

Accounting, Module Four - Banking Center Continued

Hi, everyone. Welcome back to QuickBooks Online for your practice. My name is Jessica Mishra, and this is Module Four, Banking Center, Part Two. In this module, we'll cover various topics, including recurring transactions, recording bank deposits, setting up rules in your Banking center, miscellaneous transactions such as equity transactions, and creating a credit card credit within QuickBooks.

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We're going to start here back in the Banking center. In the last module, we talked a lot about expenses, so I wanted to add something on to that, and that is how to set up a recurring expense. I'll show you how to set up a recurring transaction, and you can use this for anything. It could be for an expense. It could be for recurring income that comes in that is the same amount on the same date every month. Maybe you want to set up a template for a journal entry that is going to pop in at the same time every month. You can use this for a variety of things, but one of the most common is a recurring expense, and I'll show you how to set that up.



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We'll call the template name Dropbox. You want to choose the payee, which is Dropbox. Let's say this charge hits our Mastercard each month, so choose Mastercard. It's a monthly charge, we see here. I usually choose about two days before the charge typically hits just to give some leeway if it's a weekend or a holiday, and the charge comes in on a different date, just to be safe. If we know it's coming in on the sixth, I'll pick the fourth. Then a start date—we'll do today's date. We can't go backwards, so just today going forward. If you know an end time for the expense, you can choose an end date. Otherwise, just keep it as none. I'll put a reference number, just something to let me know what this is for, Dropbox monthly.

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Choose an account, let's say Office Expense. Then a little note here, Dropbox monthly subscription charge. Put \$9.99. Let's say that is the recurring charge. Then, I copy the description down to the memo, and that is our recurring template. You can hit Save Template.

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Then you can see all of your recurring charges will show up right here.

What will happen is when that charge hits your Mastercard each month, it's going to start to match up automatically, as we saw before when things match up. That saves you a lot of data entry, so it's great to set up as many recurring expenses as you can. It's going to save you a lot of work.

Okay, so onto deposits. We've discussed a lot about expenses. What if we want to record a deposit? Either maybe you're going to the bank, your admin, or someone else from your company is going to the bank and deposit some checks. You want to enter that into the system. It's nice to do it while you have the checks handy, and you have all the information. You know the deposit amount that is going to happen.



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You want to pick the account that it is being deposited into, so this is our checking account on today's date. We're going to make the deposit today. Who is it received from? Let's say we're getting an affiliate commission from our favorite supplement vendor, Supplements R Us. Let's choose them. This is an affiliate commission. We have—let's say we want to have an account.



Maybe this is our first check, maybe the first affiliate commission, so let's set up an account for affiliate income.

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We've got an income account here. We'll do this as Other Primary Income. Let's call it Affiliate Commissions. We don't have the numbering system turned on in this test account, but you would want to put a number associated with it that lines up with your income numbering. Then, hit Save and Close.

Okay, so we've got a check coming from Supplements R Us. It's an affiliate commission. Maybe we'll say June commission. The payment amount, if this is a check that we're depositing. We'll choose Check with a reference number. This is a check number. Let's say it is 12345. The amount—they are paying us \$500 this month. Then same—I copy the description down to the memo.



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If we had one check we're depositing, it would look like this. If you have several checks in a deposit that you're going to make, you want to include all those checks, because once the deposit amount hits the bank and the bank feed, you want that to match up very easily. If you record the deposit with all of the checks that were in the deposit, then it will easily match up, and you won't have to pick out which checks were deposited. Just make sure that you do that. Then, we would hit Save and Close.

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Again, once you've recorded that, once the deposit is made into your bank, let's say into your checking account, it will show up here as received, and it will automatically match up to that information that you keyed in.

Okay, let's talk about setting up rules in your bank feed. This is another nice time saver. It's kind of the theme of the day here, is saving time and cutting down on data entry. Let's take this A Rental charge here.

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Let's say we're ready to code this in. This was a \$1,200 charge. It was, in fact, from A Rental Company. We'll add them as a vendor. Let's say this was a rent expense. Yes, let's say it's a rent expense.



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Down here you're going to see "Will set A Rental to Rent or Lease from now on." What QuickBooks is doing is starting to make a rule for you automatically. Every time it sees a charge come in from A Rental, it's going to fill in this rent or lease account for you, which is nice in a lot of cases, so if that is a fact that every time you have a charge from A Rental that it should be rent or lease, then it's good idea to set up a rule. Sometimes we have a vendor that is not always the same account. Like maybe you have Whole Foods. Sometimes it's supplies for the office, or sometimes it's a meal for you, and that account is going to change. Then you wouldn't want to set up a rule.

If you do want to set up a rule, then this is fine. You can kind of just leave it as it is and hit Add, and it will start to make that rule. So, every time it sees this, it's going to populate it.



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If we don't want it to set that rule, all you do is go here to edit this setting, and click this box: leave A Rental uncategorized. There is an option to create custom rules if you want to put more information in there, but typically, this will work out just fine. Either you have the rule, or you check the box, and you turn off the rule. That's up to you. One caveat with the rules is that QuickBooks is occasionally wrong. It will not match up correctly, so it will sort of make an incorrect rule. This is pretty rare, but I always like for people to check what the system is saying. Just go through really quickly. It says A Rental. It's matching it to rent or lease. Is that correct? Yes. Then you can add it. Just do a double check and make sure the system is doing it correctly, but typically it will.

Okay. Let's talk briefly about miscellaneous transactions such as equity transactions. We've talked now about expenses and income, and those are your typical transactions. Every once in awhile you'll have a special transaction that might be classified into an equity account. Let me give you an example of that.

Let's say this A Rental charge, this \$1,200, let's say that was actually a personal expense from one of your owners or partners or you, if you're the owner and you're managing the books. It was an accidental charge on the business card. In that case, that's fine. We can keep the vendor in there, A Rental. We know who it was paid to. Instead of putting it to an income or an expense account, we're going to put it to a draw account. We went over those in another module how to set up the equity accounts, but we'll go ahead and set it up again here.



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It's an owner's draw if the company is a sole proprietor. If it's an LLC, it's called a members draw. We'll just add owner's draw. An owner's draw is an equity account.

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Equity, owner's equity, owner's draw. You would assign a number to it. Hit Save and Close.

That's all we're really going to do. If you want to put a little note this was a charge accidentally to the business card, but it relates to personal. Something like that just so you know, so your



accountant knows, but that is totally fine. It's basically saying that you're drawing some money out of the business, so business funds were used to pay for a personal expense. That's like drawing money out of the business. That is one way to handle that.

This is sort of true for sole proprietors or certain LLCs. If you're a corporation, it gets a little bit more complicated, so in that case, you'd want to talk with your accounting professional, but this is just sort of a high-level example.

Then the reverse is true. This would be if the money is going out of the company, owner's draw. If money is put into the company, let's say you're the owner, and you put in some money. You want to put in some capital into the business, then that would get recorded as owner's capital. It's also called owner's contribution. Again, if you're an LLC, member's capital or member's contribution. Let's just take this one.

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This is money received. If that was money put into the business, you could simply use the owner's contribution account. We'd have to set up that account, but again, we went over that in the Chart of Accounts. You want to set that up in the beginning. You're going to have a draw account and a contribution account, and that is what you'll use for those unique transactions that aren't income or expenses.

Okay, the last topic is credit card credits. Every once in awhile you might get a credit back on your credit card. Let's say a supplement vendor issued a refund for a patient. Pretty simple.



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			DATE *						ACTION
			07/16/2016	Books By Bessie	Pam Seitz	Uncategorized Income		\$55.00	Add
			06/16/2016	A Rental				\$200.00	Add
			06/16/2016	A Rental	A Rental	Owner's Draw	\$1,200.0		Add

We go to the quick create. Go to Credit Card Credit.

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It's pretty much the same thing that you would do for an expense except it's a credit. We would choose—maybe this is coming from Supplements R Us. We know it's going back to the Mastercard, the date that it is happening. Usually we will get a credit memo in your email, and it will say that your refund has been issued. That's when you'll head to QuickBooks and set up this credit card credit.



A lot of times I will say that the vendors won't communicate to you ahead of time that you have a credit coming, and you'll just see it hit the card, so that's the point, when you see that hit, you'll know to go back to your vendor and say, "I saw a \$50 credit." You always want to get a credit memo. "Please send a credit memo." You'll file that in Dropbox just like you filed your invoices and receipts, and then you'll set up your credit card credit. In this one, we put it back to whatever supplement account. Again, they're not set up here. So, supplements, the cost of goods sold account since it is crediting back to that. Then put a description in, refund of one bottle of certain supplement. It's a \$50 refund. You could put if they tell you who the patient is that you refunded back to, put the patient name in here. Copy this description down over here. Then you'll hit Save and Close.

Before we go out of this, just a note about the account. Always think about what account was originally used. If you originally paid for a supplement, and you put it in a certain account, make sure the refund is going back to that same account because you want it to offset that original charge. No matter what it is, just think about what the original account was because you want to be sure to offset that amount with your credit.

Okay. I didn't pick an account. That's fine. All right. So, your credit card credit, if you entered it ahead of time, will eventually match up to the credit when it hits the card or the bank account.

Okay, that concludes Module Four. Thank you for watching, and let me know if you have any questions.