

# Accounting, Module One - Getting Started

Hi, everyone. Welcome to Module One of QuickBooks online training for your practice. My name is Jessica Mishra, and I'm a Certified Public Accountant, financial manager for several clients, Advanced QuickBooks Online ProAdvisor, and founder of [Beam Financial Group](#). I'm excited to be here with you for this training. This is a six-part series giving you an overview of the QuickBooks Online software.

Before we get started, I just want you to note that this will be an overview of the software, and we will cover a lot of content, but be sure to check with your accounting professional as you are setting up your QuickBooks Online account, as we want to be sure that they are considering the specifics of your business.

In Module One, we will cover why you need an accounting system, advantages of QuickBooks Online, QuickBooks versions, a tour of QuickBooks Online, and what to discuss with your accounting professional. Today, I'll be using a test account, and I shared [the link](#) with you in the Additional Resources section, so feel free to log in to the test account and follow along as we go through the module. This test account is also really nice if you just want to practice, try out transactions, or get used to navigating through the software, so feel free to use that at any time.

Why do we need an accounting system? That's our first topic. What an accounting system does is it brings together all of your transactions. For example, you might be doing your billing in an outside system such as MD HQ. You might be incurring expenses on a credit card or through your bank account. All of your different systems are going to come together here in your accounting system, and you'll be able to see sales data, expense data, and equity transactions, such as if you draw out of the business or contribute to the business. You'll track assets as well in your accounting software. This is important because we'll need to run reports for various reasons. One of those reasons is to gain visibility into the business, so you can make informed decisions, so you're in touch with your business. Another reason is to give reports to your tax accountant so he can prepare your tax returns. If you ever ask for a loan or funding, they're probably going to ask you for a set of financials, so this is where you would get your financials from. Most importantly, we need an accounting system because it will help you to be more organized. That is the point of a good accounting system is it helps you navigate easily. It helps you research anything that you are looking for if you want to know if a client paid you, for example. You can easily do that here in your accounting system.

We know now why we need an accounting system, but why QuickBooks Online? QuickBooks Online is a cloud-based software, so everything is done in the cloud. It is very easy to access. If you have multiple users, it's great because they can log in from anywhere. You can all be using the

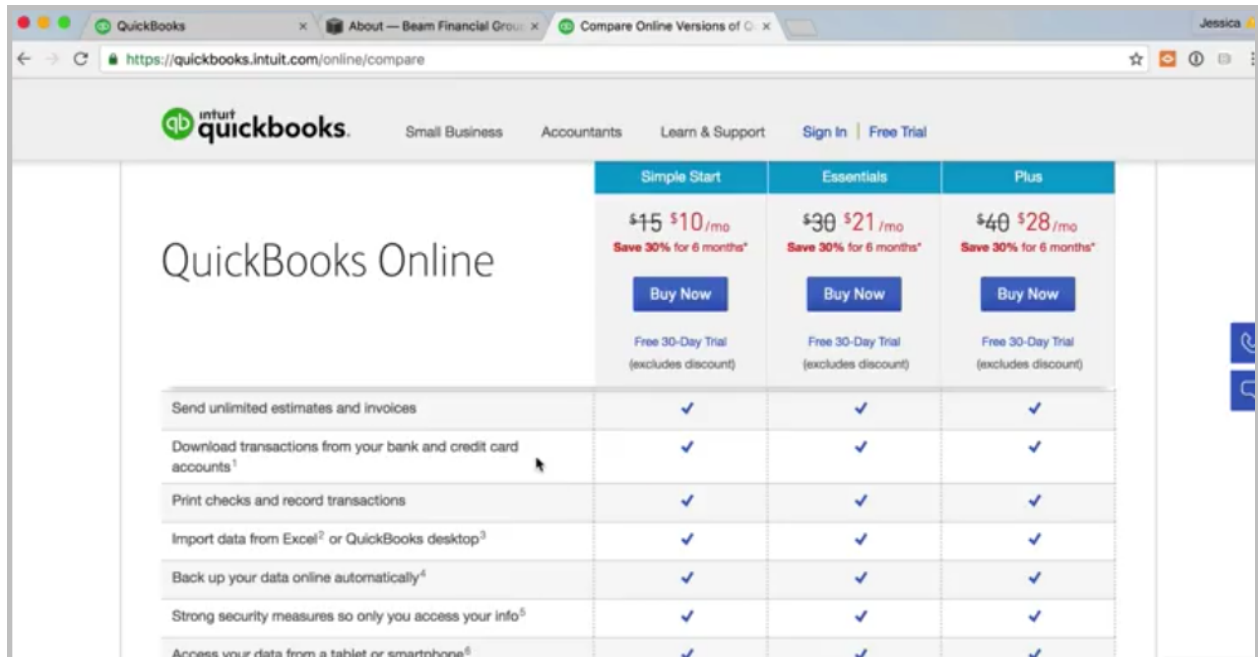
same account at the same time, so if you have an admin, a bookkeeper, and you want to use the account, you can all do it at the same time no problem. You also have data stored in the cloud, so you don't have to worry about data storage issues, which brings a lot of people to ask, is the data storage secure? QuickBooks Online uses bank-level encryption, so if you're comfortable with online banking, then you can be comfortable with QuickBooks Online.

Another nice thing about QuickBooks Online is that many of the processes are automated. For example, you have a bank feed where all of the transactions from your credit cards and your bank accounts are feeding into the software, so that eliminates a lot of your manual data entry. That's really a huge timesaver, and you'll see that as we move through the software.

Another nice thing about QuickBooks Online is that you get constant updates and access to new features. If you were, in the past, using a desktop software, you're renewing it every year, buying the new version. You're really only getting access to the improvements every year, whereas with this software, anytime the improvements come in, you get access to them, so that, I think, is really nice.

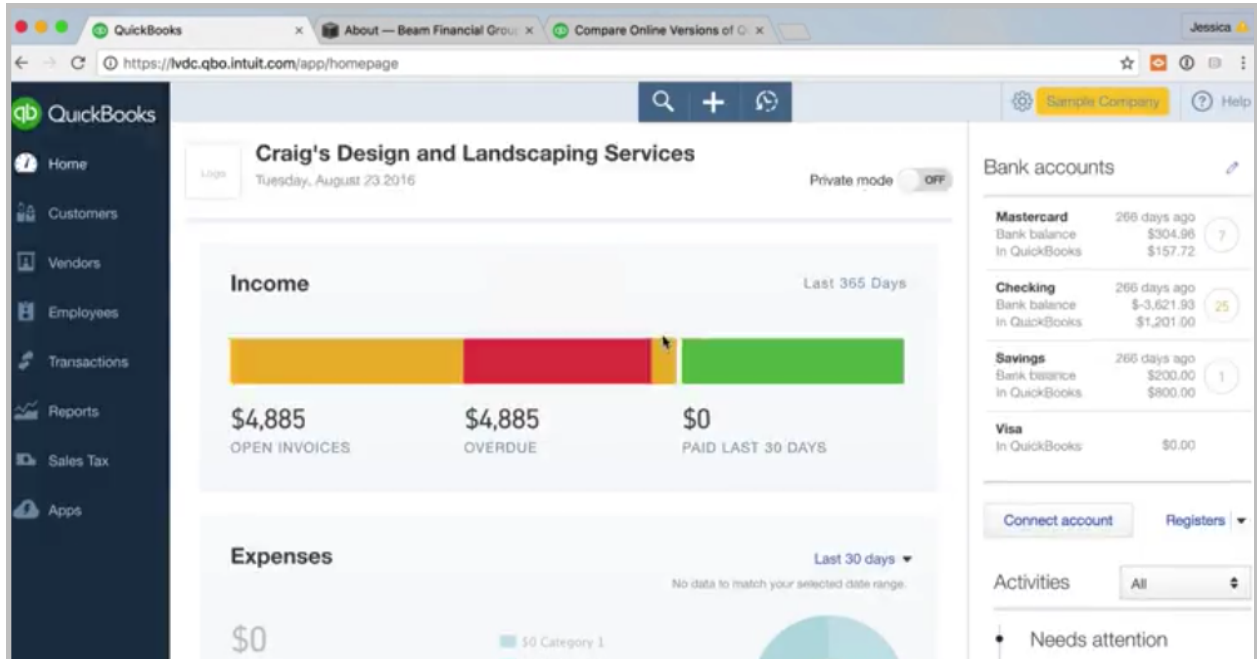
Another advantage with QuickBooks Online is that you have the ability to customize the software for your business. When they designed the software, the base software is really pretty streamlined and pretty simple, and then you can add on apps that are specific to your business. For example, if you have several employees, and you want to track their time, you could add on an app such as TSheets, or if you have a lot of vendors and you need to pay them quickly, you might add on an app such as Bill.com. I kind of prefer that. Instead of having all the features in one big, giant software, you have a very simple software to begin with, and then you add on whatever you need, and you customize it, so I think that is another huge advantage of QuickBooks Online.

Let's talk about getting started with QuickBooks Online. You have three versions that are available: Simple Start, Essentials, and Plus. I want to direct you to [this link here](#), and this will be shared in the Additional Resources section.

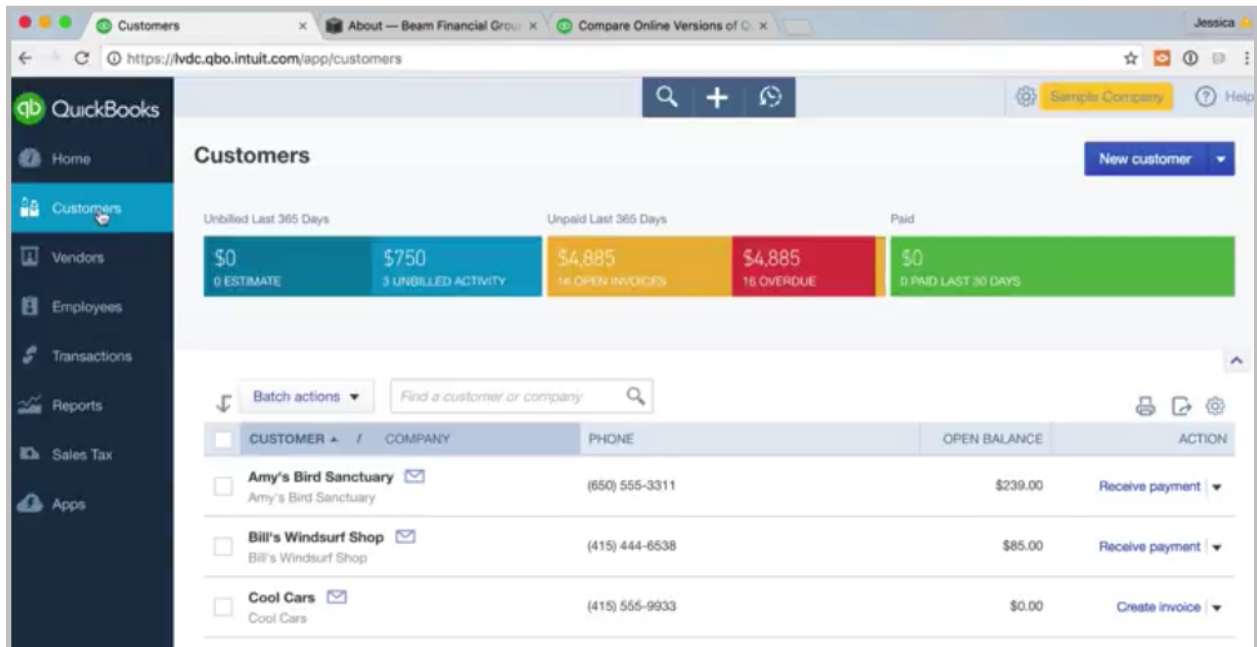


This link allows you to compare the different features of the three versions, so you can kind of look through and see what features you think you need. For example, if you have a supplement store, and you want to track inventory in QuickBooks Online, you're going to need the Plus version. That is the only version that has inventory management, but maybe you don't need that at all, so just kind of look through the features. If you need help, reach out. Ask your accounting professional or ask me. I can help you figure out which version is best.

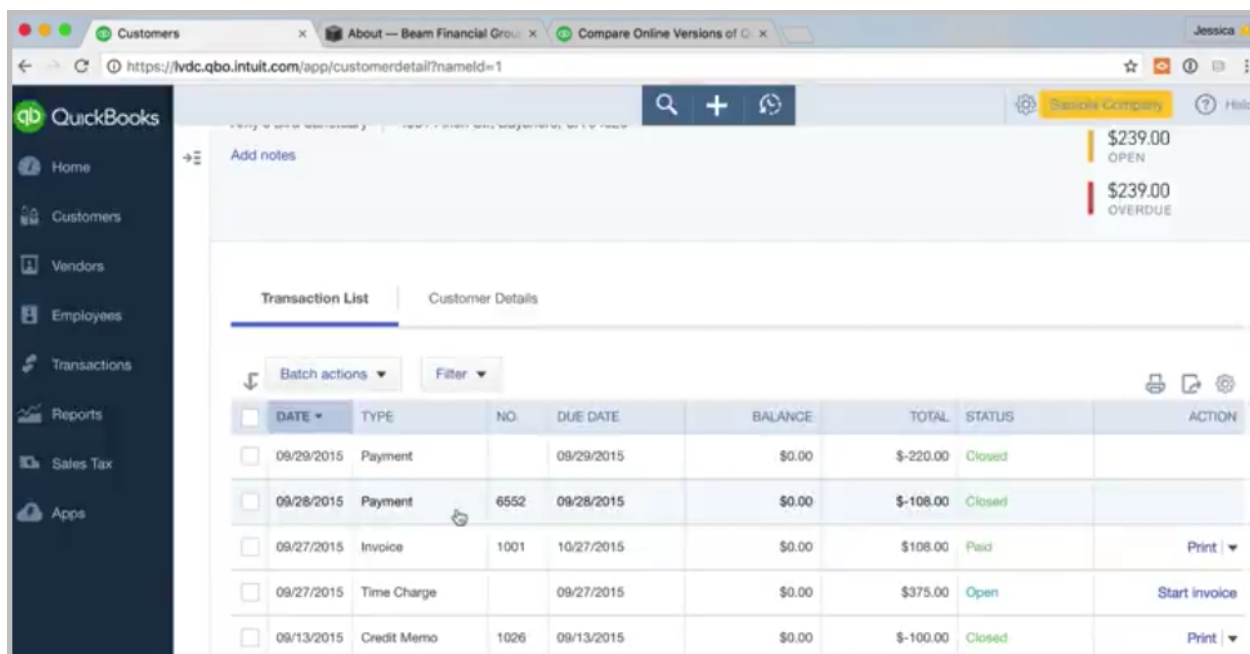
Once you choose the version, it's pretty easy to sign up. You basically enter in your payment information. They will ask you some questions about your business. You'll go through a little wizard to set it up, and then pretty quickly you'll be brought to this home page. So, very easy to get started.



Once we're on the home page here, there are a lot of ways to navigate around the software, so we'll go through some of the menus and how to get around. Let's look over here on the left sidebar. This is where we have what are called the centers: Customer center, Vendor center, Employee center. This is great because it helps you think through. You can easily figure out where you need to go. For example, if you need to see if an invoice was issued for a certain customer, you would go straight to the Customer center. Let's look in here.

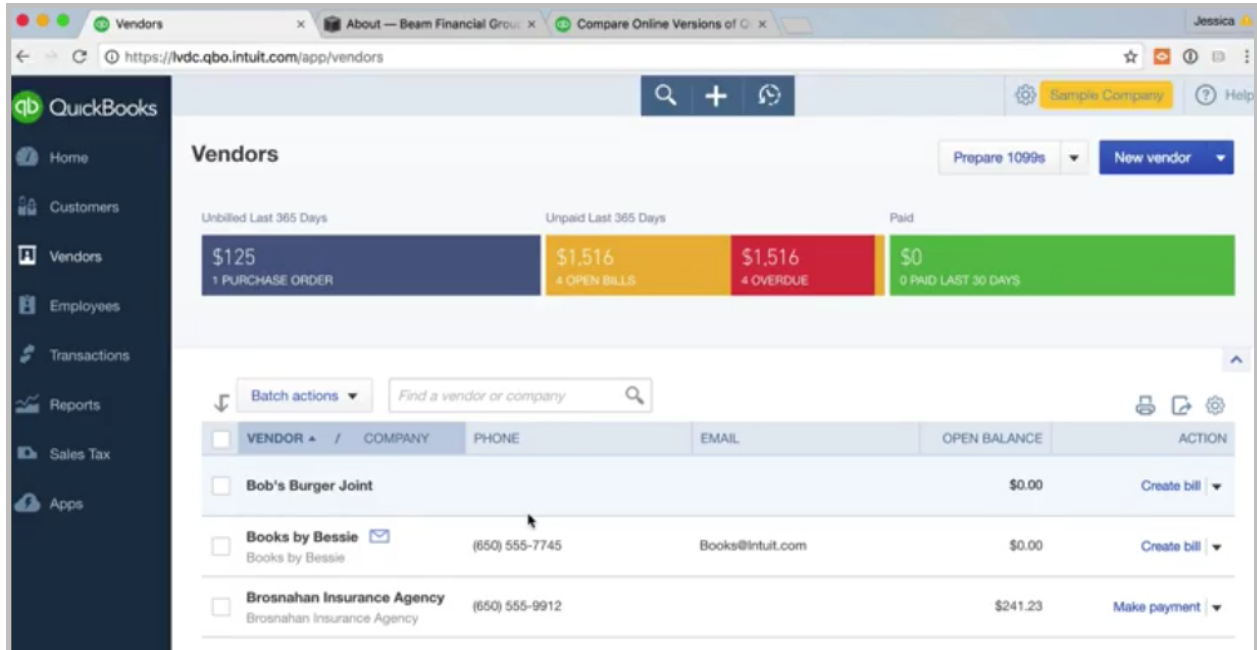


You see all of our customers listed. If we wanted to look if a certain customer had—if we'd issued an invoice for them, we click on it.

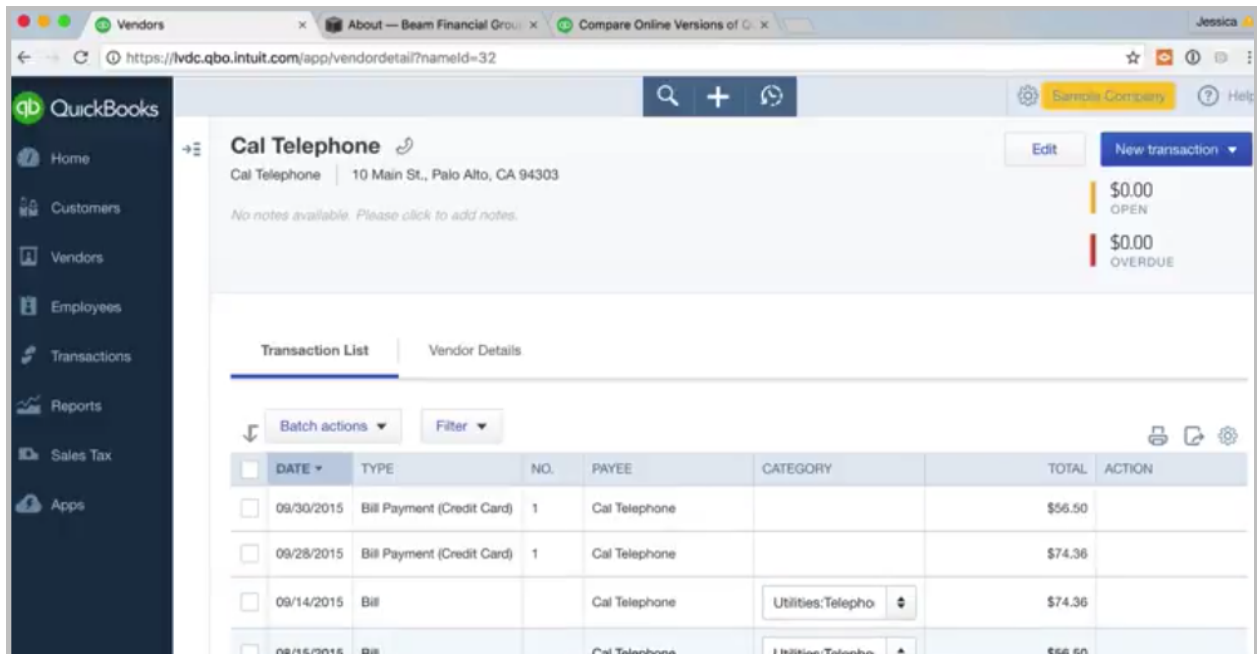


Then we see all the different invoices and their payments. Very easy to navigate. All of the customer's information—client or patient, whatever you call them—is all up here. So, that's the Customer center.

The Vendor center—let's go back, actually. For the Customer center, just a note. You may not be using the Customer center that much if you're doing billing outside of QuickBooks Online. For example, if you're using MD HQ for your billing, then you're probably not going to have all your customers in here, but you might still have a few. If you did a seminar, and you issued an invoice to get paid for that seminar, you might have that client in here, so you might still be using it.

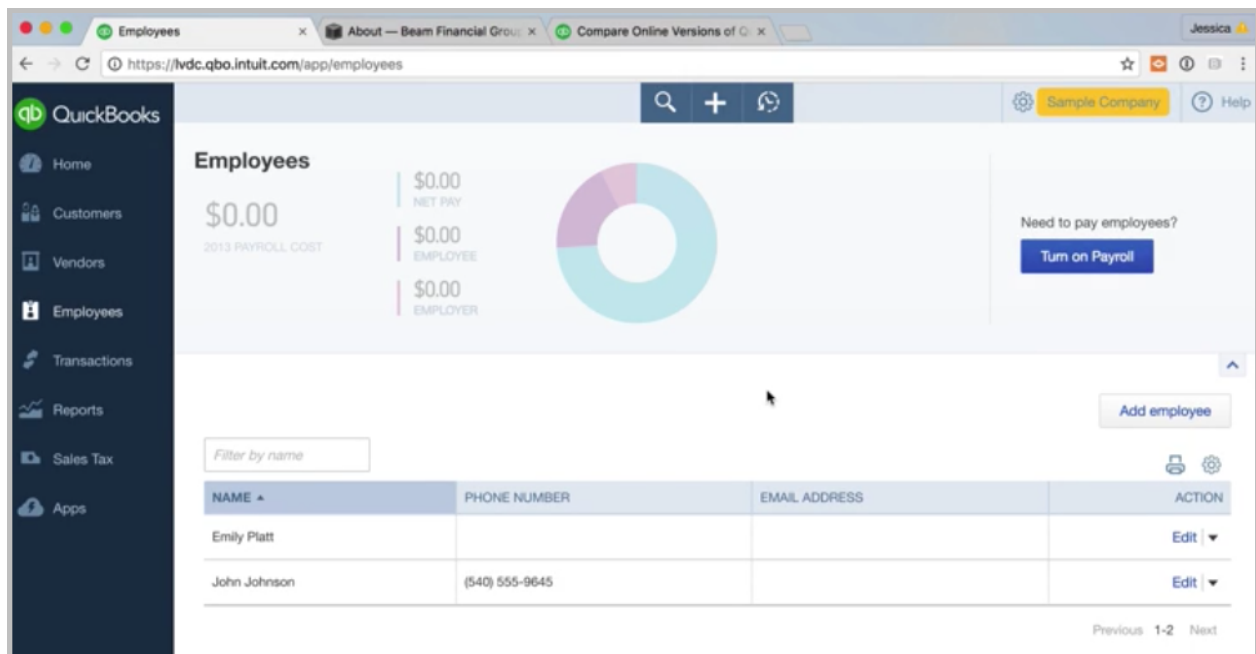


Okay, let's go to the Vendor center. This would have a listing of all your vendors and the vendor information.



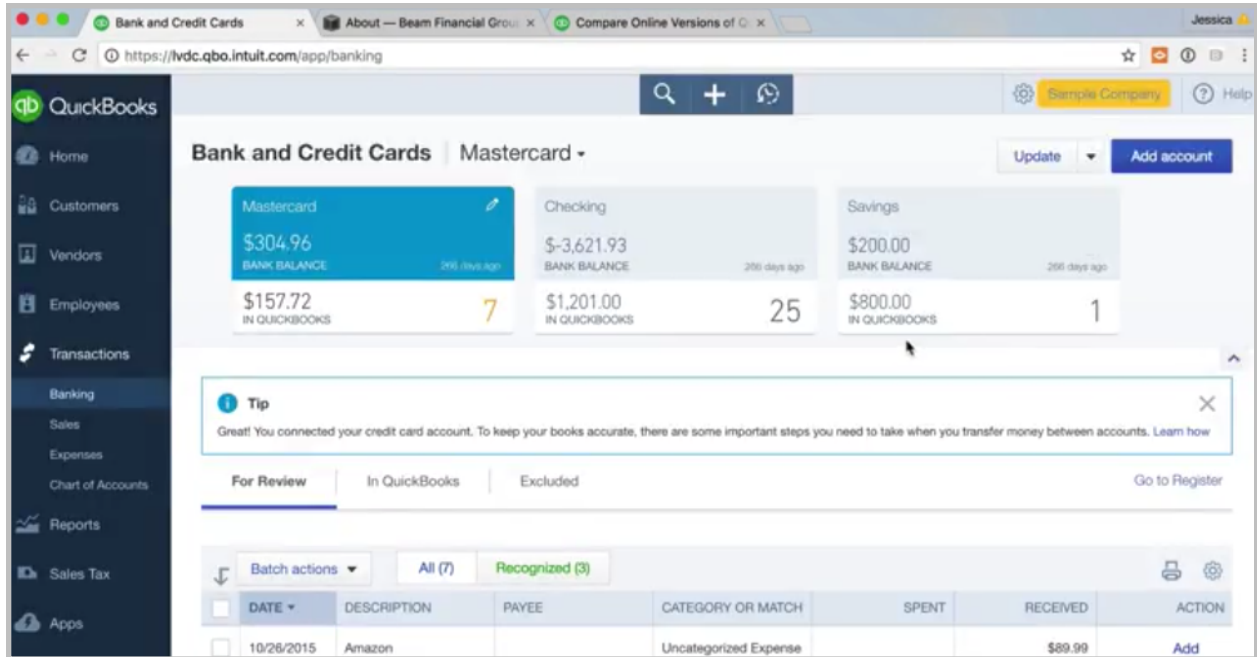
If we click on any vendor, let's say Cal Telephone, you can see the various expenses incurred for that vendor. Again, very helpful if you're researching something to do specifically with a vendor. The Vendor center is also great because you can store all of the information for your 1099 prep at year end, and we'll talk more about 1099s in a different module, but just know that you can store all of the information that you collect from your vendor so that at year end your 1099 preparation

is very easy. There is even a module in the Plus version of QuickBooks Online that helps you prepare 1099s.

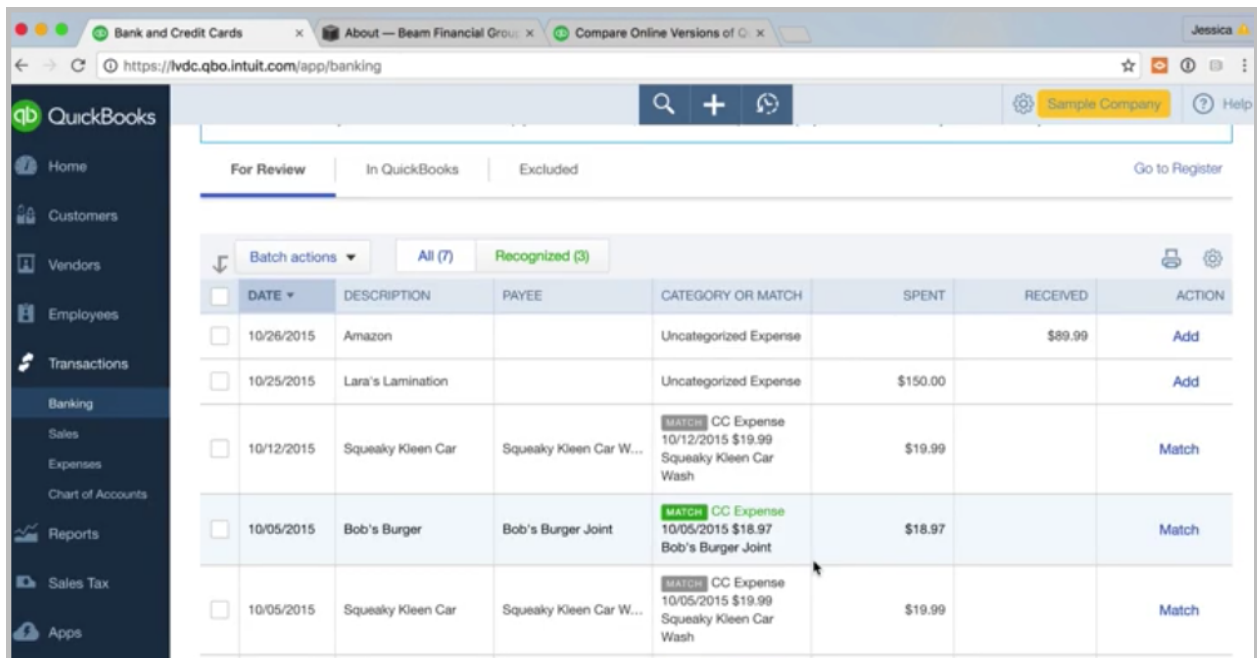


Okay, Employee center. This is where you would turn on payroll if you're going to have some employees, and QuickBooks Online does offer a full-service payroll, if you're interested in that. We'll talk about this more in another module, but this is where you would come to set it all up, and it's very easy. I highly recommend it.

Then your Transaction center. This has a lot of different things in it. Banking is one center that you'll be in quite often, and the Banking center is where you connect your checking account, your credit cards, all of that.

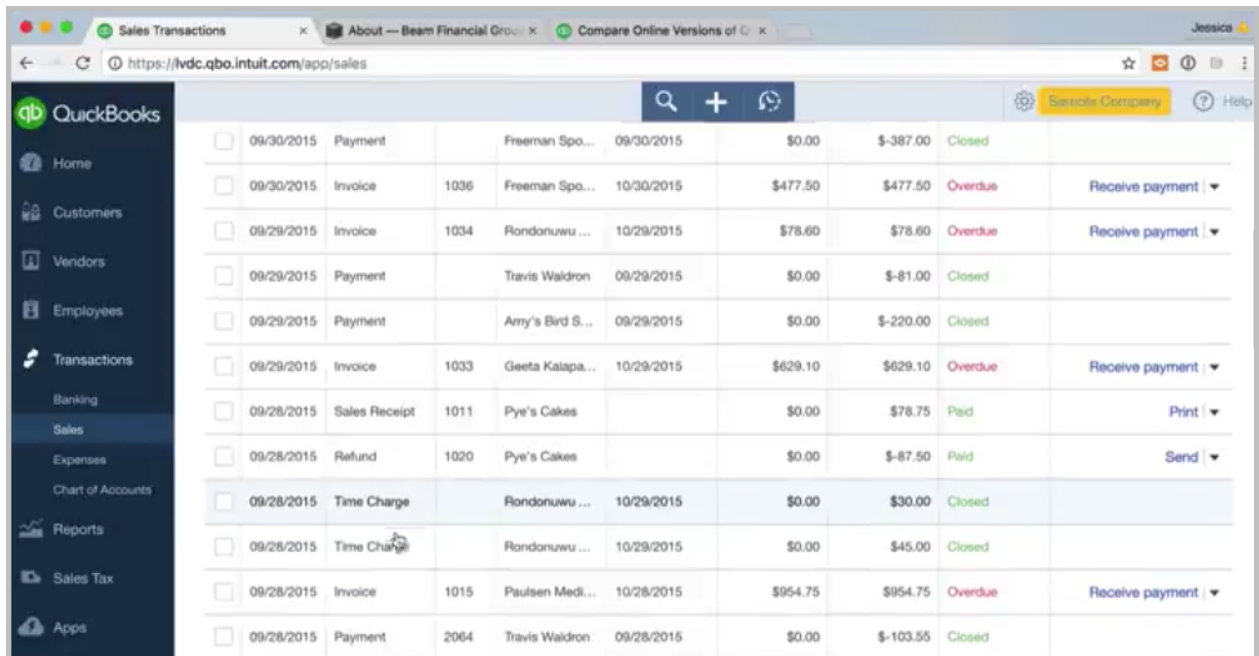


You'll see the various accounts up here. All of the transactions will feed in from those various accounts that you've connected, so you'll be doing a lot of your work in here. You'll see all the transactions come in, and you'll be matching them up. We'll see that in another module. You'll be coding and basically saying where these transactions should go. Is it income? Is it an expense? What type of expense?





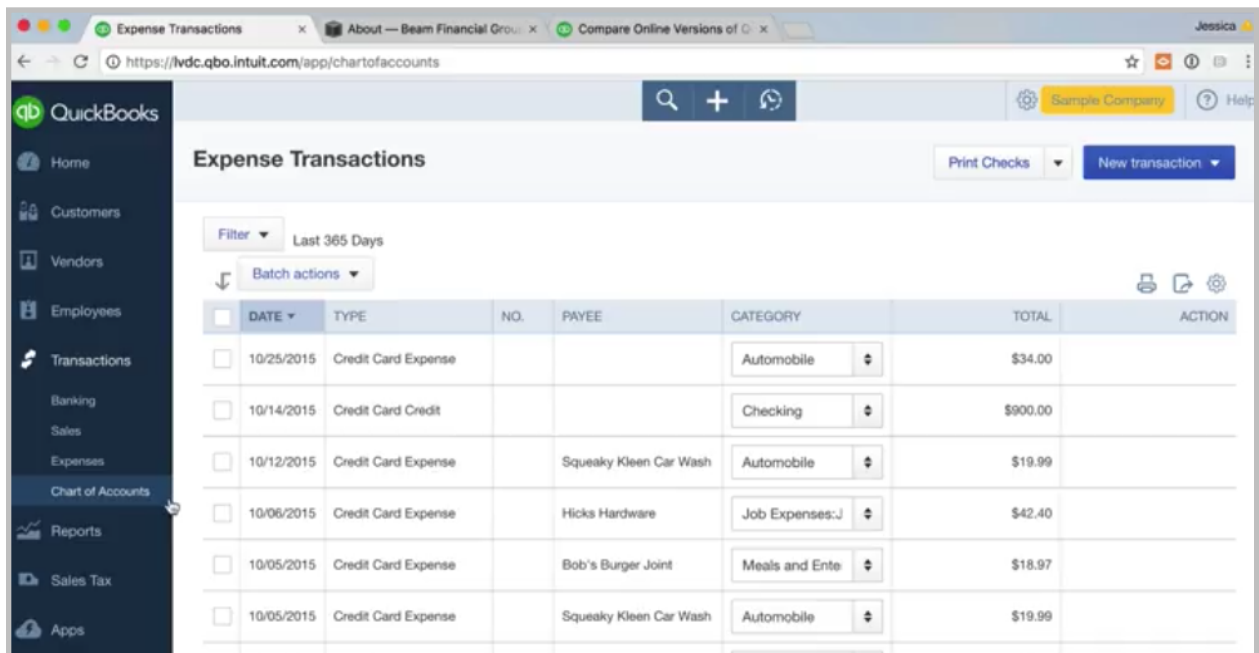
A lot of the work, you can see, is already done for you, so you're just having to do a little bit more work, and then that transaction is entered into the system. So, the Banking center is great.



The screenshot shows the 'Sales Transactions' view in QuickBooks. The left sidebar contains navigation options: Home, Customers, Vendors, Employees, Transactions, Banking, Sales, Expenses, Chart of Accounts, Reports, Sales Tax, and Apps. The main area displays a list of transactions with columns for Date, Type, No., Payee, Category, Amount, and Status. The transactions include various types such as Payment, Invoice, Sales Receipt, Refund, and Time Charge.

Date	Type	No.	Payee	Category	Amount	Status	Action
09/30/2015	Payment		Freeman Spo...		\$0.00	Closed	
09/30/2015	Invoice	1036	Freeman Spo...		\$477.50	Overdue	Receive payment
09/29/2015	Invoice	1034	Rondonuwu ...		\$78.60	Overdue	Receive payment
09/29/2015	Payment		Travis Waldron		\$0.00	Closed	
09/29/2015	Payment		Amy's Bird S...		\$0.00	Closed	
09/29/2015	Invoice	1033	Geeta Kalapa...		\$629.10	Overdue	Receive payment
09/28/2015	Sales Receipt	1011	Pye's Cakes		\$0.00	Paid	Print
09/28/2015	Refund	1020	Pye's Cakes		\$0.00	Paid	Send
09/28/2015	Time Charge		Rondonuwu ...		\$0.00	Closed	
09/28/2015	Time Charge		Rondonuwu ...		\$0.00	Closed	
09/28/2015	Invoice	1015	Paulsen Medi...		\$954.75	Overdue	Receive payment
09/28/2015	Payment	2064	Travis Waldron		\$0.00	Closed	

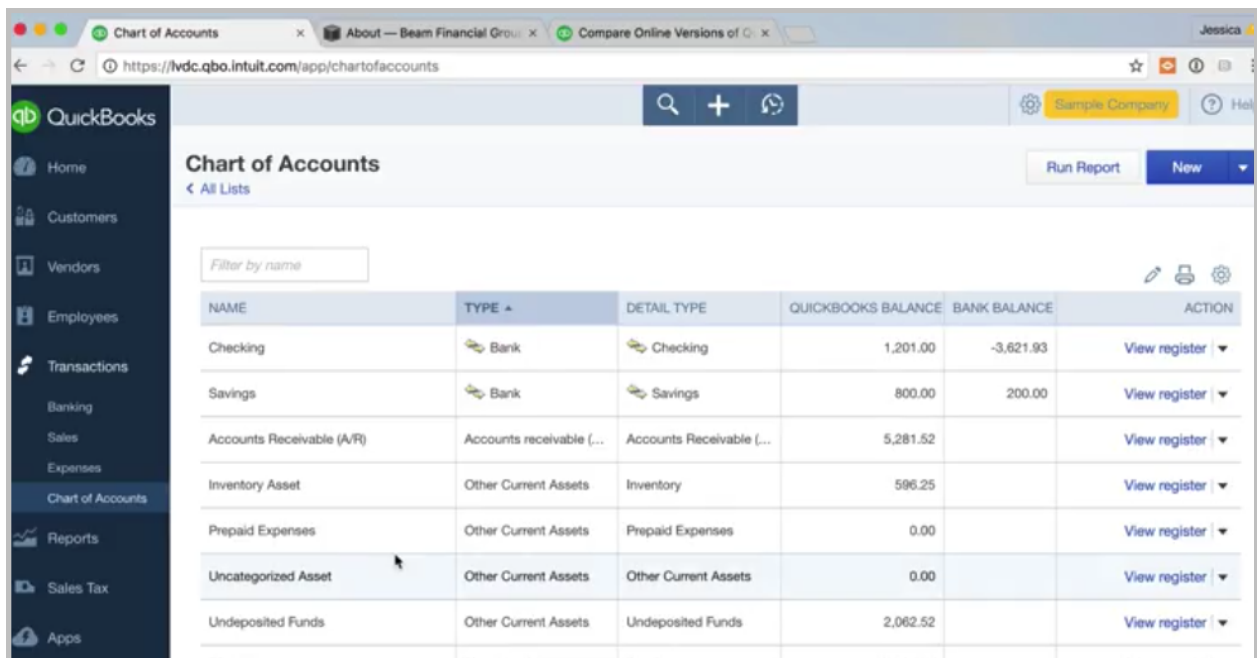
You've got your Sales center here. This shows all of your invoices and payments. You'll want to look at it this way. It's a little bit different view than looking at it by customer.



The screenshot shows the 'Expense Transactions' view in QuickBooks. The left sidebar is the same as in the previous screenshot. The main area displays a list of expense transactions with columns for Date, Type, No., Payee, Category, Total, and Action. The transactions are filtered for the last 365 days and include various types of credit card expenses.

DATE	TYPE	NO.	PAYEE	CATEGORY	TOTAL	ACTION
10/25/2015	Credit Card Expense			Automobile	\$34.00	
10/14/2015	Credit Card Credit			Checking	\$900.00	
10/12/2015	Credit Card Expense		Squeaky Kleen Car Wash	Automobile	\$19.99	
10/06/2015	Credit Card Expense		Hicks Hardware	Job Expenses:J	\$42.40	
10/05/2015	Credit Card Expense		Bob's Burger Joint	Meals and Ente	\$18.97	
10/05/2015	Credit Card Expense		Squeaky Kleen Car Wash	Automobile	\$19.99	

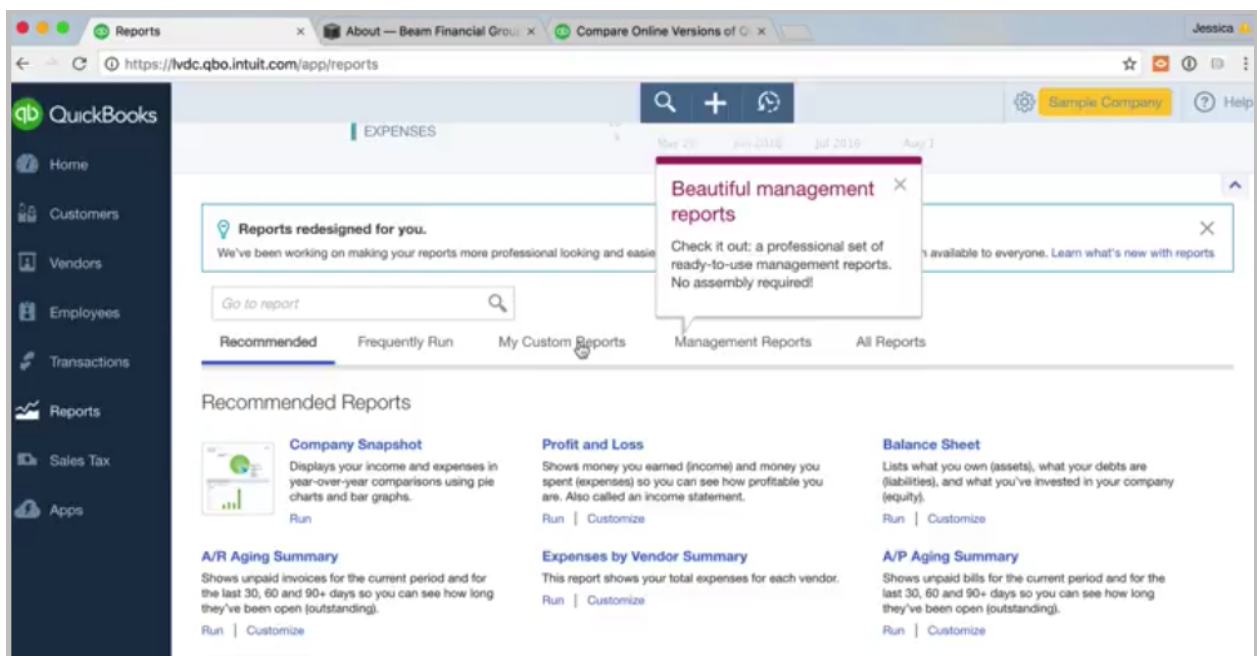
Expense—same thing. You're not looking at it by vendor. You're just looking at a list of all the expenses. Sometimes that is more helpful.



The screenshot shows the QuickBooks interface for the 'Chart of Accounts' report. The left sidebar contains navigation options like Home, Customers, Vendors, Employees, Transactions, Banking, Sales, Expenses, Reports, Sales Tax, and Apps. The main area displays a table of accounts with columns for NAME, TYPE, DETAIL TYPE, QUICKBOOKS BALANCE, BANK BALANCE, and ACTION.

NAME	TYPE	DETAIL TYPE	QUICKBOOKS BALANCE	BANK BALANCE	ACTION
Checking	Bank	Checking	1,201.00	-3,621.93	View register
Savings	Bank	Savings	800.00	200.00	View register
Accounts Receivable (A/R)	Accounts receivable (...)	Accounts Receivable (...)	5,281.52		View register
Inventory Asset	Other Current Assets	Inventory	596.25		View register
Prepaid Expenses	Other Current Assets	Prepaid Expenses	0.00		View register
Uncategorized Asset	Other Current Assets	Other Current Assets	0.00		View register
Undeposited Funds	Other Current Assets	Undeposited Funds	2,062.52		View register

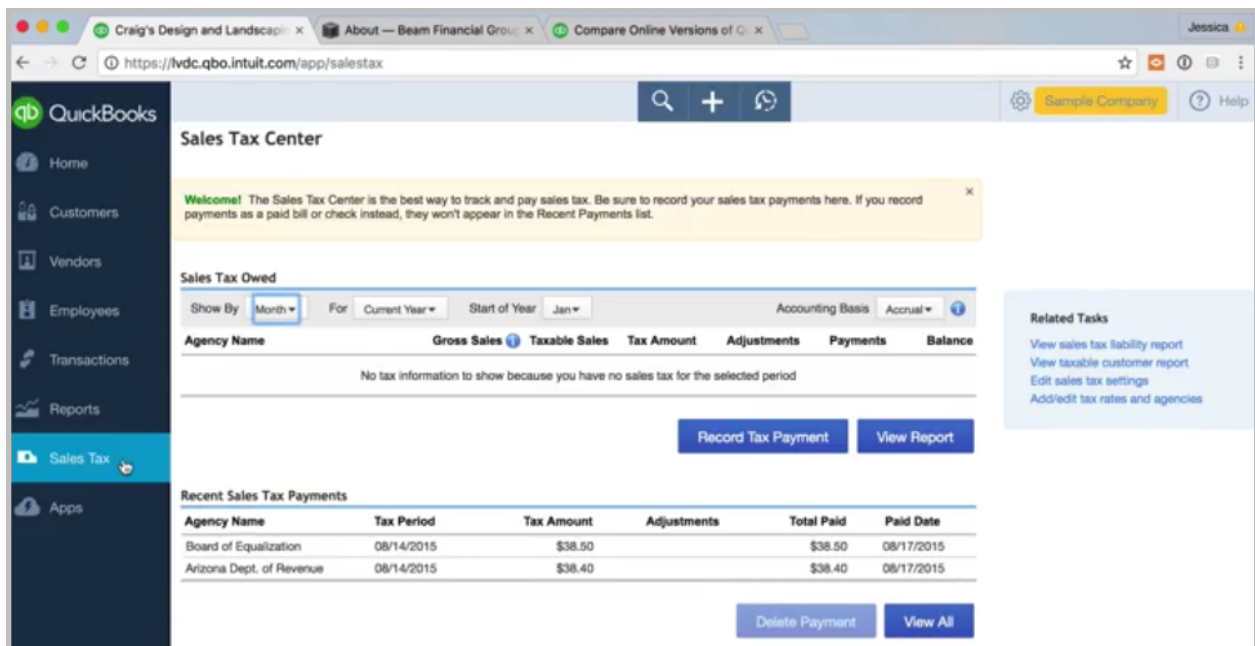
Then your Chart of Accounts. We'll have a whole module on the Chart of Accounts. This is a listing of every single account that you have. You're going to have accounts for income, different types of income. You'll have expense accounts. You're going to have equity accounts, like I mentioned, for contributing money to the business or drawing out of it. We'll talk about setup in the next module, but basically, this is where you access the chart of accounts.



The screenshot shows the QuickBooks Reports page. A notification box at the top says 'Beautiful management reports'. Below it, there's a search bar and tabs for 'Recommended', 'Frequently Run', 'My Custom Reports', 'Management Reports', and 'All Reports'. The 'Recommended Reports' section includes:

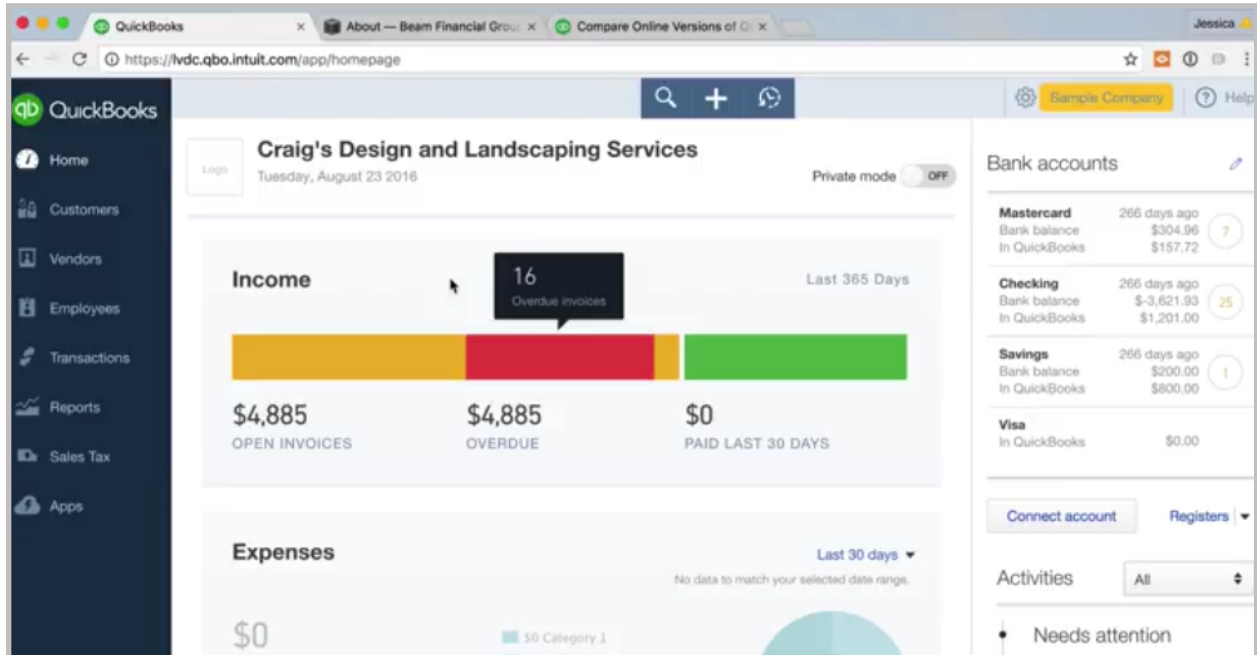
- Company Snapshot**: Displays your income and expenses in year-over-year comparisons using pie charts and bar graphs. Run | Customize
- Profit and Loss**: Shows money you earned (income) and money you spent (expenses) so you can see how profitable you are. Also called an income statement. Run | Customize
- Balance Sheet**: Lists what you own (assets), what your debts are (liabilities), and what you've invested in your company (equity). Run | Customize
- A/R Aging Summary**: Shows unpaid invoices for the current period and for the last 30, 60 and 90+ days so you can see how long they've been open (outstanding). Run | Customize
- Expenses by Vendor Summary**: This report shows your total expenses for each vendor. Run | Customize
- A/P Aging Summary**: Shows unpaid bills for the current period and for the last 30, 60 and 90+ days so you can see how long they've been open (outstanding). Run | Customize

Then we have the Reporting center. We'll talk about this in another module as well, how to customize reports, the various reports that you might want to run to be more in touch with your business.



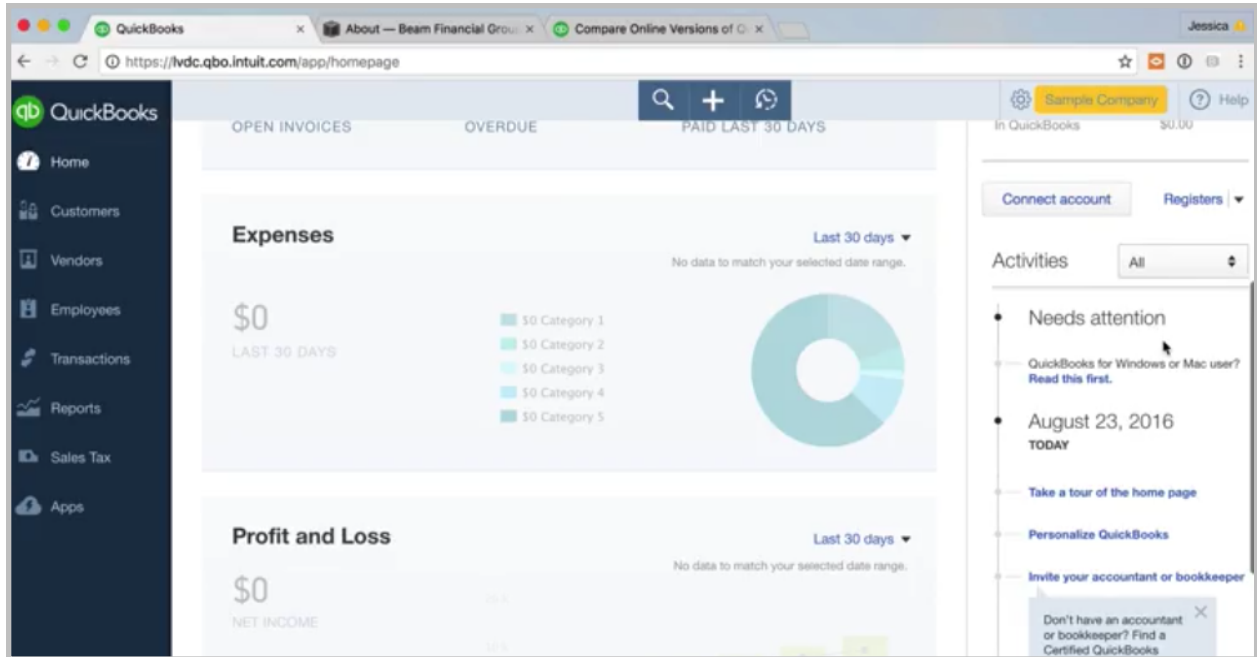
Then the Sales Tax center. Again, if you're going to be doing your billing outside of QuickBooks Online, you probably won't be tracking sales tax here, but just know if for some reason you are, then the Sales Tax center is here.

Then your App center. Usually you can't access it from the test account, but in your actual account, you'll see a listing of apps that Intuit authorizes or they recommend, so if you're searching for an app that might help you out with your business, you can find it here.

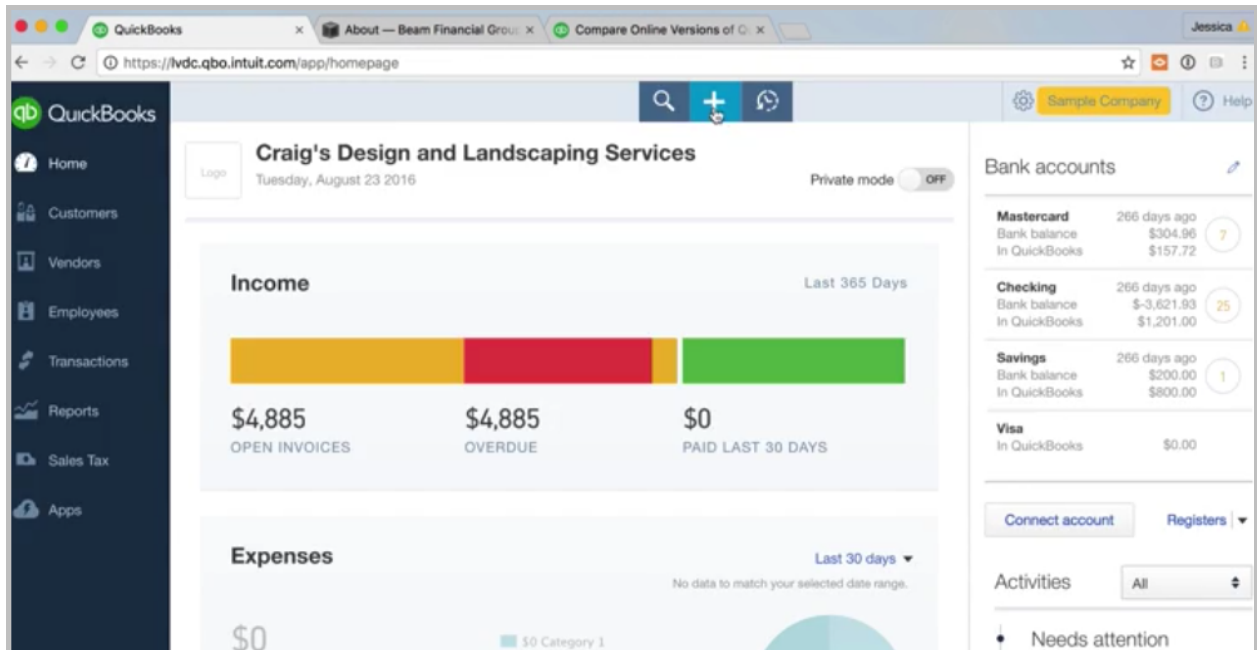


Okay, so back to the home page. Those were the centers that we just went through. Here on the main page you'll see just kind of a summary of what is going on with your business. You'll see income or invoices that are open. You'll see sort of a breakdown of expenses, and then you'll see profit and loss information. I actually don't use this that much. I'll typically go to a report and run a report. You get a lot more detailed information, but if you're just looking at a glance, it can be helpful.

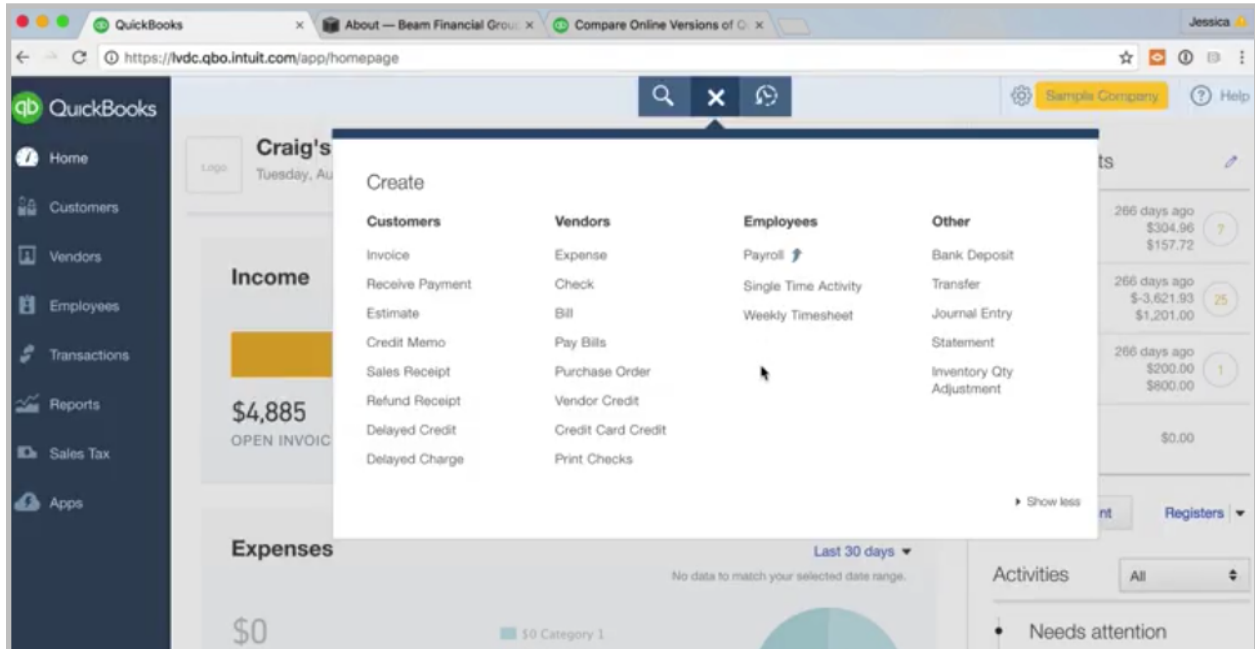
Then over here you've got your bank accounts and credit cards that you've connected. These little circles here are helpful. It shows how many outstanding transactions you have. For example, in this checking account, there are 25 transactions, so that might trigger me to go to the banking center and start coding in those transactions. You just kind of have a quick overview of what is going on with your bank accounts.



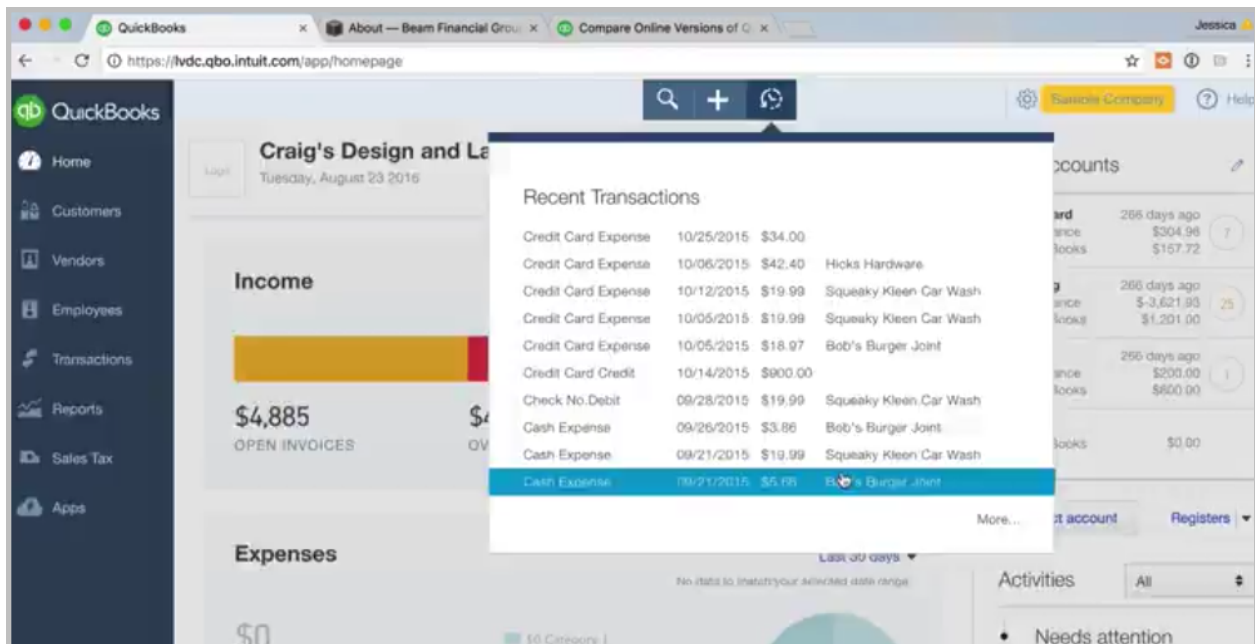
Down here, there is usually some information on what needs attention, or down here you'll see some of the latest transactions that you've coded in.



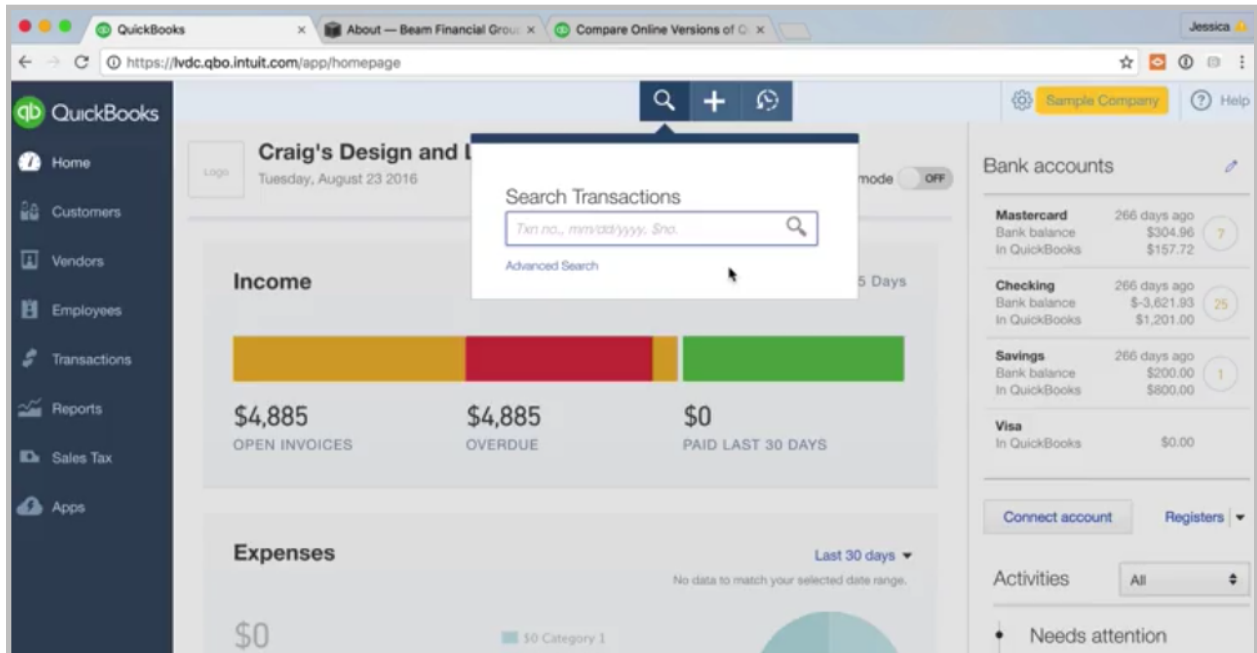
Up here, you've got another way to navigate through the software. The Quick Create, the plus sign.



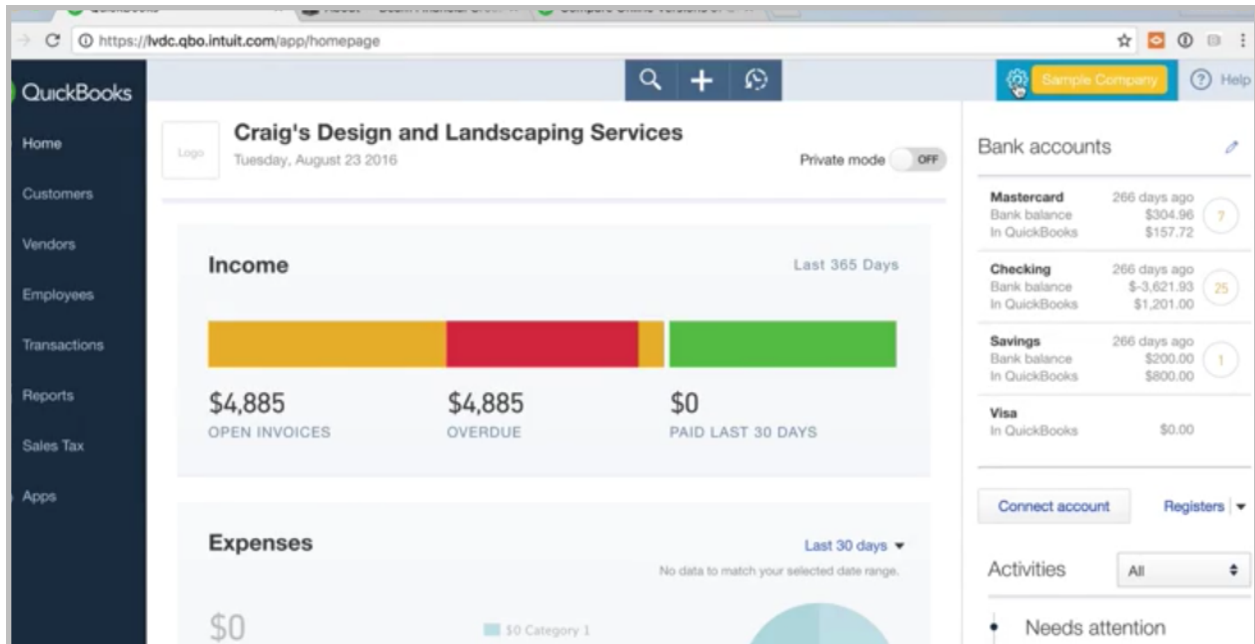
If we drop this down, this is where you initiate most of your transactions. If you're going to create an invoice, if you're going to enter an expense, or you have a bank deposit and you want to code that in, or maybe you have some time that you want to enter for an employee, that is all done here in the Quick Create screen. Very easy to remember that.



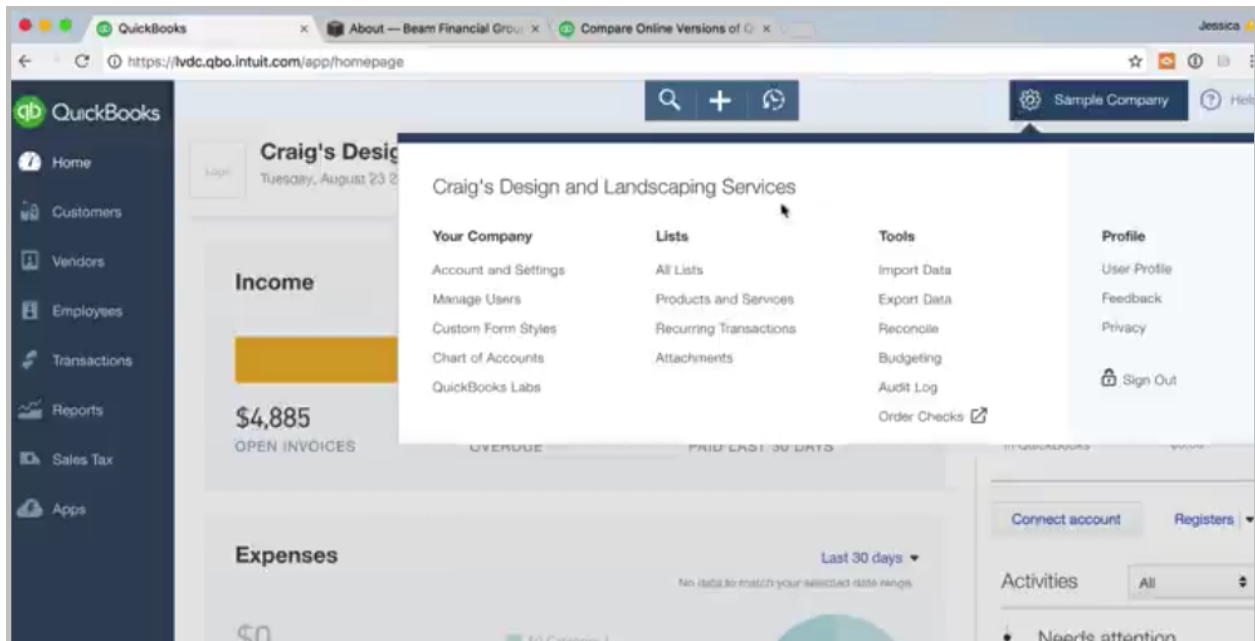
Over here, this is helpful as well. This is a listing of all your recent transactions. I use this all the time. Maybe I realize I put in the wrong date for a transaction, so I'm going to find that transaction that I just did, click on it, and then you can make any changes that you want within that screen, save, and close. That's helpful.



Another helpful tool is this Find feature. You can basically search for anything. If you know an amount on an invoice, if you know the person you paid it to—really anything that you want to search for. If you want to do it quickly, you could do something like, “I know the transaction was for \$19.99.” Hit return, and then those are the transactions that were entered for \$19.99. A quick way to find it. You can, of course, do the advanced search, and you can search any type of transaction. You can search all these different options, so really anything you want to look for. It's a lot faster than trying to go back through one of the centers and find it, so I use this a lot if I'm trying to solve a mystery, typically.



Okay, back to the home page. Our last menu that we'll go through is this gear icon up here. Drop that down.



This is a lot of your settings, lists, and different things that you'll sort of set up in the beginning. You'll be in this a lot more in the beginning and then not as much when you're just sort of ongoing, but anytime you need to change a setting, that would be over here. We'll go through accounts and settings in a little bit.



Manage Users. If you want to give someone access, maybe you want to give your accountant access or your bookkeeper or an employee, something like that, that would be in Manage Users.

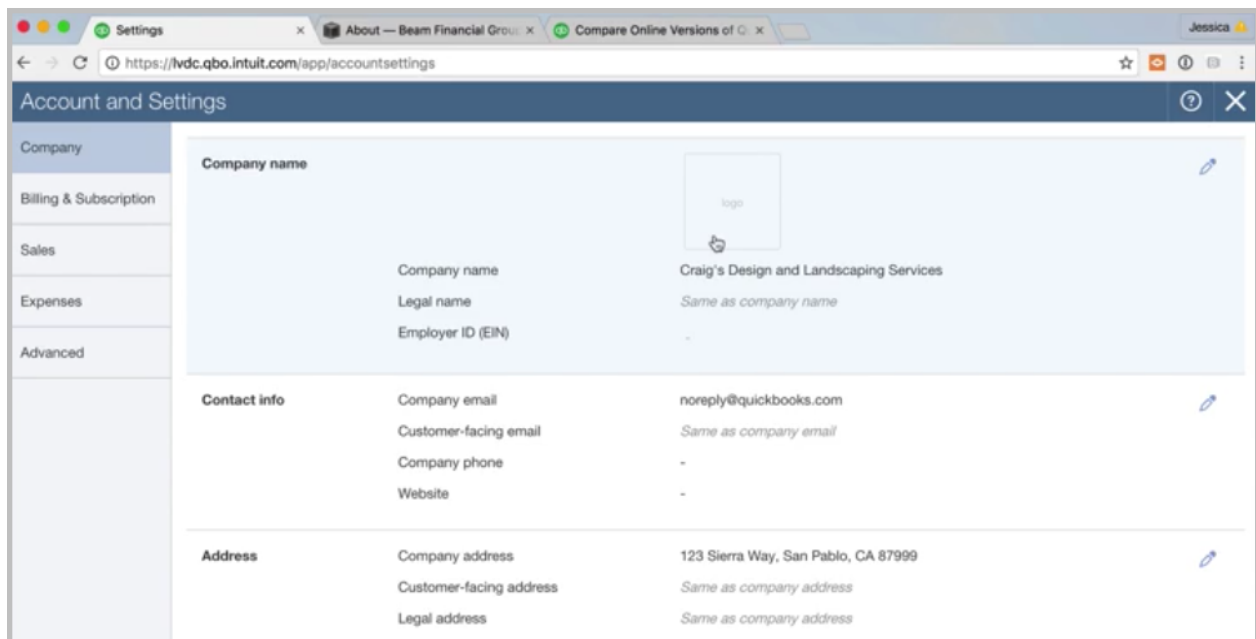
Custom Form Styles. If you want to customize your invoice templates, if you want your invoice to have a certain color, have your logo on it, that kind of thing, that is done here.

Chart of Accounts is also accessed here. You'll remember that we saw it over here under the transaction menu, Chart of Accounts, but you can also get to it here. Same thing.

Recurring Transactions is another one I want to put out, and this is a really nice feature where you can enter in all the information for any sort of recurring transaction. Just for an example, let's say you have a charge from Dropbox every month for the amount of \$19.99. You could go in here, enter all the information, the account it should go to, the amount, the date, and it will start to match up. Every time that transaction comes in to the bank, it shows up in your feed. It will already match to the information you entered. It's just another data entry time-saver, so you can set up those recurring transactions just to make your life a little easier.

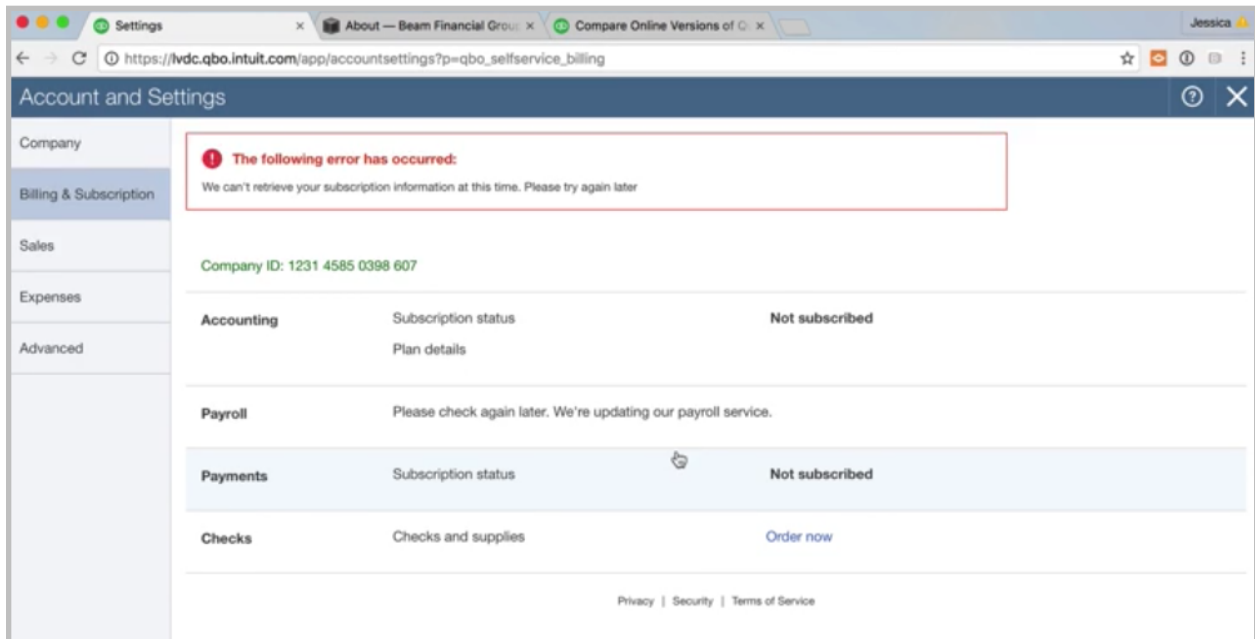
The Reconcile is another one you'll be using a lot, and we'll walk through the reconciliation process in another module. This is the quick way to get to reconciling your bank accounts or credit cards.

Then the budgeting feature, if you're using the Plus version, that's an option. You may or may not be using that.

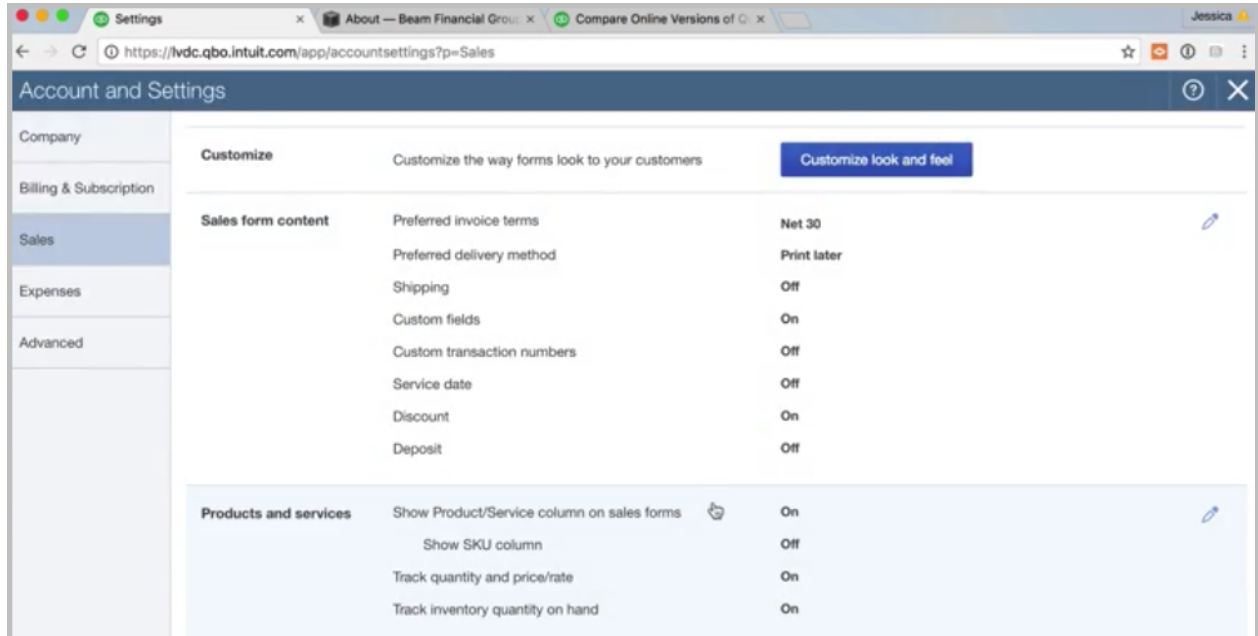


Okay, so let's go back to Account and Settings. This is a really good thing to walk through with your accounting professional. I'll give you the highlights, but it's very specific to your business, most of these settings, so if you can just take five minutes of your accounting professional's time or a bookkeeper or someone like that, they're going to know a lot better how to set all of this stuff up. I'd say take five minutes of their time and go through it with them, but I'll sort of walk through the highlights with you.

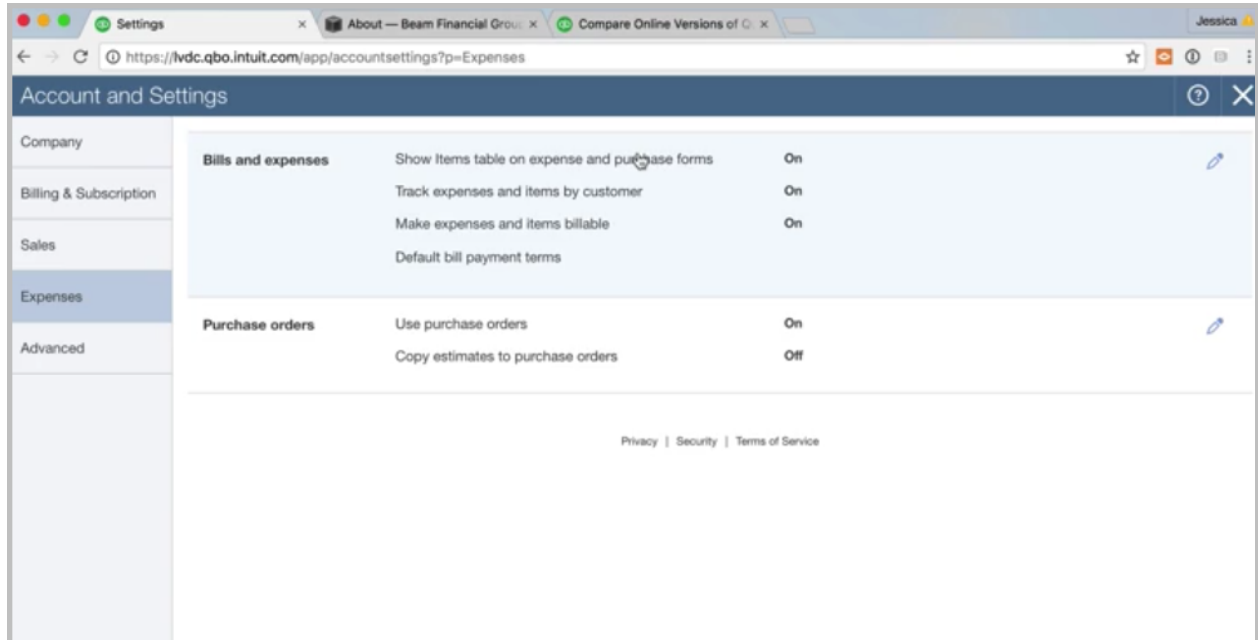
First page is the Company tab. It's basically all of your basics: your company name, email, all of that stuff. Employer ID, which is your EIN number, of if you're a sole proprietor your Social Security Number. That can be entered in here.



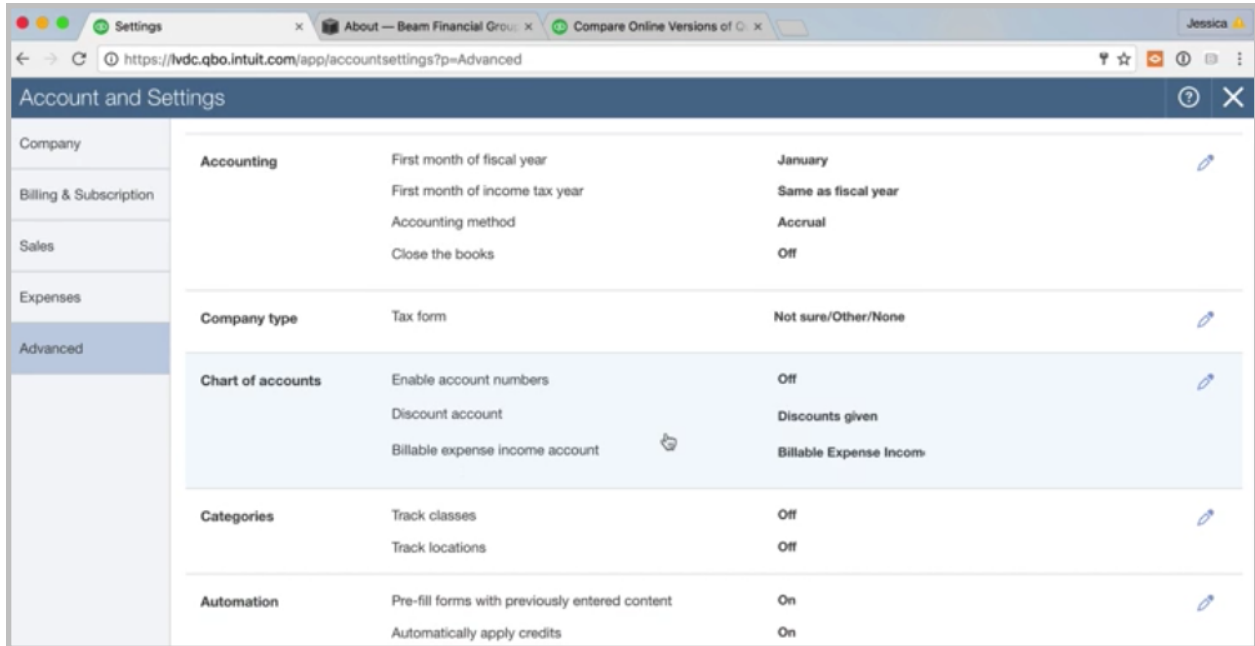
Billing and Subscription is any information about your billing and subscription. Pretty self-explanatory. Company ID: You'll need this if you ever call in to the QuickBooks Online hotline to get support. They'll ask you for a company ID, so just know that that is located here. Once you are subscribed, your plan type is here, so if you have the Essentials version, you can see that here. Sometimes people will ask you what version are you running, so that's found here.



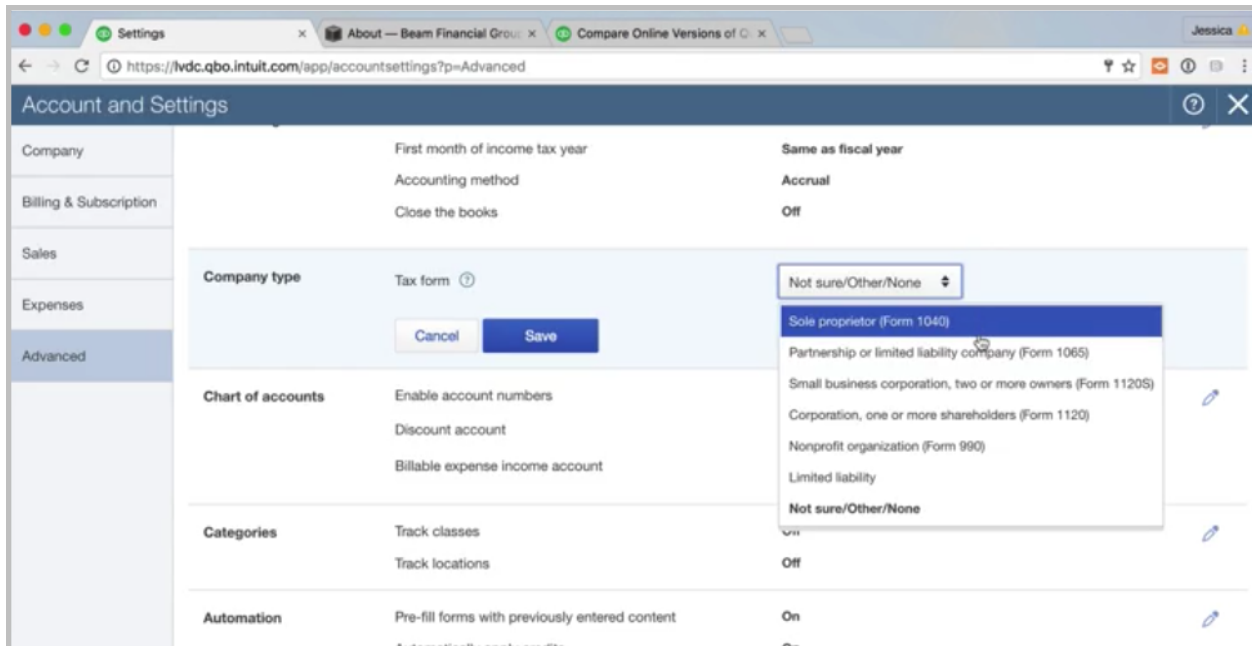
Sales: These are all your settings that have to do with invoicing, so a really good thing to go through with your accounting professional if you're doing invoicing through QuickBooks Online.



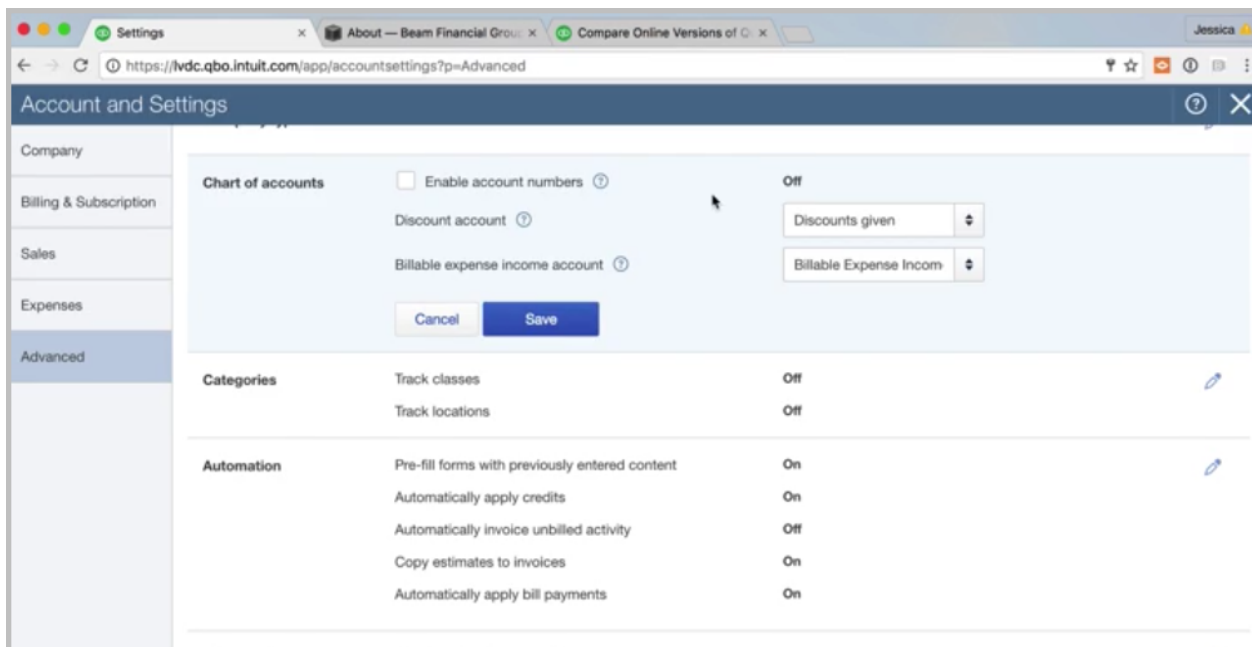
This tab is to do with your expenses. A lot of these settings have to do with if you're billing an expense to a customer, which you most likely aren't doing. In this case, a lot of these will just be turned off, but if you're unsure, ask your accounting professional.



Then the last tab is Advanced. This is, again, some accounting specifics, but some of them you can probably fill in yourself. Fiscal year, if you're not sure, ask your accounting professional. Accounting method: You might know whether you're cash versus accrual, but if you don't, just ask. Closing the books usually is at the preference of your bookkeeper, so they can tell you whether they want that on or off.

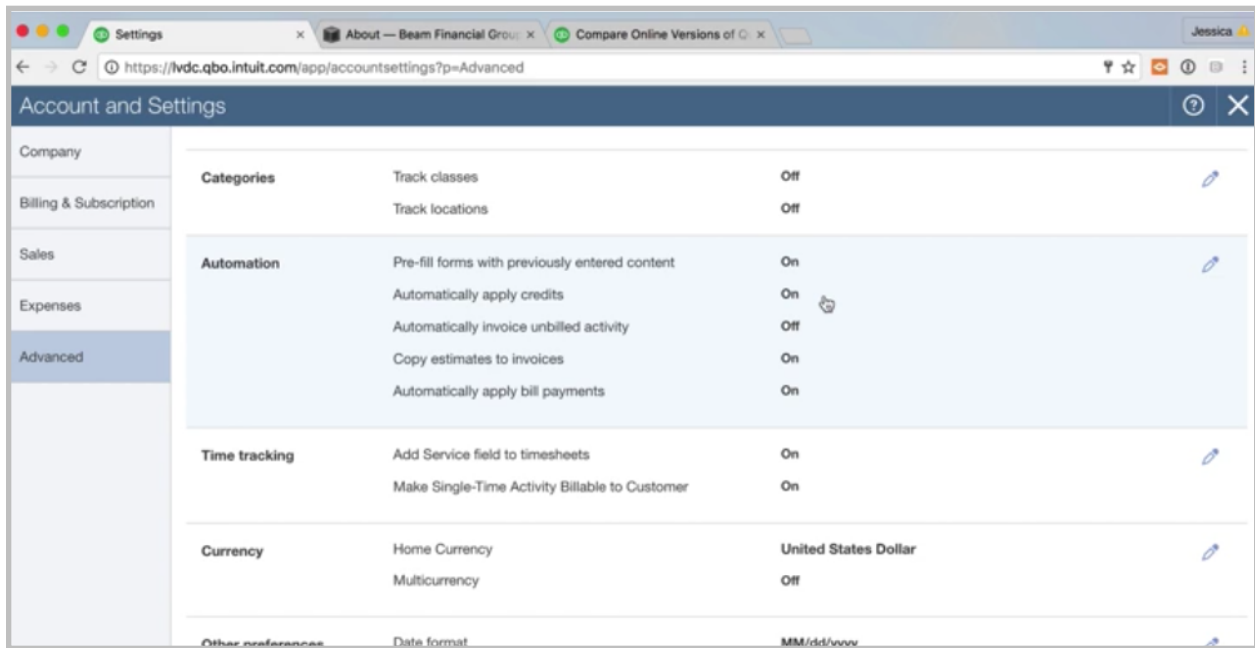


Tax form here. This is just the classification of your business, whether you're a sole proprietor, partnership, and then it shows the tax form that is associated with that. You can select that there.



Enable account numbers. I recommend to turn on the account numbers. We'll talk through this in the next module when we go through Chart of Accounts, but I like to have account numbers. It just helps your Chart of Accounts to be more organized and easier to navigate, so I'm going to recommend we turn that on.

Classes and Locations. Again, talk to your accounting professional or bookkeeper. They can tell you whether they want to set up classes or locations or whether they think that is a good idea for your business.



Here in Automation I usually recommend that you turn off anything saying “automatically.” I just like for you to have the option and the system to not be doing it automatically, so I typically recommend for clients to turn those automatic features off. Then the rest should be pretty easy to fill in.

Okay, so that’s the Account and Settings. You can come back to that anytime to make changes.

That completes Module One. Please reach out if you have any questions. In Module Two, we will be covering the Chart of Accounts, what it is, how to use it, and tips for setup for a health or medical practice. Thank you so much.