

Second Edition

100% Aligned to Certiport's
Intuit QuickBooks Online
Certified User Exam



QuickBooks Online FOR CERTIFICATION

Prepare for the Intuit QuickBooks
Online Certified User Exam



Includes Step-by-Step
Instructional Videos



Hands-on Learning Using
Intuit Sample Company File



B.E. PUBLISHING



Elaine Marie, M.Ed.

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Thank you for previewing our resources.

B.E. Publishing

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Introduction

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Important Note: Each chapter begins with a Lesson Videos table listing every video, its length, and a link to where it appears in the chapter. You will be prompted when to watch each video. It is important to watch Lesson Videos as indicated to ensure you view them in the correct order.

Introduction - Lesson Videos

Introduction Part 1: Course Length & Lesson Videos	6 minutes
Introduction Part 2: Accessing the eTextbook and Resources	5 minutes
Introduction Part 3: About the QuickBooks Online Sample Company	4 minutes
Introduction Part 4: Exam Objectives & the QuickBooks Online Exam	11 minutes
Total Time	26 minutes



Play Video: Introduction Part 1 (7 minutes)

Total Length of Lesson Videos: 9 Hours

Length of Lesson Videos by Chapter

Introduction - Lesson Videos

Introduction Part 1	7 minutes
Introduction Part 2	8 minutes
Introduction Part 3	4 minutes
Introduction Part 4	8 minutes
Total Video Time	27 minutes

Chapter 1 - Lesson Videos

Chapter 1 Part 1	11 minutes
Chapter 1 Part 2	7 minutes
Total Video Time	28 minutes

Chapter 2 - Lesson Videos

Chapter 2 Part 1	11 minutes
Chapter 2 Part 2	7 minutes
Total Video Time	18 minutes

Chapter 3 - Lesson Videos

Chapter 3 Part 1	15 minutes
Chapter 3 Part 2	13 minutes
Chapter 3 Part 3	20 minutes
Total Video Time	48 minutes

Chapter 4 - Lesson Videos

Chapter 4 Part 1	17 minutes
Chapter 4 Part 2	11 minutes
Chapter 4 Part 3	17 minutes
Total Video Time	45 minutes

Chapter 5 - Lesson Videos

Chapter 5 Part 1	10 minutes
Chapter 5 Part 2	24 minutes
Chapter 5 Part 3	13 minutes
Total Video Time	47 minutes

Chapter 6 - Lesson Videos

Chapter 6 Part 1	19 minutes
Chapter 6 Part 2	16 minutes
Chapter 6 Part 3	21 minutes
Chapter 6 Part 4	31 minutes
Chapter 6 Part 5	13 minutes
Total Video Time	1 hour, 40 minutes

Chapter 7 - Lesson Videos

Chapter 7 Part 1	21 minutes
Chapter 7 Part 2	13 minutes
Total Video Time	34 minutes

Chapter 8 - Lesson Videos

Chapter 8 Part 1	18 minutes
Chapter 8 Part 2	16 minutes
Total Video Time	34 minutes

Chapter 9 - Lesson Videos

Chapter 9 Part 1	14 minutes
Chapter 9 Part 2	22 minutes
Total Video Time	36 minutes

Chapter 10 - Lesson Videos

Chapter 10 Part 1	11 minutes
Chapter 10 Part 2	9 minutes
Chapter 10 Part 3	11 minutes
Chapter 10 Part 4	17 minutes
Total Video Time	48 minutes

Chapter 11 - Lesson Videos

Chapter 11 Part 1	18 minutes
Chapter 11 Part 2	15 minutes
Chapter 11 Part 3	12 minutes
Total Video Time	45 minutes

Chapter 12 - Lesson Videos

Chapter 12 Part 1	34 minutes
Chapter 12 Part 2	17 minutes
Total Video Time	51 minutes

About the Lesson Videos

This course is built on the importance of **watching all Lesson Videos in the order in which they are presented**. The videos are designed to keep you engaged, therefore increasing the probability of a higher test score. In each chapter, you will watch the appropriate lesson video to help guide you through completing the Hands-on Activities.

The first page of each chapter contains a list of Lesson Videos pertaining to the topics that you will learn in the chapter, as shown in the example below. The Lesson Videos are identified by Part 1, Part 2, etc., showing the length of each video and the Total Video Time to complete the lessons. Links to the placement of each video within the chapter are also provided for quick access.

Chapter 1 - Lesson Videos

Chapter 1 Part 1	12 minutes
Chapter 1 Part 2	7 minutes
Total Video Time	19 minutes

Accessing Lesson Videos

Within each chapter, you will be prompted to watch the lesson videos by a **Play Video** link, shown below. Prior to beginning each Hands-on Activity, click the link to play the video.

 **Play Video: Chapter 1 Part 2 (7 minutes)**

Note: Since QuickBooks Online is web-based and updated frequently, the interface shown in the videos and the accompanying text may have minor visual differences from the current version.



[Play Video: Introduction Part 2 \(8 minutes\)](#)

How to Access QuickBooks Online for Certification eTextbook and Instructor Resources

The eTextbook and instructor resources for **QuickBooks Online for Certification, 2E** are available on B.E. Publishing's eLearning platform: **eReadiness.com**. To access these resources, you will first need to redeem an access code. Once you do, you will be able to easily download the eTextbook and resources, integrate them into your own LMS (Google Classroom, Schoology, Canvas, Blackboard, etc.), and distribute them to students.

To access the digital eTextbook and instructor and student resources for QuickBooks Online for Certification, 2E, do the following:

1. Click the following link:
<https://www.ereadiness.com/book/QuickBooks+Online+for+Certification>
2. Click **Redeem Access Code**. (Note: You only need to redeem your access code ONE time.)
3. Copy the access code for your purchase provided by your school, then paste it into the field and click **Continue**.

Note: Your access code was sent to you or your administrator via email upon purchase.

4. Create a new account by completing the account profile form or log into an existing account.
5. You now have access to download the eTextbook and associated resources.



Play Video: Introduction Part 3 (4 minutes)

About the QuickBooks Online Sample Company

The QuickBooks Online sample company is a fictional business with preloaded data that lets you practice using QuickBooks Online without affecting real financial information. The QuickBooks Online sample company, **Craig's Design and Landscaping Services**, is used in this course for real-world, hands-on practice using the software. It's especially useful for learning the features of the program and is **REQUIRED** for completing the lessons in this text.

You can access the sample company without creating an account. The sample company opens in a secure, temporary session that doesn't retain changes and doesn't require you to leave your current session logged in.

In Chapter 1, you will learn about working with the QuickBooks Online sample company, and in subsequent chapters you will learn the features of QuickBooks Online and practice skills while interacting with this file. The QuickBooks Online sample company, Craig's Design and Landscaping Services, can be accessed by clicking the link below:

<https://qbo.intuit.com/redirect/testdrive>

How to Begin Each Lesson

1. Open the QuickBooks Online sample company, *Craig's Design and Landscaping Services*, then minimize QuickBooks.
2. Open the Chapter and select the Lesson Video you want to play.
3. When prompted to do the Hands-on Activity, pause the video and switch to the QuickBooks Online sample company to complete the exercise.
4. When the Hands-on Activity is completed, switch back to the video to continue the lesson.



QuickBooks Online for Certification

Exam Objectives

1. Intuit QuickBooks Online Administration

1.1. Set up Intuit QuickBooks Online

- 1.1.1. Recognize features and benefits of Intuit QuickBooks Online Plus
- 1.1.2. Describe licensing requirements for setting up an entity in Intuit QuickBooks Online
- 1.1.3. Describe the process of migrating company to Intuit QuickBooks Online
- 1.1.4. Describe the access of each default user role

1.2. Manage Intuit QuickBooks Online

- 1.2.1. Identify the company information that you can and can't edit
- 1.2.2. Recognize the benefits of the Close the Books feature
- 1.2.3. Compare and contrast the cash and accrual accounting methods
- 1.2.4. Identify the purposes of project tracking, class tracking, and locations
- 1.2.5. Describe how to activate project tracking, class tracking, and locations
- 1.2.6. Identify the tasks performed by automation

1.3. Manage lists

- 1.3.1. Identify the lists that you can import
- 1.3.2. Identify the content of various lists
- 1.3.3. Identify the appropriate lists for different purposes
- 1.3.4. Identify when and how to add, edit, delete, and merge list items
- 1.3.5. Manage the Chart of Accounts

1.4. Manage recurring transactions

- 1.4.1. Describe reasons for making transactions recurring
- 1.4.2. Define types of recurrence
- 1.4.3. Describe how to implement recurring transactions

1.5. Manage journal entries

- 1.5.1. Identify the information required for journal entries
- 1.5.2. Describe how to implement journal entries

1.6. Connect Intuit QuickBooks Online to apps

- 1.6.1. Identify the purpose of apps
- 1.6.2. Identify where to get apps
- 1.6.3. Identify the risks and benefits of extending functionality through apps

2. Sales and Money-In

2.1. Set-up customers

- 2.1.1. Identify the importance of the Display Name field
- 2.1.2. Differentiate between billing and shipping addresses
- 2.1.3. Define and describe the use of customer payment terms
- 2.1.4. Identify taxable and non-taxable customers
- 2.1.5. Define and describe the correct use of sub-customers

2.2. Set-up products and services

- 2.2.1. Describe and differentiate between products and services
- 2.2.2. Identify the information required to set up products or services
- 2.2.3. Describe reasons for setting up products or services
- 2.2.4. Contrast inventory products and non-inventory products

2.3. Manage sales settings

- 2.3.1. Customize sales forms
- 2.3.2. Customize email message forms
- 2.3.3. Describe the purpose of activating customer discounts
- 2.3.4. Describe the Intuit QuickBooks Payments feature and how it differs from traditional payments

2.4. Record basic money-in transactions

- 2.4.1. Describe the money-in transaction workflow
- 2.4.2. Record and manage invoices and sales receipts
- 2.4.3. Receive, record, and manage payments, undeposited funds, and deposits
- 2.4.4. Record credit memos and refund receipts

3. Vendors and Money-out

3.1. Manage vendor records

- 3.1.1. Describe how to identify existing customers as vendors
- 3.1.2. Describe when and how to merge vendor accounts
- 3.1.3. Describe how to add or change vendor payment terms
- 3.1.4. Describe how and why to identify vendors as 1099 contractors

3.2. Manage expense settings

- 3.2.1. Describe how and why to activate expense tracking by customer
- 3.2.2. Describe when and how to make expenses and items billable
- 3.2.3. Describe how to identify unbilled billable expenses

3.3. Record and manage basic money-out transactions

- 3.3.1. Describe the money-out transaction workflow
- 3.3.2. Identify types of money-out transactions
- 3.3.3. Compare and describe the appropriate use of checks and bill payments

- 3.3.4. Describe the effects of recording bills, checks, and credit card transactions
- 3.3.5. Differentiate between expense transactions and bank feed transactions
- 3.3.6. Describe how to record check, credit card, and debit card expense transactions
- 3.3.7. Describe the use and effects of vendor credits and refunds
- 3.3.8. Describe why and how to void, delete, and edit money-out transactions and the impact thereof

4. Bank Accounts, Transaction Rules, and Receipts

4.1. Implement financial account connections

- 4.1.1. Identify the types of financial accounts Intuit QuickBooks Online can connect to
- 4.1.2. Describe the benefits of connecting Intuit QuickBooks Online to accounts

4.2. Manage bank feeds

- 4.2.1. Process bank feed transactions
- 4.2.2. Define and describe the use of bank rules

4.3. Manage receipts

- 4.3.1. Identify methods of uploading receipts
- 4.3.2. Describe how to record transactions from uploaded receipts

5. Basic Reports and Views

5.1. Describe the content and purpose of reports

- 5.1.1. Describe the content and purpose of financial reports
- 5.1.2. Describe the content and purpose of money-in reports
- 5.1.3. Describe the content and purpose of money-out reports

5.2. Customize and deliver standard reports

- 5.2.1. Customize standard reports
- 5.2.2. Identify report delivery formats

5.3. Access other reports and views


- 5.3.1. Describe the content of the Audit Log
- 5.3.2. Describe the content and functionality of the dashboards

Objective Domains

The main headings on the list of exam objectives are called Objective Domains.

Note: The Objective Domains appear on the Exam Score Report showing the percentage answered correctly for each domain.

1. Intuit QuickBooks Online Administration
2. Sales (Customers) and Money In
3. Vendors and Money Out
4. Bank Accounts, Transaction Rules, and Receipts
5. Basic Reports and Views

SECTION ANALYSIS		FINAL SCORE	
QuickBooks Online Administration	83%	Required Score	700
Sales and Money In	79%	Your Score	764
Vendors and Money Out	63%	OUTCOME	
Bank Accounts, Transaction Rules, and Receipts	50%		
Basic Reports and Views	83%		
		Pass	

Objective Domains and Their Corresponding Chapters

The corresponding chapters for each Objective Domain are listed below.

Note: In general, the chapters listed include the skills contained within each Objective Domain. This list can be a useful reference when interpreting your exam score.

1. Intuit QuickBooks Online Administration

Chapter 1 Online Features & Requirements

Chapter 2 Creating a New Company

Chapter 3 Modifying the Company File

Chapter 4 Lists & Financial Reports

Chapter 5 General Journal, Forms & Apps

2. Sales and Money-In

Chapter 6 Customers: Money in

Chapter 7 Customers: Accounts Receivable - The Money in Workflow

3. Vendors and Money-out

Chapter 8 Vendors: Accounts Payable - The Money out Workflow

Chapter 9 Vendors: Money out Transactions - Bills, Expenses, Debits and Credits

Chapter 10 Vendors: More Money out Transactions

4. Bank Accounts, Transaction Rules, and Receipts

Chapter 11 Online Banking

5. Basic Reports and Views

Chapter 12 Reports

About the QuickBooks Online Exam

Online Exam Format

- Questions: 37
- Format: Multiple Choice and Matching
- Duration: 50 minutes
- The score is determined by the total number of questions answered correctly
- The score is shown at the end of the exam

When you enter the exam software, there will be two exams to choose from:

1. The Desktop Exam: Intuit QuickBooks Desktop Certified User
2. The Online Exam: Intuit QuickBooks Online Certified User – US Version

Choose Intuit QuickBooks Online Certified User – US Version

Select Exam

Find an Exam:

☐ Show All Exams

Applied Filters:

- Voucher:

Program Name	Exam Name
Intuit QuickBooks	Intuit QuickBooks Desktop Certified User
Intuit QuickBooks	Intuit QuickBooks Online Certified User – US Version


Test Score Results

Exam Score Is Pass/Fail*

Passing score	700 - 1000
Failing score	<700








*Your Exam Score Report appears at the end of the exam as Pass/Fail.

Sample Exam Score Report

EXAM SCORE REPORT										
CANDIDATE					EXAM					
<div>██████████ ██████████ ██████████ ██████████</div>					Intuit QuickBooks Online Certified User					
					Exam reference #: ██████████					
					Date: ██████████					
					ID: ██████████					
RESULTS	100	200	300	400	500	600	700	800	900	1000
Required Score	██									
Your Score	██									
SECTION ANALYSIS					FINAL SCORE					
QuickBooks Online Administration					83%					
Sales and Money In					79%					
Vendors and Money Out					63%					
Bank Accounts, Transaction Rules, and Receipts					50%					
Basic Reports and Views					83%					
					OUTCOME					
					Pass 					

How to Interpret Your Test Score

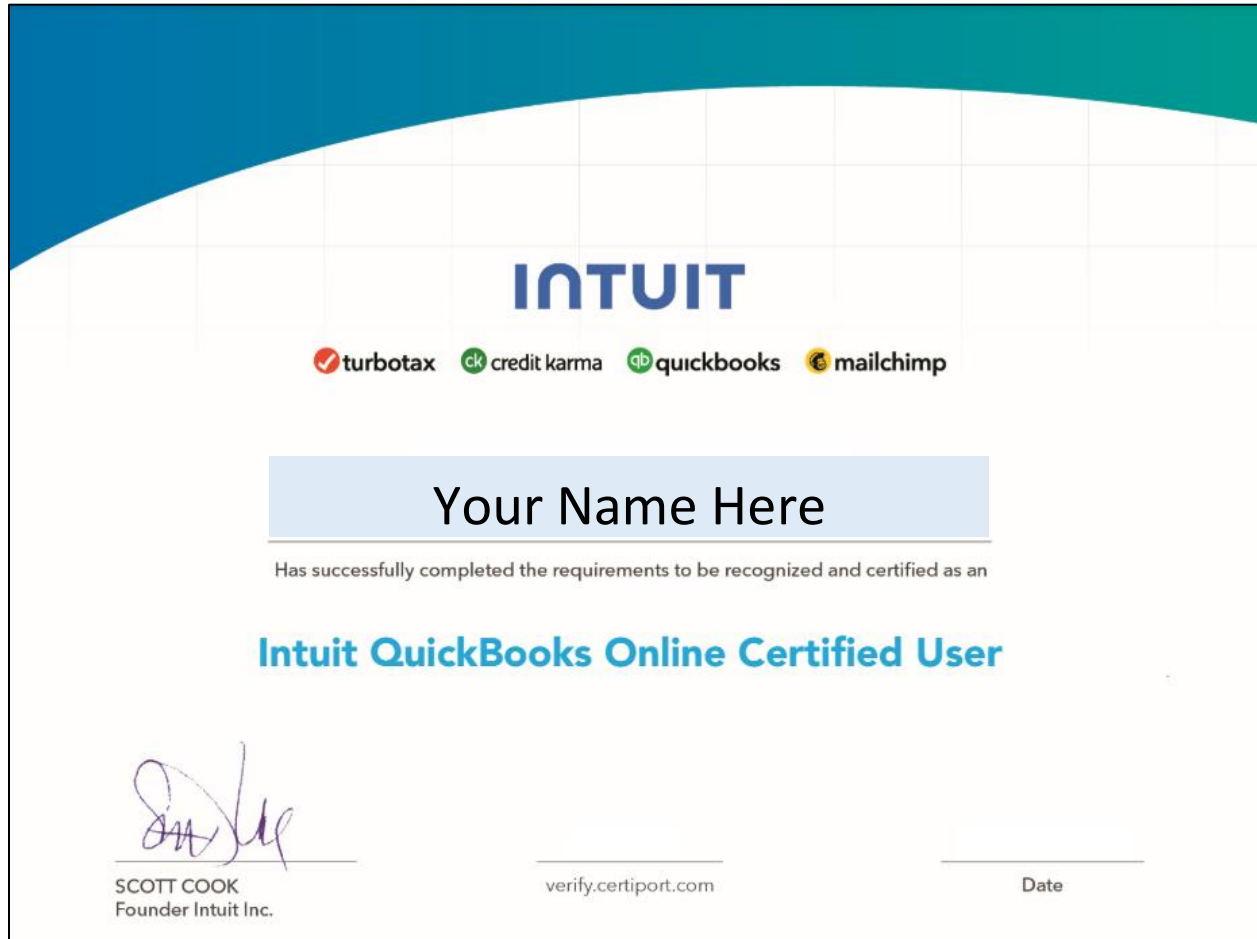
Each Objective Domain is listed on the Exam Score Report with a percentage of questions answered correctly.

EXAM SCORE REPORT										
CANDIDATE					EXAM					
					Intuit QuickBooks Online Certified User					
					Exam reference #: 					
					Date: 					
					ID: 					
RESULTS	100	200	300	400	500	600	700	800	900	1000
Required Score										
Your Score										
SECTION ANALYSIS										
QuickBooks Online Administration					83%					
Sales and Money In					79%					
Vendors and Money Out					63%					
Bank Accounts, Transaction Rules, and Receipts					50%					
Basic Reports and Views					83%					
FINAL SCORE										
Required Score					700					
Your Score					764					
OUTCOME										
Pass										

In the event you receive a low or failing score, refer to the exam objectives and corresponding chapters to review. There is no need to study everything. Only focus on the Objective Domain and its corresponding chapters for study and review. This will save you time!

QuickBooks Online Certificate

After passing the QuickBooks Online Exam, you now are an “*Intuit QuickBooks Online Certified User.*” You will receive a certificate either physically (mailed to you) or electronically (as a PDF file).



CHAPTER 5

General Journal, Forms & Apps

Forms	70
Entering Transactions: Forms vs. the General Journal	74
Accrual vs. Cash Bookkeeping	77
Accrual Basis Bookkeeping.....	77
Cash Basis Bookkeeping	77
Close the Books Feature	80
QuickBooks Online Apps.....	82
The Built-in QuickBooks Online App Store.....	82
The Benefits of Adding Apps to QuickBooks Online	82
The Risks of Adding Apps to QuickBooks Online	82

Chapter 5 - Lesson Videos

Chapter 5 Part 1	12 minutes
Chapter 5 Part 2	18 minutes
Chapter 5 Part 3	11 minutes
Total Video Time	41 minutes

Exam Objectives - Chapter 5

- Identify the information required for journal entries
- Describe how to implement journal entries
- Compare and contrast the cash and accrual accounting methods
- Recognize the benefits of the Close the Books feature
- Identify the purpose of apps
- Identify where to get apps
- Identify the risks and benefits of extending functionality through apps
- Identify the tasks performed by automation



Play Video: Chapter 5 Part 1 (10 minutes)

Forms

Electronic Forms are graphically formatted to look like paper forms, making it easy to fill in information. Forms are used to enter transactions.

The Most Common Forms

- Invoice
- Bill

Forms comprise many of the transaction fill-in screens in QuickBooks. Listed below are more forms used in QuickBooks.

More QuickBooks Forms

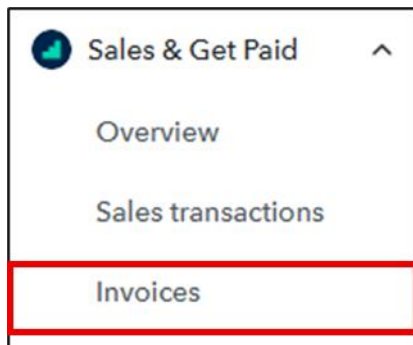
- Sales Receipt
- Estimate
- Sales Order
- Purchase Order
- Credit Memo
- Statement




Hands-on Activity

Fill in an Invoice Form

1. All Apps, Sales & Get Paid, Invoices



2. Click **Create Invoice**.
3. **Customer:** Amy's Bird Sanctuary
4. **PRODUCT/SERVICE:**
 - a. Select **Design**.
 - b. Select **Rock Fountain**.
5. Click **Save** and close with the X.

Amy's Bird Sanctuary 

Birds@Intuit.com

Cc/Bcc

Bill to

Amy Lauterbach
Amy's Bird Sanctuary
4581 Finch St.
Bayshore, CA 94326





[Edit Customer](#)

Terms: Net 30

Invoice date: 06/25/2025

Due date: 07/25/2025

Product or service

	#	Product/service	Description	Qty	Rate	Amount	Tax	
	1	Design:Design	Custom Design	1	75	\$75.00	<input type="checkbox"/>	
	2	Design:Fountains:Rock Fountain	Rock Fountain	1	275	\$275.00	<input checked="" type="checkbox"/>	
	3						<input type="checkbox"/>	

[Add product or service](#) [Clear all lines](#)

[Print or download](#) [Save](#) [Review and send](#)

6. At the invoice screen, click **DATE** to sort the invoices by most recent date. You will now see the customer, Amy's Bird Sanctuary.

<input type="checkbox"/>	DATE ▼	NO.	CUSTOMER	AMOUNT	STATUS
<input type="checkbox"/>	6/25/25	1038	Amy's Bird Sanctuary	\$378.00	Due in 30 days



Hands-on Activity

Fill in a Bill Form

1. All Apps, Expenses & Bills, Bills

Expenses & Bills ^

Expense transactions

Vendors

Bills

2. In the Bills window, select **UNPAID**.

These are bills that need to be paid by the company. After the bill is created, it will appear in the UNPAID window.

3. Choose **Add bill**, **Create Bill**, then fill in the following:

4. **Vendor:** Cal Telephone

The previous bill will automatically fill in (called **Automatic Fill-in**)

Bill Copy Give feedback ? X

Vendor: Cal Telephone

BALANCE DUE: **\$56.50**

Mailing address: Cal Telephone, 10 Main St., Palo Alto, CA 94303

Terms: Due on receipt

Bill date: 07/05/2025

Due date: 07/05/2025

Bill no.:

Category details

#	CATEGORY	DESCRIPTION	AMOUNT	BILLABLE	TAX	CUSTOMER
1	Utilities:Telephone		\$56.50			
2						

Add lines Clear all lines

Item details

Total: **\$56.50**

5. Click **Save** and close with the **X**.

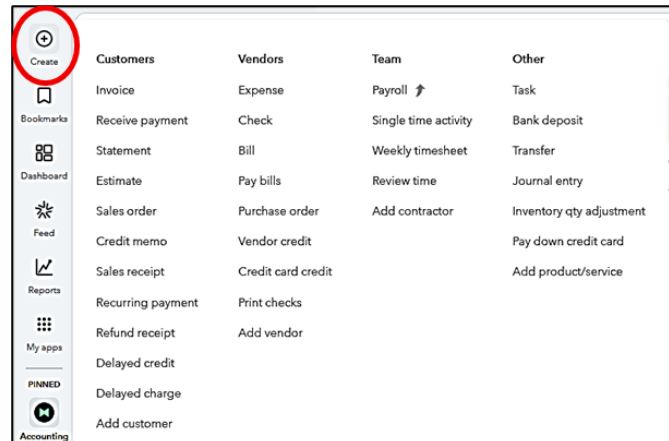


Hands-on Activity

Open/Close QuickBooks Forms

1. Create a Sales Receipt – 3 ways

- + Create, Customers, Sales Receipt
- All Apps, Sales & Get Paid, Sales transactions, New transaction, Sales Receipt
- All Apps, Customer Hub, Customers, Action column, Create Sales Receipt



2. Create an Estimate – 3 ways

- + Create, Customers, Estimate
- All Apps, Estimate, Create Estimate
- All Apps, Customer Hub, Customers, Action column, Create Estimate

3. Create a Credit Memo – 2 ways

- + Create, Customers, Credit memo
- All Apps, Customer Hub, Customers, Select Customer, New Transaction, Create Credit memo

4. Create a Statement – 3 ways

- + Create, Customers, Statement
- All Apps, Customer Hub, Customers, Select Customer, New Transaction, Statement
- All Apps, Customer Hub, Customers, Action column, Create Statement

5. Create a Purchase Order – 4 ways

- + Create, Vendors, Purchase Order
- All Apps, Expenses & Bills, Expenses transactions, New Transaction, Purchase Order
- All Apps, Expenses & Bills, Vendors, Select Vendor, New Transaction, Purchase Order
- All Apps, Expenses & Bills, Vendors, Action Column, Create Purchase Order



Play Video: Chapter 5 Part 2 (24 minutes)

Entering Transactions: Forms vs. the General Journal

In the normal course of work, transactional errors can be made without one realizing it. During the year-end financial review, your accountant will find these errors and make corrections by entering transactions in the **General Journal** to balance the books.

Note: The General Journal should only be used by an accountant to record transactions to correct balances or make year-end adjustments.



Hands-on Activity

Create an Entry in the General Journal

In this exercise, you are going to be the accountant. After reviewing the Chart of Accounts, you noticed Depreciation had not been recorded for the company truck. You are going to correct this oversight by creating a journal entry to record depreciation.

1. Open the Chart of Accounts: **Gear, Chart of Accounts**.
2. Scroll down to **Fixed Assets**.
3. Identify **Truck** with two sub accounts, Depreciation (Accumulated Depreciation) and Original Cost.

Notice Accumulated Depreciation is 0.00. That needs to be corrected.

Truck	Fixed Assets	Vehicles	13,495.00
Depreciation	Fixed Assets	Accumulated Depreciation	0.00
Original Cost	Fixed Assets	Vehicles	13,495.00

4. Go to Page 2 of the Chart of Accounts and identify **Depreciation – Other Expense**.

Depreciation	Other Expense	Depreciation
--------------	---------------	--------------

To record Depreciation, you must have a Credit account (Asset) and a Debit account (Expense).

In the Chart of Accounts, the Truck has a:

- a. Fixed Asset (Credit) – Accumulated Depreciation Account
- b. Other Expense (Debit) – Depreciation Account

You are now ready to record **Depreciation** in the **General Journal**.

- On the **Navigation Bar**, select **+ Create**.
- Under the column **OTHER**, select **Journal entry**.

CUSTOMERS	VENDORS	EMPLOYEES	OTHER
Invoice	Expense	Single time activity	Bank deposit
Receive payment	Check	Weekly timesheet	Transfer
Estimate	Bill		Journal entry
Credit memo	Pay bills		Statement
Sales receipt	Purchase order		Inventory qty adjustment
Refund receipt	Vendor credit		Pay down credit card

Depreciation is recorded as a debit in the **Depreciation Expense** account and as a credit in the **Accumulated Depreciation** income account.

Enter the following information:

- Line 1:** Scroll down and choose Depreciation – Other Expense, **Debits:** 1,000
- Line 2:** Truck: Depreciation (Type in Truck and it will jump to the entry).
Credit will automatically fill in.

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION
1	Depreciation	1,000.00		Depreciation
2	Truck:Depreciation		1,000.00	Truck Accumulated Depreciation

- Choose the down arrow: **Save** and **Close**.
- Return to the **Chart of Accounts** to see the results.

Scroll down to **Truck**. Notice the Accumulated Depreciation has been recorded, and the Truck has decreased by 1,000 as a depreciated asset.

<input type="checkbox"/>	Truck	Fixed Assets	Vehicles	12,495.00
<input type="checkbox"/>	Depreciation	Fixed Assets	Accumulated Deprecia...	-1,000.00
<input type="checkbox"/>	Original Cost	Fixed Assets	Vehicles	13,495.00

Important Information About Journal Entries

- Journal Entries are automatically dated and numbered. Each time you enter a Journal, the system will insert the date and number.
- Each line in the Journal Entry must be entered by the user. There is no automatic fill-in.
- Each Journal Entry must be saved and closed.



Hands-on Activity

Reports to View Debits & Credits

Trial Balance Report

The Trial Balance Report records Debits and Credits. Let's see what the Truck looks like.

1. Select **Reports** on the **Navigation Bar**.
2. In the **Find Report by Name** box, key Trial Balance.

3. Select **All Dates**.
4. Click **Run report**.
5. The Truck Depreciation has been recorded as a credit (Asset).
6. Scroll down to the bottom and find Depreciation as a Debit.

Craig's Design and Landscaping Services		
Trial Balance		
All Dates		
	DEBIT	CREDIT
Checking	1,201.00	
Savings	800.00	
Accounts Receivable (A/R)	5,281.52	
Inventory Asset	596.25	
Undeposited Funds	2,062.52	
Truck:Depreciation		1,000.00
Truck:Original Cost	13,495.00	

Accrual vs. Cash Bookkeeping

There are **two types** of bookkeeping methods in QuickBooks.

- Accrual Basis Bookkeeping
- Cash Basis Bookkeeping

Accrual Basis Bookkeeping

Accrual basis bookkeeping records Income (invoices) and Expenses (bills) as transactions on the **date they are received** in the office. Invoices and bills are recorded on the date received with a due date for future payment.

Accrual Basis bookkeeping is the most common method used in business. The accrual method gives an accurate financial picture of the company's income and expenses for that specific period of time.

Accrual Income: A customer contacts your company to purchase materials. The company sends an invoice to the customer for \$1,000 in January. Although the customer pays the invoice in February, the invoice is recorded as INCOME in the month of January when the transaction was created.

Accrual Expense: Your company receives a bill in January and pays it 30 days later in February. The bill expense is recorded in the month of January as an EXPENSE when the bill was created.

Cash Basis Bookkeeping

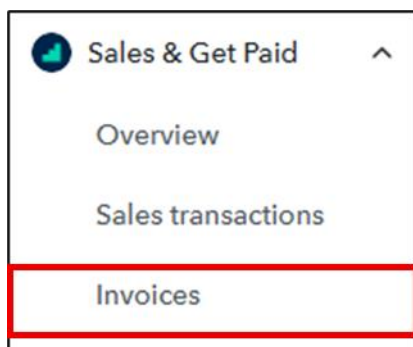
The Cash Basis method does not enter an invoice or bill for future payment. Cash Basis bookkeeping records transactions on the date when money is received and paid when due. The customer pays for products or services at the time of purchase, and the money is recorded as a deposit. When a bill comes into the office, it is not entered into the system. The bill is paid and debited directly from the bank account.



Hands-on Activity

Accrual Bookkeeping

1. All Apps, Sales & Get Paid, Invoices



2. Select **Create Invoice**.

Fill in the following:

3. **Customer:** Bill's Windsurf Shop
4. Under **PRODUCT/SERVICE** choose:
 - a. **Row 1:** Rocks (Design: Rocks), **RATE:** 100
 - b. **Row 2:** Select Rock Fountain (Design: Fountain: Rock Fountain)
5. Recognize the **Total:** \$375.00.
6. Click **Save** and close with the **X**.

Once the file is saved, the sales tax is included on the Invoice totaling \$405.00.

Tags (hidden):

Product or service								
	#	Product/service	Description	Qty	Rate	Amount	Tax	
	1	Design:Rocks	Garden Rocks	1	100	\$100.00	<input checked="" type="checkbox"/>	
	2	Design:Fountains:Rock Fountain	Rock Fountain	1	275	\$275.00	<input checked="" type="checkbox"/>	
	3						<input type="checkbox"/>	

Add product or service

Print or download



Hands-on Activity

View the Profit & Loss Report in Accrual vs. Cash Method

1. Select **Reports** on the **Navigation Bar**.
2. Select **Profit & Loss**.
3. Switch to **Classic View**.
4. Recognize the **accounting method** is **Accrual**.
5. Change the **Report period** from **This Year-to-date** to **Today**.
6. Click **Run report**.

[Back to report list](#)

Profit and Loss Report

Report period
 Today to

Display columns by **Show non-zero or active only** **Compare another period**

Accounting method
☐ Cash ☒ Accrual

7. **Total Income, \$375.00**, appears on the **accrual report**. Invoices count as income with Accrual method reporting.

Craig's Design and Landscaping Services	
Profit and Loss	
	TOTAL
▼ Income	
▼ Landscaping Services	
▼ Job Materials	
Fountains and Garden Lighting	100.00
Total Job Materials	100.00
Total Landscaping Services	100.00
Sales of Product Income	275.00
Total Income	\$375.00

8. Now let's look at the P&L with Cash method reporting. Switch the **Accounting method** from **Accrual** to **Cash**.
9. Click **Run report**.

[Back to report list](#)

Profit and Loss Report

Report period

Today ▼ 06/25/2025 to 06/25/2025

[Customize](#) [Save customizations](#) [Switch to modern view](#)

Display columns by **Show non-zero or active only** **Compare another period** **Accounting method**

Total Only ▼ Active rows/active columns ▼ Select period ▼ ☒ Cash ☐ Accrual [Run report](#)

10. **The Total Income, \$375.00, has disappeared.** Cash method accounting only shows money you have received and deposited in the bank.

Craig's Design and Landscaping Services	
Profit and Loss	
This report does not contain any data.	

Close the Books Feature

A closing date marks when a company's fiscal year has ended and the books for that year are closed. The accountant will review the company file to make year-end adjustments before the company closes the books.

The Accountant or Administrative User will proceed to close the fiscal year by setting a closing date and password in the Close the Books feature. The closing date and password prevent a user from making changes to transactions prior to the closing date. The Accountant and/or the Administrative User can make changes to transactions prior to the closing date. **Once the books are closed, the user is prevented from editing transactions posted prior to the closing date.**



Hands-on Activity

Set a Closing Date with Password

The closing date is usually set a few months after the end of company's fiscal year. Time is needed for all transactions to be received and recorded before setting the closing date.

1. Click the **Gear**.
2. Select **Account and settings**.
3. Select the **Advanced** tab.
4. Click inside the **Accounting** section to edit.
5. Turn on **Close the books**.
6. Enter a **closing date** (choose today's date).
7. Select **Allow changes after viewing a warning and entering password**.
8. Key **1234567** for the **password**.
9. Click **Save** and **Done**.

Close the books

Closing date

2025-09-21

Allow changes after viewing a warning and entering password

Password



Hands-on Activity

Modify a Transaction to Test the Close Date

We are going to open and modify an Invoice transaction that was created prior to the closing date to test what happens.

1. **All Apps, Sales & Get Paid, Invoices**
2. Scroll down to **Weiskopf Consulting** and select **View/Edit**.

1010	Weiskopf Consulting	\$375.00	Due tomorrow
------	---------------------	----------	--------------

3. Change the **rate** on the invoice from **75.00** to **100.00**.
4. Select **Save**.
5. A pop-up window will appear. **Read the following:**

Double-check the transaction date

This transaction was on or before your company's closing date. Editing the transaction will affect your books. Do you want to continue?

Please enter your password to continue

6. Click **No** to close the pop-up window.
7. Close the Invoice with the **X** and **Leave without saving**.

QuickBooks Online Apps

Apps are add-on programs that enhance the use of the QuickBooks Online software. Apps are valuable because they add features to the company file that QuickBooks Online does not offer. Apps meet a variety of needs for a company to make it run more efficiently.

The Built-in QuickBooks Online App Store

The QuickBooks Online App Store is built into the QuickBooks Online Plus and Advanced versions. The App Store is listed on the Navigation Bar. Having the App Store inside the software is very convenient because you do not have to go to a separate website to search for apps.

The Benefits of Adding Apps to QuickBooks Online

- To add an additional layer of security to the company file
- To reduce data entry
- To solve tasks related to a specific industry such as real estate
- To expand data tracking and reporting capabilities
- To streamline the workflow process

The Risks of Adding Apps to QuickBooks Online

Things to be aware of when adding apps:

Most third-party apps have a monthly fee.

The apps created by QuickBooks are mostly free. However, most third-party apps require a monthly fee to use.

Some apps only work with the Advanced version of QuickBooks Online.

Some apps will only work with QuickBooks Advanced. Not all apps work in QuickBooks Online Plus. You must check if the app is compatible with your QuickBooks Online version.

Compatibility: After purchasing a third-party app, QuickBooks makes no guarantee the app will work.

The apps that are featured in the App Store are your best bet for compatibility with QuickBooks Online. The App Store allows you to search hundreds of apps. The apps that are not featured in the App Store need to be tested for compatibility.

The QuickBooks Online App Center adds the following disclaimer:

“While we review each app in the QuickBooks App Store, we can't make guarantees as to how they'll work for your business. Please be sure to review carefully before connecting any apps to QuickBooks.”

Non-Compliant Apps – Beware!

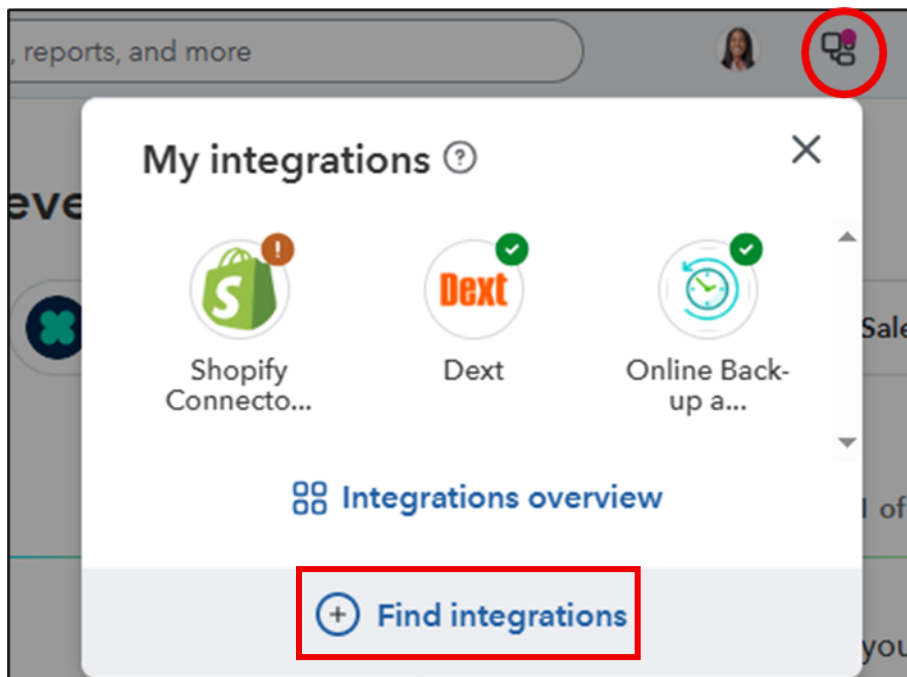
If you try to install a non-compliant app, QuickBooks will give you an error message and/or block the app from connecting to QuickBooks. If QuickBooks detects the app as a **data security risk** it will give an error message and/or stop installation.



Hands-on Activity

How to Find, Add, and Manage Apps in QuickBooks Online

1. Select the **My integrations** icon located in the upper-right of the screen.



2. Select **Find integrations**.
3. **Scroll down** and look at the different categories of apps available. Identify the Disclaimer at the very bottom of the apps page.
4. Scroll to the top of the screen.
5. Search for or select **PayPal**.
6. Select **PayPal Connector by QuickBooks**.
7. To integrate you would select **Get Integration Now**. This is grayed out in the sample file.
8. Close the window with the **X**.