period ▼

Accounting method

☐ Cash ☒ Accrual

Run report

Collapse Sort ▼ Add notes

Click on "Run report"





## 4. Generating a Balance Sheet (continued)

### Bicycle Enterprises

#### BALANCE SHEET

As of April 30, 2018

	TOTAL
▼ ASSETS	
▼ Current Assets	
▼ Bank Accounts	
Cash	192,806.03
<b>Total Bank Accounts</b>	<b>\$192,806.03</b>
▼ Other Current Assets	
Merchandise Inventory	0.00
<b>Total Other Current Assets</b>	<b>\$0.00</b>
<b>Total Current Assets</b>	<b>\$192,806.03</b>
▼ Fixed Assets	
Computers	25,700.00
Furniture & Fixtures	50,000.00
Office Equipment	10,000.00
<b>Total Fixed Assets</b>	<b>\$85,700.00</b>
<b>TOTAL ASSETS</b>	<b>\$278,506.03</b>

#### ▼ LIABILITIES AND EQUITY

##### ▼ Liabilities

##### ▼ Current Liabilities

##### ▼ Accounts Payable

Accounts Payable (A/P)	0.00
------------------------	------

<b>Total Accounts Payable</b>	<b>\$0.00</b>
-------------------------------	---------------

##### ▼ Other Current Liabilities

Loan Payable	147,891.23
--------------	------------

Sales Tax Payable	-3,598.00
-------------------	-----------

<b>Total Other Current Liabilities</b>	<b>\$144,293.23</b>
--	---------------------

<b>Total Current Liabilities</b>	<b>\$144,293.23</b>
----------------------------------	---------------------

<b>Total Liabilities</b>	<b>\$144,293.23</b>
--------------------------	---------------------

##### ▼ Equity

Common Stock	70,000.00
--------------	-----------

Retained Earnings	
-------------------	--

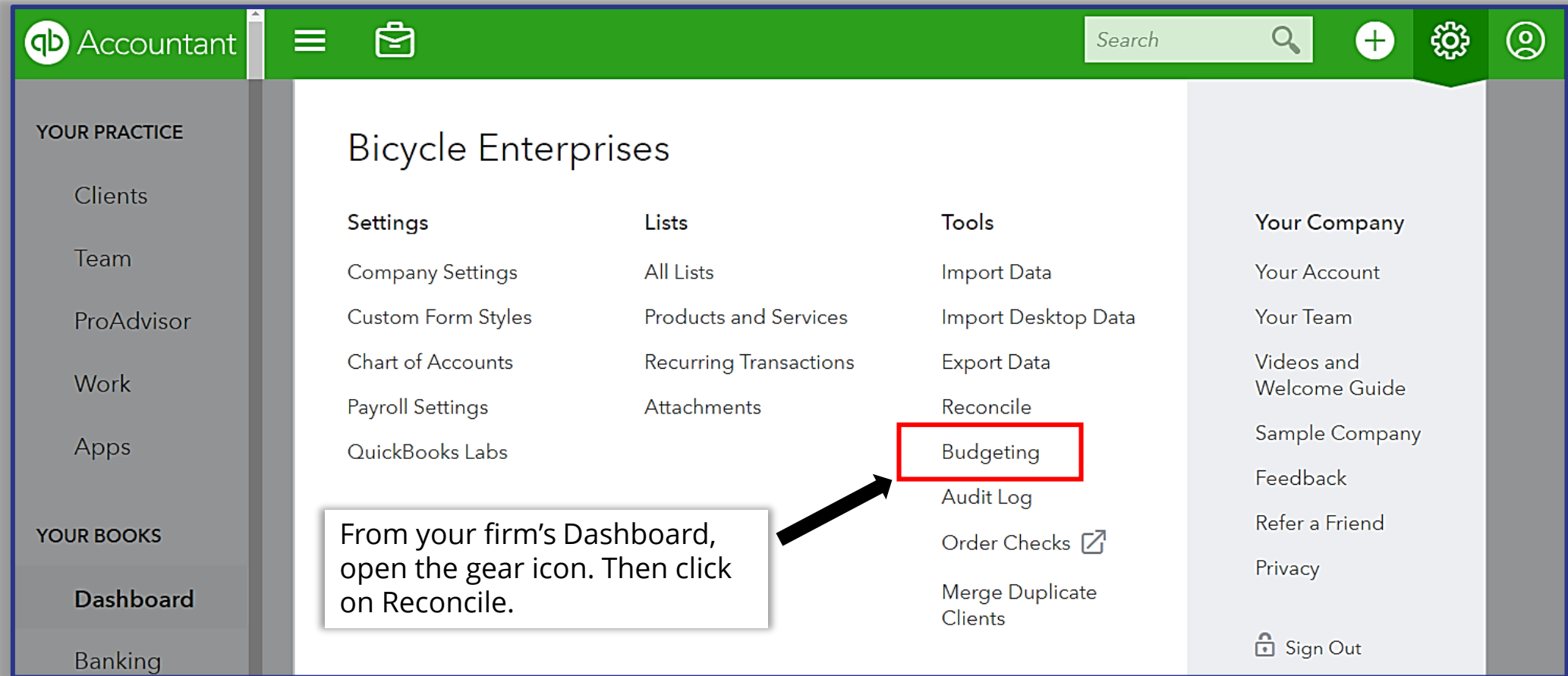
Net Income	64,212.80
------------	-----------

<b>Total Equity</b>	<b>\$134,212.80</b>
---------------------	---------------------

<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$278,506.03</b>
-------------------------------------	---------------------

## VI. Reconciliation

# Reconciliation



The screenshot shows the QuickBooks Accountant interface for a client named "Bicycle Enterprises". The interface has a green top bar with the "qb Accountant" logo, a search bar, and icons for a menu, a briefcase, a plus sign, a gear (settings), and a user profile. On the left, there is a sidebar with two main sections: "YOUR PRACTICE" and "YOUR BOOKS". Under "YOUR PRACTICE", there are links for Clients, Team, ProAdvisor, Work, and Apps. Under "YOUR BOOKS", there are links for Dashboard and Banking. The main content area is titled "Bicycle Enterprises" and contains three columns of options: "Settings" (Company Settings, Custom Form Styles, Chart of Accounts, Payroll Settings, QuickBooks Labs), "Lists" (All Lists, Products and Services, Recurring Transactions, Attachments), and "Tools" (Import Data, Import Desktop Data, Export Data, Reconcile, Budgeting, Audit Log, Order Checks, Merge Duplicate Clients). The "Reconcile" option is highlighted with a red box, and a black arrow points from a text box to it. The text box contains the instruction: "From your firm's Dashboard, open the gear icon. Then click on Reconcile." On the right side of the interface, there is a "Your Company" section with links for Your Account, Your Team, Videos and Welcome Guide, Sample Company, Feedback, Refer a Friend, Privacy, and Sign Out.

**qb Accountant** Search + ⚙️ 👤


**YOUR PRACTICE**

- Clients
- Team
- ProAdvisor
- Work
- Apps

**YOUR BOOKS**

- Dashboard
- Banking

**Bicycle Enterprises**

Settings	Lists	Tools
Company Settings	All Lists	Import Data
Custom Form Styles	Products and Services	Import Desktop Data
Chart of Accounts	Recurring Transactions	Export Data
Payroll Settings	Attachments	Reconcile
QuickBooks Labs		<b>Budgeting</b>
		Audit Log
		Order Checks 
		Merge Duplicate Clients

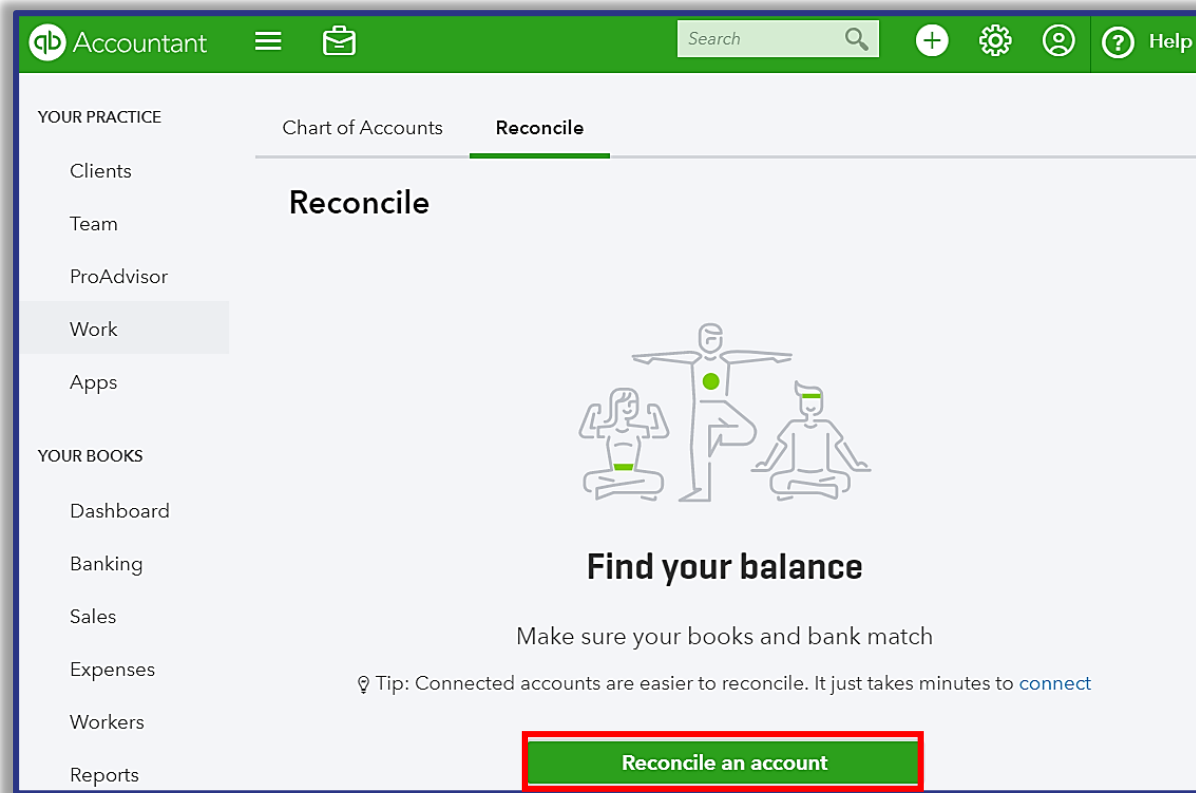
From your firm's Dashboard, open the gear icon. Then click on Reconcile.

**Your Company**

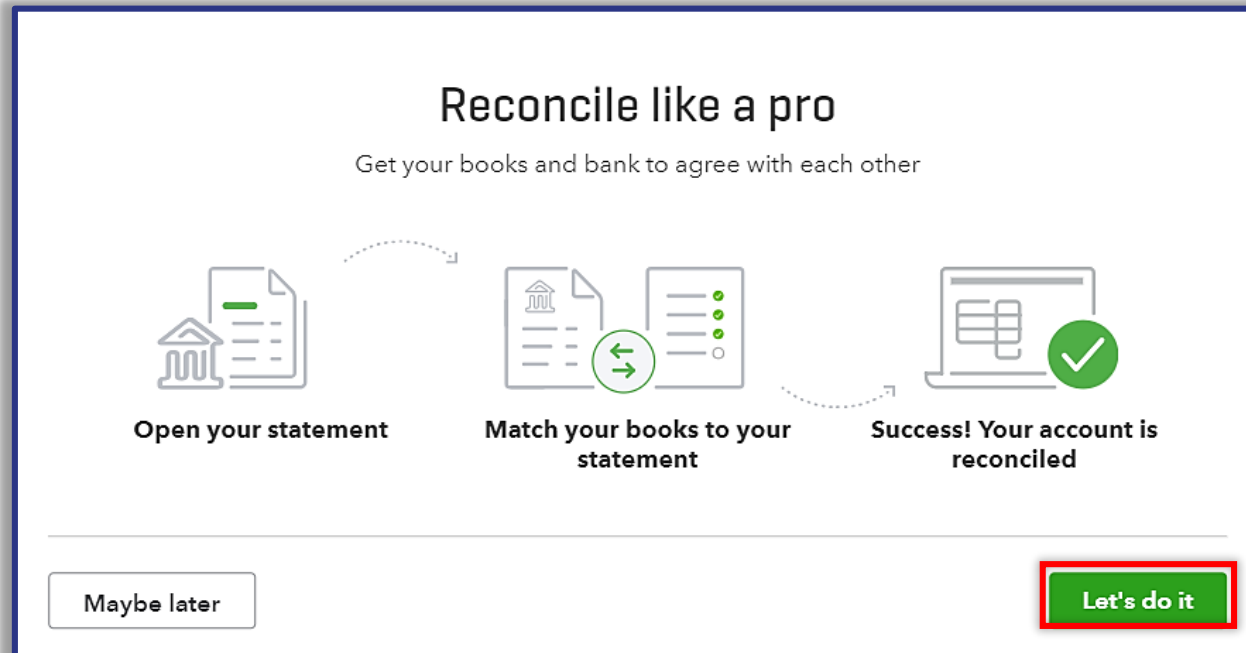
- Your Account
- Your Team
- Videos and Welcome Guide
- Sample Company
- Feedback
- Refer a Friend
- Privacy
- Sign Out



# Reconciliation




The screenshot shows the QuickBooks Accountant interface. The top navigation bar is green with the 'qb Accountant' logo, a search bar, and icons for adding, settings, user, and help. The left sidebar lists 'YOUR PRACTICE' (Clients, Team, ProAdvisor, Work, Apps) and 'YOUR BOOKS' (Dashboard, Banking, Sales, Expenses, Workers, Reports). The main area has tabs for 'Chart of Accounts' and 'Reconcile'. The 'Reconcile' tab is active, showing a large illustration of three people in yoga poses. Below the illustration, the text reads 'Find your balance' and 'Make sure your books and bank match'. A tip states: 'Tip: Connected accounts are easier to reconcile. It just takes minutes to [connect](#)'. At the bottom, a green button labeled 'Reconcile an account' is highlighted with a red border.



The diagram illustrates the reconciliation process with three steps: 1. 'Open your statement' (represented by a bank statement icon), 2. 'Match your books to your statement' (represented by a document with a double-headed arrow), and 3. 'Success! Your account is reconciled' (represented by a laptop with a checkmark). Below the steps are two buttons: 'Maybe later' and 'Let's do it'. The 'Let's do it' button is highlighted with a red border.



# 1. Initial Reconciliation



## Reconcile an account

Open your statement and let's get started.

**i** We know it takes time to get used to new stuff

Watch Stuart, our reconciliation guy, walk through the new supercharged reconciliation. Soon you'll be doing it better than Stuart. [Watch Stuart's video.](#)

Which account do you want to reconcile?

Account

Cash

Enter the following from your statement

Beginning balance	Ending balance *	Ending date *
0.00	<input type="text"/>	<input type="text"/>

Enter the service charge or interest earned, if necessary

Date	Service charge	Expense account
<input type="text"/>	<input type="text"/>	<input type="text"/>

Follow instructions on the reconcile page (page 82 – 83). Feel free to watch the video provided by Intuit for guidance.

Welcome! Grab your statement and we'll get started.

Select the account you want to reconcile here.

[Next](#)



## 2. In Balance

Chart of accounts > Bank register > Reconcile

**Reconcile Cash**


Statement ending date: May 31, 2018

Edit info Finish now ▼

<b>\$574,732.39</b>	-	<b>\$574,732.39</b>	
STATEMENT ENDING BALANCE		CLEARED BALANCE	

---

<b>\$574,732.39</b>	-	<b>\$0.00</b>	+	<b>\$0.00</b>
BEGINNING BALANCE		0 PAYMENTS		0 DEPOSITS


**\$0.00**  
 DIFFERENCE

Show me around

Filter icon X Statement ending date Clear filter / View all
 

Payments
 Deposits
 **All**

DATE	CLEARED DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO		PAYMENT	DEPOSIT (	
										✓



### 3. Out of Balance

Chart of accounts > Bank register > Reconcile

## Reconcile Cash

Statement ending date: August 10, 2018

\$571,796.13

STATEMENT ENDING BALANCE

-

\$574,732.39

CLEARED BALANCE

\$574,732.39

BEGINNING BALANCE

-

\$0.00

0 PAYMENTS

+

\$0.00

0 DEPOSITS


!

\$-2,936.26

DIFFERENCE



### 3. Out of Balance (continued)

 VIRTUAL ENTERPRISES INTERNATIONAL



G. Pol (Gotham Enterprises - PF Code US01031) | [Return to portal](#) | [Sign out](#)

# US Network Bank

[Account summary](#)  
[Account details](#)  
[Bill payment](#)  
[Funds transfer](#)  
[Scheduled transactions](#)  
[Payees](#)  
[U.S. Network Bank Manual](#)

#### Scheduled transactions

Account: Gotham Enterprises (Budget Checking) - 610314823 ▼

Ref#	Name/Description/Acct#	Currency	Amount	Process date	Edit	Delete
1052932	VEI-NYC REALTY - New York, NY Rent Payment for July Acct #100002655	USD	2936.26	Aug. 11, 2018 One time		

Page 1/1: [First](#) | [Previous](#) | [Next](#) | [Last](#)





### 3. Out of Balance (continued)

Chart of accounts > Bank register > Reconcile

**Reconcile Cash**

Statement ending date: August 10, 2018

Edit info Finish now

<b>\$571,796.13</b>	-	<b>\$571,796.13</b>	
STATEMENT ENDING BALANCE		CLEARED BALANCE	

<b>\$574,732.39</b>	-	<b>\$2,936.26</b>	+	<b>\$0.00</b>
BEGINNING BALANCE		1 PAYMENT		0 DEPOSITS

**\$0.00**  
DIFFERENCE

Show me around

X Statement ending date Clear filter / View all

Payments Deposits **All**

DATE	CLEARED DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO		PAYMENT	DEPOSIT (	
08/10/2018		Expense		Rent Expense	VEI-NYC ...			2,936.26		✓

