



2019

QuickBooks® Online Plus

A Complete Course

Janet Horne



QUICKBOOKS® ONLINE PLUS: A COMPLETE COURSE 2019

This page intentionally left blank

QUICKBOOKS® ONLINE PLUS: A COMPLETE COURSE 2019

Janet Horne, M.S.



Vice President, Business, Economics, and UK
Courseware: Donna Battista
Director of Portfolio Management: Adrienne D'Ambrosio
Director, Courseware Portfolio Management: Ashley Dodge
Senior Sponsoring Editor: Neeraj Bhalla
Editorial Assistant: Leah Svensson
Vice President, Product Marketing: Roxanne McCarley
Senior Product Marketer: Becky Brown
Product Marketing Assistant: Marianela Silvestri
Manager of Field Marketing, Business Publishing: Adam Goldstein
Field Marketing Manager: Nayke Popovich
Vice President, Production and Digital Studio, Arts and Business: Etain O'Dea
Director, Production and Digital Studio, Business and Economics: Ashley Santora
Managing Producer, Business: Melissa Feimer

Senior Content Producer: Sugandh Juneja
Content Producer: Shweta Jain
Operations Specialist: Carol Melville
Design Lead: Kathryn Foot
Manager, Learning Tools: Brian Surette
Learning Tools Strategist: Michael Trinchetto
Managing Producer, Digital Studio and GLP: James Bateman
Managing Producer, Digital Studio: Diane Lombardo
Digital Studio Producer: Mary Kate Murray
Digital Studio Producer: Alana Coles
Digital Content Team Lead: Noel Lotz
Digital Content Project Lead: Martha LaChance
Full Service Project Management: Kelly Murphy, Pearson CSC
Interior Design: Pearson CSC
Cover Design: Pearson CSC
Cover Art: 09910190/Shutterstock
Printer/Binder: LSC Communications, Inc./Willard
Cover Printer: Phoenix Color/Hagerstown

Microsoft suppliers make no representations about the suitability of the information contained in the documents and related graphics published as part of the services for any purpose. All such documents and related graphics are provided "as is" without warranty of any kind. Microsoft and/or its respective suppliers hereby disclaim all warranties and conditions with regard to this information, including all warranties and conditions of merchantability, whether express, implied or statutory, fitness for a particular purpose, title and non-infringement. In no event shall Microsoft and/or its respective suppliers be liable for any special, indirect or consequential damages or any damages whatsoever resulting from loss of use, data or profits, whether in an action of contract, negligence or other tortious action, arising out of or in connection with the use or performance of information available from the services.

The documents and related graphics contained herein could include technical inaccuracies or typographical errors. Changes are periodically added to the information herein. Microsoft and/or its respective suppliers may make improvements and/or changes in the product(s) and/or the program(s) described herein at any time. Partial screen shots may be viewed in full within the software version specified.

Microsoft® and Windows® are registered trademarks of the Microsoft Corporation in the U.S.A. and other countries. This book is not sponsored or endorsed by or affiliated with the Microsoft Corporation.

QuickBooks screenshots are Reprinted with permission © Intuit Inc. All rights reserved.

Intuit and QuickBooks are trademarks and service marks of Intuit Inc., registered in the United States and other countries.

Copyright © 2020, 2018, 2017 by Pearson Education, Inc. or its affiliates, 221 River Street, Hoboken, NJ 07030. All Rights Reserved. Manufactured in the United States of America. This publication is protected by copyright, and permission should be obtained from the publisher prior to any prohibited reproduction, storage in a retrieval system, or transmission in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise. For information regarding permissions, request forms, and the appropriate contacts within the Pearson Education Global Rights and Permissions department, please visit www.pearsoned.com/permissions/.

Acknowledgments of third-party content appear on the appropriate page within the text.

PEARSON and ALWAYS LEARNING are exclusive trademarks owned by Pearson Education, Inc. or its affiliates in the U.S. and/or other countries.

Unless otherwise indicated herein, any third-party trademarks, logos, or icons that may appear in this work are the property of their respective owners, and any references to third-party trademarks, logos, icons, or other trade dress are for demonstrative or descriptive purposes only. Such references are not intended to imply any sponsorship, endorsement, authorization, or promotion of Pearson's products by the owners of such marks, or any relationship between the owner and Pearson Education, Inc., or its affiliates, authors, licensees, or distributors.

ScoutAutomatedPrintCode

Library of Congress Cataloging-in-Publication Data

Names: Horne, Janet, author.
Title: Quickbooks Online Plus : a complete course 2019 / Janet Horne, M.S.
Description: Hoboken, NJ : Pearson Education, [2020]
Identifiers: LCCN 2019019188 | ISBN 9780135202005 (pbk.)
Subjects: LCSH: QuickBooks. | Small business--Accounting--Computer programs.
| Small business--Finance--Computer programs.
Classification: LCC HF5679 .H66389 2020 | DDC 657/.9042028553--dc23
LC record available at <https://lcn.loc.gov/2019019188>



ISBN 10: 0-13-520200-0
ISBN 13: 978-0-13-520200-5

To my family

This page intentionally left blank

BRIEF TABLE OF CONTENTS

Chapter 1—Introduction to QuickBooks Online Plus.....	1
Chapter 2—Create a Company	46
Chapter 3—Sales and Receivables: Service Items	143
Chapter 4— Payables and Purchases: Service Items.....	227
Chapter 5—General Accounting and End-of-Period Procedures	290
Chapter 6—Sales and Receivables: Products/Inventory and Service Items, Sales Tax, and Discounts	347
Chapter 7—Payables and Purchases: Inventory, Bills, Payments, and Discounts	436
Chapter 8—General Accounting, Inventory Adjustments, Pay Sales Taxes, Budgets, and End-of-Period Procedures	504
Chapter 9—Payroll	571
Appendix A—Create a Company Using QuickBooks Desktop.....	615
Appendix B—Go Mobile.....	650
Appendix C—Additional Features	663
Appendix D—QuickBooks Online Accountant.....	680
Index.....	687

TABLE OF CONTENTS

Preface	xxi
----------------------	------------

Chapter 1—Introduction to QuickBooks Online Plus

Manual and Computerized Accounting	1
Developing Skills for Your Career	2
Important Note.....	2
Versions of QuickBooks	3
QuickBooks Online.....	3
Self-Employed.....	3
Simple Start.....	3
Essentials	3
Plus.....	4
Advanced	4
Additional Subscriptions for QuickBooks Online	4
Payroll.....	4
Payment Processing	4
QuickBooks Online Accountant	5
QuickBooks Desktop.....	5
Pro	5
Pro Plus.....	5
Premier	5
Premier Pro	6
Enterprise	6
Mac.....	6
Additional Subscriptions for QuickBooks Desktop	6
Basic Payroll.....	6
Enhanced Payroll	6
Full-Service Payroll.....	6
Payment Processing	7
Point of Sale (POS).....	7
QuickBooks Desktop for Accountants	7
QuickBooks Accountant Desktop Plus	7
Payroll for Accountants	8
Online Payroll for Accountants.....	8
Enhanced Payroll for Accountants.....	8
Intuit Full Service Payroll	8
What is QuickBooks Online Plus?	8
QuickBooks Online Plus System Requirements.....	8
Operating Systems and Browsers.....	9
Training in QuickBooks Online Plus	9
Dates.....	9
If No School Email, Create QuickBooks Online Email Account—Do	10
QuickBooks Online Plus Educational Trial Version—Read	13
Apply for QuickBooks Online Plus Educational Trial Version—Do	13
Activate QuickBooks Online Plus Educational Trial Version—Read	15
Activate QuickBooks Online Plus Educational Trial Version—Do	15
Access QuickBooks Online Test Drive—Drill.....	18
Introduction to the Home Page	20
Top-Navigation Bar	20
Dashboard	20
Left-Navigation Bar	21
Explore the Top-Navigation Bar—Drill.....	21
Create	22

Search	22
Recent Transactions.....	23
Gear	23
Help	24
Chart for Left-Navigation Bar	25
Left-Navigation Bar—Drill	25
Dashboard.....	26
Banking	26
Sales or Invoices	26
All Sales.....	27
Invoices	28
Customers.....	28
Products and Services	29
Expenses.....	30
Expenses.....	30
Vendors	31
Workers	32
Employees.....	32
Contractors	34
Workers' Comp	34
Reports.....	35
Standard.....	35
Custom Reports	36
Management Reports	36
Taxes	37
Sales Tax.....	37
Payroll Tax.....	38
Accounting	39
Chart of Accounts	39
Reconcile	40
My Accountant	41
Apps	41
Keyboard Shortcuts—Drill	41
Exit QuickBooks Online and the Test Drive Company—Drill.....	42
Summary.....	42
End-of-Chapter Questions.....	43

Chapter 2—Create a Company

Training Tutorial	46
Training Procedures.....	46
Dates.....	47
Important Note.....	47
Educational Trial Version, Test Drive, Drill, and Do Buttons	48
Operating Systems and Browsers	48
Change Google Chrome Settings, If Using—Do	48
Company Profile: Your Name's Beach Barkers—Read.....	49
Begin Working in QuickBooks Online—Read	50
View Information Provided by QuickBooks Online—Do.....	50
Purge Company Information—Do	51
View Chart of Accounts and Products and Services List—Do.....	52
Account and Settings—Drill.....	53
Account and Settings—Do	58
Download Excel Files for Data Import—Do	65
Import Company Data—Read	68
Import, Edit, and Print/Export the Customers List—Drill	68
Bank Data.....	69

Import Customers List	69
Edit Customers List	72
Print and/or Export Customers List	74
Import, Edit, and Print/Export/Email the Customers List—Do	76
Bank Data	77
Import Customers List	77
Edit Customers List	79
Print and/or Export Customers List	81
Email Customers List	84
Import, Edit, and Print/Export the Vendors List—Drill	85
Import the Vendors List	85
Edit Vendors List	88
Print and/or Export Vendors List	90
Import, Edit, and Print/Export/Email the Vendors List—Do	91
Import Vendors List	91
Edit Vendors List	93
Print and/or Export Vendors List	95
Email Vendors List	97
Import, Edit, Add, and Correct the Chart of Accounts—Drill	98
Edit Account	99
Import Chart of Accounts	99
Edit Chart of Accounts	102
Correct Asset Account Opening Balance Error	103
Add Fixed Assets	104
Correct Fixed Asset Opening Balance Error	106
Correct Liability Opening Balance Error	107
View Edited Account Registers.	108
Delete an Account	109
Import, Edit, and Add Accounts to the Chart of Accounts—Do	110
Edit Account Name	110
Import Chart of Accounts	112
Edit Chart of Accounts	114
Add Fixed Assets	116
Import Products and Services List—Drill	118
Import, Edit, and Print/Export the Products and Services List—Do	120
Edit an Item	120
Import and Print/Export the Products and Services List	121
Finalize the Chart of Accounts—Do	123
Print, Export, and Email Reports—Drill	126
Print, Export, and Email Reports—Do	128
Account List	128
Trial Balance	132
Journal	133
Profit and Loss	133
Balance Sheet	134
Add Your Accountant (Instructor)—Do	136
Additional Transactions—Do	137
Summary	138
End-of-Chapter Questions	139
Chapter 2 Checklist	142

Chapter 3—Sales and Receivables: Service Items

Accounting for Sales and Receivables	143
Training Tutorial	144
Training Procedures	144
Dates	145
Important Note	145

Optional: Change Google Chrome Settings, If Using—Do	146
Rule for Working in QuickBooks Online Plus.....	147
Chart for Left-Navigation Bar.....	147
Begin Training	148
Enter, Edit, and View a Sale on Account—Drill	148
Enter a Sale on Account.....	149
Edit and Correct Errors.....	151
View the Invoice.....	152
View the Invoice in a Journal—Drill.....	152
Prepare, Edit, and Print/Export/Email Invoices—Do	153
Create an Invoice.....	154
Optional: Use Custom Invoice Numbering	155
Optional: Change an Invoice Number	156
Save and Send Invoice.....	157
Save and Share Link.....	157
Print or Preview Invoice.....	158
Record, Save, and Print Additional Invoices	159
View the Invoices in a Journal—Do	160
Enter and Add Items for a Sale on Account—Drill.....	161
Create an Invoice and Add a New Customer—Drill.....	165
Customer Balance Summary Report—Drill	167
Add Invoice Message to Settings—Do.....	168
Create Multiple Item Invoices, New Customer, New Sales Items—Do	169
Create Multiple Item Invoice.....	170
Add a New Customer.	171
Add New Products/Service Items	172
Change Account Name and Verify Sales Items—Do.....	174
Enter Transactions—Do.....	175
Analyze Transactions in the Journal—Do	177
Customer Balance Summary Report—Do.....	178
Correct an Invoice—Drill.....	180
Customer Balance Detail Report—Drill	181
Void and Delete Invoices—Drill.....	182
Void Invoice	182
Delete Invoice	183
Correct Invoices—Do	183
Customer Balance Detail Report—Do	185
Void and Delete Invoices—Do	187
Void Invoice	187
Delete Invoice	187
View Individual Accounts and Print Voided Invoice	188
Transaction List by Customer—Do	189
Record Cash Sales—Drill	190
Sales by Customer Detail Report—Drill.....	191
Correct Sales Receipt—Drill	192
Sales by Product/Service Summary—Drill	193
Record Cash Sales—Do	194
Sales by Customer Detail Report—Do	197
Correct Sales Receipt—Do.....	198
Sales by Product/Service Summary—Do	199
Credit Memo and Refund Receipt—Drill	200
Credit Memo	200
Refund Receipt.....	202
Credit Memo and Refund Receipt—Do	203
Credit Memo	203
Refund Receipt.....	205
Receive Payments—Drill.....	207

Transaction Detail by Account—Drill	208
Receive Payments—Do	209
Transaction Detail by Account—Do.....	212
Bank Deposit—Drill.....	214
Correct Invoice Error after Bank Deposit—Drill	214
Bank Deposit—Do	216
Additional Transactions—Do	217
View Sales—Do.....	218
Journal—Do	219
Trial Balance—Do	221
Summary.....	222
End-of-Chapter Questions.....	223
Chapter 3 Checklist	226

Chapter 4—Payables and Purchases: Service Items

Accounting for Payables and Purchases	227
Training Tutorial	228
Training Procedures.....	228
Dates.....	229
Important Note.....	229
Bills, Checks, Expenses.....	229
Bills and Bill Payments	229
Checks.....	230
Expenses	230
Begin Training	230
Enter, Edit, and View Bills—Drill.....	230
Enter Bill.....	231
Edit and Correct Errors.....	232
Enter Bills, Add Account, and Add New Vendor—Drill.....	232
Create Multiple Item Bill and Add New Account.	233
Purchase Prepaid Expenses, Add New Vendor and New Account	234
Transaction List by Vendor Report—Drill	236
Enter, Edit, and View Bills—Do	237
Enter Bill.....	237
Edit and Correct Errors.....	238
Change Account Name	239
Create Multiple Item Bill and a New Account.....	239
Enter Bill, Add New Vendor and New Account	240
Purchase Prepaid Expenses.....	241
Transaction List by Vendor Report—Do	242
Enter Vendor Credit—Drill	244
View Vendor Register—Drill	245
Unpaid Bills Report—Drill	246
Void and Delete Bills—Drill	246
Void Bill.....	247
Delete Bill	247
Pay Bills—Drill.....	248
Enter Vendor Credit—Do	249
View Vendor Register—Do.....	250
Unpaid Bills Report—Do.....	251
Void and Delete Bills—Do	252
Void Bill.....	253
Delete Bill	253
Pay Bills—Do	253
Edit Bills Using Vendor Register—Do	256
Bill Payment List—Do	258
Write Checks to Pay Bills—Drill	259

Edit Checks—Drill	261
Write Checks to Pay Bills—Do	261
Void and Delete Checks—Do	263
Void Check	264
Delete Check	264
Edit Checks—Do	264
View Audit History—Do	265
Print Checks—Do	266
Edit Vendor and Reprint Check—Do	268
Check Detail Report—Do	268
Petty Cash—Read	270
Petty Cash—Drill.....	271
Create and Fund Petty Cash Account.....	271
Record Petty Cash Transaction.....	272
Purchase Asset with Company Check—Drill.....	273
Petty Cash—Do	274
Create and Fund Petty Cash Account.....	275
Record Petty Cash Transaction.....	276
Purchase Asset with Company Check—Do	276
Additional Transactions—Do	278
View Expenses—Do.....	279
Vendor Balance Summary—Do	280
Unpaid Bills—Do.....	281
Bill Payment List—Do	282
Transaction List by Vendor—Do.....	282
Check Detail—Do	283
Journal—Do	283
Trial Balance—Do	284
Summary.....	285
End-of-Chapter Questions.....	286
Chapter 4 Checklist	289

Chapter 5—General Accounting and End-of-Period Procedures

General Accounting and End-of-Period Procedures	290
Training Tutorial and Procedures.....	291
Dates.....	291
Important Note.....	291
Adjustments for Accrual-Basis Accounting	292
Adjusting Entries: Prepaid Expenses—Drill	292
Adjusting Entries: Depreciation—Drill.....	295
Prepare the Journal—Drill.....	296
Customize, Save, and Add a Report to Custom Reports—Drill	297
Create an Automatic Email Schedule for a Report—Drill	297
Prepare the Journal—Drill.....	298
Adjusting Entries: Prepaid Expenses—Do.....	299
Adjusting Entries: Depreciation—Do	302
Edit, Create, and Transfer Balances for Equity Accounts—Drill.....	303
Edit Transactions.....	304
Add Equity Accounts	304
Transfer Opening Balance Equity into Capital Accounts	305
Owner Withdrawals—Drill	306
Cash Investment by Owner—Drill.....	307
Non-Cash Investment by Owner—Drill.....	308
Prepare the Journal—Drill.....	309
Create and Transfer Balances for Equity Accounts—Do.....	309
Add Equity Accounts	310
Transfer Opening Balance Equity into Capital Accounts	311

Owner Withdrawals—Do	312
Cash Investment by Owner—Do	313
Non-Cash Investment by Owner—Do	314
Prepare and Customize the Journal—Do	314
Prepare and Customize the Balance Sheet—Do	316
Bank Reconciliation—Read	318
Reconcile Checking—Drill.	318
Reconcile Checking—Do	322
Bank Statement Information	322
Begin Reconciliation	323
Mark Cleared Transactions.....	324
Adjusting Entries: Bank Reconciliation	326
Reconciliation Report.	327
View Checking Account Register—Do	328
Prepare and Customize Statement of Cash Flows—Do.....	328
Closing Entries—Read	330
Close Drawing—Do.....	330
Enter Transactions into the Test Drive Company—Drill.....	331
Profit and Loss—Drill	331
Balance Sheet—Drill	332
Transfer Net Income—Drill.....	332
Close the Books—Drill	333
Edit Closed Period Transaction—Drill.....	334
Additional Transactions—Do	336
Profit and Loss—Do.....	338
Balance Sheet—Do.....	339
Journal—Do	340
Trial Balance—Do	340
Summary.....	342
End-of-Chapter Questions.....	343
Chapter 5 Checklist	346

Chapter 6—Sales and Receivables: Products/Inventory and Service Items, Sales Tax, and Discounts

Accounting for Receivables and Sales of Inventory and Service Items	348
Training Tutorial and Procedures	348
Dates.....	349
Important Note.....	349
Customize QuickBooks Online	349
Download Logo Files—Do	349
Import Logo—Drill.....	350
Customize Sales Forms—Drill	352
Import Logo—Do	354
Customize Sales Forms and Make Them the Default Forms—Do	355
Categorizing Transactions—Read	357
Add New Locations—Drill.....	358
Add New Classes—Drill	359
Add New Product and Service Categories—Drill	360
Change Settings—Do	361
Add New Locations—Do	361
Add New Classes—Do	362
Assign Classes to Products and Services List Items—Do	363
Debit and Credit Cards—Read	364
EFT and ACH Payments—Read	365
Add Payment Methods—Do	365
Sales Tax—Read	366

Sales Tax—Do	367
Method 1	368
Method 2	369
Both Methods	370
Mark Inventory Items Taxable—Do	371
Inventory—Read	372
View Quantity on Hand of Products—Drill.....	373
Enter Sales on Account—Drill.....	374
View Inventory Valuation Summary—Drill.....	376
Inventory Assets, Cost of Goods Sold, Sales Tax Liability—Read.....	377
Prepare the Journal—Drill.....	378
View Quantity on Hand of Products—Do	378
Edit Customer—Do.....	379
Enter Notes in Customer Accounts—Do	380
Enter Sales on Account—Do	380
How to Override the Sales Tax Rate—Do	382
Enter Additional Invoices—Do	383
View Inventory Valuation Summary—Do	387
Inventory Assets, Cost of Goods Sold, Sales Tax Liability—Read.....	387
Prepare the Journal—Do	388
Delayed Charge—Drill	389
Enter a Delayed Charge.....	389
View the Delayed Charge	390
Convert Delayed Charge to Invoice.....	390
Invoice List Report—Drill	391
Credit Memo—Drill	392
Delayed Charge—Do	393
Enter Delayed Charges.....	394
View Delayed Charges.....	394
Correct Invoice—Do	395
Customer Balance Summary—Do.....	396
Void Invoice—Do	398
Adjust Closing Entry for Net Income—Do	398
Credit Memo—Do.....	399
Convert Delayed Charges—Do	401
Invoice List Report—Do.....	402
Add New Products—Drill.....	403
Record Sales Receipts—Drill.....	403
Add New Products—Do	404
Record Sales Receipts—Do	406
Record Refund Receipt—Do	409
Discounts—Read	410
Add New Sales Terms—Drill.....	410
Record Sales Discount—Drill.....	411
Receive Payments—Drill.....	412
Add New Sales Terms—Do	412
Change Customer Terms—Do	413
Receive Payments without Discounts—Do	413
Record Sales Discount and Receive Payments—Do	414
Record Bank Deposit—Do	417
Record NSF Check—Drill	417
Enter New Item for Bounced Check Charges	418
Record Journal Entry for Bounced Check.....	419
Apply Journal Entry for Bounced Check	419
Record Invoice for Bounced Check Charges.....	420
Record NSF Check—Do.....	421
Enter New Item for NSF Charges	421

Record Journal Entry for NSF Check.....	422
Apply Journal Entry for NSF Check.....	422
Record Invoice for NSF Check Charges.....	423
Customer Balance Detail—Do	424
Additional Transactions—Do	425
Prepare Reports—Do.....	427
Sales by Product/Service Summary	428
Sales by Class Summary	428
Sales by Location Summary	429
Customer Balance Summary	429
Journal	429
Trial Balance	430
Summary.....	431
End-of-Chapter Questions.....	432
Chapter 6 Checklist	435

Chapter 7—Payables and Purchases: Inventory, Bills, Payments, and Discounts

Accounting for Payables, Purchases, and Inventory.....	436
Training Tutorial and Procedures.....	437
Dates.....	437
Important Note.....	437
Verify Purchase Order Settings—Drill	438
Inventory Valuation Summary—Drill	438
Establish Reorder Points—Drill.....	439
Customize the Product/Service List Report—Drill.....	440
Purchase Orders—Drill	440
Receive Items Ordered—Drill.....	442
Manually Close a Purchase Order—Drill.....	444
Verify Purchase Order Settings—Do.....	445
Inventory Valuation Summary—Do	445
Edit Reorder Points—Do.....	446
Customize the Product/Service List Report—Do	447
Add a New Vendor—Do	448
Add a New Inventory Item—Do	449
Purchase Orders—Do	450
Prepare Additional Purchase Orders—Do	451
Open Purchase Order List by Vendor Report—Do.....	454
Edit a Purchase Order—Do	455
Receive Items Ordered—Do	456
Record a Merchandise Return—Do.....	459
Manually Close a Purchase Order—Do	460
Prepare Customized Open Purchase Order List—Do	461
Purchases by Product/Service Detail—Do	462
Add a Company Credit Card and Vendor—Drill.....	462
Record Credit Card Purchase—Drill.....	463
Record Credit Card Credit—Drill	464
Purchase Inventory with a Credit Card—Drill	465
Add a Company Credit Card and Vendor—Do.....	466
Record Credit Card Purchase—Do.	467
Record Credit Card Credit—Do.....	468
Purchase Inventory with a Credit Card—Do.....	469
Enter Bills and Vendor Credits—Drill	471
Add Terms	471
Enter Bills.....	472
Enter Vendor Credit	473
Discounts—Read	473
Discount Accounts—Drill	474

Pay Bills—Drill.....	475
Enter Bills—Do.....	478
Record Vendor Credit—Do.....	481
Discount Accounts—Do.....	482
Unpaid Bills Report—Do.....	483
Pay Bills—Do.....	484
Write Checks to Pay Bills—Do.....	489
Petty Cash—Do.....	491
Additional Transactions—Do.....	492
Inventory Valuation Summary—Do.....	494
Bill Payment List—Do.....	495
Vendor Balance Summary—Do.....	496
Check Detail—Do.....	496
Journal—Do.....	497
Trial Balance—Do.....	498
Summary.....	499
End-of-Chapter Questions.....	500
Chapter 7 Checklist.....	503

Chapter 8—General Accounting, Inventory Adjustments, Pay Sales Taxes, Budgets, and End-of-Period Procedures

General Accounting, Inventory Adjustments, Sales Tax Payments, Budgets, and End-of-Period Procedures..	504
Training Tutorial and Procedures.....	505
Dates.....	506
Important Note.....	506
Adjustments for Accrual-Basis Accounting.....	506
Adjusting Entries: Prepaid Expenses—Drill.....	507
Adjusting Entries: Prepaid Expenses—Do.....	508
Adjusting Entries: Depreciation—Do.....	511
Inventory Adjustments—Drill.....	512
Add a New Inventory Item.....	513
Adjust Inventory Starting Value, Quantity, and Date.....	514
Adjust Inventory Quantities.....	515
Inventory Valuation Summary Report—Do.....	515
Inventory Adjustments—Do.....	516
Adjust Inventory Quantities.....	517
Add a New Inventory Item.....	518
Adjust Inventory Starting Value, Quantity, and Date.....	519
Inventory Valuation Detail Report—Do.....	520
Audit Log—Do.....	520
Transfer Opening Balance Equity into Capital Account—Do.....	521
Owner Withdrawals—Do.....	522
Non-Cash Investment by Owner—Do.....	524
Prepare the Journal—Do.....	524
Budgets—Drill.....	525
Budget Reports—Drill.....	527
Budgets—Do.....	528
Budget Reports—Do.....	533
Sales Tax—Read.....	534
Sales Tax Liability Report—Drill.....	535
Pay Sales Taxes—Drill.....	535
Sales Tax Liability Report—Do.....	537
Pay Sales Tax—Do.....	538
Sales Tax Payment Work Around—Do (Optional).....	541
Credit Card Reconciliation—Drill.....	542
Bank Reconciliation—Read.....	547

Reconcile Checking—Do	547
Bank Statement Information	548
Begin Reconciliation	548
Mark Cleared Transactions	550
Adjusting Entries—Bank Reconciliation	551
Reconciliation Report.	553
View Checking Account Register—Do	554
Closing Entries—Read	555
Close Drawing—Do.....	556
Balance Sheet—Drill	556
Transfer Net Income—Drill.....	557
Close the Books—Drill	558
Edit Closed Period Transaction—Drill.....	559
Additional Transactions—Do	560
Profit and Loss—Do.....	562
Balance Sheet—Do.....	562
Budget vs Actuals Report—Do	564
Journal—Do	564
Trial Balance—Do	565
Summary.....	566
End-of-Chapter Questions.....	567
Chapter 8 Checklist	570

Chapter 9—Payroll

Payroll	571
Training Tutorial and Procedures	572
Dates	573
Important Note	573
Activate Payroll—Drill.....	573
Pay Employees—Drill.....	575
Preview and Edit Paycheck—Drill.....	576
Submit Payroll and Print—Drill.....	579
Payroll Reports—Drill.....	582
Pay Taxes—Drill	584
Edit an Employee—Drill	586
Add New Employee—Drill.....	589
Pay Payroll, Edit, and Delete Paycheck—Drill	592
Terminate Active Employee—Drill.....	594
Reinstate Inactive Employee—Drill	594
Employee Details Report—Drill.....	595
Pay Contractors—Drill	596
Add a Contractor—Drill.....	598
Payroll Settings—Drill	599
Payroll and Services	600
Payroll.....	600
Taxes	603
Electronic Services	604
Company and Account.....	604
Business Information	604
Preferences	605
Employees	608
Overview	608
Additional Transactions	609
Summary.....	609
End-of-Chapter Questions.....	611
Chapter 9 Checklist	614

Appendix A: Create a Company Using QuickBooks Desktop

Download QuickBooks Desktop File for Company Import.....	616
Apply for QuickBooks Online Plus Educational Trial Version—Do.....	618
Activate QuickBooks Online Plus Educational Trial Version—Read	620
Activate QuickBooks Online Plus Educational Trial Version—Do	620
Import Data from QuickBooks Desktop	622
Download QuickBooks Desktop Free Trial—Optional	623
Open and Update QuickBooks Desktop	628
Open and Export Your Name’s Beach Barkers.....	629
Account and Settings	633
Rule for Working in QuickBooks Online Plus.....	637
Customers List.....	637
Edit Customers List	638
Print and/or Export Customers List.....	640
Email Customers List.....	643
Vendors List.....	644
Products and Services List.....	645
Chart of Accounts.....	645
Delete and Rename Accounts	645
Edit Accounts	646

Appendix B: Go Mobile

Download and Install	650
Apple Store.....	650
Google Play	650
Install the App.....	651
Explore.....	651
Customers, Invoices, Sales Receipts, and Payments	652
Add a New Customer	652
View Customer’s Account	653
Create an Invoice.....	653
Prepare a Sales Receipt	656
Receive Payments.....	657
Expenses	659
Reports	660
Profit and Loss	660
Balance Sheet	661

Appendix C: Additional Features

Recurring Transactions.....	663
Create Recurring Transactions.....	663
Complete Recurring Transactions.....	665
List Management	667
Add Users and Access Rights	668
Privacy Button	669
Timesheets and Time Tracking.....	669
Bad Debts	672
Direct Write Off Method for Bad Debts	672
Allowance Method for Bad Debts	674
Attachments.....	676
Cash vs. Accrual Reports	677
Accrual Basis Profit and Loss Report.....	678
Cash Basis Profit and Loss Report	678
Comparison	679

Appendix D: QuickBooks Online Accountant

QuickBooks Online Accountant (QBOA).....	680
Your Practice	680
Your Books	681
Accept Accountant Invitation.....	681
Explore QuickBooks Online Accountant.....	682
Manage Clients.....	682
Access Client's Company File	684
Accountant Tools.....	684
ProAdvisor Membership	685
Technical Support.....	686
Index.....	687

PREFACE

QuickBooks Online Plus: A Complete Course 2019 is a comprehensive instructional learning resource. The text provides training using QuickBooks Online Plus accounting program (for simplicity, the program is referred to as *QuickBooks Online* in the text).

NEW TO THIS EDITION

As is stated throughout the text, QuickBooks Online is frequently changed, updated, and enhanced. Many of these changes are incorporated into the text, while others may or may not be mentioned or explored in much detail because the companies used are fictitious, the dates used are not current, or a variety of other reasons. The new features included in the text are:

- ★ New application and download procedures for the Educational Trial Version of QuickBooks Online
- ★ Use of a new Report Center
- ★ Update of potential change of renaming the Sales Center to Invoices on the Left Navigation bar
- ★ Implement changes to creating a company in QuickBooks Online
- ★ New procedures for customizing invoices, sales receipts, and estimates
- ★ Partial fulfillment of a Purchase Order
- ★ Use of EFT and ACH payments
- ★ Changes to use of Debit and Credit Cards
- ★ New Reconciliation screens and methods
- ★ Preparation of an Audit Log
- ★ New simplified Budget creation
- ★ New way to mark Inventory Items as taxable
- ★ Use of automatic sales tax
- ★ How to override automatic sales tax
- ★ New sales tax payment methods
- ★ Merging List entries
- ★ Add users with different access rights
- ★ New Payroll Center and methods for processing payroll
- ★ Privacy button

QUICKBOOKS COURSE

The text is designed for a one-term course in microcomputer accounting. It covers using QuickBooks Online Plus for a business that sells both services and inventory items/products. After creating a company, students record transactions, prepare reports, receive payments, order and pay for merchandise, provide sales discounts, collect and pay sales taxes, and more for a full business cycle. When using the text, students should be familiar with the accounting cycle and how it is related to a business. No prior knowledge of or experience with computers, Windows, or

QuickBooks Online Plus is required; however, an understanding of accounting is essential to successful completion of the coursework.

SOLVING TEACHING AND LEARNING CHALLENGES

This text's approach is learner-centric. Emphasis is placed on the use of QuickBooks Online Plus's innovative approach to recording accounting transactions based on a business form rather than the use of the traditional journal format. This approach, however, is correlated to traditional accounting by recording adjusting entries, completing end-of-period procedures, and using the "behind the scenes" Journal. QuickBooks Online is cloud-based and allows students to access QuickBooks Online Plus from any computer with a Web browser. The text uses a tutorial-style training method to guide the students in the use of QuickBooks Online in a step-by-step manner and is designed to help students transition from training to using QuickBooks Online Plus in an actual business.

The text provides:

- ★ Comprehensive exploration of QuickBooks Online Plus
- ★ Instructions for applying and activating a one-year Educational Trial Version of QuickBooks Online Plus
- ★ Reinforcement of accounting concepts
- ★ Opportunity to work in a cloud-based environment
- ★ Creation of a company for use in QuickBooks Online
- ★ Introduction to and a thorough exploration and use of many features of QuickBooks Online
- ★ Experience in recording transactions for services and inventory items/products
- ★ Exploration of error correction and resulting ramifications
- ★ Transactions ranging from simple to complex that simulate real-world occurrences
- ★ Business forms and reports are prepared, customized, and printed, emailed, and/or exported to Excel
- ★ Instructions are provided for inviting your accountant to work with your QuickBooks Online Company
- ★ Details regarding a subscription and use of QuickBooks Online Accountant are provided
- ★ Alternate method of creating a company by importing a QuickBooks Desktop company file is included
- ★ Appendices contain information regarding QuickBooks Online Mobile, Recurrent Transactions, Time Tracking, and Attachments, among others
- ★ Opportunity to customize forms, settings, and reports
- ★ Screenshots used liberally to show:
 - QuickBooks Online screens
 - Completed transactions
 - Reports
- ★ Extensive assignment material including:
 - **Drill** using Intuit's Test Drive Company
 - **Do** using the company created in Chapter 2
 - Additional transactions near the end of each chapter for reinforcement
 - End-of-chapter questions (true/false, multiple-choice, fill-in, and computer assignment)

Educational Trial Version

When using the text, students are eligible to sign up on www.intuit.com/partners/education-program for a one-year Educational Trial Version of QuickBooks Online Plus for no charge. As students work in the text, they practice entries and explore QuickBooks Online Plus using the Intuit Test Drive Company. After completing a drill, students then use the company they create in Chapter 2, Your Name's Beach Barkers, to enter transactions, prepare reports, and analyze data. At the end of each chapter, there are additional transactions that students complete without step-by-step instructions.

ORGANIZATIONAL FEATURES OVERVIEW

This title is designed to present accounting concepts and their relationship to *QuickBooks Online Plus* while providing extensive training on how to use the program. Within each chapter, accounting concepts and QuickBooks Online procedures are introduced and reinforced by completing a DRILL section for practice using a sample company. Then, students complete a DO section where they enter similar transactions in a company they create and use throughout the course. The transactions for both Drill and Do sections will be presented in a Memo box. The students will analyze the transactions just as they would in an accounting concepts course. After that, they are guided through the entry of the first transaction in a step-by-step manner. Screenshots of the corresponding areas used in QuickBooks Online are included. After a transaction entry is completed, a screenshot of the solution is shown. After the initial transaction, other transactions with more involved or complicated procedures will be shown. Finally, there will be transactions that will be completed without step-by-step instructions. At the end of each chapter, the student's company will be used to complete the Additional Transactions section of the chapter. Additional Transactions do not provide step-by-step instructions or show screenshots.

While completing each chapter, students will:

- ★ Learn underlying accounting concepts
- ★ Receive hands-on training using QuickBooks Online Plus
- ★ Analyze and record transactions for a business that sells both services and products

The following chart provides more information regarding the organization of the text:

AREA OF ORGANIZATION	ORGANIZATION FEATURES
Text	<ul style="list-style-type: none"> • Divided into Chapters covering <ul style="list-style-type: none"> ▪ Chapter 1—Introduction to QuickBooks Online Plus ▪ Chapter 2—Create a Company ▪ Chapter 3—Sales and Receivables: Service Items ▪ Chapter 4—Payables and Purchases: Service Items ▪ Chapter 5—General Accounting and End-of-Period Procedures ▪ Chapter 6—Sales and Receivables: Products/Inventory and Service Items, Sales Tax, and Discounts ▪ Chapter 7—Payables and Purchases: Inventory, Bills, Payments, and Discounts ▪ Chapter 8—General Accounting, Inventory Adjustments, Pay Sales Taxes, Budgets, and End-of-Period Procedures

	<ul style="list-style-type: none"> ▪ Chapter 9—Payroll ▪ Appendix A—Create a Company Using QuickBooks Desktop ▪ Appendix B—Go Mobile ▪ Appendix C—Additional Features ▪ Appendix D—QuickBooks Online Accountant
Chapters	<ul style="list-style-type: none"> • The Intuit Test Drive Company is used to drill, practice, and explore transaction analysis and entry within each chapter • In Chapter 2 students use their subscription to QuickBooks Online Plus and create a company that will be used throughout the text to enter transactions. The company will be used through a full business cycle and will sell both services and inventory items • End-of-chapter materials reinforce concepts and applications learned in the chapter and include: <ul style="list-style-type: none"> ▪ Additional Transactions ▪ True/False questions ▪ Multiple-Choice questions ▪ Fill-in questions ▪ Computer assignment questions

DEVELOPING EMPLOYABILITY SKILLS

Many studies have been done that identify requirements for job skills in business. These include critical thinking, problem solving, oral and written communications, professionalism and work ethics, teamwork and collaboration, self-management/initiative and mindset, creative thinking, information/technology application, leadership, and social responsibility.

If you're not an accounting major, you may be thinking that this course or these job skills are not relevant to you. Let me assure you that they are. Whether or not you plan on a career in accounting or bookkeeping, the concepts, procedures, and job skills you learn and apply in this course will help you in business and/or in life. Moreover, it is only through the aggregate of your educational experience that you will have the opportunity to develop many of the skills that employers have identified as critical to success in the workplace. In this course and, specifically in this text, you will have the opportunity to develop job skills while training to use QuickBooks Online Plus to keep the financial records of companies. You will analyze business transactions, track and record daily transactions, manage sales and expenses, prepare and analyze financial reports, understand the process of using computerized accounting versus pencil and paper accounting and bookkeeping, and find and correct errors, among others. When using this text, students use the QuickBooks Online Plus program to facilitate learning important business practices, analysis, organization, and others. These skills are used in businesses large and small and are universal in scope.

RESOURCES

There are a lot of resources available for both student and instructor use. Pearson Education maintains a web site where student and instructor materials may be downloaded for course use at www.Pearsonhighered.com/horne. The web site contains the Student Download Page and Instructor Resources.

Student Download Page

The Student Download Page contains student materials that may be downloaded from the Pearson web site and used in conjunction with the textbook.

SUPPLEMENT	FEATURES OF THE SUPPLEMENT
Data Files	<ul style="list-style-type: none"> • Updates and Errata Data files <ul style="list-style-type: none"> ▪ Update files contain new program features and changes ▪ Errata contain corrections for text errors ▪ Update and Errata materials may be contained within the same document or may be separate • Excel Import files <ul style="list-style-type: none"> ▪ Used to import company data to create a company in Chapter 2 • Logos for Your Name's Beach Barkers and Shape Up <ul style="list-style-type: none"> ▪ Beach Barkers Logo is used in Chapter 6 ▪ Shape Up Logo is used in the Chapter 6 computer exam and in the Practice Set • Bonus Practice Set <ul style="list-style-type: none"> ▪ A PDF of the comprehensive Practice Set ▪ Excel Import Files used to create the company, Your Name's Shape Up, for the Practice Set

Instructor Resources

At the Instructor Resource Center, www.Pearsonhighered.com/irc, instructors can easily register to gain access to a variety of instructor resources available with this text in downloadable format. This program comes with the following teaching resources:

SUPPLEMENT	FEATURES OF THE SUPPLEMENT
Data & Solution Files	<ul style="list-style-type: none"> • QuickBooks Desktop Company files for Chapters 1, 2, 3, 4, and 5 <ul style="list-style-type: none"> ▪ These files may be used within the first 60 days after program activation ▪ Used to create a QBO company with correct chapter data

Instructor's Resource Manual	<ul style="list-style-type: none"> • Instructor's Manual <ul style="list-style-type: none"> ▪ Assignment Sheets ▪ IM Preface for Instructors ▪ IM Table of Contents ▪ Teaching suggestions ▪ Classroom Procedures for Instructors ▪ Full-Term and Short-Term Assignment Sheet ▪ QBO Accountant Enrollment Procedures • Practice Set contains materials for the bonus comprehensive practice set <ul style="list-style-type: none"> ▪ Excel Import Files for practice set company creation ▪ QuickBooks Desktop Import File for practice set company creation ▪ Practice Set—Word and PDF documents ▪ Practice Set Suggestions and Information
Instructor's Solutions Manual	<ul style="list-style-type: none"> • Checklist answer key for each chapter • End of Chapter Questions answer key • Excel Reports <ul style="list-style-type: none"> ▪ All reports printed within each chapter are available as Excel files • Excel Reports for corrections <ul style="list-style-type: none"> ▪ Additional unassigned reports for each chapter containing information that may be helpful for corrections • Practice Set Solutions • Adobe (.pdf) files for all printouts prepared in text are available in three ways: <ul style="list-style-type: none"> ▪ Each PDF file as an independent document in folders for each chapter ▪ A single PDF document for each chapter in the text ▪ One document containing all the PDF printouts for the entire text
PowerPoint Presentations	<ul style="list-style-type: none"> • Slides include screenshots, graphs, and tables in the textbook. • Notes for each chapter • PowerPoints meet accessibility standards for students with disabilities. Features include, but are not limited to: <ul style="list-style-type: none"> ▪ Keyboard and screen reader access ▪ Alternative text for images ▪ High color contrast between background and foreground colors
Test Bank	<ul style="list-style-type: none"> • Written exams and keys for <ul style="list-style-type: none"> ▪ Every chapter in text ▪ Final exam • Computer exams and solutions <ul style="list-style-type: none"> ▪ Exam for each chapter ▪ Exam for practice set

Updates and Errata

- Updates and Errata
 - Update files contain new QBO features and program changes
 - Errata contain corrections for text errors
 - Update and Errata may be contained within the same document or may be separate documents

QuickBooks Online Resources

Intuit provides many resources for program users. Information for assistance may be found in QuickBooks Online Help within the program or you may search for information and tutorials online. Other resources may be obtained by clicking one of the links in the table below.

To get help with QuickBooks Online, go to:

Tutorials: <https://quickbooks.intuit.com/tutorials/>

Help Community: <https://quickbooks.intuit.com/community/Help-articles/ct-p/help-articles-us?label=QuickBooks%20Online>

If you need additional assistance, you may email Education@intuit.com

Program Updates

QuickBooks Online is constantly evolving with the addition of new features, apps, and procedures that change frequently. Everything in the text is correct at the time of this writing; however, by the time of publication some changes to the program may occur. With the dynamic platform of cloud-based software, changes to the program may occur at any time. QuickBooks Online Plus may be updated at approximately six-week intervals. While most changes do not significantly affect the use of QuickBooks Online, changes that need further explanation will be addressed in Update Documents posted on the www.Pearsonhighered.com/horne web page.

To view Intuit information about changes to the QuickBooks Online program, visit the blog at: <https://quickbooks.intuit.com/blog/whats-new/>. To obtain more in-depth information about the program changes, click on the articles shown and you will be taken to documents that describe them in more detail.

In addition, Intuit has a practice of introducing new program features to different groups of users at different times. It is highly possible that several students will be selected at random by Intuit to use the new features and others will not. So, if a student's screen suddenly does not match the text, new features may have been added to QuickBooks Online. If the student's screen does not match the other students' screens, know that the student may have been selected to test new features. Whenever possible, program changes are incorporated into the text, but some changes will not be able to be included until the next edition.



To see UPDATE documents showing information about new features and program changes, go to www.Pearsonhighered.com/horne and click on the Student Download Page at the beginning of each chapter.

Errata, Updates, and Instructor Comments

While I strive to write an error-free textbook, it is inevitable that some errors will occur. As I become aware of any errors, they will be posted in the Instructor's Resource Center on the Pearson Web site at **www.Pearsonhighered.com/horne**. Once the errata document is posted, instructors should feel free to share that information with their students and to check back periodically to see if any new items or documents have been added. If you or your students discover an error, or have suggestions and/or concerns, I would appreciate it if you would contact me and let me know what they are. My email address for instructors is also shown in the Instructor's Resource Manual.

In addition, because of the frequent changes to QuickBooks Online Plus, update documents will be prepared and posted periodically to help you navigate through the changes in the program. Again, do not hesitate to contact me regarding changes to the program.

ACKNOWLEDGMENTS

I wish to thank my colleagues for testing and reviewing the manuscript, the professors who use the text and share their thoughts and suggestions with me, and students for providing me with a special insight into problems encountered in training. All your comments and suggestions are greatly appreciated. A special thank you goes to Cheryl Bartlett for her proofreading, accuracy check, comments, and assistance. In addition, I would like to thank Neeraj Bhalla, Sugandh Juneja, Shweta Jain, Kelly Murphy, and the production team at Pearson Education for their editorial support and assistance.

JANET HORNE

Janet Horne received her Master of Science in Business Administration and Bachelor of Science in Business Education from California State University, Long Beach and has spent her educational career teaching business and computer applications courses. Most of her teaching career has been at Los Angeles Pierce College. Where, in addition to being a full-time professor, she was the Computer Applications and Office Technologies Department Chairperson, served on many committees, and developed new courses and education programs. Janet has been a presenter at many educational meetings and seminars and has been involved with a variety of professional organizations.

Janet's quest to find a textbook to use in teaching QuickBooks led her to write one of the first texts for QuickBooks Desktop. As technologies change, it is important to work within the new technological environments. With over 2.55 million users of QuickBooks Online¹ as of October 31, 2018, Janet feels it is important to have students use cloud-based accounting software and has written *QuickBooks Online Plus: A Complete Course 2019* for that purpose. Other textbooks by Janet Horne include several editions of *QuickBooks Desktop: A Complete Course* (uses QuickBooks Desktop Accountant software), *QuickBooks Pro: Simplified*, *QuickBooks Pro: An Introduction*, *Peachtree Complete Accounting*, *Getting Started with QuickBooks Pro*, and *Computerized Accounting with CA-Simply Accounting*. Janet is also the author of *Runners Corporation* and *A-1 Photography* accounting practice sets.

¹ Article at <https://intuitblog.com/investors/intuit-first-quarter-revenue-increased-14-percent/>

This page intentionally left blank

INTRODUCTION TO QUICKBOOKS ONLINE PLUS



1

LEARNING OBJECTIVES

At the completion of this chapter, you will be able to:

- 1.01. Explain the differences between manual and computerized accounting.
- 1.02. Have knowledge of the versions of QuickBooks that are available.
- 1.03. Understand the definition of Cloud-Based Computing.
- 1.04. Understand system requirements for QuickBooks Online Plus.
- 1.05. Know the operating systems and browsers used by QuickBooks Online Plus.
- 1.06. Realize that QuickBooks Online Plus continues to evolve and change.
- 1.07. Recognize the Drill and Do buttons as instructions to complete a task in training.
- 1.08. Be able to identify that the Drill button is used whenever working in the Test Drive Company.
- 1.09. Understand the importance of dates.
- 1.10. Create a Gmail Account for use in the course, if needed.
- 1.11. Apply for the Educational Version of QuickBooks Online Plus.
- 1.12. Activate the Educational Version of QuickBooks Online Plus and create the company Your Name's Beach Barkers.
- 1.13. Open QuickBooks Online Plus Test Drive Company.
- 1.14. Identify areas of the QuickBooks Online Plus Home Page.
- 1.15. Explore and practice QuickBooks Online Plus features using the Test Drive Company.
- 1.16. Know how to use the Top-Navigation bar. Including Create, Search, View Recent Transactions, Gear icon, and Use Help.
- 1.17. Know how to use the Left-Navigation bar to access centers. Including Dashboard, Banking, Sales (or Invoices), Expenses, Workers, Reports, Taxes, Accounting, and My Accounting.
- 1.18. Explore the subsections in each of the centers in QuickBooks Online Plus.
- 1.19. Use Keyboard Shortcuts.
- 1.20. Be able to exit QuickBooks Online Plus and the Test Drive Company.

MANUAL AND COMPUTERIZED ACCOUNTING

The work performed to keep the books for a business is the same whether you use manual or computerized accounting. Transactions need to be analyzed, recorded in a journal, and posted to a ledger. Business documents such as invoices, checks, bank deposits, and credit/debit memos need to be prepared and distributed. Reports to management and owners for information and decision-making purposes need to be prepared. Records for one business period need to be closed before recording transactions for the next business period.

In a manual system, each transaction that is analyzed must be entered by hand into the appropriate journal (the book of original entry where all transactions are recorded) and posted to the appropriate ledger (the book of final entry that contains records for all the accounts used in the business). A separate business document such as an invoice or a check must be prepared and

distributed. In order to prepare a report, the accountant or bookkeeper must go through the journal or ledger and look for the appropriate amounts to include in the report. Closing the books must be done item by item via closing entries that are recorded in the journal and posted to the appropriate ledger accounts. After the closing entries are recorded, the ledger accounts must be ruled and balance sheet accounts must be reopened with Brought Forward Balances being entered.

When using a computerized system and a program such as QuickBooks Online Plus, the transactions must still be analyzed and recorded. Rather than using journals for original entry, QuickBooks Online Plus operates from a business document point of view. As a transaction occurs, the necessary business document (an invoice or a check, for example) is prepared. Based on the information in the business document, QuickBooks Online Plus records the transaction in the account register and enters the necessary debits and credits in the Journal. If an error is made when entering a transaction, QuickBooks Online Plus allows the user to access the business document, account register, or journal to return to the business document and make the correction. Reports are prepared with a click of the mouse.

DEVELOPING SKILLS FOR YOUR CAREER

If you're not an accounting major, you may be thinking that this course and the job skills you will learn are not relevant to you. Please be assured that they are. Whether or not you plan on a career in accounting or bookkeeping, the concepts, procedures, and job skills you learn and apply in this course will help you in business and/or in your life. Moreover, it is only through the aggregate of your educational experience that you will have the opportunity to develop many of the skills that employers have identified as critical to success in the workplace. In this course, and specifically in this text you'll have the opportunity to develop job skills and practice using QuickBooks Online to keep the financial records of companies. You will analyze business transactions, prepare and analyze financial reports, understand the process of using computerized accounting versus pencil and paper accounting and bookkeeping, and find and correct errors, among others. Because learning about and using QuickBooks Online has so many job skills incorporated into the training, the text will not point out each individual skill.

IMPORTANT NOTE

QuickBooks Online is constantly evolving with the addition of new features, apps, and procedures that change frequently. Everything in the text is correct at the time of this writing; however, by the time of publication some changes to the program may occur. With the dynamic platform of cloud-based software, changes to the program may occur at any time. QuickBooks Online Plus may be updated at approximately six-week intervals. While most changes do not significantly affect the use of QuickBooks Online, changes that need further explanation will be addressed in Update Documents posted on the Pearson Higher Ed web page. In addition, Intuit has a practice of introducing new program features in different groups of users at different times. It is highly possible that several students will be selected at random by Intuit to use the new features and others will not. So, if your screen suddenly does not match the text new features may have been added to QuickBooks Online. If your screen does not match the other students' screens, know that you have been selected to test new features. When using QBO, you may also download and use Apps. Apps are programs that are designed to integrate and work with QuickBooks Online. Some Apps are free while others require a payment. As a result, Apps are not included in the text. Whenever possible, program changes are incorporated into the text but some changes will not be able to be included until the next edition.



STUDENTS: To see UPDATE documents showing information about new features and program changes, go to www.Pearsonhighered.com/horne and click on the Student Download Page at the beginning of each chapter.

VERSIONS OF QUICKBOOKS

This text uses QuickBooks Online Plus. For training purposes, the program name will be shown as QuickBooks Online or QBO. Other versions of QuickBooks Online and QuickBooks Desktop software are available. It is important to know about them, so you can make an informed decision regarding your software purchase/subscription when you are finished with the class and your educational trial version expires. QuickBooks accounting software is divided into two categories: Online and Desktop. The following information describes the features available for each of the software programs and provides the retail prices at the time of this writing. All prices are subject to change and may not match the amounts shown in the text.

QuickBooks Online

Four versions of the software are offered for a monthly subscription rate. Each of the QuickBooks Online programs includes different levels of features. All of the programs use an online account, provide automatic data backup, and provide bank-level security and encryption.

Self-Employed is designed for small Schedule C businesses and allows access for one user (the owner) and for one accountant. The program is used to track income and expenses. It can separate business from personal spending, calculate estimated quarterly taxes, track mileage, and classify expenses by Schedule C categories. In addition, invoices can be sent from your smartphone, online payments can be enabled, and transactions from bank, credit card, PayPal, and Square accounts can be downloaded. Limited reporting is available. At the time of this writing the subscription rate is \$10.00 per month. You may also bundle the program with TurboTax, which includes automatic calculation and online payment of quarterly estimated taxes, exporting Schedule C to TurboTax, and one federal and one state tax return filing for \$17.00 per month.

Simple Start is a more comprehensive software package than Self-Employed. Full-user access is allowed for one person. Up to two accountants may be added as users for no additional charge. You may track income and expenses, securely import transactions from your bank, credit cards, PayPal, and Square accounts. capture and organize receipts, automatically sort transactions into tax categories, and link expense receipts to transactions. You may process unlimited invoices and estimates, charge sales tax, print checks, record transactions, import data from QuickBooks Desktop, import and export lists to/from Excel, access your data and/or snap photos of receipts from a smartphone or tablet. Data is automatically backed up in the Cloud and strong bank-level security measures are in place. The program includes the ability to integrate with available applications and QuickBooks Point of Sale. Several standard reports may be prepared and/or customized. At the time of this writing, the subscription rate is \$20.00 per month. Payroll services may be added for an additional monthly fee.

Essentials Includes everything from Simple Start but adds the capability to have access for three users with permission controls (can setup users and limit access to certain areas of the company or you may allow full access to everything). Includes payables—vendors, bills, payments, and scheduled payments. Time tracking may be used to track billable hours by client or employee. Setup invoices to automatically bill on a recurring schedule, compare sales profitability with industry trends, and enable delayed charges and credits. Several standard reports may be prepared and/or customized. At the time of this writing, the subscription rate is \$35.00 per month. Payroll services may be added for an additional monthly fee.

Plus (This is the program you will use for this course.) The program includes everything from Simple Start and Essentials but adds the capability to have access for five users with permission controls (may have up to 25 users total for additional fees). Maintain and track inventory using FIFO (First-in First-out), create and send purchase orders, prepare estimates, create budgets, use class tracking to categorize income and expenses, and track sales and profitability for each location. Projects may be setup and tracked to determine the income, expenses, and payments for each project. Non-billable time for each project may also be tracked. Employees and subcontractors may have limited access to enter time worked (time-tracking). Many reports may be prepared and/or customized. At the time of this writing, the subscription rate is \$60.00 per month. Payroll services may be added for an additional monthly fee.

Advanced Includes all the features from Simple Start, Essentials, and Plus but adds the capability to have ten users, use Smart reporting powered by Fathom, import invoices, customize user permissions, use a dedicated customer success manager to connect you with needed resources, go to the front of the customer support line with Priority Care so that issues are resolved quickly, and complete five online classes to train your team. At the time of this writing, the subscription rate is \$150.00 per month. Payroll services may be added for an additional monthly fee.

Additional Subscriptions for QuickBooks Online

QuickBooks Online has a large variety of extras available that may be added to the program. Some of the most important and widely-used subscriptions are for payroll and online payment processing. In addition, QuickBooks Online works with a wide variety of Apps, which are small programs that integrate and work with QuickBooks.

Payroll is an additional subscription that is used to pay W-2 employees and file payroll taxes. It may be added to any of the QuickBooks Online versions. At the time of this writing, Self Service Payroll or Full Service Payroll may be purchased as a standalone program or may be bundled with either QuickBooks Online Simple Start, Essentials, or Plus for an additional fee per month.

Self-Service Payroll integrates with QuickBooks and has 24-hour direct deposit. You enter employees' hours and QuickBooks automatically calculates the taxes on every paycheck. It monitors and updates federal, state, and local taxes. Employees can view pay stubs and W-2's anytime using the employee portal. Provides payroll tax forms that you may complete and reminds you when payroll tax forms are due. At the time of this writing, the subscription rate is \$39.00 per month plus \$2.00 per employee per month. Or, you may purchase Self-Service Payroll with QuickBooks for \$59 per month plus \$2.00 per employee per month. QuickBooks Plus and Self-Service Payroll is \$99 per month plus \$2.00 per employee per month.

Full-Service Payroll includes all the features of Self-Service Payroll. In addition, the program allows previous payroll data to be added to QuickBooks, completes and files payroll taxes, has a guarantee of no tax penalties, completes payroll setup, and includes end of year payroll forms. At the time of this writing, the subscription rate is \$99.00 per month plus \$2.00 per employee per month. Or, you may purchase Full Service Payroll with QuickBooks for \$119 per month plus \$2.00 per employee per month. QuickBooks Plus and Full Service Payroll is \$150 per month plus \$2.00 per employee per month.

Payment Processing is used to email invoices with a Pay Now link directly from QuickBooks Online and Desktop programs. With the Pay Now link, you can accept ACH bank transfers and all major credit cards. As soon as an invoice is paid, QuickBooks auto-deposits the payment and

updates your books automatically. At the time of this writing, there are several types of plans available. QuickBooks Online has Pay as you go or monthly subscription plans. With Pay as you go, you pay per transaction for \$0.00 per month and transaction fees of Card eInvoice (customer makes an online payment for an invoice using a credit card) 2.9% + 25¢, Card Keyed 3.1% + 25¢, and ACH (bank transfers) Free. With the monthly subscription, you pay \$16.00 per month and transaction rates of Card eInvoice 2.75% + 25¢, Card Keyed 2.9% + .25¢, and ACH (bank transfers) free.

QuickBooks Online Accountant

QuickBooks Online Accountant is a portal for accountants to use for central access to clients' QuickBooks Online companies. Accountants may work with clients using any of the QuickBooks Online programs. It has features for managing the accountant's practice and books, as well as special accountant-only tools that may be used inside clients' QuickBooks Online companies. There is a special navigation bar that provides access to Your Practice (Clients, Team, and ProAdvisor) and Your Books (the accounting firm's company file). When an accountant has been added as a user to a client's company, the accountant can access the company, make corrections, reclassify transactions, write off invoices, and prepare reports. As an accountant, you may offer your clients discounted QuickBooks Online subscriptions. At the time of this writing, a 180-day subscription is valid for accounting professionals only. After that time, an accountant will automatically maintain full access to QuickBooks Accountant Online for free if an active ProAdvisor membership or at least one current QuickBooks Online client is maintained.

QuickBooks Desktop

There are six desktop versions available. Essentially all of the programs include many of the same capabilities and are complete accounting programs that enable a company to create invoices, track sales and expenses, manage accounts payable, prepare sales and tax reports, automatically download bank transactions, calculate and rebill job costs, calculate discounts by customer/vendor, prepare purchase orders, manage and track inventory using the average cost method, track bounced checks, and many other capabilities. In addition, you may use Income Tracker and Bill Tracker to monitor the income and outflow of your money, Insights on the Homepage to get the full picture of your business performance, and Company Snapshots to get a real-time view of your business. Use automated reports, an improved Smart search, and view report filters. Accountant Collaboration Tools are available for use when working with your accountant.

Pro includes more than 100 reports and allows three users. At the time of this writing, the program may be purchased for a special price of \$299.95 for a one-time payment.

Pro Plus contains all the features of QuickBooks Pro and adds unlimited customer support, automatic data back-up and recovery, and easy software updates and upgrades. At the time of this writing, a subscription is available for \$299.95 per year.

Premier includes more than 150 industry specific reports and contains everything that is in Pro as well as industry-specific features. From Premier you may toggle to another edition of QuickBooks including Accountant, Contractor, Manufacturing & Wholesale, Nonprofit, Professional Services, Retail, and Pro. You may track costs for products and inventory and set product and service prices by customer type. You may have up to five users for no additional charge. At the time of this writing, you may purchase the program for a one-time payment of \$499.95.

Premier Pro contains all the features offered in Premier. You may select an annual subscription and pay \$499.95 per year. This annual subscription includes unlimited support, automatic data backup, and software updates and upgrades.

Enterprise contains all the features included in Premier but is designed for a larger business. You can track six times more customers, vendors, inventory items, and employees than with QuickBooks Premier. Enterprise Solutions accepts payments, tracks inventory, and runs many more reports than other versions of QuickBooks. Depending on the level of Enterprise you select, you may have from one to thirty users. The features included vary based on the level of Enterprise selected and may include Enhanced Payroll, which is used to file payroll taxes, pay employees, and prepare W-2s; Advanced Inventory, which allows you to reorder quickly; use pick, pack, and ship functionality; FIFO Costing; barcode scanning; bin location tracking; Advanced Pricing, which enables you to provide quantity discounts, manufacturer markdowns, promotional rates, and price changes by class; and Advanced Reporting, which allows you to access all your QuickBooks data to create any report needed, consolidate reports from multiple company files, and create custom reports. Online backup and data protection are included for all levels of Enterprise. Cloud hosting is available for a fee. At the time of this writing, there are three subscription levels available Silver, Gold, and Platinum. Pricing is based on the number of users (up to 30). The costs for one user are: Silver \$1,100.00 per year. Bundled with Online Web Hosting the cost is \$136.00 per month. Gold \$1,430.00 per year. Bundled with Online Web Hosting the cost is \$163.00 per month. (Gold level includes a more powerful functionality to pay and file taxes, pay employees, and streamline payroll with QuickBooks Enhanced Payroll); and Platinum \$1,760.00 per year. Bundled with Online Web Hosting the cost is \$191.00 per month. (Platinum includes everything in Gold along with valuable tools for manufacturers, wholesalers, contractors, retailers, advanced inventory, and advanced pricing).

Mac was developed for Mac users. The program enables you to use your Apple Mac computer and helps you maximize tax deductions; organize expenses; track business performance; and prepare one-click financial, sales, and tax reports. The cost is a one-time payment of \$299.95.

Additional Subscriptions for QuickBooks Desktop

QuickBooks Desktop has a large variety of extras available that may be added to the program. Some of the most important and widely-used subscriptions are for payroll and payment processing. In addition, QuickBooks works with a wide variety of Apps, which are small programs that integrate and work with QuickBooks.

Basic Payroll integrates with QuickBooks, enter hours to process paychecks, pay by check or direct deposit, free expert support. At the time of this writing, the subscription rate is \$30.00 per month plus \$4.00 per employee per month.

Enhanced Payroll integrates with QuickBooks, includes everything in Basic Payroll plus pays and files taxes and W-2s electronically at the end of the year, includes payroll tax forms. At the time of this writing, the subscription rate is \$45.00 per month plus \$4.00 per employee per month.

Full-Service Payroll includes all the features of Enhanced Payroll. In addition, the program allows previous payroll data to be added to QuickBooks, completes and files payroll taxes, has a guarantee of no tax penalties, completes payroll setup, and includes end of year payroll forms. At the time of this writing, the subscription rate is \$109.00 per month plus \$4.00 per employee per month.

Payment Processing is used to email invoices with a Pay Now link directly from QuickBooks Online and Desktop programs. With the Pay Now link, you can accept ACH bank transfers and all major credit cards. As soon as an invoice is paid, QuickBooks auto-deposits the payment and updates your books automatically. At the time of this writing, QuickBooks Desktop has Pay as you go or Pay monthly plans available. With Pay as you go, you pay per transaction for \$0.00 per month and transaction fees of Card Swiped 2.2% + 25¢, Card eInvoice 3.1% + 25¢, Card Keyed 3.1% + 25¢, and ACH (bank transfers) \$1.00. With the monthly subscription, you pay \$16.00 per month and transaction rates of Card Swiped 1.5% + 25¢, Card eInvoice 2.9% + 25¢, Card Keyed 2.9% + .25¢, and ACH (bank transfers) \$1.00.

Point of Sale (POS) syncs with QuickBooks and transfers all POS information directly into QuickBooks. This includes sales receipts and employee time, acceptance and processing of credit card, debit card, PayPal, Apple Pay, and cash payments. In addition, use QuickBooks POS dashboard on any connected device to see real time sales, inventory, and customer data. The POS system uses a variety of input/output methods; including: Barcode Scanner, PIN Pad, printer, Microsoft Surface Pro, or manual entry of sales items. Use of Point of Sale requires enrollment and acceptance in a QuickBooks Payment Account and a Merchant Service Account. At the time of this writing, there are three POS plans available: Pay as you go \$0.00 monthly, \$0.00 per transaction, Swipe/Dip 2.7%, Keyed 3.5%, Swipe/Dip with PIN 1%; Monthly \$19.95 per month, Swipe/Dip 2.3% plus 25¢, Keyed 3.2% + 25¢, Swipe/Dip with PIN 1% + 25¢; and Custom (no pricing available).

QuickBooks Desktop for Accountants

QuickBooks Accountant Desktop Plus contains everything that is in the Premier version of QuickBooks Desktop. The program includes free features and improvements updates, allows the use of a Working Trial Balance, enables access to all QuickBooks editions. The included Fixed Asset Manager allows tracking of the acquisition, depreciation, and disposal of fixed assets. There is an Accountant menu that provides access to the Accountant Center; Chart of Accounts; Fixed Asset Item List; Batch Enter; Delete and Void transactions; Client Data Review (allows the accountant to reclassify transactions, write-off multiple invoices, fix incorrect sales tax payments, troubleshoot inventory issues, identify list item changes, view changes to account balances, match unapplied vendor and customer payments/credits, and clear up the Undeposited Funds account). The accountant may void or delete transactions in bulk, track vendor-related bills, use the Accountant Toolbox, send portable company files, view Insights on the Home Page, view unbilled hours, send multiple reports by email, batch-enter checks, deposits, and/or credit card transactions, allow clients to access Journal entries, send files securely, provide more detail on deleted users, use improved report filters, search for transactions using a range of values, use multi-monitors, merge duplicate vendors, track clients track the status of open invoices, optimize the size of QuickBooks company files, transfer credits across different jobs, and view inactive items in inventory reports. At the time of this writing, the program is available for \$349.00 per year and includes QuickBooks Accountant Desktop program; support, training and certification; and discounts on QuickBooks products. In addition, there is a ProAdvisor Premium Program available that contains everything in the Deluxe program and includes QuickBooks Desktop Enterprise Accountant, QuickBooks Mac Desktop, and QuickBooks Point of Sale Desktop software for \$549.00 per year.

Payroll for Accountants

Online Payroll for Accountants integrates with QuickBooks Desktop, QuickBooks Mac, QuickBooks Online, Quicken, and Sage accounting programs. The program allows you to set your client's level of access based on their level of involvement in payroll. Payroll hours and any special pay items (vacation or overtime) are entered to create paychecks. Direct deposit is included free of charge. Email reminders are sent when it's time to pay taxes. Your clients pay monthly for the program. The pricing depends on how many clients you (the accountant) have. At the time of this writing, the monthly rates range from \$11.00 to \$45.00 per client plus a fee of \$.75 to \$4.00 per employee.

Enhanced Payroll for Accountants is used for after-the-fact payroll. This program enables the accountant to enter payroll data from your clients' paychecks, process federal and state tax forms, and generate reports to uncover business insights. At the time of this writing, the program is \$615.00 per year or \$61.50 monthly plus a fee of \$1.75 per check or direct deposit.

Intuit Full Service Payroll does all the payroll and tax filings for your clients. As the accountant, you are not responsible to provide payroll services because everything is done by Intuit. Rather than have your clients purchase this payroll service from Intuit, you may sell this program directly to your clients. The rate you are charged is \$109.00 per month plus \$4 per employee.

WHAT IS QUICK BOOKS ONLINE PLUS?

The difference between a cloud-based accounting program and a desktop program is essentially where you access and use the program and where you store and access your data. Desktop accounting has the program and data stored on your computer's hard drive. Cloud-based accounting provides program access, use, and storage over the Internet.

Since QuickBooks Online Plus uses the Internet to provide access to and use of the program, no software is downloaded. When using QuickBooks Online Plus, data is recorded, saved, and stored in the Cloud. As a result, USB drives or storage media are not necessary. Cloud storage has data encryption that is extremely secure—think banks, financial institutions, brokerage firms, and TurboTax level security. Because QuickBooks Online Plus is web-based, it may be used in the office or on the go. QuickBooks Online Plus may be used by any device regardless of the operating system. This includes computers, phones, tablets, iPads, etc.

Essentially, QuickBooks Online Plus is a database of tables and fields that organize financial activity so users can utilize the data to communicate with vendors, customers, and others. When transactions have been recorded in QuickBooks Online Plus, you may create reports that show the results of operations, make financial and management decisions based on recorded information, and use information to complete additional forms and documents.

Remember, in the text QuickBooks Online Plus will be referred to as QuickBooks Online or QBO.

QUICKBOOKS ONLINE PLUS SYSTEM REQUIREMENTS

To use QuickBooks Online Plus, an Internet connection is required (high-speed connection recommended). Supported browsers include: Chrome 41 or later, Internet Explorer 10 or later, Firefox 36 or later, and Safari 6.2 or later. QuickBooks Online is also accessible via Chrome on

Android and Safari on iOS 7. The QuickBooks Online mobile app works with the iPhone, iPad, and Android phones and tablets (not all features are available on mobile devices).

OPERATING SYSTEMS AND BROWSERS

All computers use an operating system in conjunction with the software applications. As a cloud-based program, QuickBooks Online Plus may be used on any operating system and may be accessed via any Web browser; however, the preferred browser is Google Chrome. This is used throughout the text.

TRAINING IN QUICKBOOKS ONLINE PLUS

As with a subscription that is purchased, the Educational Trial Version of QuickBooks Online allows you to work with one company only. In addition to the trial version, there is a Test Drive Company that may be used for practice. Therefore, when working through the text, you will have two companies accessible for use during your training: QuickBooks Online Test Drive—Craig's Design & Landscaping Services—and an original company—Your Name's Beach Barkers—that you will create and use beginning in Chapter 2. The QuickBooks Online Test Drive Company will be used to explore the program and to enter transactions for practice. Anything entered into the Test Drive Company is not saved once you exit the Test Drive. Beginning in Chapter 2, once you have practiced the transaction and/or the types of entries in the Test Drive Company, you will access Your Name's Beach Barkers and record and save similar transactions.



DRILL BUTTON: When practicing using the Test Drive Company, transactions to be entered will be marked with the DRILL BUTTON.



DO BUTTON: When entering transactions in the company you create, the transactions will be marked with the DO BUTTON.

In Chapter 1, you will DRILL to explore QuickBooks Online using the Test Drive Company and you will DO to create a Gmail Email account and to request a one-year subscription to the Educational Version of QuickBooks Online Plus. In Chapter 2 you will DO to activate your subscription and to create a company—Your Name's Beach Barkers. Once the company is created in Chapter 2, you will DRILL to enter transactions for practice using the Test Drive Company; and then DO to enter transactions that are saved to your company. As you work through the chapters, you will see side headings specifying DRILL and DO. The headings will be followed by the appropriate button.

DATES

Dates used in training will be specified when you begin to record transactions. The text will show 2019 for the year. However, when working through the text, you should always use the date given and the current year. When using the Test Drive Company, you may find dates displayed that are different from those in the text. The Test Drive Company is programmed to automatically change the transaction dates. During training, it is extremely important to use the date range indicated in the book. If you use the current date, you may not get the same information in your reports as shown in the text.

IF NO SCHOOL EMAIL, CREATE QUICKBOOKS ONLINE EMAIL ACCOUNT—DO

Before you can create a company and use QuickBooks Online, you need to have an email account established that you will use to login to QuickBooks. The email will be your Intuit ID. If you use a different Web browser, go Incognito, use a different computer, or try to work with the mobile app, you will be required to authenticate your access by answering an email sent to your Intuit ID email address. You may use your school email or an email account created for use with this text.

For illustration purposes, an email account using Gmail will be created specifically for the QBO Educational Trial Version. If you have a school email, you may **skip** this section and use your school email instead. If you do not have a school email account, using the Gmail account will require that you submit documentation to verify your enrollment in a class using QuickBooks Online and can take three business days to get approval once you provide the appropriate documentation.

DO



Create a Gmail Account for QuickBooks Online (unless you have a school email account)

Open your Internet browser

- The screenshots and instructions are given for Google Chrome. Internet Explorer will be similar.

There are three ways to access your Web browser:

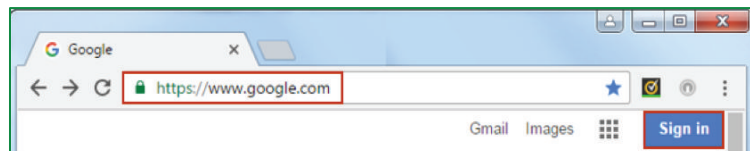
Click the **Start** button, scroll through the list of programs, and click **Google Chrome**

Click the **Chrome** icon on the Taskbar

Click the **Chrome** shortcut on the Desktop

If Google does not show when Chrome is launched, enter www.google.com as the URL, press **Enter**

- The <https://> is inserted automatically.
- The s added to http means that this is a secure site.



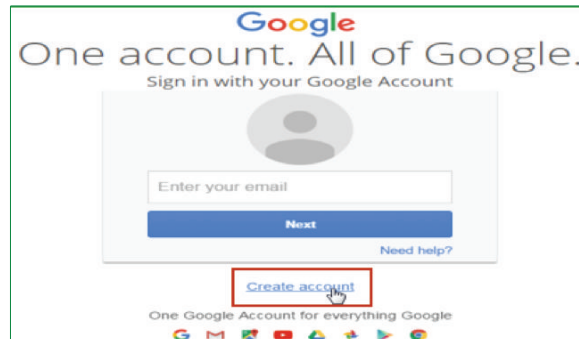
Click the **Sign in** button

- There are several ways to add a Gmail account. In addition, the steps and procedures to be followed are frequently changed by Google. If things are different from what is shown, follow the prompts given on your computer screen, or ask your instructor for assistance.

- If you see **Add Account**, click it.

[Add account](#)

Click **Create Account**



Enter the information required:

Type your actual First Name in the First name text box

Type your actual Last Name in the Last name text box

For Username, enter your new email address:

YourNameTestQBO

- Use your real first and last name. For example, Joe Smith's username would be: JoeSmithTestQBO.
- When using the Educational Trial Version of QuickBooks Online, Intuit would appreciate it if the word "Test" is part of the email address. That will help delineate the Educational Trial Version.

- @gmail.com is automatically entered.

Enter the password that you will use to login to Intuit in the Password text box

- The password should contain at least eight mixed-case letters, a number, and a symbol to be a strong password. An eight-character password with numbers, symbols, and mixed-case letters has 30,000 times as many possible combinations as an eight-character password using lower case letters.

Re-enter your password in the Confirm text box

Click **Next**

- Notice that Google inserts your first name and your new email address on this screen.

Enter your Mobile phone number

Enter a Recovery email address

To enter your Birthday, click the drop-down list arrow for Month

Click on the Month of your birthday

Enter the Day and Year of your birth

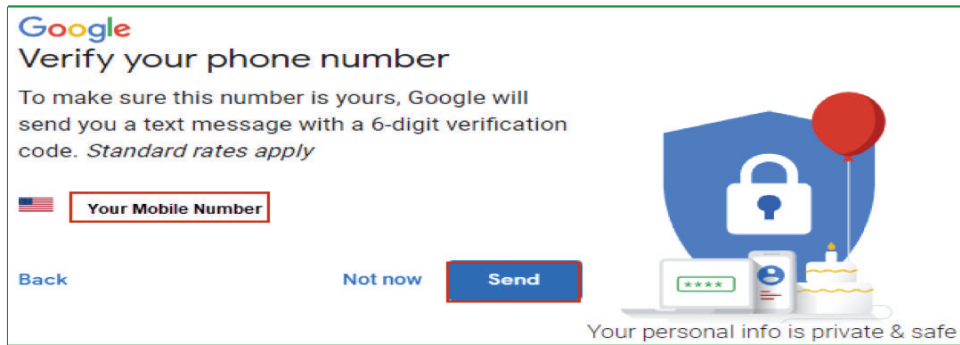
Click the drop-down list arrow for Gender

Click **Male**, **Female**, **Rather not say**, or **Custom**

Click the **Next** button

Verify your phone number, then click **Send**

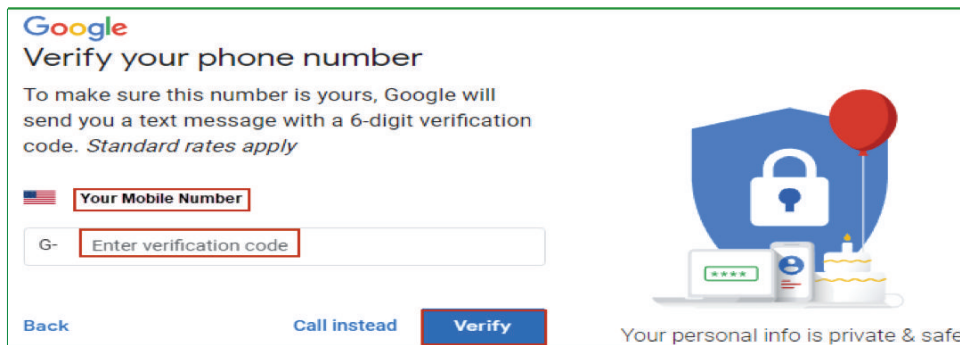
- This is done to check your mobile phone in case you ever need to recover this account.



Open the text message that was sent to your mobile phone

On the Verify your phone number screen, enter the verification code in the text message

Click **Verify**



On the screen Get more from your number, either click **Yes, I'm in** and enter any information or click **Skip**

- In the text, **Skip** was clicked.

Scroll through the Privacy and Terms screen

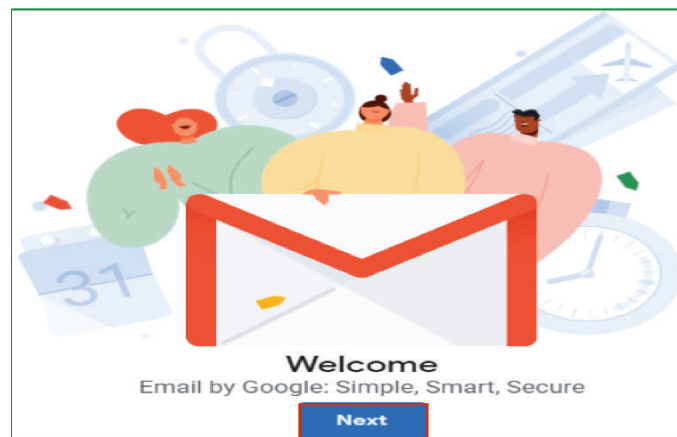
- To read the Terms and Policy, click **Terms of Service** and **Privacy Policy**.

At the bottom of the screen, click the **I AGREE** button

I AGREE

If your Gmail account does not open automatically, click **Gmail** on the Chrome screen

Click **Next** on the Welcome screen



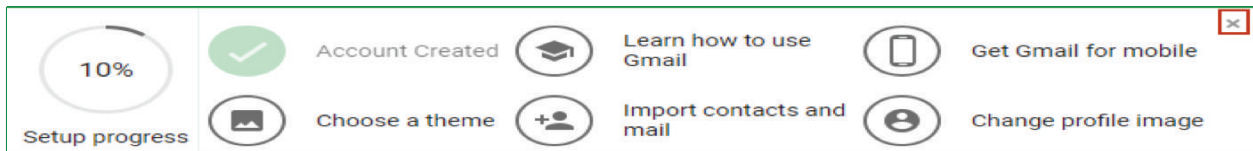
For Choose a view, click one of the views: **Default**, **Comfortable**, or **Compact**

- Default shows the most information.

- Comfortable shows less information but is nicely spaced.
- Compact is a condensed display and shows more email messages.

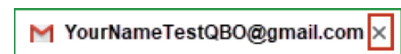
Click **OK**

- You will be taken to your Gmail account.
- You should see an email from Gmail welcoming you to your account.
- You may also select a theme, to import contacts and mail, learn how to use Gmail, get Gmail for mobile, and change profile image. Make whatever changes you like, then click the Close button.



To exit Gmail, click the **Close** button on the Gmail tab

- If you do not have any other tabs open in Google Chrome, this will also close Chrome.



QUICKBOOKS ONLINE PLUS EDUCATIONAL TRIAL VERSION—READ

The Educational Trial Version for QuickBooks Online Plus is provided as part of your textbook and course materials. You will apply for and activate your Educational Trial Version directly from Intuit. Instructions for this method begin in the following section and are completed in Chapter 2.

APPLY FOR QUICKBOOKS ONLINE PLUS EDUCATIONAL TRIAL VERSION—DO

Once you have an email account that you will use as your Intuit ID, you will need to set up your QuickBooks account and activate your QuickBooks Online Plus Educational Trial Version. Since it may take up to three business days for Intuit to grant you access to the Educational Trial Version of QuickBooks Online Plus, you will apply to the program in Chapter 1 and finish the program activation in Chapter 2.

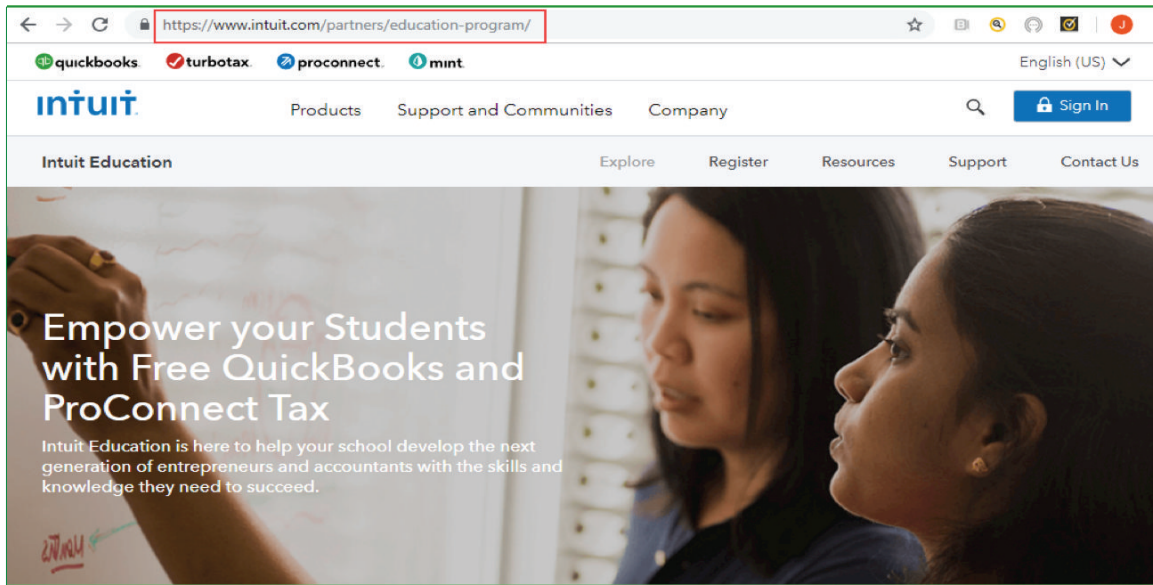
DO



Apply for QuickBooks Online Plus Educational Trial Version

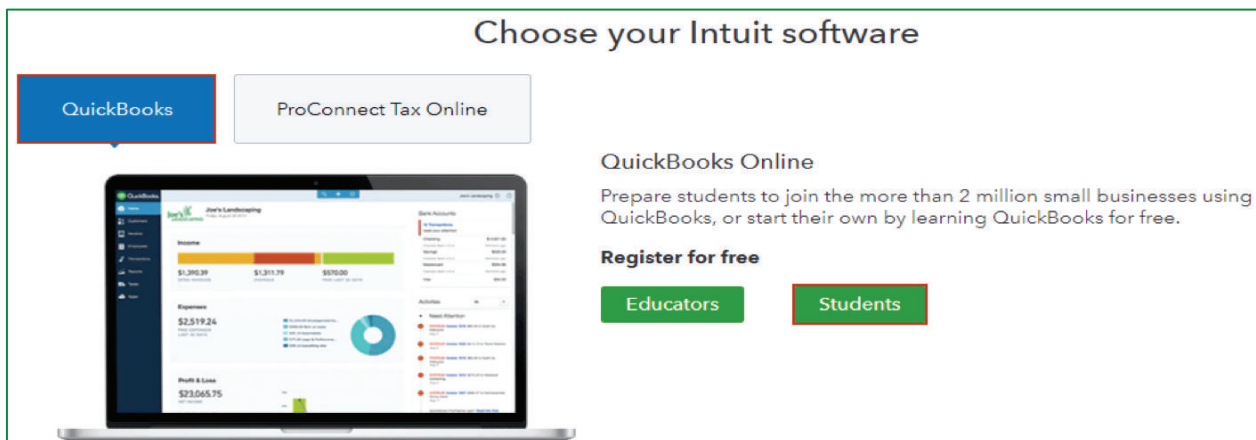
Enter www.intuit.com/partners/education-program in the URL of your Web browser
Press **Enter**

- Remember, QuickBooks Online frequently changes the way enrollment in the Educational Trial Version is completed. If your screens do not match the ones shown in the text, simply follow the prompts given on your screen to complete your enrollment.
- After pressing Enter, you will see a screen describing the Intuit Education Program. It will be similar the one shown in the following screenshot.



Scroll through the screen and read about How it works, Features & Benefits, and about the software offered in the Intuit Education Program

When you get to the section **Choose your Intuit software**, click **QuickBooks**
Click the **Students** button



Provide the information requested to complete the Program Registration for Students form

Personal information

Enter your actual **First Name**

Enter your actual **Last Name**

Enter your **Email Address**

- Use the Gmail address you created or use a school email address if you have one.

Confirm your **Email Address**

To complete your **Birth Date** information, click the drop-down list arrows and select the Month Day and Year for your birthday

School information

Enter the **School Name**

Click the drop-down list arrow and select your

Major/Concentration

Click the drop-down list arrow and select your **School Type**

Click the drop-down list arrow and select your **Student Type**

Enter your **Expected Graduation/ Completion Date**

Click the **Verify and Continue** button

- If the verification is successful, you will see a confirmation screen.
- If you need to submit additional information, you will be instructed on how to submit the materials requested.

Check your Email account

- If you receive an email regarding your submission. It will contain a Request number that you may use if you do not receive an access code within three days.
- You will also receive a confirmation email that contains a link to download the software and your License number and Product number.

Write down your License number and Product number

- They are required when you install the program.
- The steps for downloading, installing, and registering the software are provided as you work through the chapter. Do not install or register without following the step-by-step instructions provided.

Students at accredited academic institutions are eligible for a one-year student registration. College, University, and Trade-School students please complete the form below to confirm eligibility and unlock your free license for QuickBooks Online. High School students, please have your teacher complete the educator registration.

Personal information

• First Name

• Last Name

• Email

• Confirm Email Address

• Birth Date Month Day Year

School information

• School Name

• Major/Concentration

• School Type

• Student Type

• Expected Graduation/Completion Date

Verify and Continue

ACTIVATE QUICKBOOKS ONLINE PLUS EDUCATIONAL TRIAL VERSION—READ

You should complete the following section all at once. Do not begin the section for Activate QuickBooks Online Plus Educational Trial Version unless you have enough time to complete it.

ACTIVATE QUICKBOOKS ONLINE PLUS EDUCATIONAL TRIAL VERSION—DO

Normally, you will receive an instant verification of your student application to use the Educational Trial Version of QuickBooks Online. However, it can take up to three business days for Intuit to grant you access to the Educational Trial Version of QuickBooks Online Plus, you have applied for

the program and once you receive your approval, you will finish the program activation. If you did not receive your approval instantly, immediately return to this section and complete your program activation as soon as you receive your approval.

Once you receive an email verifying your subscription to the Educational Trial Version, you will be able to activate your account. In the email you received, you will have a Download Link, License number, and Product number that you will use to activate your QuickBooks Online Plus Educational Trial Version. Once the program is activated you can use the software for one year. You may import company data to create a company for the first 60 days after activation. When the trial period is over, you will be able to see your data for a period of time; but will not be able to access it unless you pay for a monthly subscription to QuickBooks Online Plus.

DO



Activate QuickBooks Online Plus Educational Trial Version

Once your application has been accepted, you will get an instant verification that contains the information you need to activate your Educational Trial Version:

- If you need assistance with QuickBooks Online, you may click the Student Support Page to view the FAQs (Frequently Asked Questions). To get help with and online support go to one of the following links:

Tutorials: <https://quickbooks.intuit.com/tutorials>

Help Community: <https://quickbooks.intuit.com/community/Help-articles/ct-p/help-aritcles-us?label=QuickBooks%20Online>

- If that does not provide the solution you need, you may email education@intuit.com for support.

Click the **Download Link** shown in your approval email

Enter the **License number** provided in the email

Enter the **Product number** provided in the email

Click **I agree to the Terms of Service.**

Click **Set Up Account**

Complete the Sign Up for QuickBooks form:

Enter the **Email Address** you are using for your course

Set up your account

Thank you for purchasing a subscription to QuickBooks Online.

License number
XXXX-XXXX-XXXX-XXXX

Product number
XXX-XXX

☒ I agree to the Terms of Service.

Set up account

- Use your school email address. If you do not have a school email, use the Gmail account you created earlier in the chapter.

Enter your actual **First name**

Enter your actual **Last name**

Enter your **Phone number** (Recommended)

- If you provide your mobile phone number, Intuit will contact you via your phone if you change devices, change your browser, have issues with logging in to your account, or any other access problems. If not, Intuit will email you.

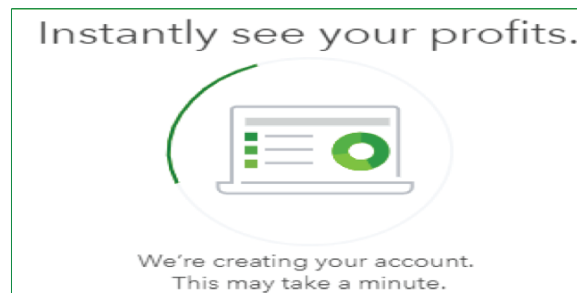
Enter the **Password** you will use to access your account

- You will see the requirements for a strong password. As you meet a requirement, it will be shown in green.

Enter the **Password** again in Confirm Password (not shown)

Click **Create Account**

The Creating your QuickBooks account screen is shown:



Next you will complete information on two screens to perform the following steps:
Key in the company name **Your Name's Beach Barkers**

- **Use your real name.** For example, the author's business name would be: Janet Horne's Beach Barkers.

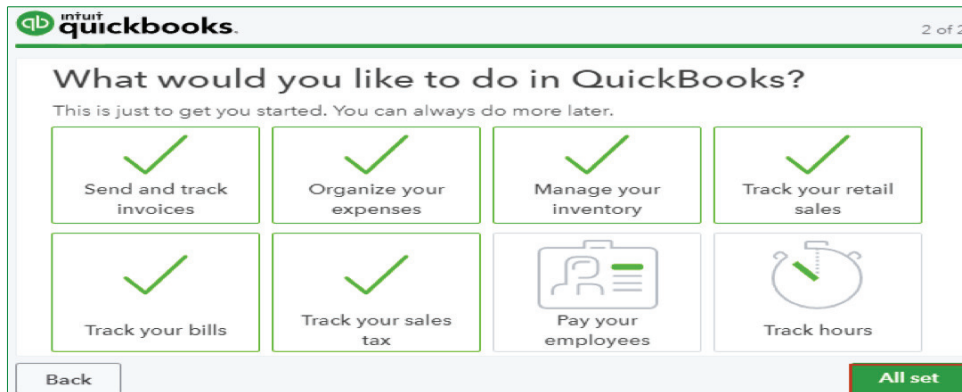
Click the drop-down list arrow for How long have you been in business?, click **Less than 1 year** to select

Click **Next**

Complete the What would you like to do in QuickBooks? screen

- QuickBooks preselected **Send and Track invoices**.

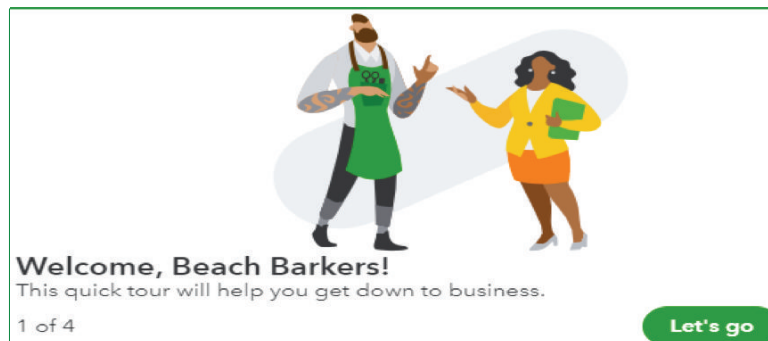
Click **Organize your expenses**, **Manage your inventory**, **Track your Retail sales**, **Track your bills**, and **Track your sales tax** to select



Click the **All set** button

You will be taken to the Home Page and complete a quick tour of the program

- If, for some reason, you do not get the four screens for the tour, simply read the following:



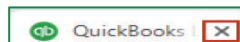
Read the screen, then, click the **Let's go** button

View the Create screen and read the information given for Create, click **Next**

Read the information given for Get help, click **Next**

Read the information given for Get set up, click **Start**

Click the **Gear** icon, click **Sign out**, click the **Close** button at the top of the QuickBooks tab in your browser



ACCESS QUICKBOOKS ONLINE TEST DRIVE—DRILL

Now that you have created your course email (or are using a student email account) and have applied and activated your Educational Trial Version of QuickBooks Online, it is time to use the Test Drive Company to explore QuickBooks Online Plus. If you are still waiting for approval of your application for the Educational Trial Version of QuickBooks Online, continue working in Chapter 1. Once you receive your approval, immediately complete the steps to activate your account by completing the information contained in the previous section.

Since QuickBooks Online is a cloud-based program, you will need to open your Internet browser in order to access the program, the Test Drive Company—Craig’s Design & Landscaping Services—and the company that you create in Chapter 2. As mentioned earlier, QuickBooks Online supports a variety of browsers including Google Chrome, Internet Explorer, Firefox, and Safari. Any supported browser may be used; however, Chrome is preferred.

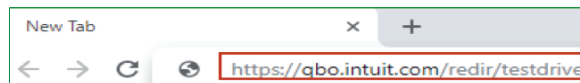
DRILL



Open QuickBooks Online Test Drive Company

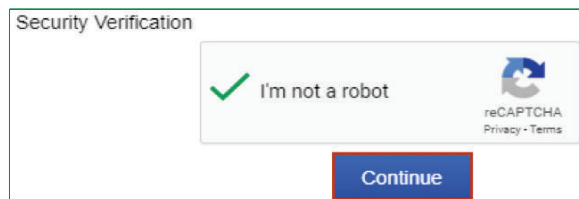
Open your Internet browser

Enter <https://qbo.intuit.com/redir/testdrive> in the URL and press **Enter**



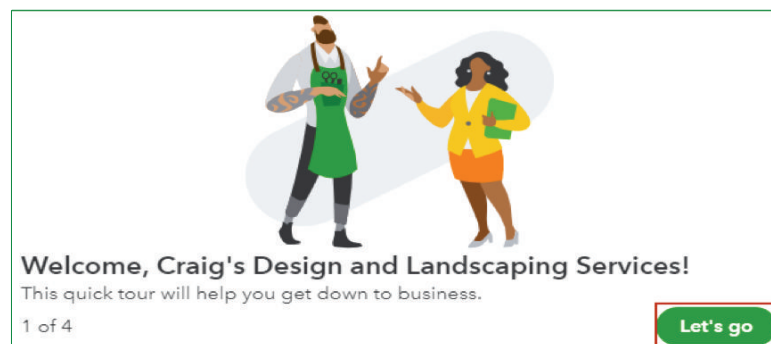
When opening the Test Drive, you must prove that you are not a robot; do one of the following: Click the checkbox for I am not a robot, and either select the pictures shown, click **Verify**, click **Continue**; or enter the numbers/words shown, click **Continue**

- If you make a mistake, wait too long, or cannot read the information, you will be given another set of pictures, numbers, or words and may try again.
- Each time you access Test Drive, the Security Verification screen will show a different set of pictures, numbers, or words. Occasionally, you may have to enter more than one Security Verification code in order to access the Test Drive Company.



You will see the Home page for Craig’s Design and Landscaping Services

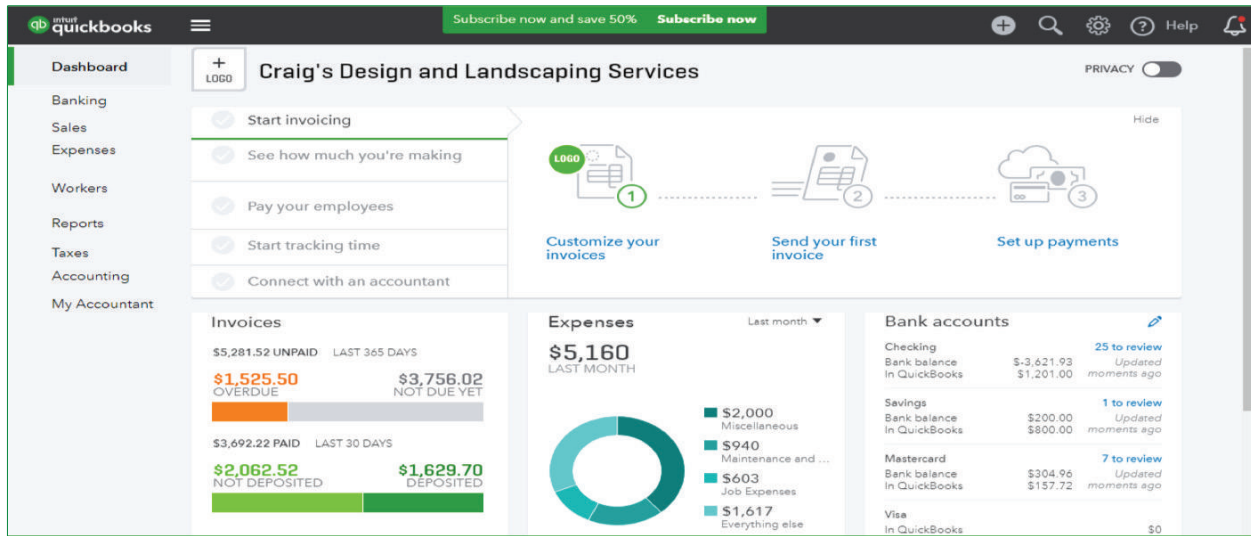
If you get a Welcome, Craig’s Design and Landscaping Services! Screen, click **Let’s go**



Review the four screens shown, then click the **Start** button

- If you do not get a Welcome screen, simply continue with the training.

- Remember, because of the date configuration in the Test Drive Company, your amounts and dates in the Test Drive may not always match those in the text. This is not a problem. Simply continue with the training.



Partial Screen

INTRODUCTION TO THE HOME PAGE

QuickBooks Online Home Page is the key to working with company information, data, and lists; recording transactions; and preparing reports. The Home Page is divided into three primary sections—Top-Navigation bar, Dashboard, and Left-Navigation bar. These are discussed briefly below and then explored more fully within the chapter.

Top-Navigation Bar

This bar contains several icons that are listed and described below. In the text, this will be referred to as the Top-Navigation bar.



The four icons at the top-right of the Home Page are used to perform functions, access company information, or access help. Click the icon to:

Create Transactions



Search Transactions (also shows a list of Recent Transactions)



Gear icon to access **Settings**, which include Company Information, Lists, Tools, and Profile



Help in order to ask for information about or to learn how to perform a task



Dashboard

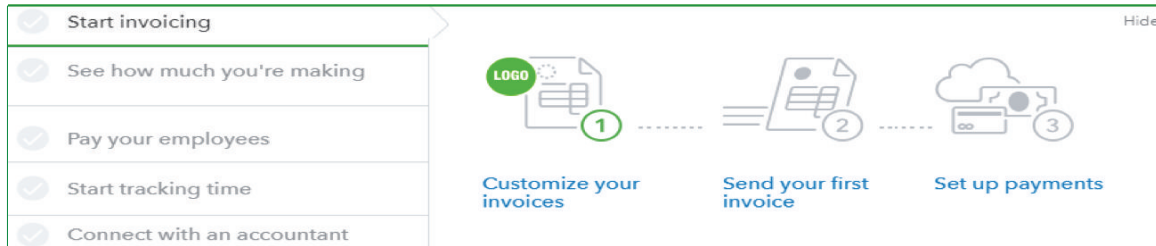
This section of the Home Page shows company data including: the company name, a setup guide, and company information. A brief explanation follows:

Company Name is shown below the Top-Navigation bar

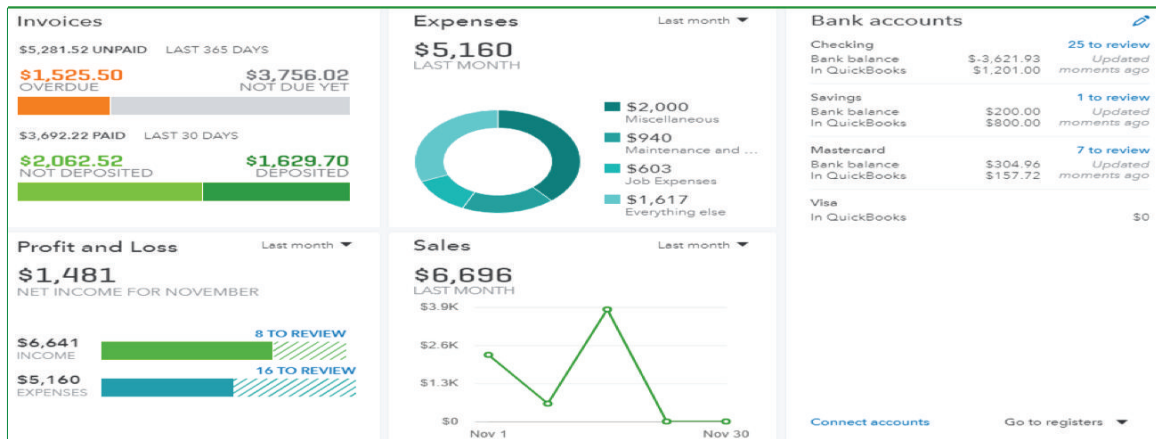
Craig's Design and Landscaping Services

1

Setup Guide may be displayed or hidden. When displayed, it will show five sections: Start invoicing, See how much you're making, Pay your employees, Start tracking time, Connect with an accountant.



Company information includes information about the company. Each area allows you to get more information including detailed reports or transaction information. Data shown includes Invoices, Profit and Loss, Expenses, Sales, and Bank Accounts.



Left-Navigation Bar

The Left-Navigation bar organizes information based on the business activity. It allows you to go directly to different categories of information, access lists, and to initiate new transactions. This bar is on the left-side of the screen. There are ten sections that are used to access the Dashboard, and Centers. Many of the Centers contain subsections that display additional information, lists, and allow transactions to be recorded without clicking the Create or Gear icons. Note: At the time of this writing, Intuit was testing a new Left-Navigation Bar. Sales may be renamed to Invoices. The centers are: Dashboard, Banking, Sales (or Invoices), Expenses, Workers, Reports, Taxes, Accounting, My Accountant, and Apps (not shown in the Test Drive Company).

Dashboard

- Banking
- Sales
- Expenses
- Workers
- Reports
- Taxes
- Accounting
- My Accountant

EXPLORE THE TOP-NAVIGATION BAR—DRILL

To gain an understanding of the Top-Navigation bar, it is important to test the features and tasks available.

DRILL

Explore each of the following capabilities on the Top-Navigation bar:

Create

Explore the Create screen

Click the Create icon to enter transactions



- The icon may also be referred to as the Plus icon.
- Note: When you click the Create icon, it changes to
- Transactions are divided into sections for Customers, Vendors, Employees, and Other.

Create			
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
Refund Receipt	Vendor Credit		Adjustment
Delayed Credit	Credit Card Credit		
Delayed Charge	Print Checks		

Click **Invoice** in the Customers section of the Create screen

- A blank invoice will appear on the screen.

Since transaction entry will be explored more fully in upcoming chapters, click the **Close** button at the top-right side of the invoice

Search

Use Search to find an invoice

Click the **Search** icon at the top of the Home Page



- You may search by Transaction Number, Date, or Amount.
- Enter **1037**; then click the search icon next to the number

- The transaction, which is Invoice 1037, is shown on the screen.

Invoice #1037

Sonnenschein Family Store | Familystore@intuit.com

\$362.07 BALANCE DUE

1 linked transaction | Send later | Co/Bcc

Billing address: Russ Sonnenschein, Sonnenschein Family Store, 5647 Cypress Hill Ave, Middlefield, CA 94303

Terms: Net 30 | **Invoice date:** 11/14/2018 | **Due date:** 12/14/2018

Crew #: 102

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1	Design:Fountains:Rock Founta	Rock Fountain	1	275	275.00	✓
2	Design:Fountains:Pump	Fountain Pump	1	12.75	12.75	✓
3	Design:Fountains:Concrete	Concrete for fountain installation	5	9.50	47.50	✓

Subtotal: \$335.25

Taxable subtotal: California, 8% = \$26.82

Discount percent: \$0.00

Total: \$362.07

Balance due: \$362.07

Buttons: Cancel, Print or Preview, Make recurring, Customize, More, Save, Save and send

Look at the information provided in the Invoice and then click the **Close** button

Recent Transactions



View Recent Transactions

Click the **Search** icon to view and/or access recent transactions

- A list of Recent Transactions will be shown at the bottom of the Search screen.
- Click the Credit Card Expense transaction for \$34.00
- Dates will be different from the ones shown in the text.

Recent Transactions			
Credit Card Expense	12/09/2018	\$34.00	
Credit Card Expense	11/20/2018	\$42.40	Hicks Hardware
Credit Card Expense	11/26/2018	\$19.99	Squeaky Kleen Car W...
Credit Card Expense	11/19/2018	\$19.99	Squeaky Kleen Car W...
Credit Card Expense	11/19/2018	\$18.97	Bob's Burger Joint
Credit Card Credit	11/28/2018	\$900.00	

Review the information shown on the Expense form, and then click the **Close** button

Gear



Access information for Your Company, Lists, Tools, and Profile

Click the **Gear** icon

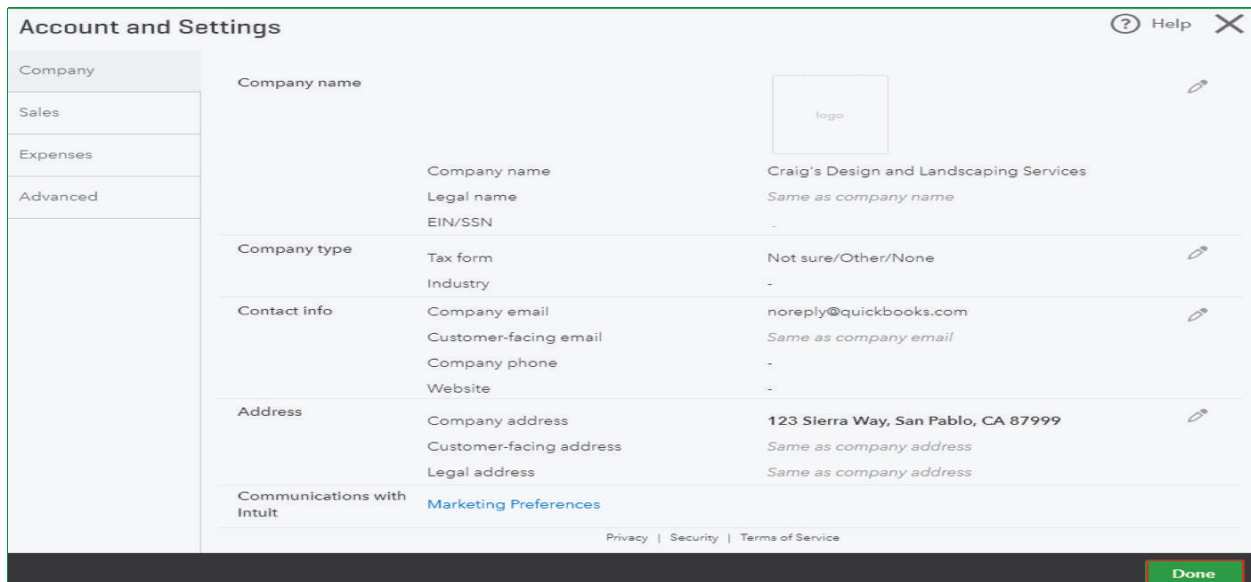
- This is used to access, edit, and enter information for Your Company, Lists, Tools, and Profile.

To get information about your company, click **Account and Settings** in the Your Company column



View the information shown on the Company tab for Account and Settings

- To make changes to the settings, you would click the Pen icon to edit.



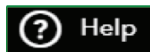
- Note the other Account and Settings tabs for Sales, Expenses, and Advanced. These areas will be explored fully as you work through the text.

Click the **Done** button on the Account and Settings page

Help



Explore Help



Click the **Help** icon

- In Help, you may type in words or phrases and then click the Search icon, or you may click one of the topics displayed.

Enter the words **Home page overview**, click the **Search** icon



Scroll through the information presented

Click the **Back** button to return to the original Help page

- Anything displayed in blue may be clicked to access other Help items.