

LEARNING MADE EASY



2023 Edition

QuickBooks® Online

for
dummies®
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Utilize the cloud to manage
your business finances

Generate invoices, pay bills, and
handle employee payroll

Analyze your data in
Microsoft Excel

David H. Ringstrom, CPA

First became a QuickBooks
consultant in the previous century



QuickBooks[®] Online

2023 Edition

by David H. Ringstrom, CPA

for
dummies[®]
A Wiley Brand

QuickBooks® Online For Dummies®, 2023 Edition

Published by: **John Wiley & Sons, Inc.**, 111 River Street, Hoboken, NJ 07030-5774, www.wiley.com

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Published simultaneously in Canada

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Library of Congress Control Number: 2022946641

ISBN 978-1-119-91000-8 (pbk); ISBN 978-1-119-91002-2 (ebk); ISBN 978-1-119-91001-5 (ebk)

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Introduction

Welcome to QuickBooks Online! In this book, my goal is to help you get up and running quickly if you're new to QuickBooks, and then carry out tasks in QuickBooks in the most efficient way possible. Accounting programs such as QuickBooks Online are designed to take the pain out of accounting, and in some cases, they even make it easy. In other cases, they may infuriate you. I point out the good, the bad, and the ugly of QuickBooks Online, which is aimed at business users, and QuickBooks Online Accountant (QB Accountant), which is aimed at — you guessed it — accountants and bookkeepers. Both programs are web-based products that offer mobile versions, so your accounting records can be at your fingertips no matter which device you have at hand. Business owners can share access with their accountants, and accountants can gracefully support multiple clients who use QuickBooks Online.

Intuit, the maker of QuickBooks Online and QB Accountant, also offers QuickBooks Desktop, which is a version of the software that you must also subscribe to but then install locally on individual computers. I discuss migrating QuickBooks Desktop to QuickBooks Online in Chapter 3 and Appendix B. If you're in need of a QuickBooks Desktop reference, please get a copy of Stephen L. Nelson's *QuickBooks All-in-One For Dummies 2023* (John Wiley & Sons, Inc.).

About This Book

Everything that can be done in QuickBooks Online can be accomplished in QB Accountant as well. QB Accountant offers additional tools that are useful to accountants who manage multiple clients and/or multiple companies. As you'll see, QuickBooks Online requires a subscription fee for every set of books you want to maintain, whereas accountants get free access to QB Accountant for overseeing their clients' books.

QuickBooks Online and QuickBooks Online Accountant aren't for everyone. Before you commit to Intuit's web-based solution, you need to explore the available editions and examine the requirements for the products. In that regard, I've divided the book into five parts:

- » Part 1, "Getting Started with QuickBooks," helps you choose a subscription level, set up your company, and if needed, migrate your accounting records from QuickBooks Desktop.

- » Part 2, “Managing Your Books,” covers the nuts and bolts of using QuickBooks, such as adding customers, vendors, employees, and inventory items, plus all of the transactions related to each.
- » Part 3, “Reporting and Analysis,” shows you how to run reports within QuickBooks Online, and then how to crunch your numbers in Excel.
- » Part 4, “Working in QuickBooks Online Accountant,” helps accountants set up shop in QB Accountant and explore the software’s accountant-specific features.
- » Part 5, “The Part of Tens,” covers ten features of the Chrome browser that help you optimize your use of QuickBooks.



REMEMBER

As I discuss in Chapter 1, QuickBooks Online offers different subscription levels. I used QuickBooks Online Advanced to write this book because it is the most feature-laden offering.

Before diving in, I have to get a few technical conventions out of the way:

- » Text that you’re meant to type as it appears in the book is **bold**. The exception is when you’re working through a list of steps: Because each step is bold, the text to type is not bold.
- » Web addresses and programming code appear in `monofont`. If you’re reading a digital version of this book on a device connected to the Internet, note that you can tap or click a web address to visit that website, like this: `www.dummies.com`.
- » You can use QuickBooks Online and QB Accountant in a web browser or a mobile app. Example web browsers include Microsoft Edge, Google Chrome, Mozilla Firefox, and Apple’s Safari. QuickBooks and QB Accountant mobile apps are available for Android and iOS. QuickBooks Advanced subscribers and QB Accountant users also have a desktop app available.
- » When I discuss a command to choose, I separate the elements of the sequence with a command arrow that looks like this: ⇨. For example, when you see Sales ⇨ Invoices, that command means that you should click Sales in the left bar and then click Invoices in the drop-down menu that appears.
- » You may be surprised to learn that QuickBooks Online has more than one version of its Navigation bar that appears along the left-hand side. Your navigation is mostly likely set to the Business View, which consolidates commands into fewer top-level choices. In this book, I used the Accountant View, which provides more top-level choices. To change your view, click the gear-shaped Settings button at the top right-hand corner of the screen, and then toggle the view setting at the bottom right-hand corner of the menu that displays.

Note that you don’t have to change to Accountant View to follow along in this book. When necessary, I list the Accountant View commands first, and then

parenthetically list the Business View commands. For instance, a reference to the Invoices screen looks like this: Sales ⇄ Invoices (Sales & Expenses ⇄ Invoices).

If you have identified yourself as an owner or partner, your Business View may differ even more. If you have any problems finding a command that I reference, you can briefly switch to Accountant View to carry out your task and then toggle back to Business View if that's more your speed.

Foolish Assumptions

I had to assume some things about you to write this book, so here are the educated guesses I made:

- » You know that you need to manage a set of accounting records for one or more businesses, and you might even have some sort of setup in place already. I *did not* assume that you know how to do all those things on a computer.
- » You may want to analyze some of your accounting data outside QuickBooks, which is why I include a couple of chapters on using Microsoft Excel, some of which translate to Google Sheets as well.
- » You have a personal computer running Windows 10 or 11 (I wrote this book in Windows 10) or a Mac running macOS 10.11 or later.
- » You have a copy of Microsoft Excel on your computer, or you plan to use Google Sheets at <https://sheets.google.com>.

Icons Used in This Book

Throughout the book, I use icons to draw your attention to various concepts that I want to make sure that you don't skip over in the main part of the text. Sometimes, I share information to help you save time; in other cases, the goal is to keep your accounting records safe.



TIP

This icon points out time-saving tricks or quirks that you may encounter in QuickBooks.



REMEMBER

This icon points out tricky aspects of QuickBooks that you'll want to keep in mind.



WARNING

This product can burn your eyes. Oh, sorry, wrong type of warning. Don't worry, you're safe! Pay careful attention to warnings that you encounter so that you can avoid problems that could wreak havoc in your accounting records or more often simply cause you frustration.



TECHNICAL
STUFF

At some points, I may include some geeky stuff about QuickBooks, your web browser, or your computer. You can safely skip over the technical stuff if that's not your cup of tea.

Beyond the Book

In addition to the book content, this product comes with a free, access-anywhere Cheat Sheet that lists keyboard shortcuts for QuickBooks Online (QBO) and QuickBooks Accountant and handy toolbar buttons in QBO as well as info on using the multicurrency feature, Desktop conversion tips, and entering payroll history. To get this Cheat Sheet, go to www.dummies.com and search for “QuickBooks Online For Dummies Cheat Sheet.”

You can keep the learning going with the most up-to-date information and tutorials from School of Bookkeeping (<https://schoolofbookkeeping.com/>). The folks there (one of whom is the technical editor of this book) have broken down every version of QuickBooks Online, QuickBooks services (Payments and Payroll), and other tasks into bite-sized lessons that you can watch and get back to business. Use promo code QBO4DUMMIES to save 20 percent on any membership. If you're looking for video-based Excel training, please visit my site at <http://www.professionalsexcel.com>.

Where to Go from Here

Simply turn the page. Seriously. You can dive in anywhere you want and come back as often as you like. You don't have to read through this book cover to cover, as you would a John Sandford thriller, because each chapter stands alone and provides step-by-step instructions for common tasks. You should consider this book to be a reference that you can use when you need it.

That said, if you're getting started with QuickBooks Online or QuickBooks Online Accountant, you may want to read the chapters in Part 1 in order. Then feel free to explore any chapter you want, using the table of contents or the index to find topics that interest you.

1 Getting Started with QuickBooks Online

IN THIS PART . . .

Choose a subscription level.

Create a QuickBooks company.

Migrate from QuickBooks Desktop to QuickBooks Online.

IN THIS CHAPTER

- » Unveiling what QuickBooks Online is
- » Pricing for subscriptions, payroll, and other add-ons
- » Finding QuickBooks features and looking at usage limits
- » Meeting QuickBooks Online Accountant

Chapter 1

Welcome to QuickBooks Online

Welcome to QuickBooks Online! Why devote a whole book to this software? First of all, I'm going to assume that you're most likely not an accountant but are either the owner or the employee of a business that has chosen to keep their accounting records in QuickBooks Online. Or maybe you're an accountant and you want to understand the ins-and-outs of QuickBooks Online better. No matter where you fall on this continuum, my goal is to empower you to use QuickBooks Online more effectively. To do so you'll find that I sometimes broaden the discussion to include Microsoft Excel and Google Sheets, because no accounting software can meet every single need that you may have. Another complicating factor with QuickBooks Online that accountants in particular may notice is that the functionality available varies widely between the different subscription levels. Throughout the book I help you keep tabs on what you can, and cannot, accomplish within each level of QuickBooks.

In this chapter I explain some differences between QuickBooks Online and QuickBooks Desktop, and then I give you a sense of what your annual costs might look like if you choose to use QuickBooks. Pricing and features are directly related, and most businesses may find the Plus and Advanced subscriptions are best suited to their needs, but less expensive options are available for those who don't need quite as much functionality. I briefly touch on QuickBooks Online Accountant here, but rest assured, that version gets full-bore treatment in Chapters 16 to 18.

What Is QuickBooks Online?

QuickBooks Online is a cloud-based accounting software, as opposed to QuickBooks Desktop, which is a traditional accounting software installed locally, alongside your data, on your office computers. Conversely, with QuickBooks Online, both the software and data are housed securely in remote data centers and accessed securely over the Internet. Working in the cloud can increase your efficiency by offering you the opportunity to work anywhere, communicate easily with others, and collaborate in real time. Further, your data is backed up automatically, which can help you avoid disasters such as fire or flood, which can take out both your workspace and your accounting records. Traditionally, QuickBooks Desktop allowed you to choose when to pay for a software upgrade, but starting with QuickBooks 2022, the desktop version became subscription-based, just the same as QuickBooks Online.



REMEMBER

Some folks see the “anywhere, anytime” aspect of the cloud as a potential disadvantage because it makes information too readily available — and therefore a target for hackers. Rest assured that Intuit stores your data on servers that use bank-level security that creates encrypted backups of your data automatically.

Perhaps you’re currently using QuickBooks Desktop and wondering, “Should I switch to QuickBooks Online?” The answer, as you might expect, is that it depends. Because QuickBooks Desktop is no longer offered on a perpetual license basis, the cost distinction between the two has been somewhat removed. Chapter 3 describes the conversion process, and Appendix B offers a nuts-and-bolts analysis of what data you can move to QuickBooks Online from QuickBooks Desktop, and what you can’t.



REMEMBER

QuickBooks Desktop enables you to create unlimited companies at no additional charge, while QuickBooks Online subscription fees are on a per-company basis.

On the other hand, using web-based software can be attractive simply because you always have immediate access to your accounting records from any device as long as you have an Internet connection. The QuickBooks Online mobile app allows you to track your mileage, and keeps your accounting records in the palm of your hand. Further, your accountant and/or bookkeeper has access from anywhere as well. As you’ll see, QuickBooks Online Accountant (QB Accountant) empowers accountants and bookkeepers to quickly toggle between their clients’ accounting records and to keep up with deadlines and tasks, and provides a centralized communication hub. Conversely, QuickBooks Desktop requires you to send an electronic Accountant’s Copy to your accountant, and specify a dividing date before which you cannot make any changes until your accountant returns the Accountant’s Copy to you. QuickBooks Desktop also requires you to install periodic software updates, which are a thing of the past with QuickBooks Online. Most

modern computers should easily exceed the minimum requirements for QuickBooks Online, but you can get the nitty gritty computer specification details here: <https://intuit.me/3yEaSjL>.



WARNING

Because updates occur so frequently in QuickBooks, by the time this book is published, some features (and screens) may have changed. Make that *will* have changed.



TIP

My technical editor extraordinaire Dan DeLong has created a free QuickBooks Chooser chatbot that will help you choose the right version of QuickBooks Online based upon your specific business needs. Check it out at <https://sob.drift.click/QBChooser>.

SHOULD YOU MOVE TO THE CLOUD?

Before you decide to move your accounting records to the cloud, you should consider the needs of your business in the following areas:

- Invoicing, point of sale, electronic payment, and customer relations management
- Financial and tax reporting
- Budgeting
- Time tracking and payroll
- Inventory, job costing, and job scheduling
- Management of company expenses and vendor bills

Beyond the advantages described in this section, the needs of your business may dictate whether you can use QuickBooks Online. The platform won't work for you if your business has industry-specific needs or is midsize, for example. In addition, QuickBooks Online won't work for you if you need to do any of the following things:

- Track your balance sheet by class.
- Manage a robust inventory that supports making and selling finished goods.

In any of these cases, you'd probably be better off with Intuit's desktop-based QuickBooks Enterprise or perhaps QuickBooks Premier. Another consideration is the speed and quality of your Internet connection. You will be mightily frustrated if you can't get to your books simply because the Internet is out again.

Checking on QuickBooks Pricing

QuickBooks subscriptions can be canceled at any time, but the service is billed in monthly periods with no refunds or prorations. You can no longer create new transactions once your subscription expires, but you can view your accounting records and run reports for up to one year. As you see in the next three sections, you may find that using QuickBooks costs much more than the base subscription price that you pay. Further, pricing is per company, so if you maintain the books for two or more entities, you'll have to pay for two or more subscriptions. Add-ons such as payroll and specialized apps are generally priced on a per-company basis as well.

QuickBooks subscription pricing

As shown in Table 1-1, QuickBooks Online is available in six different versions and price points, but most likely you'll need to choose one of the three shaded options. QuickBooks Online Self-Employed and Simple Start are best suited to fledgling businesses, while QuickBooks Online Accountant is a free portal that accountants and bookkeepers can use to support their clients. You can get more details and start a QuickBooks Online subscription at <https://quickbooks.intuit.com/pricing/> or start using QuickBooks Online Accountant at <https://quickbooks.intuit.com/accountants/products-solutions/accounting/online>.

TABLE 1-1 QuickBooks Online Subscription Pricing per Company

Version	Monthly	Annually	Users
Self-Employed	\$15	\$180	1 billable user + 2 accountant users
Simple Start	\$30	\$360	1 billable user + 2 accountant users
Essentials	\$55	\$660	3 billable users + 2 accountant users
Plus	\$85	\$1,020	5 billable users + 2 accountant users
Advanced	\$200	\$2,400	Up to 25 billable users + 3 accountant users
Accountant	\$0	\$0	No limit



TIP

QuickBooks allows you to choose either a 50 percent discount for the first three months of your subscription, or a free 30-day trial. You may also be offered a discount during the 30-day trial. If so, take the deal immediately if you plan to move forward with QuickBooks, as it's unlikely that it will be offered again during your trial period. The 50 percent discount will save you more money, but the 30-day trial lets you test drive the software without making a financial commitment. You will have to cancel your subscription if you opt for the discount and decide QuickBooks isn't right for you, whereas the 30-day trial simply expires at the end.

PROADVISOR PREFERRED PRICING

Accounting professionals can arrange a 30 percent discount on QuickBooks Online (all versions except QuickBooks Self-Employed), QuickBooks Payroll, and QuickBooks Time. The 30 percent discount is ongoing for accountants who agree to be billed directly by Intuit. Accountants can pass all or part of the savings on to their clients if they wish. As discussed in Chapter 16, Intuit sends you a single consolidated bill for all the QuickBooks subscriptions you manage. Conversely, accountants also use the ProAdvisor Preferred Pricing program to arrange a 30 percent discount for 12 months for charges billed directly to their clients.

If your client initially sets up their own QuickBooks subscription, you can move it to your consolidated bill at the discounted wholesale rate. If your arrangement with your client doesn't work out, you can remove the client from your consolidated bill, which means that the client resumes paying for their own subscription.

Payroll and time track pricing

It's best to think of the amounts in Table 1-1 as the base cost for QuickBooks, as it's likely that you'll need to add additional functionality, such as payroll processing. As shown in Table 1-2, QuickBooks offers three different payroll options. I've calculated the associated costs for a hypothetical team of five employees to give you a frame of reference.

TABLE 1-2 QuickBooks Payroll Subscription Pricing for Five Employees

Version	Monthly	Annually
Core	\$65 (\$45/month + \$5/employee x 5 employees)	\$780
Premium	\$115 (\$75/month + \$8/employee x 5 employees)	\$1,380
Elite	\$175 (\$125/month + \$10/employee x 5 employees)	\$2,100

All QuickBooks Payroll plans include the following features:

- » Paying employees with printed checks or by direct deposit
- » Calculating tax payments automatically and paying them electronically
- » Processing federal and state quarterly and annual reports, and preparing W-2 and 1099 forms

- » Processing payroll for employees who work in your company's state or another state
- » Keeping payroll tax tables up to date without having to install updates (as you do with the QuickBooks Desktop product)
- » Using the QuickBooks Payroll mobile app to pay employees, view past paychecks, file tax forms electronically, and pay taxes electronically

The Core tier offers next-day direct deposit, while the Premium tier enables same-day direct deposit and adds time tracking. The Elite tier also adds project tracking, tax penalty protection, and a personal human resources advisor. You can get more details and start a payroll subscription at <https://quickbooks.intuit.com/payroll/pricing/> or you can choose Payroll from the left-hand menu within your QuickBooks company.



TIP

A QuickBooks company is a set of accounting records for a single business entity. Each QuickBooks company entails separate subscription fees, and you will need to establish a QuickBooks company for each company that you own or maintain accounting records for.



TIP

You can test-drive the QuickBooks payroll service at no charge for up to 30 days.



WARNING

When you establish QuickBooks Payroll, you must connect your bank account and provide your tax identification numbers. Make sure that you're ready to start processing payroll immediately before you embark on a QuickBooks Payroll subscription. If you'd like to try before you buy, use the online test drives I mention later in this chapter in the sections, "QuickBooks Online Plus" and "QuickBooks Online Advanced."

Table 1-3 shows the additional annual cost for the Premium plan for five employees, which provides time and attendance tracking. The Elite tier adds project tracking as well. It's worth running the numbers for the various offerings, because QuickBooks Core Payroll for five employees at \$65 per month plus QuickBooks Premium Time at \$60 per month is \$125 per month versus paying \$115 per month for QuickBooks Premium Payroll, which also offers time tracking.

TABLE 1-3

QuickBooks Time Subscription Pricing for Five Employees

Version	Monthly	Annually
Premium	\$60 (\$20/month + \$8/employee x 5 employees)	\$720
Elite	\$90 (\$40/month + \$10/employee x 5 employees)	\$1,080
ProAdvisor	Free for accounting professionals	\$0



REMEMBER

You can add time tracking on an á la carte basis by adding QuickBooks Time (formerly known as TSheets). Think twice before doing so, as it typically makes more financial sense to use the time tracking bundled into the upgraded payroll service tiers. Further, you may encounter complications if you start out with QuickBooks Time and then try to switch to a QuickBooks Payroll tier that offers time tracking.

Other add-on pricing

QuickBooks Payments enables you to accept electronic payments from customers, and entails per-transaction fees instead of a monthly subscription. Table 1-4 shows the current rates as of this writing.

TABLE 1-4 QuickBooks Payments per Transaction Fees

Payment Type	Rate per Transaction
ACH Bank payments	1% up to a maximum of \$10 per transaction (customer enters bank information online)
Swiped credit card	2.4% plus 25 cents (mobile reader available)
Invoiced credit card	2.9% plus 25 cents (customer enters credit card online)
Keyed credit card	3.4% plus 25 cents (you key the credit card information online)



TIP

QuickBooks Payments deposits money from qualifying credit or debit card transactions into your bank account the next business day. Your payments and deposit transactions are recorded into your books automatically, based upon the funding date.

Companies with e-commerce offerings might opt for QuickBooks Commerce, an add-on that allows you to position your inventory products on a variety of major shopping platforms for \$100 per month or \$1,200 per year. You can find out more or start a QuickBooks Commerce subscription at <https://quickbooks.intuit.com/quickbooks-commerce>. In Chapter 2, I discuss the QuickBooks App store, which offers dozens of free and paid apps that add even more functionality to QuickBooks.

Comparing QuickBooks Features

As you can see, the ongoing expenses for QuickBooks can add up fast. You can upgrade or downgrade your subscription at any time, although downgrading can entail disabling inventory and/or removing users. Use the search term **downgrade**

at <https://quickbooks.intuit.com/learn-support/en-us> for more details. Let's take a look at the various tiers so that you can find the right fit for your needs.



REMEMBER

I used a QuickBooks Online Advanced subscription as I wrote this book because it offers the whole enchilada with regard to QuickBooks functionality. Accordingly, there's a good chance that you'll see references throughout the book to features you don't have.

QuickBooks Online Self-Employed

This version of QuickBooks is aimed at freelancers and self-employed people who file Schedule C of IRS Form 1040 (<https://www.irs.gov/forms-pubs/about-schedule-c-form-1040>). Unlike the higher-level offerings, QuickBooks Self-Employed allows you to mix business with pleasure, meaning that you can track personal and business expenses, as well as mileage. It's best suited to someone with a side hustle who wants to keep track of their business and simplify income tax filing.

QuickBooks Simple Start

A QuickBooks Simple Start subscription is great for a new business with basic bookkeeping needs. With Simple Start, you can

- » Track your income and expenses
- » Download transactions from your bank and credit card accounts
- » Create an unlimited number of customers
- » Send estimates and invoices
- » Print checks and record transactions to track expenses
- » Track and pay sales taxes
- » Track mileage
- » Categorize expenses by taking pictures of receipts
- » Pay contractors and send 1099 forms
- » Import data from Microsoft Excel or QuickBooks Desktop
- » Integrate with available apps in the QuickBooks Online App Center
- » View and customize over 50 reports