



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.

Table of Contents

I. Setting Up Your Business 11

II. Preparing a 10/31 Balance Sheet 29

III. Recording Expenses Using Bill Payment Function in QBO+ 44

IV. Recording Sales Using Sales Invoice Function in QBO+ 59

V. Running Reports in QBO+ 71

VI. Reconciliation 82

Detailed Contents

I. Setting Up Your Business	11
1. Signing Up for Your QBO+ Account _____	12
2. Signing Into Your Account _____	13
3. What is a Fiscal Year? _____	15
4. Setting Up the Fiscal Year _____	16
5. What is Sales Tax? _____	20
6. Setting Up Sales Tax _____	22
7. What is a Chart of Accounts? _____	24
8. Chart of Accounts _____	35

Detailed Contents

II. Preparing a 10/31 Balance Sheet	29
1. What is a Balance Sheet?_____	30
2. Basic Accounting Equation _____	31
3. Balance Sheet Components _____	32
4. What is a Journal Entry?_____	33
5. Debit and Credit _____	34
6. Debits and Credits in Action _____	35

Detailed Contents

II. Preparing a 10/31 Balance Sheet (continued)	29
7. Preparing Journal Entries in QBO+ _____	36
a. Receipt of Seed Funding _____	38
b. Adding the Name of a Customer/Vendor _____	39
c. Angel Investors _____	40
d. Receipt of Loan Proceeds _____	41
e. Recording Out-of-Network Sales _____	42
f. Running the Balance Sheet in QBO+ _____	43

Detailed Contents

III. Recording Expenses Using Bill Payment Function in QBO+	44
1. Recording Loan Repayment_____	45
a. Loan Amortization Schedule_____	45
b. Bill Payment_____	46
• Loan Repayment: Principal vs. Interest Expense_____	50
2. Expense Summary_____	51
3. Acquiring Fixed Assets: On Account_____	52
4. Acquiring Fixed Assets: Direct Debit_____	53
5. What is a Payroll Register?_____	55
a. Recording Payroll_____	56
b. Recording Payment of Sales Tax Collected_____	58

Detailed Contents

IV. Recording Sales Using Sales Invoice Function in QBO+ 59

1. What is Just-In-Time Inventory Method? _____ 60
2. Just-In-Time Inventory Method _____ 61
 - a. Step 1: Purchasing Inventory for a Sale _____ 61
 - b. Step 2: Recording the Sale _____ 62

Detailed Contents

V. Running Reports in QBO+ 70

1. What is a Profit & Loss Statement? _____ 70
2. Components of the Profit & Loss Statement:
Revenues and Expenses _____ 72
3. Generating a Profit & Loss Statement _____ 73
4. Generating a Balance Sheet _____ 77

Detailed Contents

VI. Reconciliation	81
1. Initial Reconciliation_____	84
2. In Balance_____	85
3. Out of Balance_____	86

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

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)



 quickbooks  turbotax

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



 quickbooks  turbotax

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



 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.

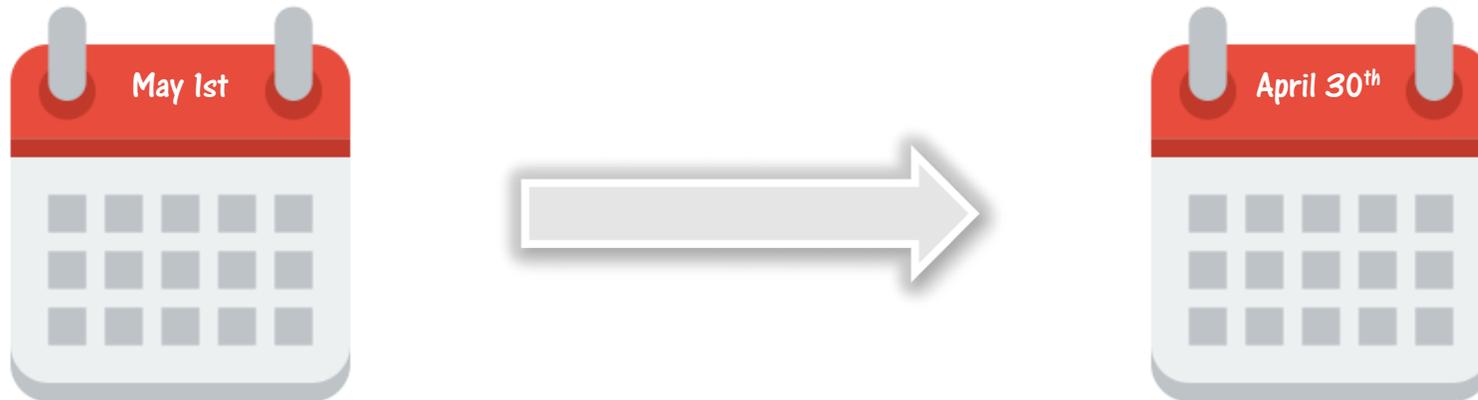
Why do some firms choose to operate on a fiscal year as opposed to a calendar year?

- 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 1st and ends April 30th



4. Setting Up a Fiscal Year (continued)

Go to Settings and click on “Company Settings”.

The screenshot displays the QuickBooks Online Accountant interface for a client named 'Bicycle Enterprises'. The top navigation bar is green and contains a search field, a plus sign, a gear icon (Settings), and a user profile icon. A red box highlights the gear icon, with a red line extending to the number '1' on the right. Below the navigation bar, the 'Bicycle Enterprises' settings menu is open, showing four columns: Settings, Lists, Tools, and Your Company. A red box highlights 'Company Settings' in the Settings column, with a red line extending to the number '2' on the right. The 'Settings' column includes options like Custom Form Styles, Chart of Accounts, Payroll Settings, and QuickBooks Labs. The 'Lists' column includes All Lists, Products and Services, Recurring Transactions, and Attachments. The 'Tools' column includes Import Date, Import Desktop Data, Export Data, Reconcile, Budgeting, Audit Log, Order Checks, and Merge Duplicate Clients. The 'Your Company' column includes Your Account, Your Team, Videos and Welcome Guide, Sample Company, Feedback, Refer a Friend, Privacy, and Sign Out. The background shows the main dashboard with a sidebar on the left containing sections for 'YOUR PRACTICE' (Clients, Team, ProAdvisor, Work, Apps) and 'YOUR BOOKS' (Dashboard, Banking, Sales, Expenses, Workers, Reports, Taxes, Accounting). A 'Get started' button is visible at the bottom of the dashboard.



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.

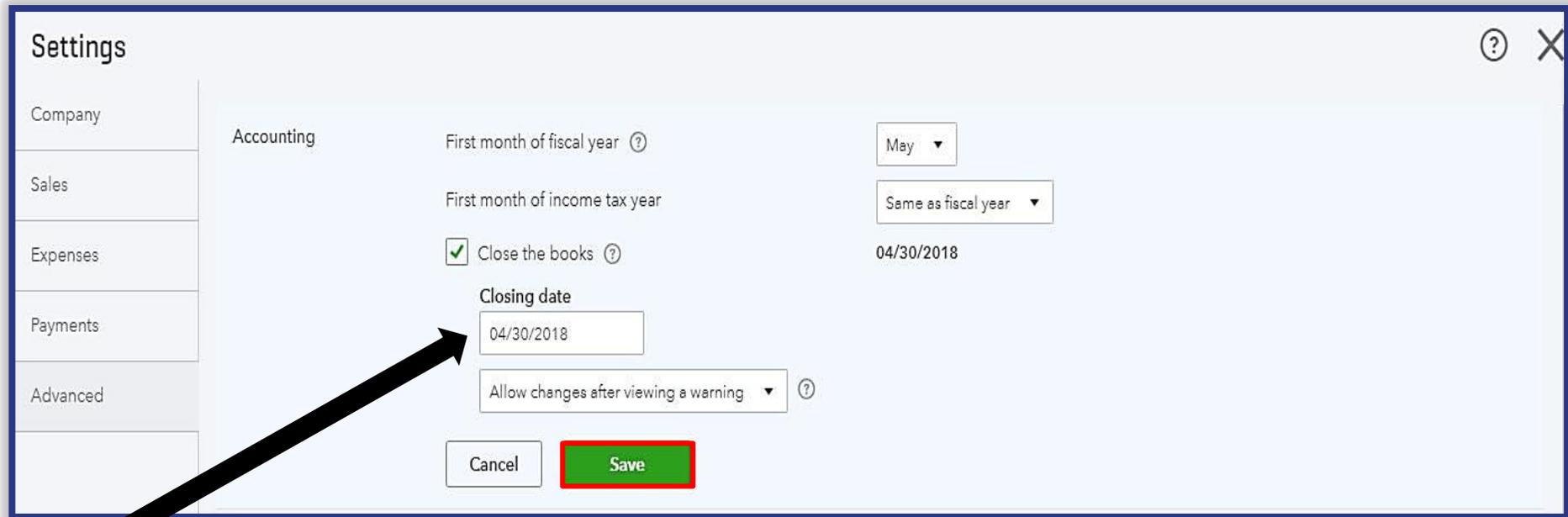
The screenshot displays the 'Settings' interface. On the left, a sidebar menu lists categories: Company, Sales, Expenses, Payments, and Advanced. The 'Advanced' category is selected, indicated by a red box and a red arrow labeled '1'. The main content area shows the 'Accounting' section expanded. It contains three rows of settings: 'First month of fiscal year' (May), 'First month of income tax year' (Same as fiscal year), and 'Close the books' (04/30/2018). A red box highlights a pencil icon in the top right corner of the 'Accounting' section, with a red arrow labeled '2' pointing to it. Other sections visible include 'Chart of accounts', 'Automation', 'Projects', 'Time tracking', 'Currency', and 'Other preferences', each with its own settings and a pencil icon for editing.

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		
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		
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 a 'Settings' window with a sidebar on the left containing 'Company', 'Sales', 'Expenses', 'Payments', and 'Advanced'. The main area is titled 'Accounting' and contains the following fields:

- 'First month of fiscal year' with a dropdown menu set to 'May'.
- 'First month of income tax year' with a dropdown menu set to 'Same as fiscal year'.
- 'Close the books' with a checked checkbox.
- 'Closing date' with a text input field containing '04/30/2018'.
- 'Allow changes after viewing a warning' with a dropdown menu.

At the bottom of the window are 'Cancel' and 'Save' buttons. The 'Save' button is highlighted with a red border, and a black arrow points to the 'Closing date' field.



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.

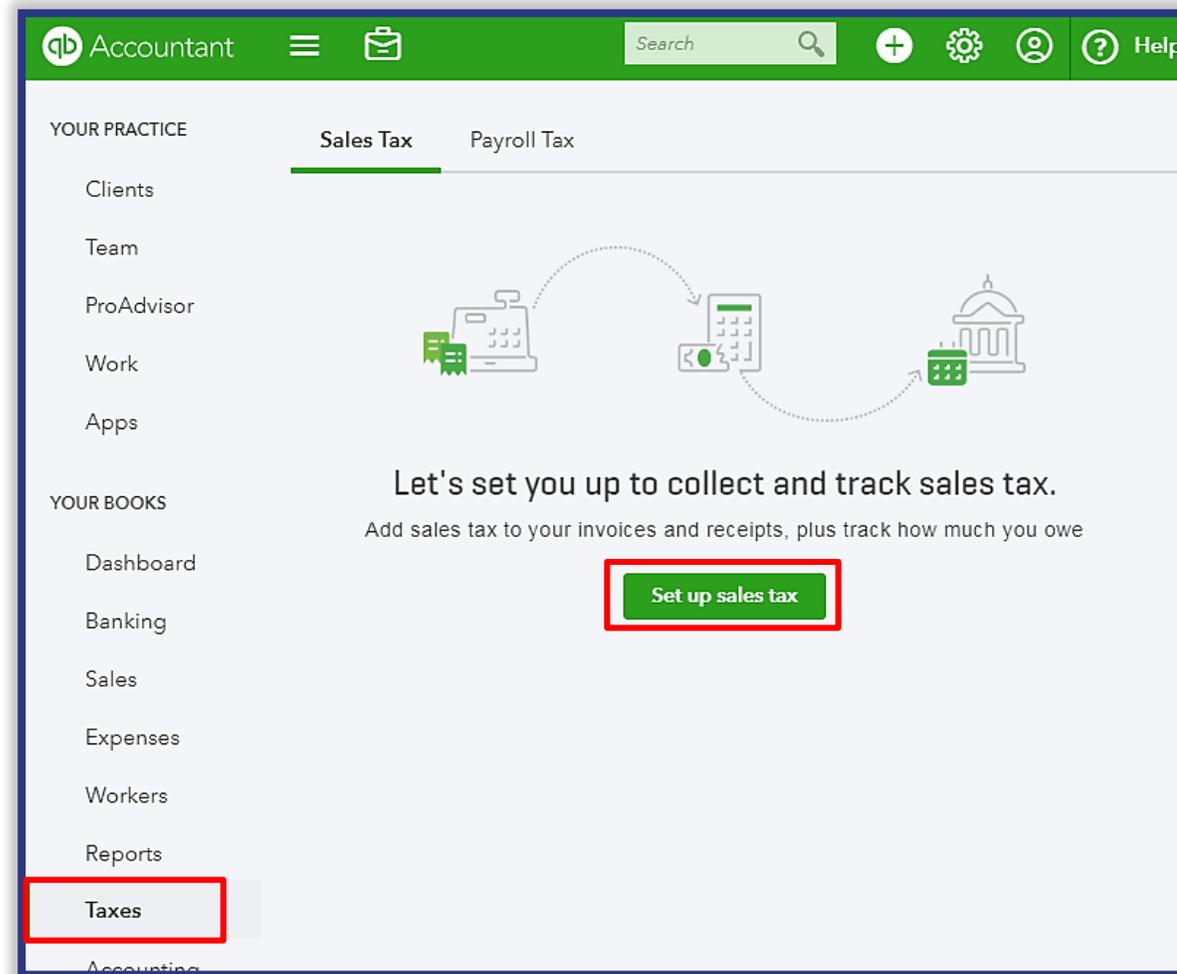
Which firms do not need to collect Sales Tax?

- 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."



The screenshot displays the QuickBooks Accountant interface. The top navigation bar is green and contains the 'qb Accountant' logo, a search bar, and several utility icons. The left sidebar is divided into 'YOUR PRACTICE' and 'YOUR BOOKS' sections. Under 'YOUR PRACTICE', there are links for Clients, Team, ProAdvisor, Work, and Apps. Under 'YOUR BOOKS', there are links for Dashboard, Banking, Sales, Expenses, Workers, Reports, Taxes, and Accounting. The 'Taxes' link is highlighted with a red box. The main content area shows the 'Sales Tax' tab selected, with a diagram illustrating the flow from a laptop to a calculator to a building icon. Below the diagram, the text reads: "Let's set you up to collect and track sales tax. Add sales tax to your invoices and receipts, plus track how much you owe." A green button labeled "Set up sales tax" is prominently displayed and highlighted with a red box.



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.



Sales tax is set up!

You're ready to start tracking sales tax.

Got it

3

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	1	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



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."

The screenshot displays the QuickBooks Accountant interface for a client named 'Bicycle Enterprises'. The top navigation bar is green and contains a search bar, a plus sign, a gear icon (labeled '1'), and a refresh icon. A dropdown menu is open from the gear icon, showing various settings and tools. The 'Chart of Accounts' option is highlighted with a red box (labeled '2').

Settings

- Company Settings
- Custom Form Styles
- Chart of Accounts**
- Payroll Settings
- QuickBooks Labs

Lists

- All Lists
- Products and Services
- Recurring Transactions
- Attachments

Tools

- Import Data
- Import Desktop Data
- Export Data
- Reconcile
- Budgeting
- Audit Log
- Order Checks
- Merge Duplicate Clients

Your Company

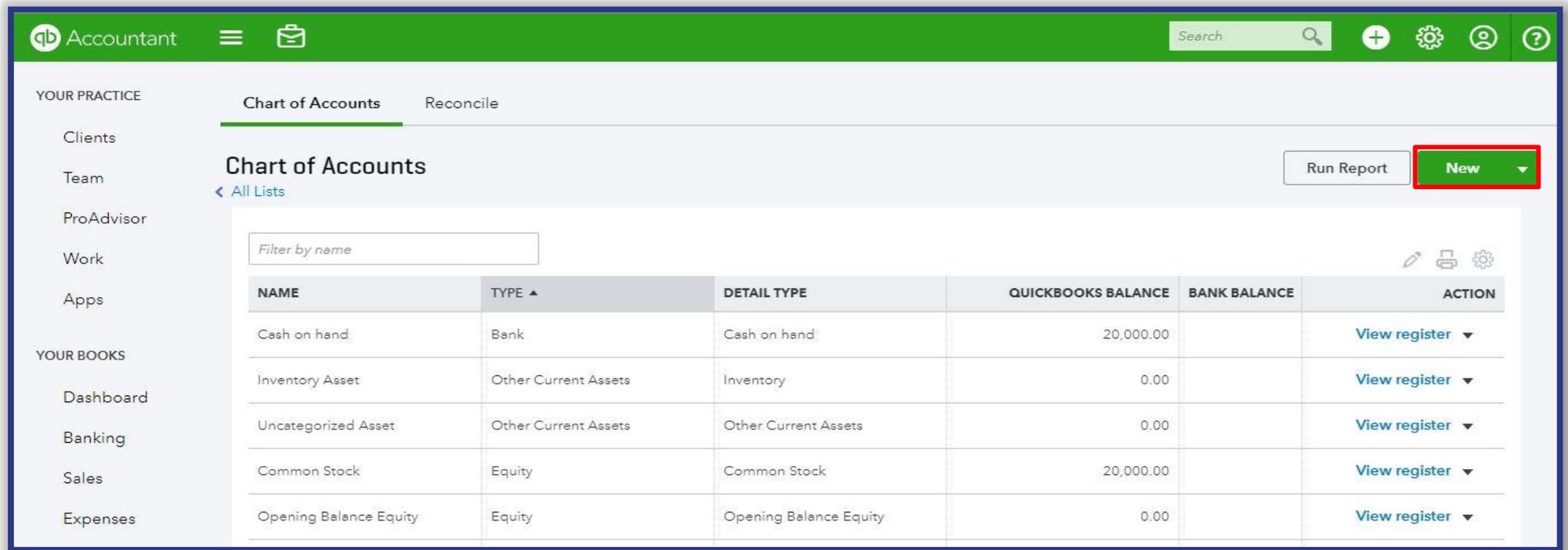
- Your Account
- Your Team
- Videos and Welcome Guide
- Sample Company
- Feedback
- Refer a Friend
- Privacy
- Sign Out

The interface also shows a sidebar with navigation options like 'Clients', 'Team', 'ProAdvisor', 'Work', 'Apps', 'Dashboard', 'Banking', 'Sales', 'Expenses', 'Workers', 'Reports', 'Taxes', and 'Accounting'. A 'Get started' button is visible at the bottom.



8. Chart of Accounts (continued)

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



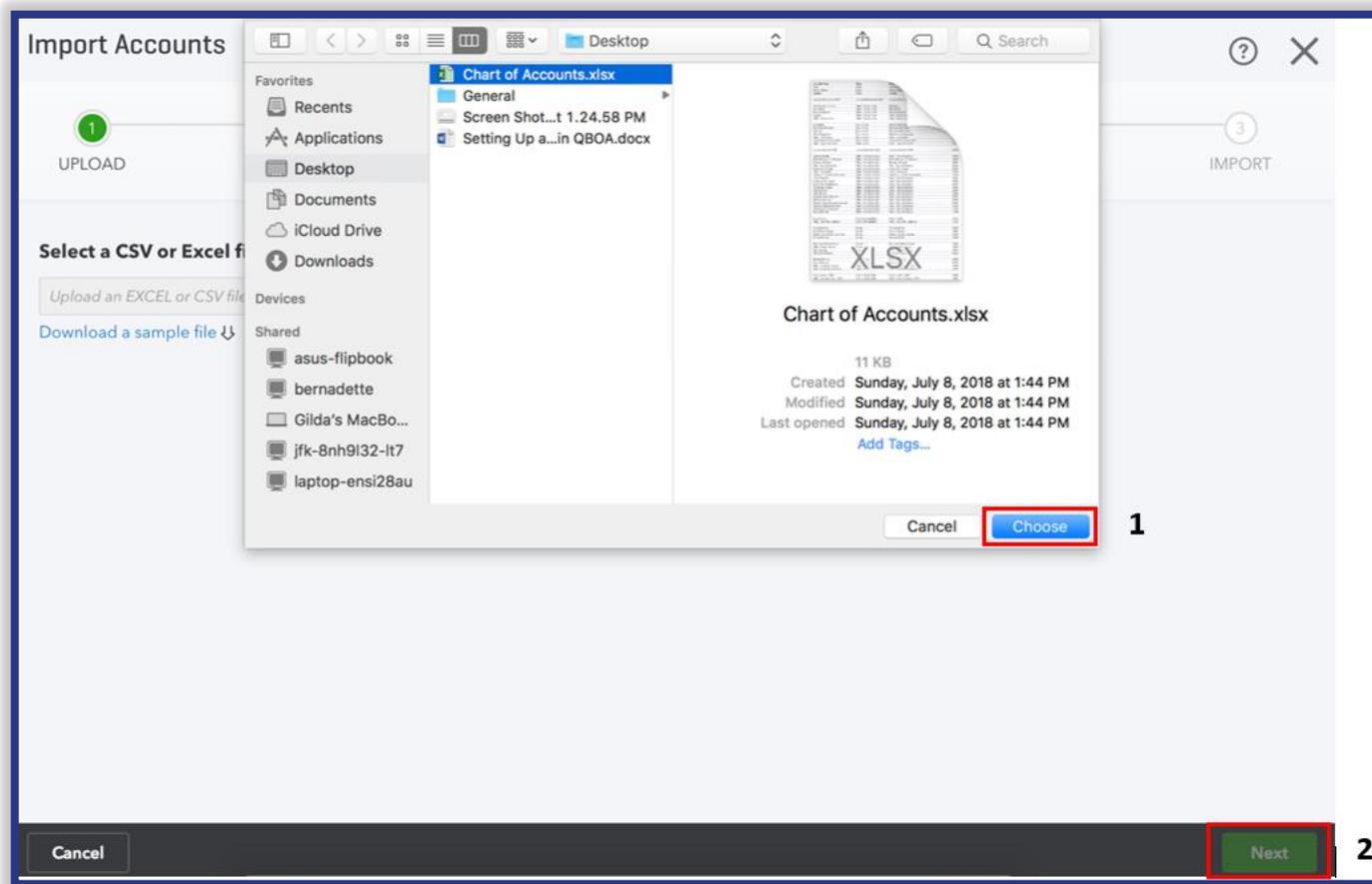
The screenshot displays the QuickBooks Accountant interface. The top navigation bar is green and contains the 'qb Accountant' logo, a menu icon, a briefcase icon, a search bar, and several utility icons. The left sidebar is divided into 'YOUR PRACTICE' (Clients, Team, ProAdvisor, Work, Apps) and 'YOUR BOOKS' (Dashboard, Banking, Sales, Expenses). The main content area is titled 'Chart of Accounts' and includes a 'Reconcile' tab. A 'Run Report' button and a 'New' button (highlighted with a red box) are located in the top right of the main area. Below the 'New' button is a table with the following data:

NAME	TYPE ▲	DETAIL TYPE	QUICKBOOKS BALANCE	BANK BALANCE	ACTION
Cash on hand	Bank	Cash on hand	20,000.00		View register ▼
Inventory Asset	Other Current Assets	Inventory	0.00		View register ▼
Uncategorized Asset	Other Current Assets	Other Current Assets	0.00		View register ▼
Common Stock	Equity	Common Stock	20,000.00		View register ▼
Opening Balance Equity	Equity	Opening Balance Equity	0.00		View register ▼



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

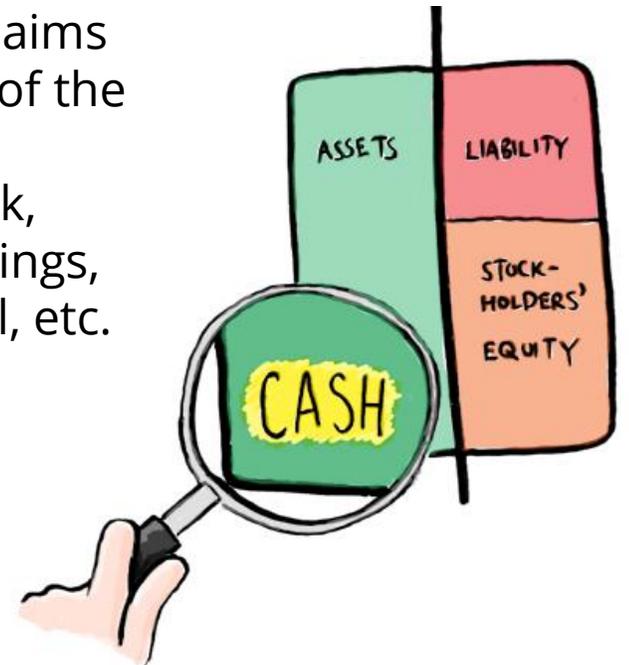
To understand the concept of the Balance Sheet created through QuickBooks, you should familiarize yourself with this equation:

Assets = **Liabilities** + **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

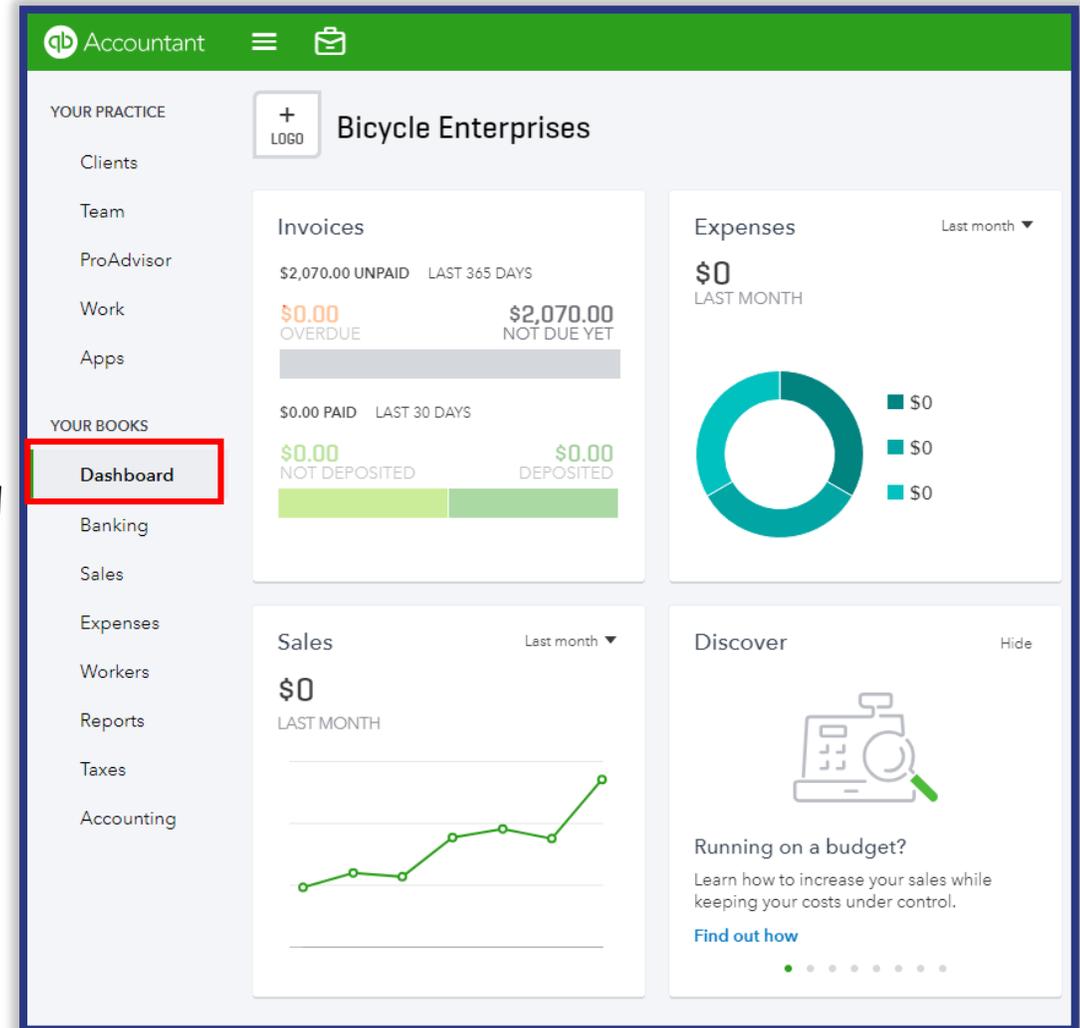
	Account #	Account Title	To Increase	Financial Statement	Description/Explanation of Account	Sample Transaction	Debit	Credit
Asset	10100	Cash	Debit	Balance Sheet	The sum of all coins, currency and liquid funds available that have been placed on deposit with a financial institution. Cash in bank is considered 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.*

The screenshot displays the top navigation bar of the QBO+ interface. The bar is green and contains a search box, a plus sign icon (highlighted with a red box and labeled '1'), a gear icon, a user profile icon, and a help icon. Below the navigation bar, the 'Create' menu is open, showing a grid of options. The 'Journal Entry' option is highlighted with a red box and labeled '2'. The menu options are organized into four columns: Customers, Vendors, Employees, and Other. The 'Journal Entry' option is located in the 'Other' column.

Customers	Vendors	Employees	Other
Invoice	Expense	Payroll	Bank Deposit
Receive Payment	Check	Single Time Activity	Transfer
Estimate	Bill	Weekly Timesheet	Journal Entry
Credit Memo	Pay Bills		Statement
Sales Receipt	Purchase Order		Inventory Qty Adjustment
Refund Receipt	Vendor Credit		
Delayed Credit	Credit Card Credit		
Delayed Charge	Print Checks		

▶ Show less



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 21st.

Start by entering the Journal Date

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

Record the account with a change in debit first

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.

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



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

Type

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 28th.



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 9th.

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 11th.

Journal Entry #10

Journal date: 10/11/2017  Journal no.: 10 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 1st. \$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 SUMMARY				
<i>Loan amount</i>	\$150,000.00				<i>Scheduled payment</i>	\$2,952.52			
<i>Annual interest rate</i>	6.75%				<i>Scheduled number of payments</i>	60			
<i>Loan period in years</i>	5				<i>Actual number of payments</i>	60			
<i>Number of payments per year</i>	12				<i>Total early payments</i>	\$0.00			
<i>Start date of loan</i>	10/1/2017				<i>Total interest</i>	\$27,151.15			
<i>Optional extra payments</i>					LENDER NAME				
\$0.00					VEI Savings & Loan				
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

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



Ib. Recording Loan Repayment: Bill Payment

Transaction #13: Bicycle Enterprises makes their first loan payment of \$2,952.52 on November 1st. \$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.*

The screenshot shows the QB Accountant software interface. The top navigation bar is green and contains the QB logo, a search bar, and several icons. Below the navigation bar, there are two tabs: 'Expenses' (selected) and 'Vendors'. The main content area features a central graphic with the text 'Track your expenses to see how you spend your money' and a large number '2' above a red button labeled 'Add an expense'. On the left side, there is a sidebar menu 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, Banking, Sales, Expenses (highlighted with a red box and a '1' next to it), Workers, Reports, Taxes, and Accounting. A black arrow points from the 'Expenses' link in the sidebar to the 'Add an expense' button.

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



Ib. Recording Loan Repayment: Bill Payment (continued)

Transaction #13: Bicycle Enterprises makes their first loan payment of \$2,952.52 on November 1st. \$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.*

Expense

Choose a payee ▼ Bank/Credit account Cash ▼

+ Add new

Payment date 08/07/2018 Payment method Enter Text ▼

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



Ib. Recording Loan Repayment: Bill Payment (continued)

Transaction #13: Bicycle Enterprises makes their first loan payment of \$2,952.52 on November 1st. \$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
Settings ? X

VEC-LENDING ▼

Bank/Credit account: Cash ▼

Balance \$0.00

3

AMOUNT

\$2,952.52

Payment date: 11/01/2017

Payment method: Cash ▼

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

Ref no.

Permit no.

#	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 'Expense Transactions' page in QBO+. The table below shows the recorded expense:

DATE	TYPE	NO.	PAYEE	CATEGORY	TOTAL	ACTION
11/01/2017	Expense		VEC-LENDING	-Split-	\$2,952.52	View/Edit
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 12th.

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 12th.

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 12th.

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 31st.

Bicycle Enterprises														Total 941 Remit. Amount = B + C + E + F + G + H			Total 401(K) Remit. Amount = D + I		
Monthly Payroll Register																			
Pay Period: From October 1 to October 31																			
	NAME	# of W-4 exemptions	HOURS	HOURLY RATE	GROSS	SOCIAL SECURITY	MEDI-CARE	Taxable Fed. Income	FWT	SWT	401 (K)	TOTAL DEDUCTIONS	NET PAY	Matching Company Expenses			Total 941 Remit. Amount	Total 401 (K) Remit. Amount	
														SOCIAL SECURITY	MEDI-CARE	401(K)			
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	32.55	7.61	26.25	119.62	52.50	
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	43.40	10.15	35.00	173.05	70.00	
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	54.25	12.69	43.75	228.92	87.50	
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	65.10	15.23	52.50	286.60	105.00	
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	75.95	17.76	61.25	344.40	122.50	
	Total				4,375.00	271.25	63.44	3,291.65	268.58	214.64	218.75	1,036.65	3,338.35	271.25	63.44	218.75	1,152.59	437.50	
						E	F		B	C	D		A	G	H	I			
Total for October																			
	NAME	# of W-4 exemptions	HOURS	HOURLY RATE	GROSS	SOCIAL SECURITY	MEDI-CARE	Taxable Fed. Income	FWT	SWT	401 (K)	TOTAL DEDUCTIONS	NET PAY	Matching Company Expenses			Total 941 Remit. Amount	Total 401 (K) Remit. Amount	
														SOCIAL SECURITY	MEDI-CARE	401(K)			
					4,375.00	271.25	63.44	3,291.65	268.58	214.64	218.75	1,036.65	3,338.35	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 20th. 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
AMOUNT

Balance \$-2,952.52

\$515.00

▼ Account details

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

▼ Item details

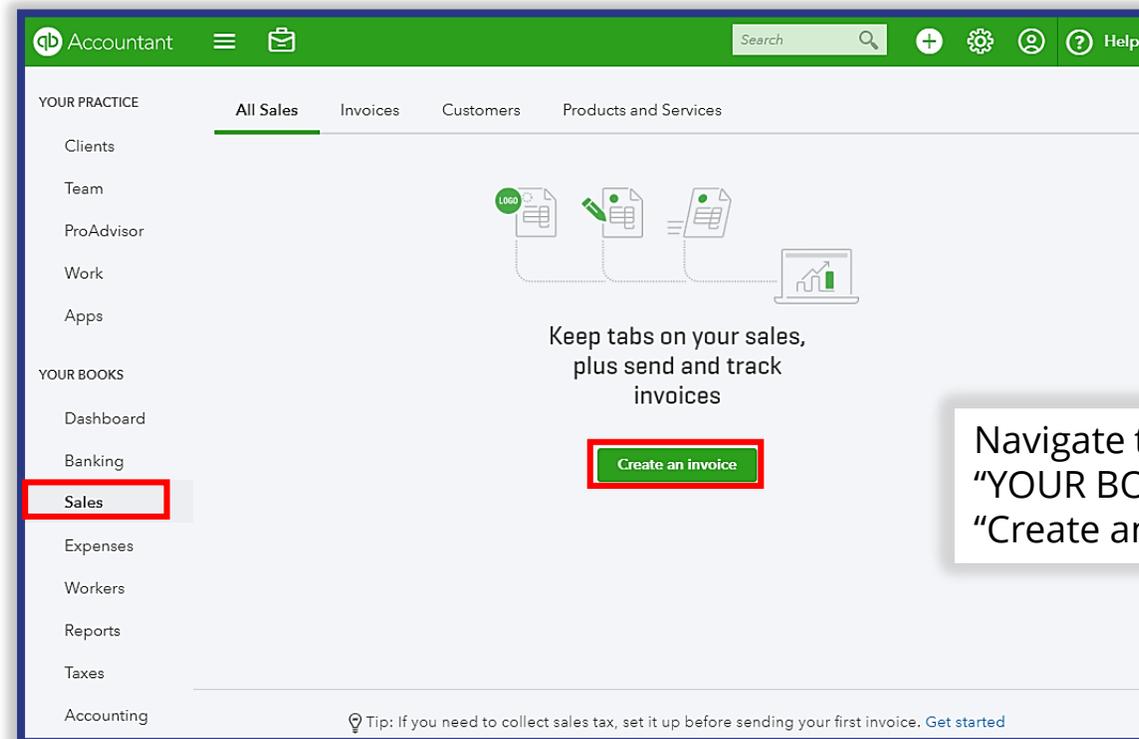
#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	
1	Bicycles:Bicycle Economy	To record the purchase of one bicycle economy from the wholesale market place	1	500	500.00	
2						



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

Step 2: Recording 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.



The screenshot shows the QB Accountant software interface. The top navigation bar is green and contains the QB logo, a search bar, and icons for settings, user profile, and help. The main content area is divided into two sections: 'YOUR PRACTICE' and 'YOUR BOOKS'. Under 'YOUR PRACTICE', there are tabs for 'All Sales', 'Invoices', 'Customers', and 'Products and Services'. The 'All Sales' tab is selected. Below this, there are icons representing a document with a plus sign, a document with a pencil, and a document with a checkmark, connected by lines to a laptop icon. The text 'Keep tabs on your sales, plus send and track invoices' is displayed. A green button labeled 'Create an invoice' is highlighted with a red border. In the 'YOUR BOOKS' section, the 'Sales' option is highlighted with a red border. At the bottom, there is a tip: 'Tip: If you need to collect sales tax, set it up before sending your first invoice. Get started'.

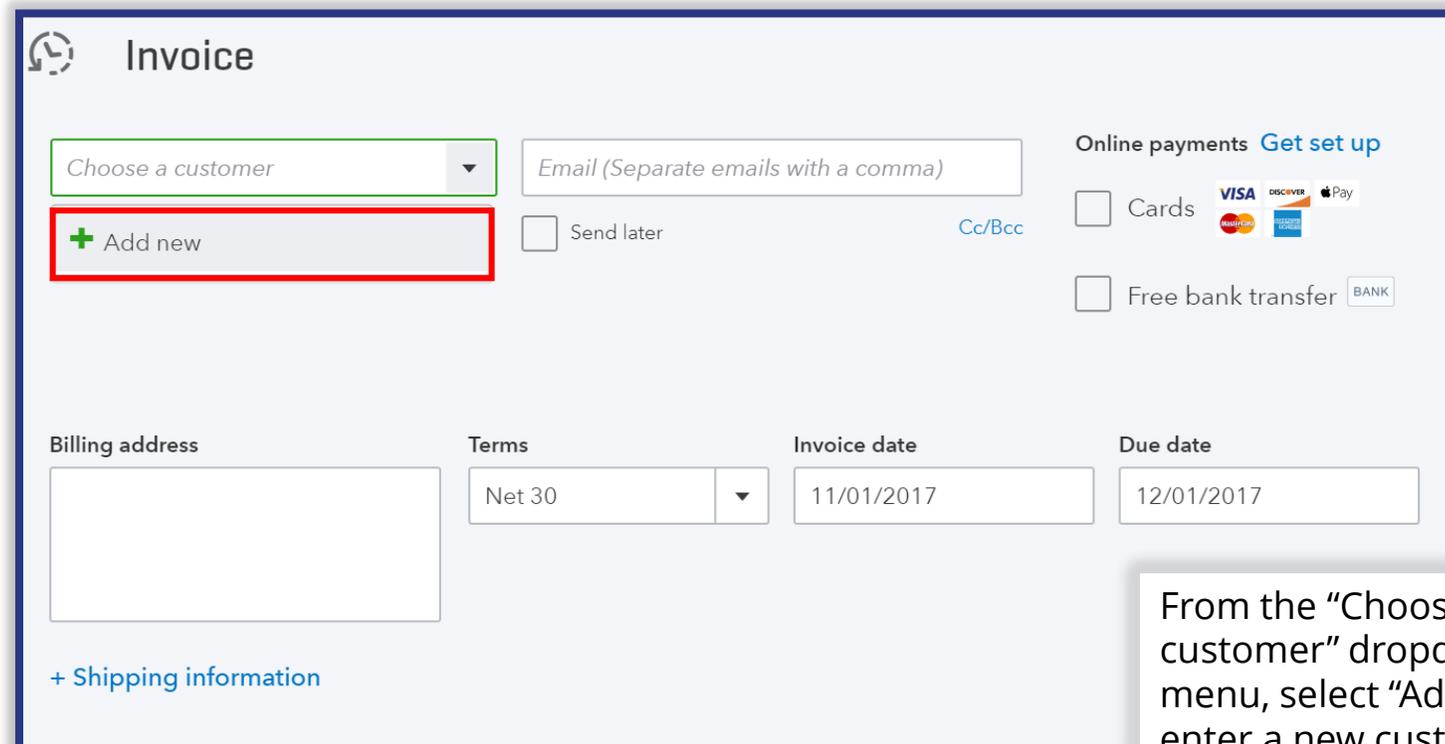
Navigate to Sales under "YOUR BOOKS" and select "Create an invoice".



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 24th. 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

Invoice date

Due date

[+ Shipping information](#)

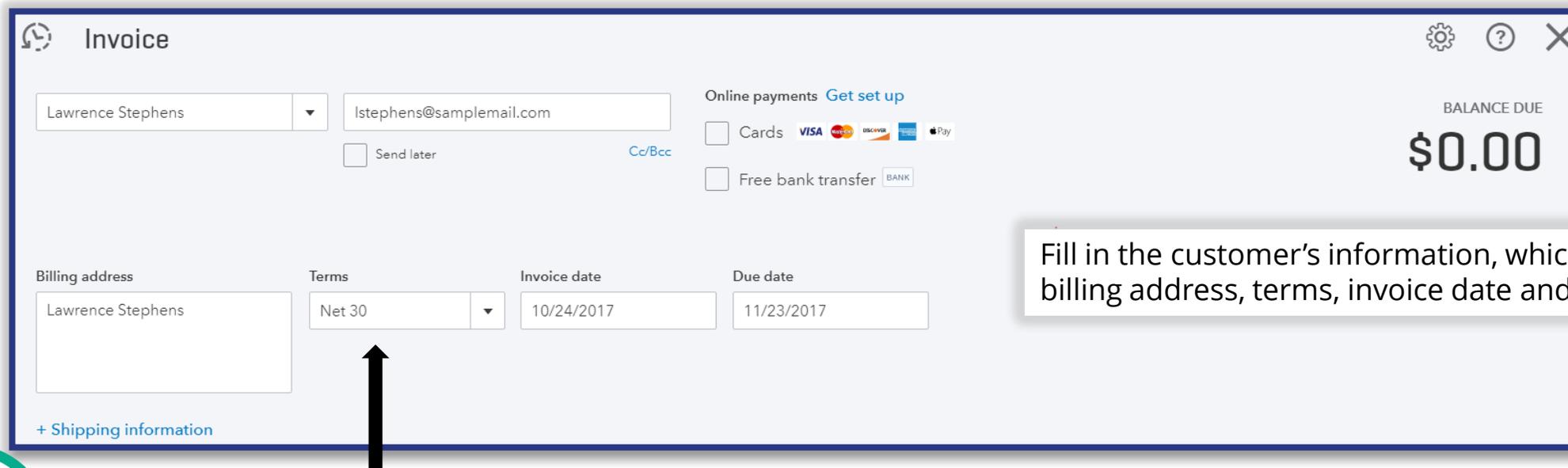
From the "Choose a customer" dropdown menu, select "Add new" to enter a new customer.



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 24th. 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 details:

- Customer Name:** Lawrence Stephens
- Email:** lstephens@samplemail.com
- Online payments:** Get set up (with options for Cards: VISA, MEXICO, DISCOVER, and Free bank transfer: BANK)
- Send later:**
- Balance Due:** \$0.00
- Billing address:** Lawrence Stephens
- Terms:** Net 30
- Invoice date:** 10/24/2017
- Due date:** 11/23/2017
- + Shipping information:** (expandable section)

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 24th. 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	+ Add new				
		Hours				
		Sales				
					Sales tax	
					Total	

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*

As of date*
What's the as of date?

Reorder point
What's the reorder point?

Inventory asset account

Merchandise Inventory

Sales information

Description on sales forms

Sales price/rate

Income account

Is taxable

Sales tax category

What you sell

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	
<input type="text" value="Description on purchase forms"/>	
Cost	Expense account
<input type="text" value="500"/>	<input type="text" value="Cost of Goods Sold"/> ▼
Preferred Vendor	
<input type="text" value="Wholesale Market Place"/> ▼	
<input type="button" value="Save and close"/> ▼	



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

Step 2: Recording a Sale (continued)

Invoice

Lawrence Stephens | lstephens@samplemail.com

Send later [Cc/Bcc](#)

Online payments [Get set up](#)

Cards 

Free bank transfer BANK

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. The top navigation bar is green with the QB logo, a search bar, and icons for home, settings, user profile, and help. The left sidebar is divided into 'YOUR PRACTICE' (Clients, Team, ProAdvisor, Work, Apps) and 'YOUR BOOKS' (Dashboard, Banking, Sales, Expenses, Workers, Reports, Taxes, Accounting). The 'Reports' section is selected in the sidebar. The main content area shows a search bar for reports and two sections: 'Favorites' and 'Business overview'. Under 'Favorites', 'Accounts receivable aging summary', 'Balance Sheet', and 'Profit and Loss' are listed. 'Balance Sheet' is highlighted with a red box and a callout box containing the number '2' and the text 'Select Profit and Loss'. Under 'Business overview', 'Audit Log', 'Balance Sheet Comparison', and 'Balance Sheet Detail' are listed. A green star icon is visible next to 'Balance Sheet' and 'Profit and Loss'.

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.

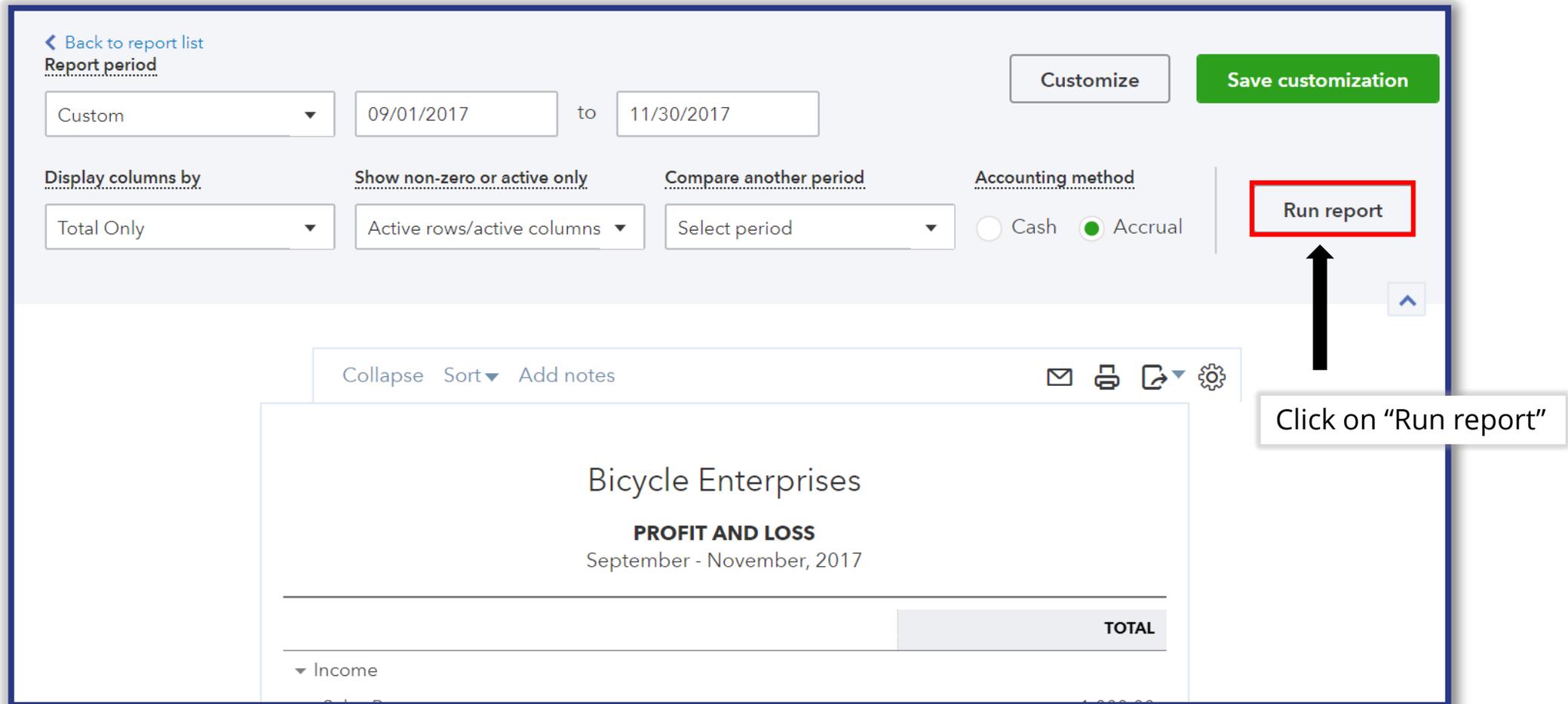
For this set of sample transactions, select "Custom" and set the reporting period from 9/1/2017 – 11/30/2017.

The screenshot displays the QuickBooks Accountant interface. On the left, the navigation menu includes 'YOUR PRACTICE' (Clients, Team, ProAdvisor, Work, Apps) and 'YOUR BOOKS' (Dashboard, Banking, Sales, Expenses, Workers, Reports). The main area shows the 'Report period' dropdown menu open, with 'Custom' selected and highlighted in red. The date range is set to '09/01/2017 to 11/30/2017'. Below the date range, there are options for 'Show non-zero or active only' (set to 'Active rows/active columns') and 'Compare another period' (set to 'Select period'). The report title is 'cycle Enterprises PROFIT AND LOSS June 2018'. At the bottom, it states 'This report does not contain any data.' and '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 to [Customize](#) [Save customization](#)

Display columns by **Show non-zero or active only** **Compare another period** **Accounting method** Cash Accrual [Run report](#)

[Collapse](#) [Sort](#) [Add notes](#) [Email](#) [Print](#) [Share](#) [Settings](#)

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
Total Income	\$76,000.00
▼ Cost of Goods Sold	
Cost of Goods Sold	500.00
Shipping, Freight & Delivery - COS	15.00
Total Cost of Goods Sold	\$515.00
GROSS PROFIT	\$75,485.00
▼ 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
Total Expenses	\$12,517.76
NET OPERATING INCOME	\$62,967.24
▼ Other Expenses	
Matching Payroll Tax Expenses	553.44
Total Other Expenses	\$553.44
NET OTHER INCOME	\$ -553.44
NET INCOME	\$62,413.80

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

Bicycle Enterprises	
PROFIT AND LOSS	
September - November, 2017	
   	



4. Generating a Balance Sheet

qb Accountant

Search

YOUR PRACTICE

- Clients
- Team
- ProAdvisor
- Work
- Apps

YOUR BOOKS

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

Reports

Enter report name

All | Custom Reports | Management Reports

▼ Favorites

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

▼ 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' interface. The top navigation bar includes the 'qb Accountant' logo, a search bar, and icons for settings, user profile, and help. The left sidebar is divided into 'YOUR PRACTICE' (Clients, Team, ProAdvisor, Work, Apps) and 'YOUR BOOKS' (Dashboard, Banking, Sales, Expenses). The main content area displays the 'Report period' dropdown menu, which is open and shows 'Last Fiscal Year' selected. The date range is set to 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 main content area also shows 'Active rows/active columns' and 'Select period' options. The 'BALANCE SHEET' for 'Bicycle Enterprises' is displayed, with the date 'As of July 31, 2018'. The 'TOTAL' column is visible at the bottom right.



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 displays a web-based interface for generating a financial report. At the top left, there is a link labeled '< Back to report list'. Below it, the 'Report period' section includes a dropdown menu set to 'Last Fiscal Year', followed by two date input fields: '05/01/2017' and '04/30/2018', with the word 'to' between them. To the right of these fields are two buttons: 'Customize' and 'Save customization'. Below the date fields, there 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). A red rectangular box highlights the 'Run report' button, with a black arrow pointing upwards from a callout box below it that says 'Click on "Run report"'. At the bottom of the interface, there is a toolbar with 'Collapse', 'Sort', and 'Add notes' options, along with icons for email, print, and share.



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

▼ LIABILITIES AND EQUITY	
▼ Liabilities	
▼ Current Liabilities	
▼ Accounts Payable	
Accounts Payable (A/P)	0.00
Total Accounts Payable	\$0.00
▼ Other Current Liabilities	
Loan Payable	147,891.23
Sales Tax Payable	-3,598.00
Total Other Current Liabilities	\$144,293.23
Total Current Liabilities	\$144,293.23
Total Liabilities	\$144,293.23
▼ Equity	
Common Stock	70,000.00
Retained Earnings	
Net Income	64,212.80
Total Equity	\$134,212.80
TOTAL LIABILITIES AND EQUITY	\$278,506.03

VI. Reconciliation

Reconciliation

The screenshot shows the QuickBooks Accountant interface for a client named 'Bicycle Enterprises'. The top navigation bar is green and contains the 'qb Accountant' logo, a menu icon, a briefcase icon, a search bar, and icons for a plus sign, settings (gear), and user profile. The left sidebar is divided into 'YOUR PRACTICE' (Clients, Team, ProAdvisor, Work, Apps) and 'YOUR BOOKS' (Dashboard, Banking). The main content area is titled 'Bicycle Enterprises' and features 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 'Budgeting' option in the Tools column is highlighted with a red box. A callout box with an arrow pointing to this box contains the text: 'From your firm's Dashboard, open the gear icon. Then click on Reconcile.' The right sidebar, titled 'Your Company', lists options like Your Account, Your Team, Videos and Welcome Guide, Sample Company, Feedback, Refer a Friend, Privacy, and Sign Out.



Reconciliation

The screenshot shows the QuickBooks Accountant interface. At the top, there is a green header with the 'qb Accountant' logo, a search bar, and navigation icons for home, add, settings, user, and help. Below the header, the left sidebar lists 'YOUR PRACTICE' (Clients, Team, ProAdvisor, Work, Apps) and 'YOUR BOOKS' (Dashboard, Banking, Sales, Expenses, Workers, Reports). The main content area is titled 'Reconcile' and features an 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 flowchart titled 'Reconcile like a pro' illustrates the process in three steps:

- Open your statement**: Represented by an icon of a document with a bank building.
- Match your books to your statement**: Represented by an icon of a document with a double-headed arrow.
- Success! Your account is reconciled**: Represented by an icon of a laptop with a checkmark.

 At the bottom, there 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 ▾

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

Select the account you want to reconcile
here.

[Next](#)

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.



2. In Balance

Chart of accounts > Bank register > Reconcile

Reconcile Cash

Statement ending date: May 31, 2018

Edit info **Finish now**

\$574,732.39	-	\$574,732.39	
STATEMENT ENDING BALANCE		CLEARED BALANCE	
\$574,732.39	-	\$0.00	\$0.00
BEGINNING BALANCE		0 PAYMENTS	0 DEPOSITS

\$0.00
DIFFERENCE

Show me around

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

Edit info Save for later

\$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

Show me around

Statement ending date Clear filter / View all Payments Deposits **All**

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



3. Out of Balance (continued)



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**

\$571,796.13	-	\$571,796.13	
STATEMENT ENDING BALANCE		CLEARED BALANCE	
\$574,732.39	-	\$2,936.26	\$0.00
BEGINNING BALANCE		1 PAYMENT	0 DEPOSITS

\$0.00
DIFFERENCE

Show me around

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		✓

