# Accounting, Module Three - Banking Center

Hi, everyone. Welcome back to QuickBooks Online for your practice. My name is Jessica Mishra, and this is Module Three covering the Bank center and recording expenses. In this module, we will talk about connecting bank accounts or credit cards to your QuickBooks Online account, and we'll also walk through the receipt and invoice process and how to record expenses.
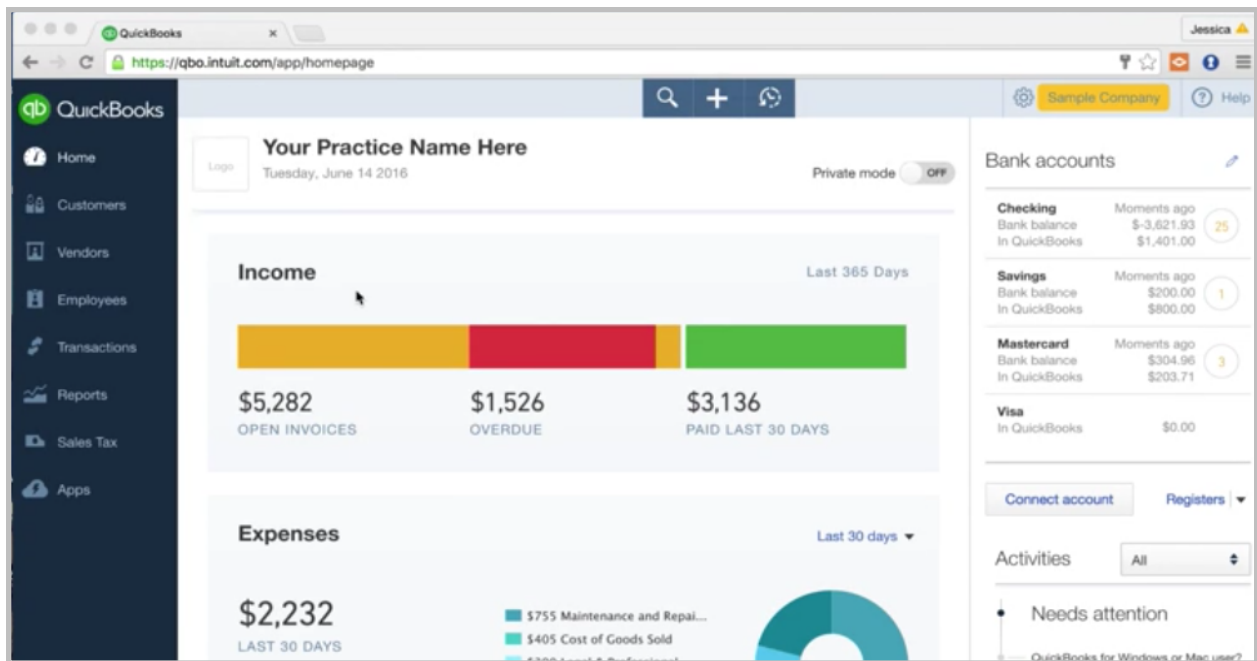
We're starting here on the home page. Let's go over to the Banking center, and you'll get to that from Transactions, Banking.
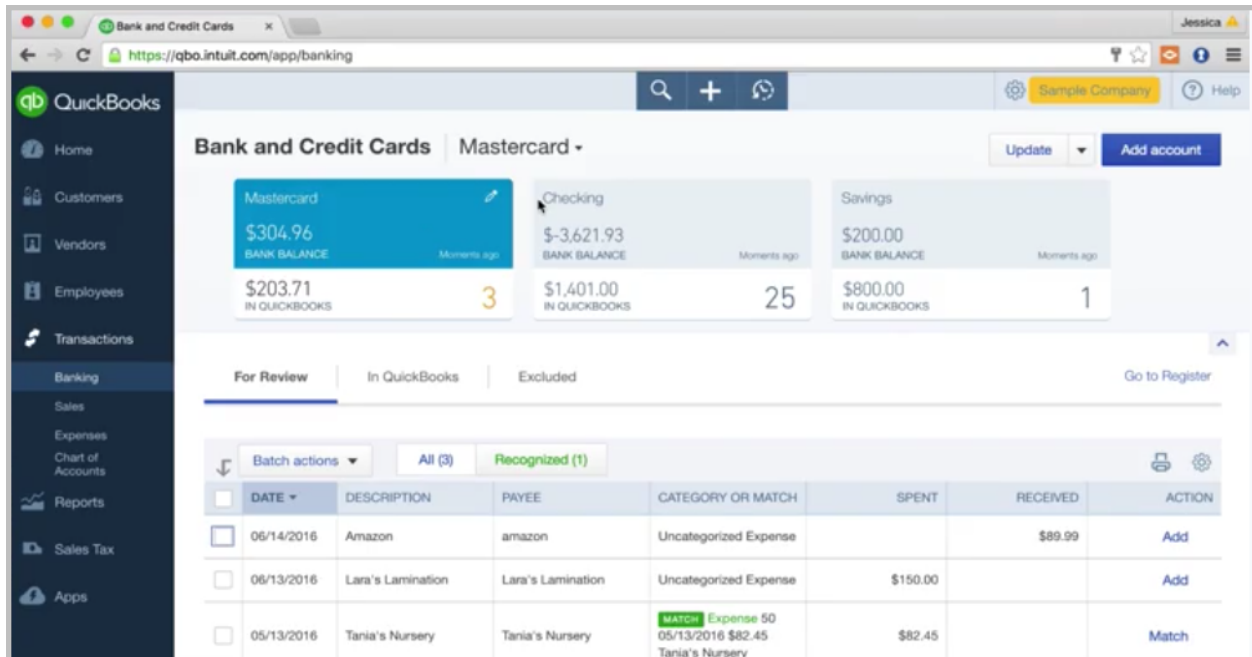
If you're new to QuickBooks Online, you won't see any accounts linked here yet, so we'll have to do that first. You'll go to Add Account. Choose your institution. Let's say it is Wells Fargo. Enter your log-in information. Hit Log-In. Then wait a few minutes, and it will start to pull in transactional data. It will pull back three months' worth of data. If this is the first time you're connecting, it will go back three months. If you're wanting more data than that pulled in—say you've been in business longer than that—you can retrieve a QBO file from your bank, usually by going to your online banking center and downloading that. You can usually enter in a date range, so you just enter in the date range, and they give you a QBO file. Then, you would just upload that here. Go to the drop-down file upload. That will pull in all your transactional data for that date range.

All right. Once you've connected your bank accounts and credit cards, you'll see them across the top. You'll see two balances. There is a bank balance here. That is your actual bank balance. If you were to go to your bank, look up your balance at this moment, that's the balance you would see. The bottom balance is your In QuickBooks balance. That's everything that you've entered into QuickBooks for this account. You'll usually see a difference between these balances because of timing. Maybe you've entered a lot of invoices or receipts into QuickBooks, but they haven't hit your bank or credit card yet, so then you see a higher In QuickBooks balance. Maybe you haven't entered those transactions in yet, but they have hit your bank or credit card, so then you'd see a higher bank balance. This can be nice because when you go through this process, you'll see we're going to enter in receipts and invoices as we get them. Sometimes this In QuickBooks balance will be larger because the charge is going to hit in the next day or two. It's a good way to keep an eye on what is coming down the pipeline. You might see that this balance is $10,000, so you know you're going to have several charges coming in from your vendors in the next couple days, so you can be prepared for that.

Okay. We've linked our bank accounts and credit cards. Now we're going to go through the receipt and invoice process, and I think this is a great process that will help you stay on top of everything. It's a proactive process, so we're going to enter in the receipts and invoices as we get them instead of waiting for them to hit and then coding them in. I find that works a lot better.

This will start with your email. You'll go to your email. Download an invoice or receipt, and save it to Dropbox. Let's go over.
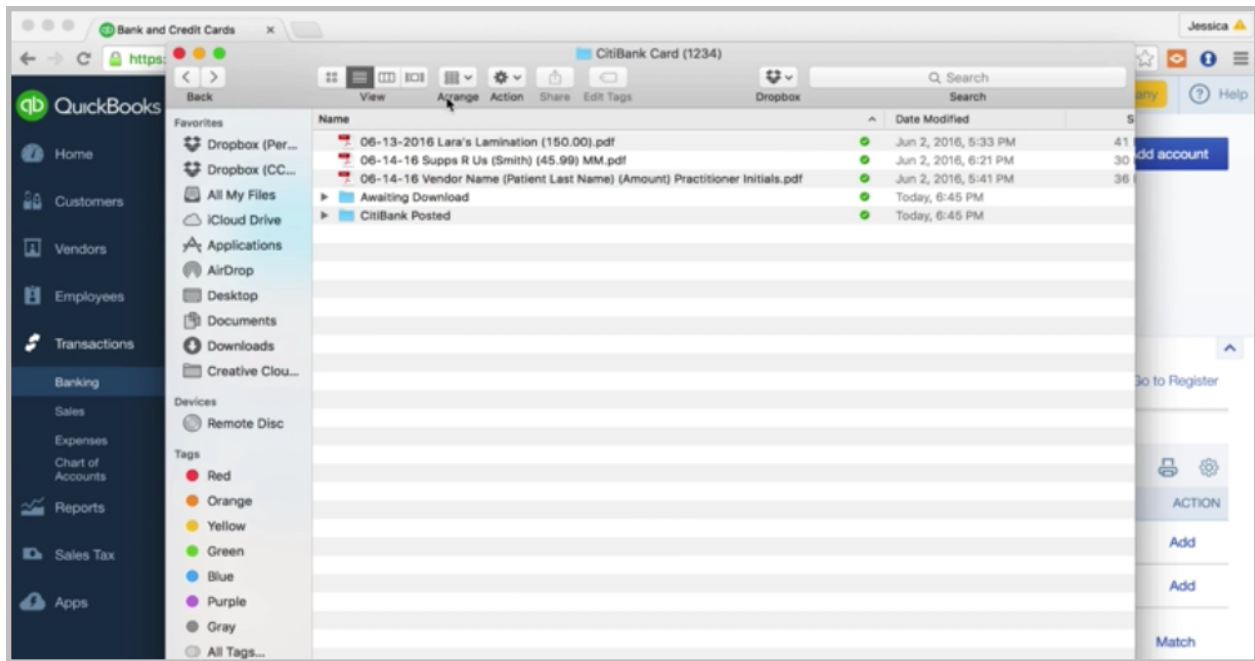

I have a sample Dropbox created here. You'll want to have a folder for each credit card or bank account that you have. You can see across the top I have a folder for Citibank card ending 1234. Any invoices or receipts that were charged to that card are going to get filed here. We'll use a naming convention, so you can see I have a couple of invoices in here. The naming convention is the date, the vendor name, if applicable the patient last name, the amount, and the practitioner initials, again if applicable. In some cases, such as in this example, Laura's Lamination, it doesn't relate to a patient, and there is no practitioner, so we don't put that information. In this one down here, it was a supplement, so it relates to a patient, and we have the practitioner's initials here.

So go through. You'll download all of the receipts and invoices. You'll save them using this naming convention. Everyone in your company needs to use the same naming convention. It will make it a lot easier to search for invoices and receipts.

Then, you'll start to form a little list here of invoices and receipts that need to be entered into QuickBooks. That's how you know. You'll go to the folder, and you'll see them sitting right up top here. Then we've also created two other folders: Awaiting Download and Citibank Posted, and you'll see how we use those in a moment.

Okay, so let's go ahead and enter in these two invoices and receipts that we've received. Let's do the Laura's Lamination first. We're going to go back into QuickBooks.
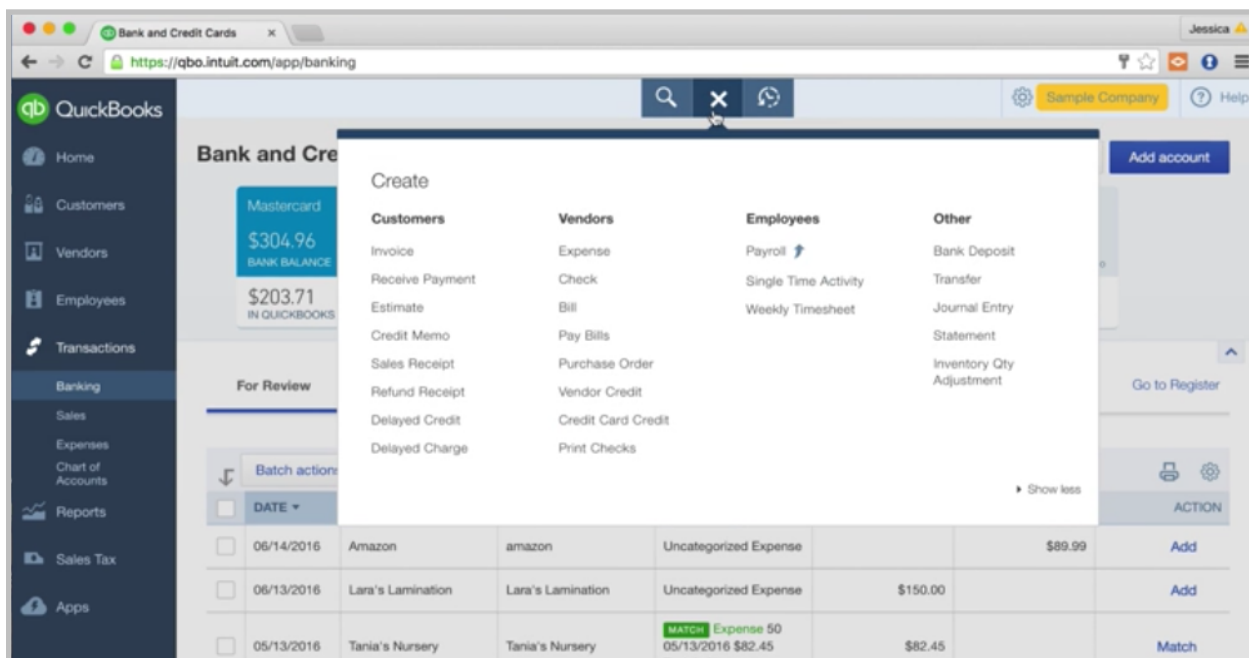

Go to the plus sign. That's the quick create, and create an expense. Very simple.
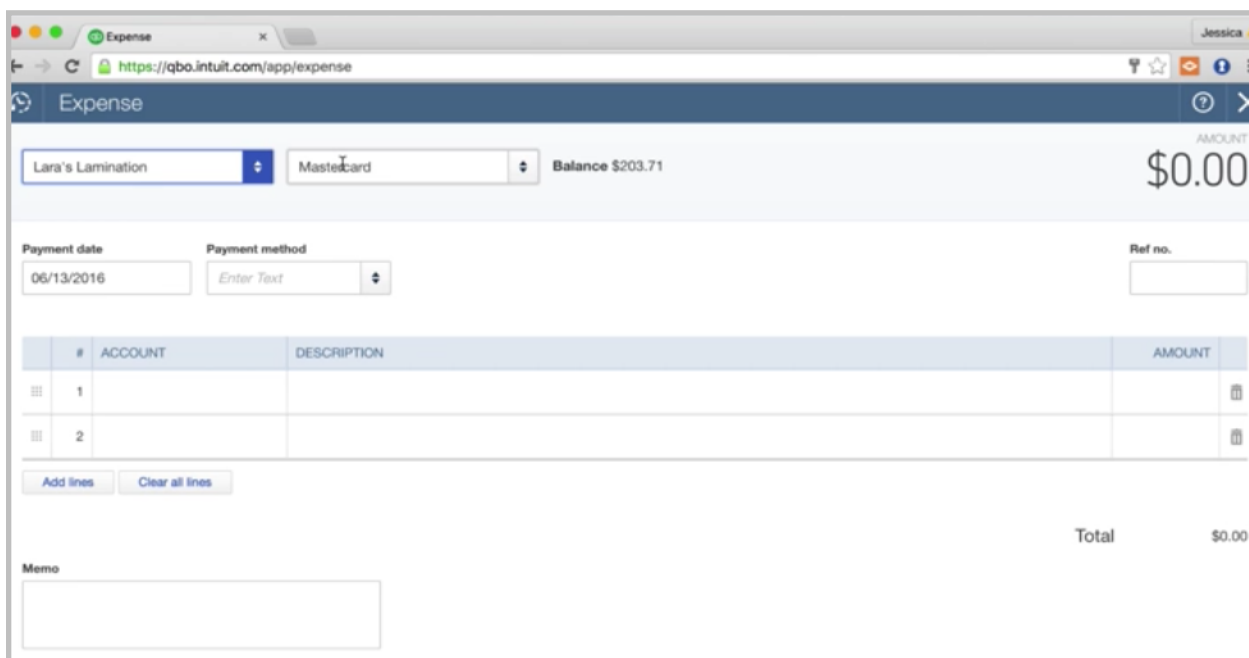
We'll enter our vendor, and that was Laura's Lamination. This was on—we don't have a Citibank in here, so let's pretend it was a Mastercard. So Mastercard here. The date—06/13—that was our date.

Advertising. Then this will say it was lamination for brochures. We can put in the memo here "brochures," and this was for $150. I like to copy this down to the memo as well. Then we'll hit Save and Close.

Pretty simple. That was our first expense that we entered in. Let's go ahead and do that supplement charge as well. I need to take a peek at it again just to refresh my memory. That was on 06/14/16. Supplements R Us was the vendor. Smith is the patient. $45.99 MM. Okay, back to the Quick Create. Expense.
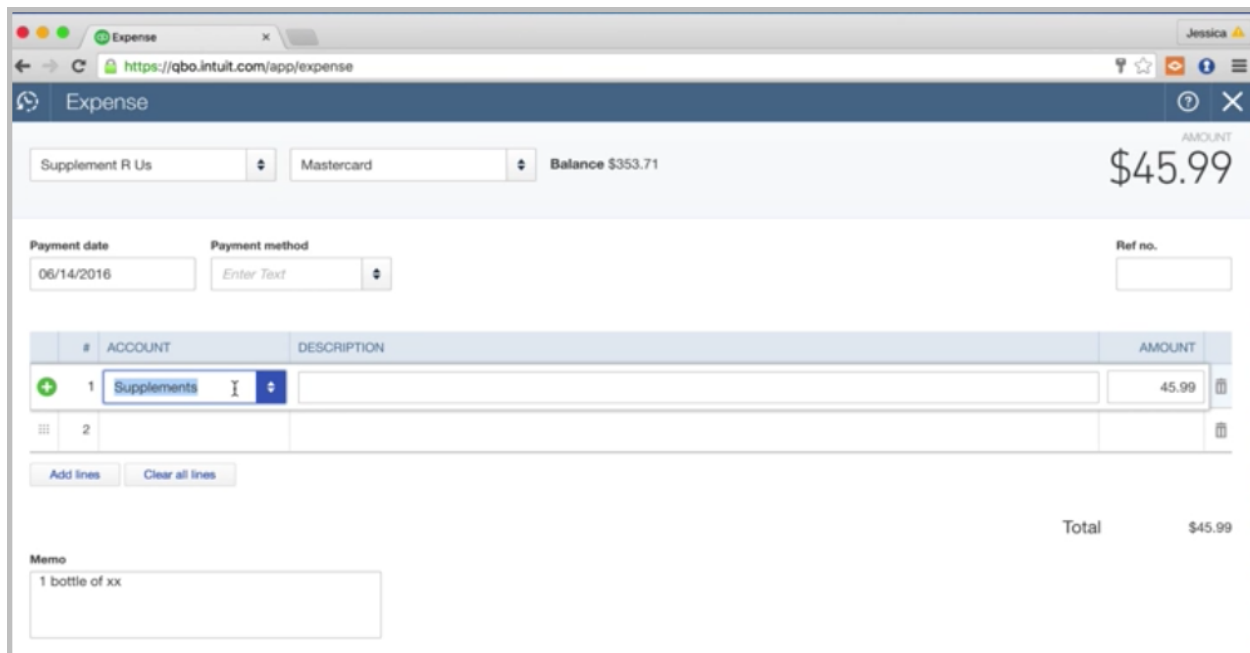

Let's find our vendor, Supplements R Us. This was, again, on that same card. This was on the 14th. We're going to use the supplements accounts. It's already populating here. It will start to recognize as you use a vendor over and over. It will start to recognize what account you typically link it to. Always double check it, but it starts to save you a little bit of time. This is our supplements cost of goods sold account, and we're purchasing a supplement. I like to put the last name of the patient up here so we can easily find the patient and what charge relates to them when we're searching. We've got the amount here, $45.99. If you want to put more notes in the memo or the description, maybe what the supplement was, feel free to do that. Then we'll hit Save and Close.

All right. So, those two expenses were entered in. Let's go back to our Dropbox really quickly. Once you've entered them into QuickBooks, they no longer need to sit in the top of this folder. They're going to go to Awaiting Download.
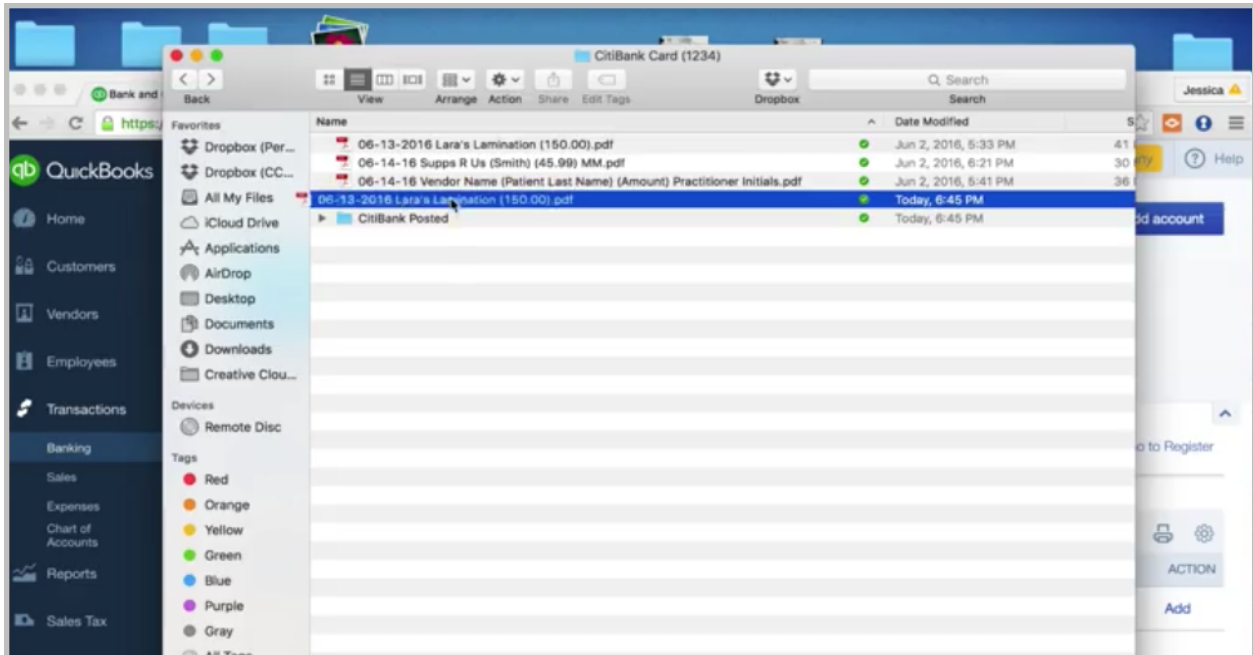
We'll simply drop them here, Awaiting Download. Then we know. If anybody else comes into the folder, they know there is nothing that needs to be entered into QuickBooks. It's sitting in Awaiting Download.

The next part of this process is to look at what has come in from the bank or credit card, and then we want to make sure there is a receipt for it, make sure it is correctly entered, and then ideally match it up. Hopefully we've done this process well. We've entered everything. It's going to match. Everything is going to start matching up. You never got a receipt for it, so you have to go back to the vendor and say, "Hey, I need a receipt." That's totally fine, but those should be exceptions. Most of what you are entering in should eventually match up to a transaction that comes in from your credit card.
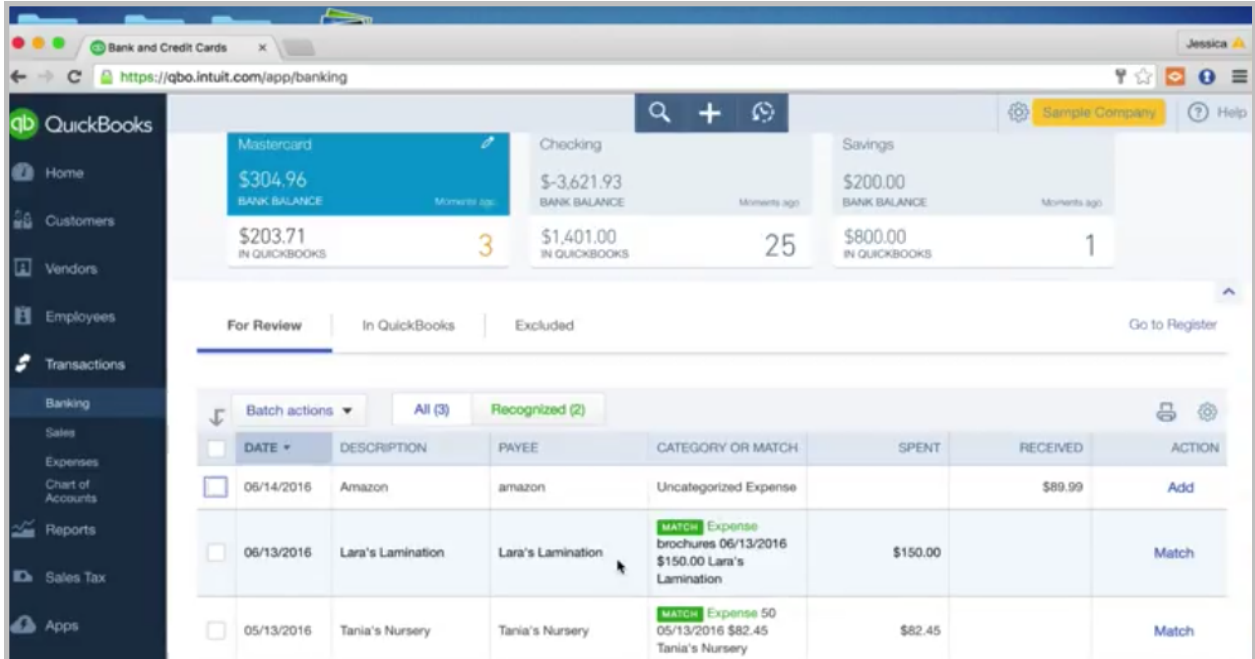
We have an example here of that, Laura's Lamination. That one has come in, so the charge has hit to our Mastercard for $150. We can now match it up, but before we do that, we want to verify that we have a receipt for it. We'll go back to our Dropbox window. Go to the Awaiting Download folder because this is where everything that we're waiting for it to hit.
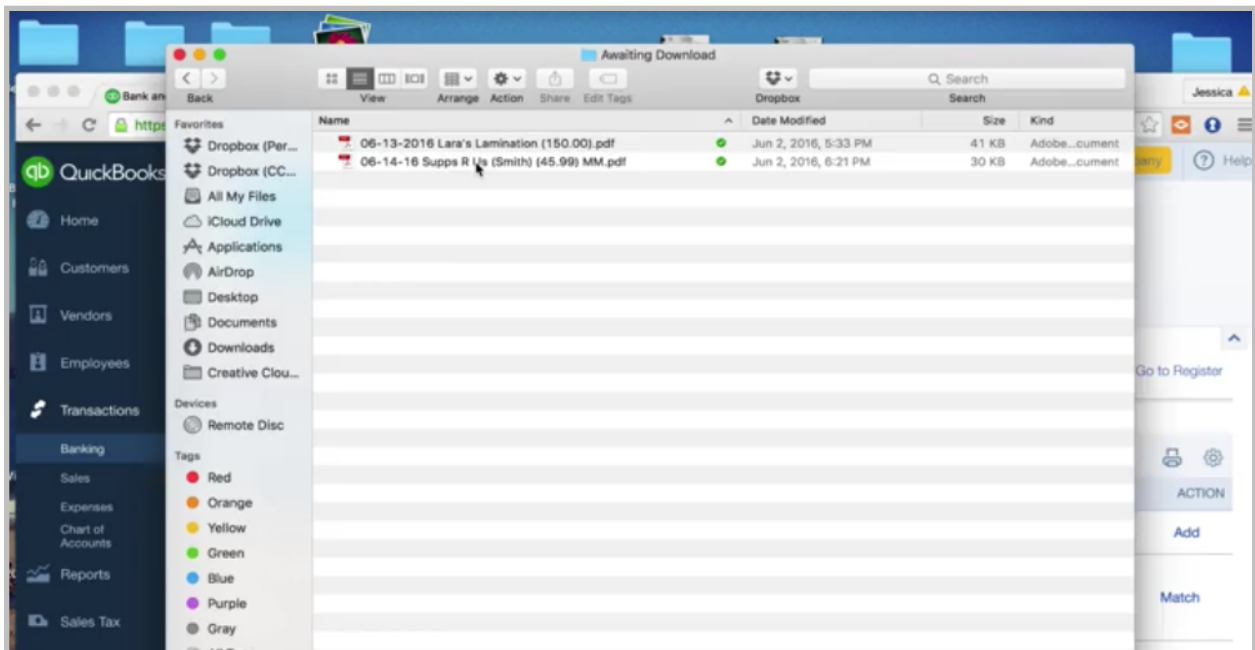
We see this Laura's Lamination here. Then I like to just pull up another Dropbox window, so this is my Citibank Posted. Once it is posted, we're going to move it there. I saw it in QuickBooks. It looks good, so now I can move it to the Posted folder.
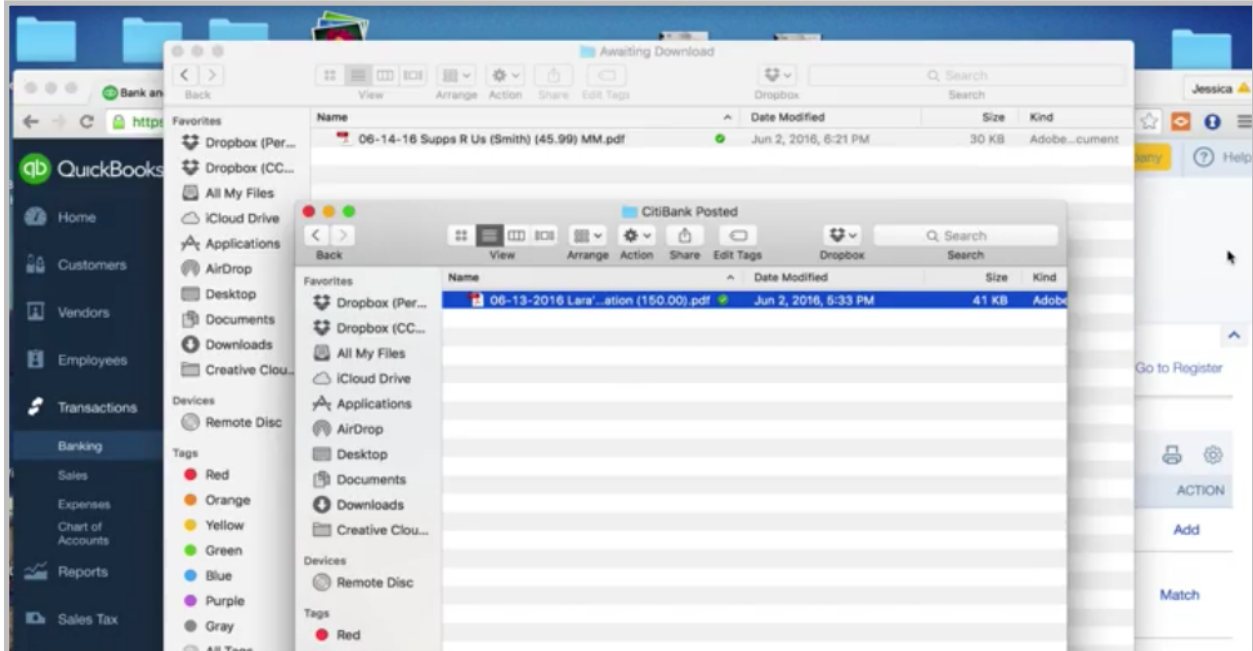
Now we know that the process for that invoice is complete. That was Laura's Lamination. Everything looks good. Match. Now it is entered into QuickBooks.

That may seem like it is kind of a long process, but you will get really fast at it, and you'll do it all at once. You'll enter everything in at once, and then you'll go through, and you'll look at all the transactions that have matched up, compare it to the Awaiting Download folder, and if it matches, move it to the Posted folder. Trust me, it gets to be very fast. You'll be really good at dragging and dropping and making sure everything matches up.

This is a way you can probably see that we double-check that we have receipts for everything and that everything is correctly entered. Data entry can get kind of—we can tend to make mistakes, so this is a process that catches those mistakes.

All right. So, that is basically the receipt and invoice process from start to finish. This is basically how we record expenses. In the next module, Module Four, we'll go through recording a bank deposit, and we'll talk a little bit about recurring expenses, which is something you can set up to save time. We'll also talk through creating rules. That is where you start to—the system starts to recognize the vendors that you're using, and it will populate some of the data for you. That's a big time saver.

Thank you for watching. Let me know if you have any questions.