



Competency Based Learning Material (CBLM)

Accounting for Freelancing

Level-4

Module: Performing accounting using accounting software packages

Code: CBLM- OUAF003L4V1



**National Skills Development Authority
Chief Advisor's Office
Government of the People's Republic of Bangladesh**

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This Competency Based Learning Materials (CBLM) on “Performing accounting using accounting software packages” under the Accounting for Freelancing , Level-4” qualification is developed based on the national competency standard approved by National Skills Development Authority (NSDA)

This document is to be used as a key reference point by the competency-based learning materials developers, teachers/trainers/assessors as a base on which to build instructional activities.

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Approved by the Authority meeting held on

How to use this Competency Based Learning Material (CBLM)

The module contains Performing accounting using accounting software packages training materials and activities for you to complete. These activities may be completed as part of structured classroom activities or you may be required you to work at your own pace. These activities will ask you to complete associated learning and practice activities in order to gain knowledge and skills you need to achieve the learning outcomes.

1. Review the **Learning Activity** page to understand the sequence of learning activities you will undergo. This page will serve as your road map towards the achievement of competence.
2. Read the **Information Sheets**. This will give you an understanding of the jobs or tasks you are going to learn how to do. Once you have finished reading the **Information Sheets** complete the questions in the **Self-Check**.
3. **Self-Checks** are found after each **Information Sheet**. **Self-Checks** are designed to help you know how you are progressing. If you are unable to answer the questions in the **Self-Check** you will need to re-read the relevant **Information Sheet**. Once you have completed all the questions check your answers by reading the relevant **Answer Keys** found at the end of this module.
4. Next move on to the **Job Sheets**. **Job Sheets** provide detailed information about *how to do the job* you are being trained in. Some **Job Sheets** will also have a series of **Activity Sheets**. These sheets have been designed to introduce you to the job step by step. This is where you will apply the new knowledge you gained by reading the Information Sheets. This is your opportunity to practise the job. You may need to practise the job or activity several times before you become competent.
5. Specification **sheets**, specifying the details of the job to be performed will be provided where appropriate.
6. A review of competency is provided on the last page to help remind if all the required assessment criteria have been met. This record is for your own information and guidance and is not an official record of competency

When working through this Module always be aware of your safety and the safety of others in the training room. Should you require assistance or clarification please consult your trainer or facilitator.

When you have satisfactorily completed all the Jobs and/or Activities outlined in this module, an assessment event will be scheduled to assess if you have achieved competency in the specified learning outcomes. You will then be ready to move onto the next Unit of Competency or Module

Table of Contents

Copyright.....	i
How to use this Competency Based Learning Material (CBLM).....	v
Module Content.....	1
Learning Outcome 1: Creating chart of accounts and chart of inventory.	3
Learning Experience 1: Create chart of accounts and chart of inventory.	5
Information Sheet 1: Create chart of accounts and chart of inventory.	6
Self-Check Sheet - 1: Create chart of accounts and chart of inventory.	20
Answer Key-1: Create chart of accounts and chart of inventory.	21
Task Sheet-1.1: Create Groups/Account Types in QuickBooks Online.....	22
Learning Outcome 2: Recording transactions	24
Learning Experience 2: Record transactions.....	26
Information Sheet 2: Record transactions.....	27
Self-Check Sheet - 2: Record transactions.....	52
Answer Key - 2 : Record transactions.....	53
Task Sheet-2.1: Journalize the transactions.....	54
Learning Outcome 3: Editing/voiding/deleting/archiving transactions.....	55
Learning Experience 3: Edit/void/delete/archive transactions.....	56
Information Sheet 3: Edit/void/delete/archive transactions.....	57
Self-Check Sheet - 3: Edit/void/delete/archive transactions.....	66
Answer Key - 3: Edit/void/delete/archive transactions.....	67
Task Sheet - 3.1: Delete a Transaction in QuickBooks Online.....	68
Learning Outcome 4: Reconciling bank and ledger accounts.....	69
Learning Experience 4: Reconcile bank and ledger accounts.....	70
Information Sheet 4: Reconcile bank and ledger accounts.....	71
Self-Check Sheet - 4 : Reconcile bank and ledger accounts.....	78
Answer Key - 4: Reconcile bank and ledger accounts.....	79
Task Sheet-4.1: Prepare Bank Reconciliation Statement Preparation.....	80
Learning Outcome 5: Processing payroll and tax.....	82
Learning Experience 5: Process payroll and tax.....	84
Information Sheet 5: Process payroll and tax.....	85
Self-Check Sheet - 5: Process payroll and tax.....	90
Answer Key - 5: Process payroll and tax.....	91
Task Sheet-5.1: Process salary in Quickbook Online.....	92
Learning Outcome 6: Generating reports.....	95
Learning Experience 6: Generate reports.....	97
Information Sheet 6: Generate reports.....	98
Self-Check Sheet - 6: Generate reports.....	106
Answer Key - 6 : Generate reports.....	107
Task Sheet-6.1: Prepare Balance Sheet.....	108
Reference.....	110
Review of Competency.....	111
Development of CBLM.....	113

Module Content

Unit of Competency	Perform accounting using accounting software packages
Unit Code	QUAF003L4V1
Module Title	Perform accounting using accounting software packages
Module Descriptor	This module covers the knowledge, skills and attitudes required to perform accounting using accounting software packages. This includes creating charts of accounts and inventory, recording transactions, editing/voiding/deleting transactions, reconciling bank and ledger accounts, processing payroll and tax, and generating reports.
Nominal Hours	215 Hours
Lerning Outcome	<p>After completing the practice of the module, the trainees will be able to perform the following jobs:</p> <ol style="list-style-type: none"> 1. Create chart of accounts and chart of inventory. 2. Record transactions. 3. Edit/void/delete/archive transactions. 4. Reconcile bank and ledger accounts. 5. Process payroll and tax. 6. Generate reports.

Assessment Criteria

- 1.1. Select application software
- 1.2. Create a company profile
- 1.3. Create groups/account types
- 1.4. Create ledgers under groups
- 1.5. Create groups/inventory categories
- 1.6. Create items under groups
- 1.7. Determine/create measurement units
- 2.1. Able to collect source documents according to needs
- 2.2. Identify the debit and credit heads
- 2.3. Able to journalize the transactions.
- 2.4. Able to record the transactions
- 3.1. Able to request to edit/void/delete/archive transactions according to needs

- 3.2. Able to get approval according to standard procedures
- 3.3 Able to edit/void/delete/archive transactions
- 4.1. Source Document Collection
- 4.2. Reconcilable Ledger Reconciliation
- 4.3. Bank Reconciliation Statement Preparation
- 5.1. Collect data related to employee salary
- 5.2. Able to set up salary components according to needs
- 5.3. Able to process salary according to needs
- 5.4. Able to calculate tax liability
- 5.5. Able to prepare tax reports according to needs
- 6.1. Able to configure reports according to requirements
- 6.2. Able to prepare reports
- 6.3. Able to submit reports according to requirements

Learning Outcome 1: Creating chart of accounts and chart of inventory.

Assessment Criteria	<ol style="list-style-type: none"> 1. Able to select application software according to needs 2. Able to create a company profile in the software according to needs 3. Able to create groups/account types according to needs 4. Able to create ledgers under the groups as needed 5. Able to create groups/inventory categories according to needs 6. Able to create items under the groups 7. Able to determine/create measurement units
Conditions and Resources	<ol style="list-style-type: none"> 1. Real or simulated workplace 2. CBLM 3. Handouts 4. Laptop 5. Multimedia Projector 6. Paper, Pen, Pencil, Eraser 7. Internet facilities 8. White board and marker
Contents	<ol style="list-style-type: none"> 1 Application Software <ol style="list-style-type: none"> 1.1 Tally 1.2 QuickBooks Online 1.3 Xero 1.4 Redbox 2 Application Software Selection 3 Profile <ol style="list-style-type: none"> 3.1 Company Name 3.2 Address 3.3 Financial Year Beginning 3.4 Books Beginning Date 3.5 Opening/Conversion Balance 3.6 Currency 4 Creating Company Profile in Software 5 Group/Account Type Creation 6 Creating Ledgers Under Groups 7 Group/Inventory Category Creation 8 Creating Items Under Groups 9 Measurement Unit Determination/Creation
Activities/job/Task	<ol style="list-style-type: none"> 1 Create Groups/Account Types in QuickBooks Online

<p>Training Methods</p>	<ol style="list-style-type: none"> 1. Discussion 2. Presentation 3. Demonstration 4. Guided Practice 5. Individual Practice 6. Project Work 7. Problem Solving 8. Brainstorming
<p>Assessment Methods</p>	<p>Assessment methods may include but not limited to</p> <ol style="list-style-type: none"> 1. Written Test 2. Demonstration 3. Oral Questioning 4. Portfolio

Learning Experience 1: Create chart of accounts and chart of inventory.

In order to achieve the objectives stated in this learning guide, you must perform the learning steps below. Beside each step are the resources or special instructions you will use to accomplish the corresponding activity.

Learning Activities	Recourses/Special Instructions
1. Trainee will ask the instructor about the learning materials	1. Instructor will provide the learning materials ‘Create chart of accounts and chart of inventory.’
2. Read the Information sheet and complete the Self Checks & Check answer sheets on “Create chart of accounts and chart of inventory”	2. Read Information sheet 1: Create chart of accounts and chart of inventory 3. Answer Self-check 1: Create chart of accounts and chart of inventory 4. Check your answer with Answer key 1: Create chart of accounts and chart of inventory
3. Read the Job/Task Sheet and Specification Sheet and perform job/Task	5. Job/Task Sheet and Specification Sheet Task Sheet-1.1: Create Groups/Account Types in QuickBooks Online

Information Sheet 1: Create chart of accounts and chart of inventory.

Learning Objective:

After completion of this information sheet, the learners will be able to explain, define and interpret the following contents:

- 1.1. Select application software
- 1.2. Create a company profile
- 1.3. Create groups/account types
- 1.4. Create ledgers under groups
- 1.5. Create groups/inventory categories
- 1.6. Create items under groups
- 1.7. Determine/create measurement units

1.1. Select application software.

Tally



Tally is a popular accounting software program known for its strong features in inventory management, statutory compliance (for India), and multi-currency accounting. It caters well to small and medium-sized businesses. Here's a quick feature overview:

- **Strengths:** Robust inventory management, multi-lingual support, extensive statutory compliance features (India), customizable reports.

- **Considerations:** Primarily desktop-based software (though cloud versions exist), steeper learning curve compared to some options.

QuickBooks Online

QuickBooks Online is a cloud-based accounting software solution designed for ease of use and accessibility. It offers strong features for invoicing, expense tracking, and collaboration, making it a popular choice for startups and freelancers.



- **Strengths:** User-friendly interface, cloud-based accessibility, strong collaboration features, mobile app availability.
- **Considerations:** Might lack some advanced features for complex accounting needs, subscription-based pricing.

Xero

Xero is a cloud-based accounting software offering a user-friendly interface and strong features for managing finances, payroll, and inventory. It caters well to small and medium-sized businesses, freelancers, and accountants.



- **Strengths:** Cloud-based accessibility, user-friendly interface, strong integration with third-party applications (e.g., payroll, expense tracking), mobile app availability.
- **Considerations:** Might lack some advanced features for very complex accounting needs, subscription-based pricing.

Redbox

Redbox is a cloud-based accounting software designed specifically for freelancers and independent contractors. It focuses on simplicity and affordability, offering features for managing income, expenses, and taxes.

- **Strengths:** Easy to use, affordable pricing, ideal for freelancers and solopreneurs, integrates with popular payment processing services.
- **Considerations:** Limited features compared to more comprehensive accounting software, may not be suitable for larger businesses with complex accounting needs.

Choosing the Right Software

Remember, the best software depends on your specific needs. Here's how these options compare to the previously discussed ones:

- **Complexity:** Similar to QuickBooks Online in terms of user-friendliness, Xero offers a wider range of features, potentially overlapping with Tally for some businesses. Redbox is the simplest option, ideal for freelancers.
- **Cloud-based:** All three options (QuickBooks Online, Xero, Redbox) are cloud-based, offering remote access and collaboration.
- **Pricing:** Redbox offers the most affordable option, while Xero and QuickBooks Online have subscription-based pricing models. Tally might involve a one-time purchase cost.
- **Features:** Xero offers a good balance of user-friendliness and features, while Tally excels in specific areas like inventory management. Redbox is best suited for basic accounting needs of freelancers.

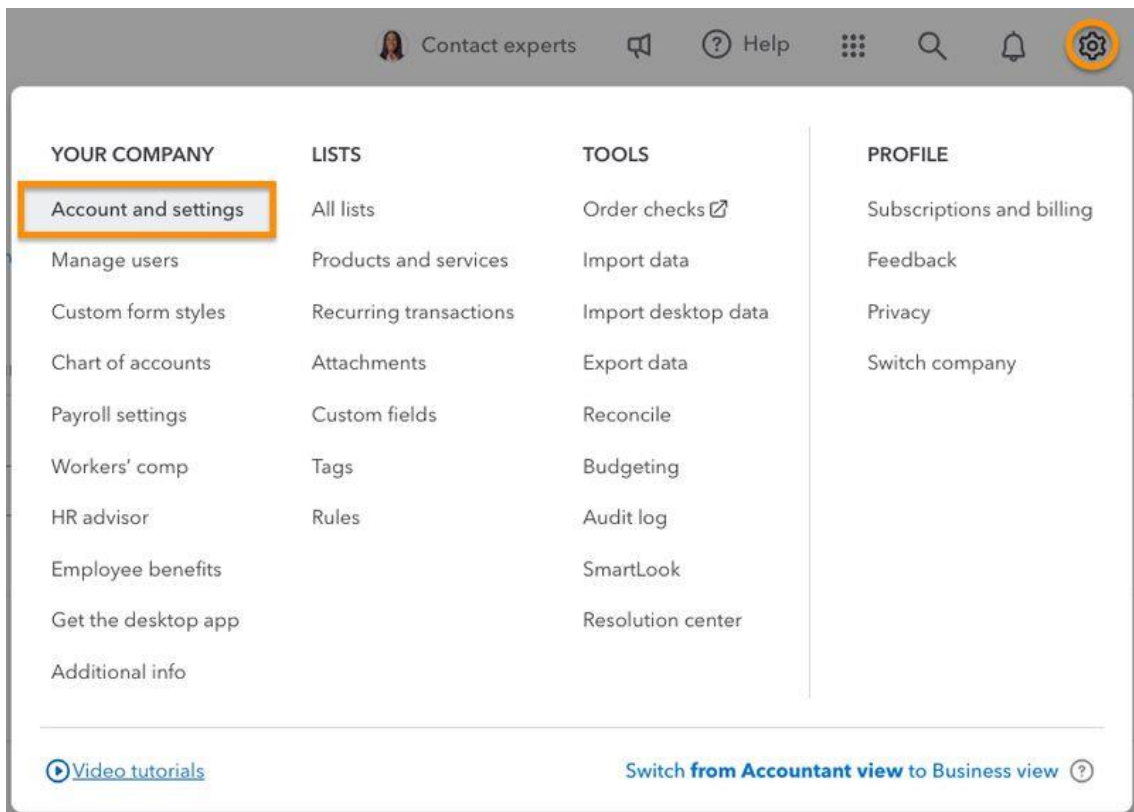
1.2. Create a company profile

Step 1: Gather Company Info & Sign in to QuickBooks

Before I began setting up my company in QuickBooks Online, I compiled basic company information. It's best to have as many items from this list as possible, but you can always make changes later:

- Business name
- Address
- Email
- Website
- Digital copy of your company logo
- Federal employer identification number (EIN)
- Business structure, such as sole proprietor or partnership
- Accounting method (cash or accrual)

Now that you have the information needed, log in to your QuickBooks Online account. From the dashboard, I clicked on the cogwheel icon (⚙️) in the upper right corner of your screen and then chose **Account and settings**, as shown below.




Navigate to Account and Settings to access the Company tab

Step 2: Select the Company Tab

Next, click on the **Company** tab under **Account and settings**. This tab allowed me to set up company information in QuickBooks Online in five areas: company name, company type, contact info, address, and marketing preferences.

Account and Settings

Company	Company name		 PAUL'S HVAC
Usage	Company name	Paul's HVAC	
Payments	Legal name	Same as company name	
Lending	XX-XXX4153		
QuickBooks Checking	<hr/>		
Sales	Company type	Tax form	Not sure/Other/None
Expenses		Industry	-
Time	<hr/>		
Advanced	Contact info	Company email	tyoder@fit-small-business.com
		Customer-facing email	Same as company email
		Company phone	+14026719877
		Website	www.samplename.com

Company tab under Account and Settings

Step 3: Adjust Company Settings

I'll go over each of the five sections under the **Company** tab. To do this, click on the pencil icon or anywhere in the company section. After making the changes, click **Save**.

1. Company Name

This is where you can enter or update the official name of your business and upload a logo. These will appear on important documents like invoices and sales receipts.

- **Company logo:** I clicked anywhere on the gray square to upload my company logo. In the screenshot below, I already uploaded a company logo. If you wish to upload another logo, click the blue plus sign, select the file, and then click **Save**.
- **Company and legal name:** I entered my company name as I would like it to appear on my invoices and other forms. Your legal company name should match the name the IRS has for your company. The legal name will appear on tax forms, such as Form 1099, and payroll tax returns. If your legal name is different from the company name you want on invoices, uncheck the box and input the legal name.

- **Employer Identification Number (EIN):** This should match the number assigned to you by the IRS. If you're self-employed, you may use my Social Security number. Because of the sensitive nature of EINs, QuickBooks may require you to authenticate your login before viewing or changing the EIN.

Avoid using your Social Security number. While self-employed taxpayers are allowed to use their Social Security number instead of an EIN, I highly recommend applying for an EIN. If you don't have one, read our guide on **how to get an EIN**.

The screenshot shows the 'Edit Company Information' form in QuickBooks Online. It includes the following fields and options:

- Company logo:** A logo for 'PAUL'S HVA' is displayed.
- Company name:** A text input field containing 'Paul's HVAC'.
- Legal name:** A text input field containing 'XX-XXX4153'.
- EIN:** A text input field containing 'XX-XXX4153'.
- Same as company name:** A checked checkbox next to the text 'Same as company name'.
- Buttons:** 'Cancel' and 'Save' buttons are located at the bottom.
- Footer:** A note states 'The location tracking setting is turned on. Go to location tracking' and 'If you assign a location to a transaction, the company info might be overridden by the selected location. Edit locations'.

Updating company name and logo in QuickBooks Online

2. Company Type

This section allows you to change your company type in QuickBooks; you can leave the field blank if you're unsure. I clicked on the drop-down menu next to the **Tax form** field and selected my taxable entity type.

- **Sole proprietor:** You're a sole proprietor if you're the only one who runs the business. To report income or loss, you should use Schedule C (Form 1040). For this, we have a guide on **how to complete Schedule C**.
- **Business partnership:** Choose this business type if you're carrying out business with two or more partners. Partnerships use Form 1065 to report their business income and loss; read our **Form 1065 step-by-step instructions** for guidance.
- **S Corporation (S-corp):** This refers to a corporation that elects to be an S-corp, which passes corporate income, loss, and taxes through to its shareholders and reports on Form 1120S.
- **C Corporation (C-corp):** A corporation that qualifies as a C-corp is taxed separately from its owners, rather than passing through to owners. C-corps report on Form 1120.

- **Nonprofit organization:** Nonprofits are tax-exempt corporations that are focused on social causes rather than generating income. They use Form 990 to report their annual activity.
- **Limited liability company (LLC):** Select this business type if you're unsure whether to file taxes as a sole proprietor, partnership, or S-corp.

In the **Industry** field, type your industry name, then QuickBooks will provide suggestions. You can also leave this blank and adjust it later if needed.

EIN XX-XXX5678

Company type	Tax form	Sole proprietor (Form 1040) ▾
	Industry	Q Construction, retail, salo
		<input type="button" value="Cancel"/> <input type="button" value="Save"/>

Contact info	Company email	mcetera@fitsmallbusiness.com
	Customer-facing email	Same as company email
	Company phone	(123) 456-7890
	Website	-

Selecting company type and industry in QuickBooks

3. Contact Info

This section allowed me to provide contact information for both QuickBooks and my customers.

- **Company email:** This is the address QuickBooks will use to contact the QuickBooks administrator.
- **Customer-facing email:** This email will appear on sales forms sent to your customers, such as invoices. If this differs from the QuickBooks administrator's email address, then uncheck the box and input the correct address.
- **Company phone:** Enter the phone number that should appear on sales forms sent to customers.
- **Website:** Indicate the website address to appear on all sales forms.

Contact info	Company email <small>Where QuickBooks can contact you.</small> <input type="text" value="tyoder@fitsmallbusiness.com"/>
	<input checked="" type="checkbox"/> Same as company email
	Customer-facing email <small>Where your customers can contact you. Shown on sales forms. Connected to the Business Network.</small>
	Company phone <small>Shown on sales forms. Connected to the Business Network.</small> <input type="text" value="+1 (402) 671-9877"/>
	Website <small>Shown on sales forms. Connected to the Business Network.</small> <input type="text" value="fithvac.com"/>
<input type="button" value="Cancel"/> <input type="button" value="Save"/>	
<small>The location tracking setting is turned on. Go to location tracking If you assign a location to a transaction, the company info might be overridden by the selected location. Edit locations</small>	

Enter or change contact information in QuickBooks Online

4. Company Address

This tab provides three separate sections to update your company, customer-facing, and legal address.

- **Company address** is the physical location of the business and is used for your payments to QuickBooks.
- **Customer-facing address** appears on invoices and other sales forms and should be the address to which you want customers to mail their payments. If it's different from your company address, uncheck the box and enter the correct customer-facing address.
- **Legal address** is used for your tax filings and should match your address on file with the IRS. Again, if this differs from the company address, uncheck the box and input the legal address.

The screenshot shows the 'Address' management interface in QuickBooks Online. It features a 'Company address' section with a text input for the street address (3343 Perimeter Hill Dr), a text input for the city (Nashville), a dropdown menu for the state (Tennessee), and a text input for the ZIP code (37211-4169). Below this are two rows for 'Customer-facing address' and 'Legal address', both currently set to '1735 County Road, Bayshore, CA 94326'. Each row has a small edit icon to its right.

Enter or change addresses in QuickBooks Online

1.3. Create groups/account types

Steps to Create Groups/Account Types in QuickBooks Online:

1. **Sign in to QuickBooks Online:**
 - Go to the QuickBooks Online website and log in with your credentials.
2. **Go to the Chart of Accounts:**
 - In the left-hand menu, click on "**Accounting**" and then select "**Chart of Accounts**".
 - Alternatively, you can go to **Settings** (gear icon) in the top right corner and select "**Chart of Accounts**" under **Your Company**.
3. **Create a New Account:**
 - In the **Chart of Accounts** screen, click on the "**New**" button on the top right.

- This will allow you to create a new account.
4. **Select Account Type:**
- In the **Account Type** dropdown, select the type of account you want to create. Common types include:
 - **Bank** (for checking, savings, etc.)
 - **Income** (for income accounts like sales, services, etc.)
 - **Expense** (for expenses like rent, utilities, etc.)
 - **Equity** (for owner's equity, retained earnings, etc.)
 - **Liabilities** (for accounts payable, loans, etc.)
 - **Other Accounts** (for other specific types like credit cards or asset accounts).
5. **Select Detail Type:**
- After choosing the account type, the **Detail Type** dropdown will appear. Choose a more specific category for the account based on the available options. For example, if you select **Bank**, you might choose **Checking** or **Savings**.
6. **Name the Account:**
- Enter a name for the account. This name should clearly define the type of transaction or balance the account represents (e.g., "Sales Revenue", "Office Supplies", "Business Checking").
 - If needed, you can also add a description for further clarification.
7. **Add an Optional Account Number:**
- If you use a numbering system for your accounts, you can enter an account number.
8. **Set Up the Group (if applicable):**
- If you want to group accounts together (for example, grouping all expense accounts), you can assign a **Parent Account**. This is an optional step for organizing your accounts.
 - Under "**Is sub-account of**", select a parent account to categorize the new account under a larger group.
9. **Save the Account:**
- Once all the details are filled in, click on **Save and Close** to save the account, or click **Save and New** if you want to create another account right away.

10. Repeat for Other Accounts:

- You can repeat these steps to create other groups or account types as needed, organizing them by categories (Income, Expenses, Assets, Liabilities, etc.).

Example:

- If you're setting up income accounts for a freelance business, you may create accounts under the **Income** category like "Freelance Revenue", "Consulting Income", etc.
- If setting up expense accounts, you may create categories such as "Advertising Expense", "Travel Expense", etc.

By following these steps, you can organize your QuickBooks Online accounts to fit your business needs, providing a structured financial record-keeping system.

1.4. Create ledgers under groups

To create ledgers under a group in QuickBooks Online, you need to set up **sub-accounts** (sub-ledgers) under a parent account. This helps you categorize and organize financial data more effectively. Here's a step-by-step guide to creating ledgers under a group (parent account) in QuickBooks Online:

Steps to Create Ledgers Under a Group in QuickBooks Online:

1. Sign in to QuickBooks Online:

- Open your web browser and go to QuickBooks Online.
- Enter your credentials to log in to your account.

2. Navigate to the Chart of Accounts:

- In the left-hand menu, click on "**Accounting**" and then select "**Chart of Accounts**".

3. Click on the "New" Button:

- In the upper right corner of the **Chart of Accounts** page, click on the "New" button to create a new account.

4. Select the Account Type:

- In the **Account Type** dropdown, select the type of account you want to create (e.g., **Income, Expense, Assets, Liabilities**, etc.).

5. Choose the Detail Type:

- After selecting the **Account Type**, choose a more specific **Detail Type** that best matches the account (for example, if you're creating a bank account, you may choose "Checking").

6. Set the Account Name:

- Enter a name for your new account (ledger). For example, if you are setting up an income account for freelance services, you could name it "**Freelance Income**" or "**Consulting Revenue**".

7. Create a Sub-Account (Ledger) Under a Group:

- To create a ledger under a group (parent account), check the box that says "**Is sub-account of**".

- From the dropdown, choose the **parent account** (group) under which the ledger should fall. For example, if you're creating an income ledger, you might select "Income" as the parent account.
- 8. Optional: Add an Account Number:**
- If your business uses a chart of accounts with numbered accounts, you can also add an **account number**. This is optional but useful for organizing your financial statements.
- 9. Save the Account:**
- Once all the information is filled out, click on **Save and Close** to save the ledger, or **Save and New** to create another account.
- 10. View the Created Ledger:**
- After saving, you'll see the newly created ledger listed under its parent account in the **Chart of Accounts**.

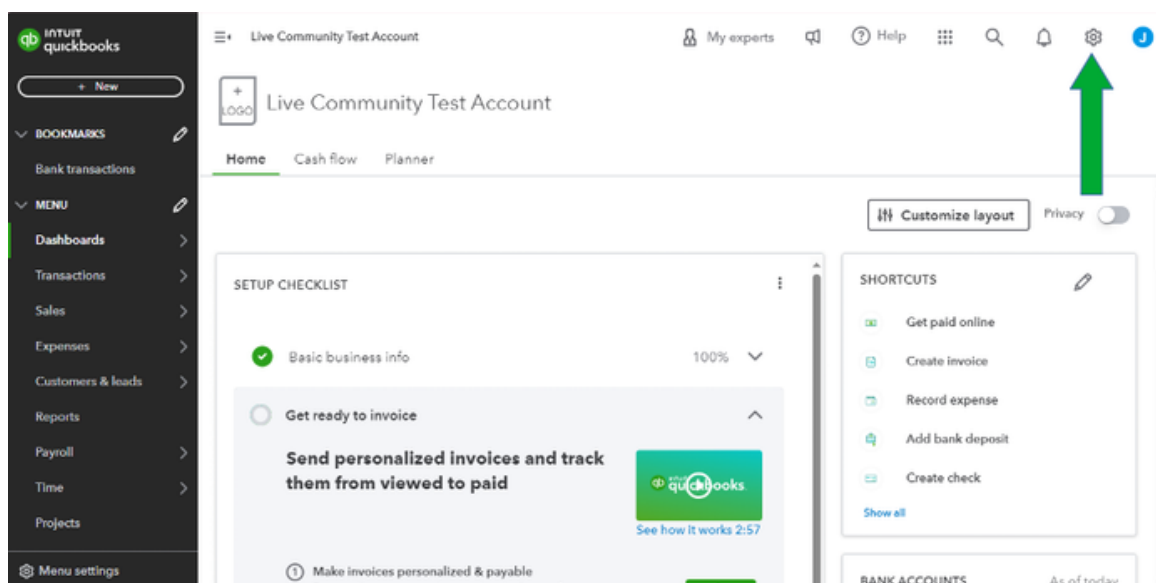
Example:

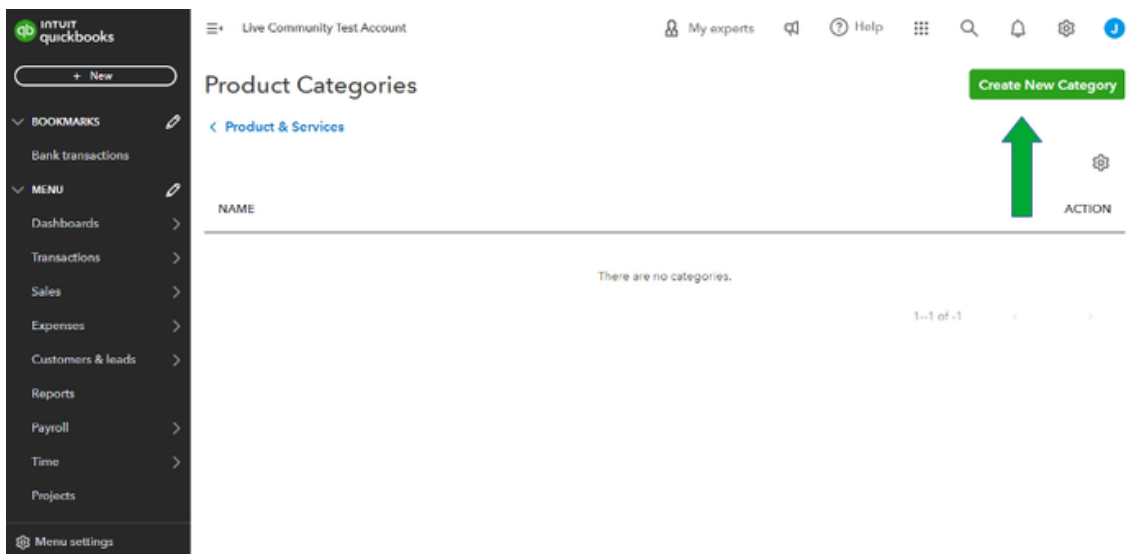
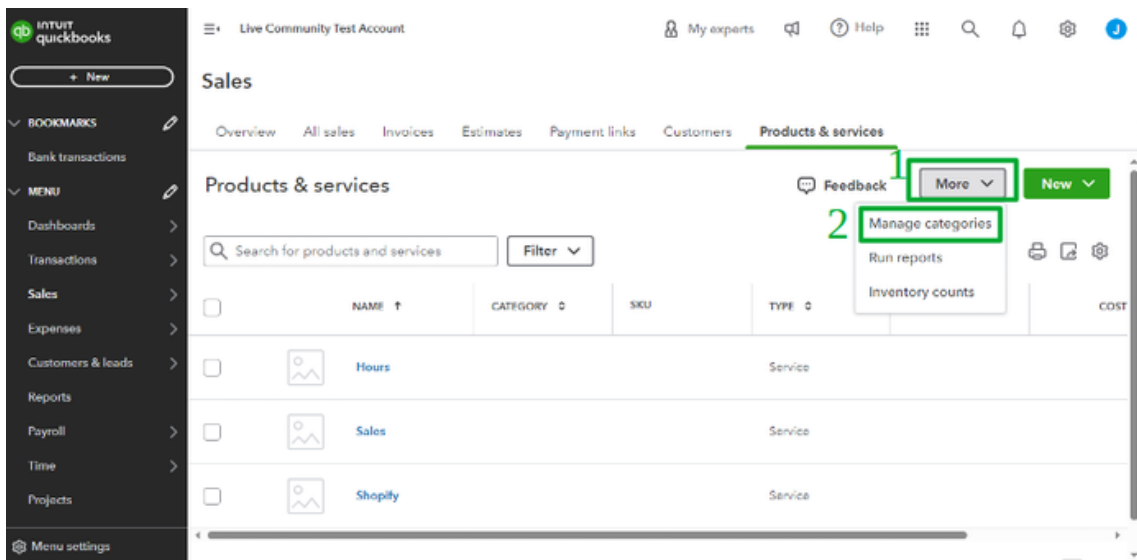
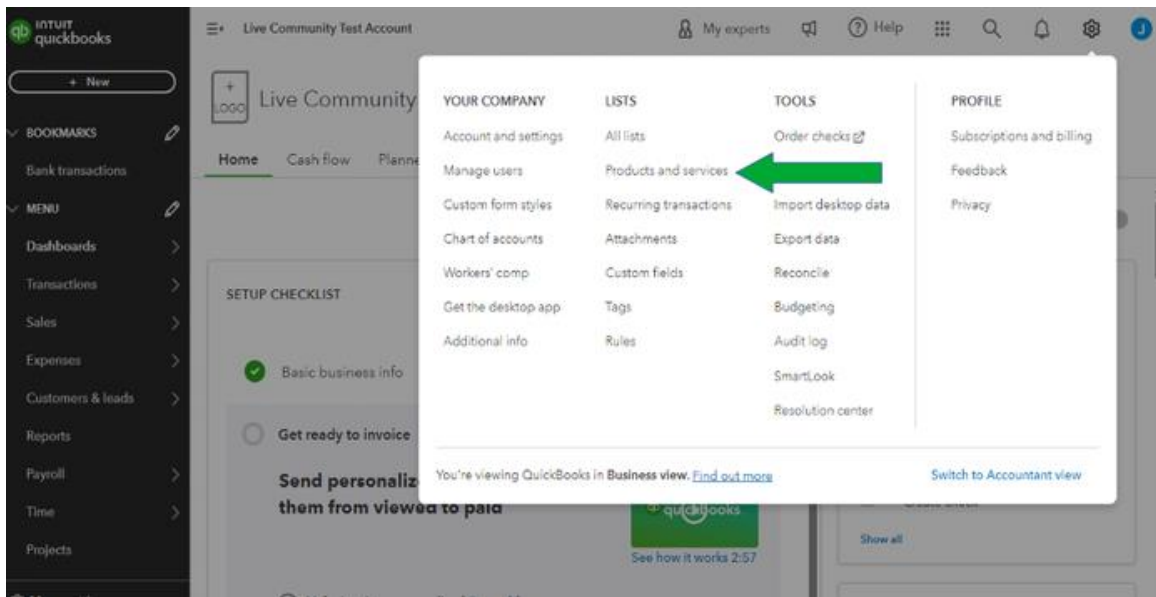
- If you are managing a group of expense accounts, you may have a **Parent Account** called "**Expenses**", and under it, you create ledgers like:
 - **Office Supplies (Sub-account of Expenses)**
 - **Advertising Expenses (Sub-account of Expenses)**
 - **Employee Salaries (Sub-account of Expenses)**

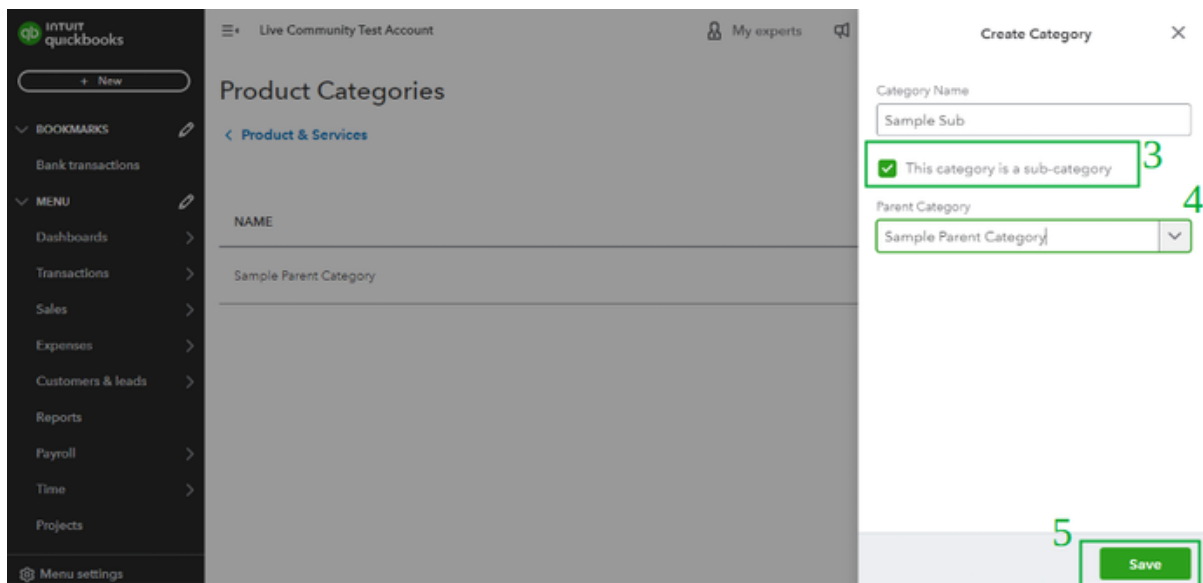
This way, all your expense-related accounts will fall under the main "**Expenses**" group, making it easier to track and organize.

1.5. Create groups/inventory categories

1. Go to **Settings** ⚙️, then choose **Products & services**.
2. Select **More** ▼, then **Manage categories**.
3. Click the **Create New Category**, then enter the name of the category.
4. Checkbox the **This category is a sub-category**.
5. Hit on **Save**.







1.6. Create items under groups

In QuickBooks Online, you can create items under groups to organize your products and services better. This allows for efficient invoicing and reporting. Here's how you can do it:

Step 1: Create a Group Item

1. **Log into QuickBooks Online.**
2. Go to the **Gear Icon** (top right corner) and select **Products and Services** under the **Lists** section.
3. Click the **New** button in the top right corner.
4. Select **Group** under the **Item Type** dropdown.
5. Fill in the **Group Name** (this will be the name of the group), and choose a **Category** (if you use categories).
6. In the **Group Details** section, click **Add product or service** to add individual items to the group.
 - Choose items from your existing list, or create new ones if needed.
7. Set the **Sales price/rate** for the group item (you can set a fixed price or let it calculate based on the sum of the individual items).
8. If needed, adjust the **Income account** to ensure correct tracking in your financial reports.
9. Click **Save and Close** when you're done.

Step 2: Add the Group Item to an Invoice or Sales Receipt

1. When creating an **Invoice** or **Sales Receipt**, click **Add a line**.
2. In the item dropdown, find and select the **Group Item**.
3. The group item will appear with the individual items listed under it.
4. Complete the rest of the invoice, and save it.

Step 3: View Group Item Transactions

To view the transactions involving your group items:

1. Go to the **Reports** section.
2. Use reports like the **Sales by Item Detail** or **Sales by Product/Service** to see how each item within the group is performing.

Self-Check Sheet - 1: Create chart of accounts and chart of inventory.

- 1. What should you gather before setting up your company in QuickBooks Online?**

Answer:

- 2. How do you access the Company tab in QuickBooks Online?**

Answer:

- 3. How do you add a company logo in QuickBooks?**

Answer:

- 4. What is the difference between a Sole Proprietor and a Business Partnership in QuickBooks?**

Answer:

- 5. How can you create new accounts in QuickBooks Online?**

Answer:

- 6. How do you create sub-accounts under a parent account?**

Answer:

- 7. How do you create inventory categories in QuickBooks Online?**

Answer:

Answer Key-1: Create chart of accounts and chart of inventory.

1. What should you gather before setting up your company in QuickBooks Online?

Answer: Before setting up, gather the business name, address, EIN, company structure, and accounting method. You can update these details later if needed.

2. How do you access the Company tab in QuickBooks Online?

Answer: To access the Company tab, click the gear icon in the upper-right corner, then select Account and Settings, and finally the Company tab.

3. How do you add a company logo in QuickBooks?

Answer: To add your company logo, click the gray square in the Company Name section and upload your logo file. Click Save after uploading.

4. What is the difference between a Sole Proprietor and a Business Partnership in QuickBooks?

Answer: A Sole Proprietor operates alone, while a Business Partnership involves two or more people. Each has different tax reporting requirements.

5. How can you create new accounts in QuickBooks Online?

Answer: Go to the Chart of Accounts, click "New", select an account type, and fill out the account details. Then, click Save.

6. How do you create sub-accounts under a parent account?

Answer: When creating a new account, check the "Is sub-account of" box and select the parent account under which the sub-account will fall.

7. How do you create inventory categories in QuickBooks Online?

Answer: Go to Settings > Products & Services, select "Manage Categories", click "Create New Category", and save after entering the category name.

Task Sheet-1.1: Create Groups/Account Types in QuickBooks Online

Details Steps

1. Sign in to QuickBooks Online:

- Go to the QuickBooks Online website and log in with your credentials.

2. Go to the Chart of Accounts:

- In the left-hand menu, click on "**Accounting**" and then select "**Chart of Accounts**".
- Alternatively, you can go to **Settings** (gear icon) in the top right corner and select "**Chart of Accounts**" under **Your Company**.

3. Create a New Account:

- In the **Chart of Accounts** screen, click on the "**New**" button on the top right.
- This will allow you to create a new account.

4. Select Account Type:

- In the **Account Type** dropdown, select the type of account you want to create. Common types include:
 - **Bank** (for checking, savings, etc.)
 - **Income** (for income accounts like sales, services, etc.)
 - **Expense** (for expenses like rent, utilities, etc.)
 - **Equity** (for owner's equity, retained earnings, etc.)
 - **Liabilities** (for accounts payable, loans, etc.)
 - **Other Accounts** (for other specific types like credit cards or asset accounts).

5. Select Detail Type:

- After choosing the account type, the **Detail Type** dropdown will appear. Choose a more specific category for the account based on the available options. For example, if you select **Bank**, you might choose **Checking** or **Savings**.

6. Name the Account:

- Enter a name for the account. This name should clearly define the type of transaction or balance the account represents (e.g., "Sales Revenue", "Office Supplies", "Business Checking").
- If needed, you can also add a description for further clarification.

7. Add an Optional Account Number:

- If you use a numbering system for your accounts, you can enter an account number.

8. Set Up the Group (if applicable):

- If you want to group accounts together (for example, grouping all expense accounts), you can assign a **Parent Account**. This is an optional step for organizing your accounts.
- Under "**Is sub-account of**", select a parent account to categorize the new account under a larger group.

9. Save the Account:

- Once all the details are filled in, click on **Save and Close** to save the account, or click **Save and New** if you want to create another account right away.

Learning Outcome 2: Recording transactions

Assessment Criteria	<ol style="list-style-type: none"> 1. Able to collect source documents according to needs (1) 2. Able to identify the debit and credit heads (2) 3. Able to journalize the transactions (3) 4. Able to record the transactions (4)
Conditions and Resources	<ol style="list-style-type: none"> 1. Real or simulated workplace 2. CBLM 3. Handouts 4. Laptop 5. Multimedia Projector 6. Paper, Pen, Pencil, Eraser 7. Internet facilities 8. White board and marker 9. Audio Video Device
Contents	<ol style="list-style-type: none"> 1 Source Documents <ol style="list-style-type: none"> 1.1 Bank Feed 1.2 Receipt Entry 1.3 Payment Entry 1.4 Cash and Bank Entry 1.5 Journal Voucher 1.6 Sales 1.7 Sales Return 1.8 Purchase 1.9 Purchase Return 1.10 Contra Entry 1.11 Physical Inventory 2 Source Document Collection 3 Debit and Credit Head Identification 4 Transaction Journalization 5 Transaction Recording
Activities/job/Task	<ol style="list-style-type: none"> 1. Journalize the transactions.
Training Methods	<ol style="list-style-type: none"> 1. Discussion 2. Presentation 3. Demonstration 4. Guided Practice 5. Individual Practice 6. Project Work 7. Problem Solving 8. Brainstorming
Assessment Methods	Assessment methods may include but not limited to

	<ol style="list-style-type: none">5. Written Test6. Demonstration7. Oral Questioning8. Portfolio
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Learning Experience 2: Record transactions

In order to achieve the objectives stated in this learning guide, you must perform the learning steps below. Beside each step are the resources or special instructions you will use to accomplish the corresponding activity.

Learning Activities	Recourses/Special Instructions
1. Trainee will ask the instructor about the learning materials	1. Instructor will provide the learning materials 'Record transactions'
2. Read the Information sheet and complete the Self Checks & Check answer sheets on "Record transactions"	2. Read Information Sheet 2: Record transactions 3. Answer Self-check 2: Record transactions 4. Check your answer with Answer key 2: Record transactions
3. Read the Job/Task Sheet and Specification Sheet and perform job/Task	5. Job/Task Sheet and Specification Sheet Task Sheet-2.1: Journalize the transactions.

Information Sheet 2: Record transactions

Learning Objective:

After completion of this information sheet, the learners will be able to explain, define and interpret the following contents:

- 2.1. Able to collect source documents according to needs
- 2.2. Identify the debit and credit heads
- 2.3 Able to journalize the transactions.
- 2.4. Able to record the transactions

2.1. Collect source documents according to needs

In QuickBooks Online, collecting and organizing source documents is essential for maintaining accurate financial records. These source documents are typically receipts, invoices, bills, and other financial paperwork that support your transactions. QuickBooks allows you to attach and store these documents directly to transactions for easy access.

Here's a step-by-step guide to collect and manage source documents in QuickBooks Online:

Step 1: Collect Source Documents

Before you start uploading documents into QuickBooks, gather the necessary source documents, such as:

- **Receipts**
- **Invoices**
- **Bills**
- **Bank statements**
- **Credit card statements**
- **Contracts**
- **Purchase orders**

Step 2: Upload Documents to QuickBooks Online

You can attach source documents to various transactions like invoices, expenses, or bills in QuickBooks Online.

A. Upload Source Documents to Transactions

1. **Log in to QuickBooks Online.**
2. Go to the + **New** button on the left-hand menu.
3. Select the type of transaction you want to create (e.g., **Expense, Invoice, Bill,** etc.).
4. After entering the transaction details, look for the **Attachments** section (usually at the bottom of the form).
5. Click on **Attach File** or **Drag and Drop** your source document into the attachment box.
6. You can upload files from your computer or drag them from other locations like Dropbox or Google Drive if integrated.
7. Once the document is uploaded, it will be associated with the transaction.

B. Upload Documents via the Bank Feed

If you're using bank feeds in QuickBooks, you can attach source documents directly from the bank feed transactions.

1. Go to **Banking** on the left menu.
2. Select the **Bank Account** you're working with.
3. Under the **For Review** tab, select a transaction.
4. Click on **Add** or **Match** to categorize it.
5. Attach any relevant source documents by clicking **Attach File** under the **Attachment** section.
6. Save and categorize the transaction.

Step 3: Use the Documents Feature to Store Files

QuickBooks Online allows you to store files in the **Documents** section, separate from individual transactions. You can organize your source documents into folders for easy access.

1. Click on the **Gear Icon** (top right) and select **Documents** under **Tools**.
2. Create **Folders** for different categories (e.g., "Invoices," "Receipts," "Contracts").
3. Click **Upload** to upload documents directly to the Documents section.
4. You can organize, search, and retrieve these documents later from the **Documents** tab.

Step 4: Organize and Categorize Source Documents

To maintain order:

1. Label your documents clearly when uploading them (e.g., "Invoice from XYZ Company January 2025").

2. Create a consistent naming convention for your files to make them easier to search.
3. Use **folders** in the **Documents** tab to organize different types of documents (invoices, receipts, contracts, etc.).

Step 5: Attach Source Documents to Reports (Optional)

In certain cases, you might want to attach source documents to specific reports for future reference.

1. Go to **Reports** on the left-hand menu.
2. Run any desired report (e.g., **Profit and Loss, Transaction Detail by Account**).
3. Once the report is generated, you can add attachments by clicking **Customize** on the top right, then adding documents to relevant entries.

Step 6: Review and Access Source Documents

At any time, you can view the source documents attached to transactions:

1. Open the transaction (e.g., an invoice, bill, or expense).
2. Scroll down to the **Attachments** section to see and download any attached source documents.
3. From the **Documents** tab, you can also view and manage all uploaded files, including those that aren't linked to specific transactions.

2.2. Identify the debit and credit heads

In QuickBooks Online, understanding the **debit** and **credit** accounts (or "heads") is crucial for accurate bookkeeping and financial reporting. QuickBooks Online uses the **double-entry accounting** system, where every transaction affects two accounts – one for the debit and one for the credit.

1. Assets

- **Debit** increases an asset account (e.g., bank account, accounts receivable, inventory).
- **Credit** decreases an asset account.

Examples of Asset Accounts:

- **Bank Accounts (Checking, Savings):** Debit increases the balance, Credit decreases it.
- **Accounts Receivable (A/R):** Debit increases (when you sell and don't yet receive payment), Credit decreases (when payment is received).
- **Inventory:** Debit increases inventory, Credit decreases when items are sold.

2. Liabilities

- **Debit** decreases a liability account (e.g., accounts payable, loans).
- **Credit** increases a liability account.

Examples of Liability Accounts:

- **Accounts Payable (A/P):** Debit decreases (when you pay a bill), Credit increases (when you record a bill).
- **Loans Payable:** Debit decreases (when you make loan payments), Credit increases (when a loan is taken).

3. Equity

- **Debit** decreases an equity account (e.g., owner's equity, retained earnings).
- **Credit** increases an equity account.

Examples of Equity Accounts:

- **Owner's Equity/Capital:** Debit decreases (when the owner withdraws funds), Credit increases (when the owner invests more money into the business).
- **Retained Earnings:** Debit decreases (when the business incurs a loss), Credit increases (when the business has profit).

4. Income (Revenue)

- **Debit** decreases income (though this is rare; usually, it's the result of a refund or adjustment).
- **Credit** increases income.

Examples of Income Accounts:

- **Sales Income:** Credit increases when you record a sale, Debit decreases if there's a refund or adjustment.
- **Service Income:** Credit increases when services are billed or performed.

5. Expenses

- **Debit** increases an expense account (e.g., rent, utilities, wages).
- **Credit** decreases an expense account.

Examples of Expense Accounts:

- **Rent Expense:** Debit increases when you pay rent, Credit decreases when you adjust or refund rent expenses.
- **Utilities Expense:** Debit increases when utility bills are paid, Credit decreases for adjustments or overpayments.
- **Wages Expense:** Debit increases when wages are paid, Credit decreases when wages are adjusted or reversed.

6. Other Accounts

- **Contra Accounts** (Accounts that offset other accounts, e.g., Accumulated Depreciation, Allowance for Doubtful Accounts).
 - **Debit:** Decreases the value of the corresponding asset or liability.
 - **Credit:** Increases the value of the corresponding asset or liability.

How to Apply Debits and Credits in QuickBooks Online

When recording transactions in QuickBooks Online:

1. **Sales or Service Transactions (Income):** When you create an invoice or sales receipt, QuickBooks will automatically debit **Accounts Receivable** (if credit) and credit **Sales Income**.
2. **Expense Transactions:** When you record an expense or bill, QuickBooks will debit the appropriate **Expense account** (e.g., Rent Expense) and credit **Accounts Payable** (if you owe money) or your **Bank Account** (if you pay immediately).
3. **Payments:** When making a payment, QuickBooks will debit **Accounts Payable** (reducing liabilities) and credit your **Bank Account** (reducing cash).

Example of a Simple Transaction in QuickBooks Online:

Let's say you make a sale for \$500 on credit:

- **Debit** Accounts Receivable (increase A/R) \$500.
- **Credit** Sales Income (increase revenue) \$500.

When you receive the payment for the sale:

- **Debit** Bank Account (increase cash) \$500.
- **Credit** Accounts Receivable (decrease A/R) \$500.

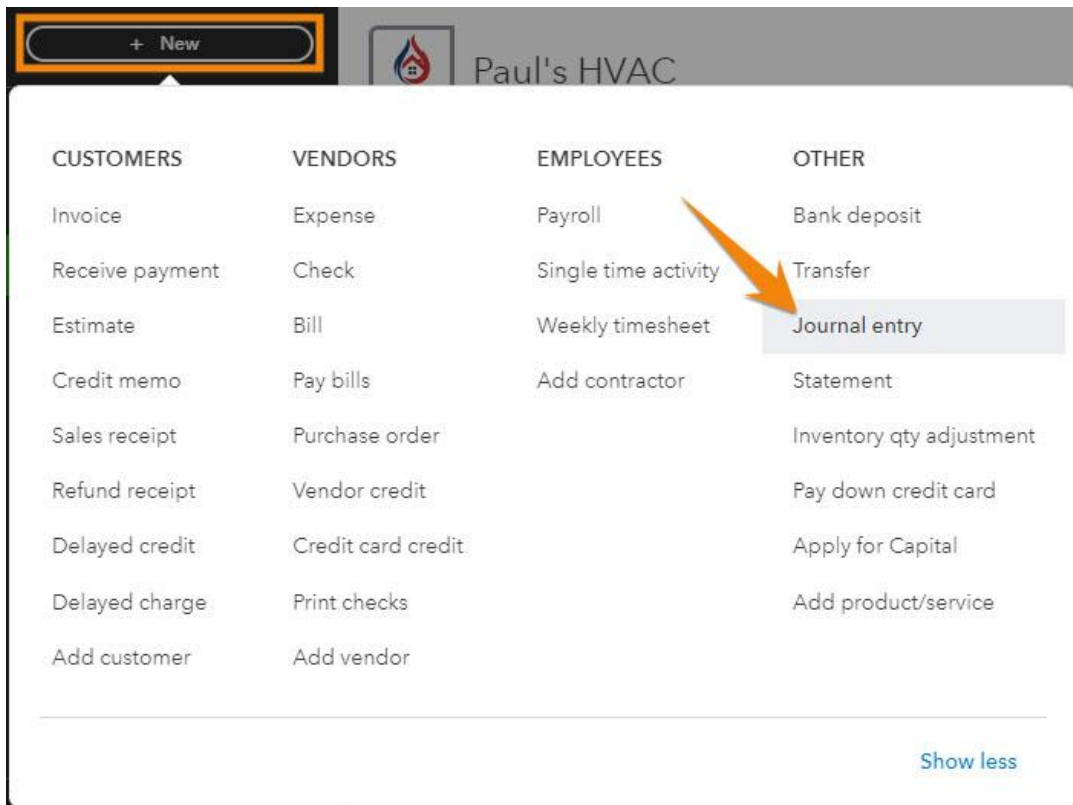
2.3. Journalize the transactions.

To create a journal entry in QuickBooks Online, you must complete the journal entry form. This involves selecting the date of the transaction or adjustment, selecting the accounts that are impacted, inputting debit and credit amounts, and including additional information, like description, class, and location if needed.

This guide walks you through how to make a journal entry in QuickBooks Online. We'll also cover how to edit, reverse, and delete a journal entry and make it recurring.

Step 1: Navigate to 'Journal Entry'

Click on the **+New** button in the upper left corner of your QuickBooks Online dashboard, and then select **Journal entry** under the **Other** category.



Navigate to Journal entry in QuickBooks

Step 2: Select the Date & Double Check the Journal Number

Select the date of the transaction or adjustment in the Journal date field at the top of the journal entry form. As for the journal no., QuickBooks Online will generate a number automatically, but it's best to double-check to avoid duplicate numbers.

Journal Entry #1

Journal date: Journal no.:

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME
⋮ 1					
⋮ 2					
⋮ 3					
⋮ 4					

Entering the transaction date and double checking journal no. in QuickBooks

Step 3: Enter Debits and Credits

In the first entry line, select the appropriate account you need to debit (we selected “depreciation expense”). By debiting that account, we are recording a portion of the asset’s cost that has been depreciated during the year. Next, specify the amount in the Debits field and leave the Credits field blank. For instance, let’s assume our depreciation expense is \$5,000.

Journal Entry #1

Journal date: 12/31/2023 Journal no.: 1

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	60900 Depreciation Expense	5,000.00					
2							
3							
4							
5							
6							

Entering debits in the journal entry form in QuickBooks

In the next line, select the respective account that you want to credit (we selected “accumulated depreciation”). Leave the Debits field blank and enter the same amount you debited in the first line, which is \$5,000 in our example.

Journal Entry #1

Journal date: 12/31/2023 Journal no.: 1

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	60900 Depreciation Expense	5,000.00					
2	17000 Accumulated Depreciat		5,000.00				
3							
4							
5							
6							

Entering credits in the journal entry form in QuickBooks

Step 4: Provide Additional Information

You may include additional information in the Description field. You can also add classes and locations if you're using these elements to track and categorize your transactions in QuickBooks Online.

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	LOCATION	CLASS
1	60900 Depreciation Expense	5,000.00		Depreciation expense for the year ended in December 31, 2023			
2	17000 Accumulated Depreciat		5,000.00	Accumulating depreciation for the year ended in December 31, 2023			
3							
4							
5							
6							

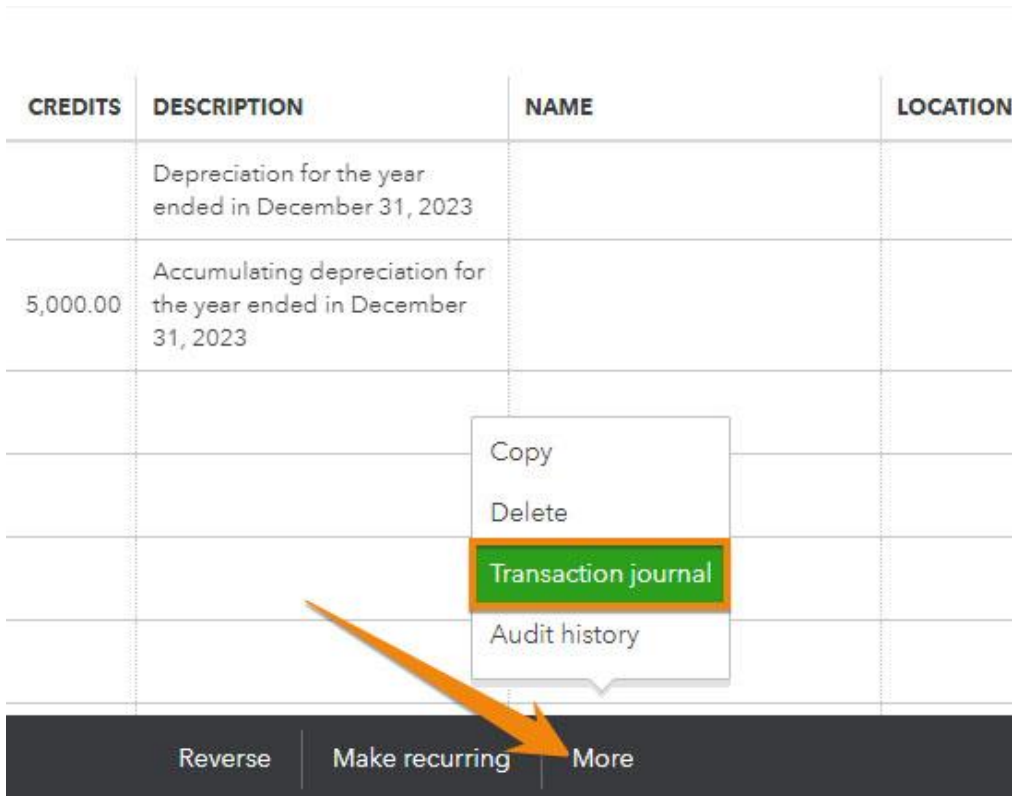
Adding additional information to a journal entry in QuickBooks

Although very rare, if you're making a journal entry to Accounts Payable or Accounts Receivable, you must select the customer or vendor name in the Name field.

Once done, click **Save** or **Save and new** at the bottom of the journal entry form. If you wish to stay in the journal entry form, choose **Save**.

Step 5: View the Transaction Journal

While you're at the journal entry form, you can view the transaction journal by clicking on **More** at the bottom of the screen and then selecting **Transaction journal**. The bottom of the screen also includes buttons for deleting, reversing, and making a journal entry recurring, which will be discussed in the following sections.



Running a transaction journal in QuickBooks

QuickBooks will then generate a transaction journal showing details of the journal entry, including the account name, debit, and credit. You can also customize the columns so that the report shows only the information you want to see.

Transaction Journal :
31 Dec 2023 - 31 Dec 2023

Date ↑	Transaction type	Num ↕	Name ↕	Description ↕	Full name ↕	Debit ↕	Credit ↕
12/31/...	Journal Entry	1	-	Depreciation e...	60900 Depr...	\$5,000.00	-
12/31/...	Journal Entry	1	-	Accumulating ...	17000 Accu...	-	\$5,000.00

Friday, February 2, 2024 03:35 PM GMT+08:00

Sample transaction journal in QuickBooks

Opening an Existing Journal Entry

If you wish to view the journal entry later, you can do it either by running a Journal report or using the register.


Running a Journal Report

Click on **Reports** in the left-side menu, type “Journal” in the search bar, and then click on it. QuickBooks will generate a Journal report, showing a list of your transactions and the debits and credits associated with each entry. Transactions entered through the journal entry form have “Journal Entry” mentioned under the Type column.

Journal :					
31 Dec 2023 - 01 Jan 2024					
Transaction ID	Transaction type	Name	Account #	Debit	Credit
1020	Check	Bank of ...	62420	\$221.66	-
Total for 1020				\$2,710.90	\$2,710.90
▼ 1137 (2)					
1137	Journal Entry	-	62120	\$148.83	-
1137	Journal Entry	-	13100	-	\$148.83
Total for 1137				\$148.83	\$148.83
▼ 1167 (2)					
1167	Journal Entry	-	60900	\$44,435.91	-
1167	Journal Entry	-	17000	-	\$44,435.91
Total for 1167				\$44,435.91	\$44,435.91
▼ 1535 (2)					
1535	Journal Entry	-	60900	\$5,000.00	-
1535	Journal Entry	-	17000	-	\$5,000.00
Total for 1535				\$5,000.00	\$5,000.00
▼ 1443 (3)					
1443	Invoice	Baker, C...	11000	\$32.33	-
1443	Invoice	Baker, C...	-	-	\$30.00
1443	Invoice	Baker, C...	-	-	\$2.33
Total for 1443				\$32.33	\$32.33

Sample journal report in QuickBooks

Locate the journal entry and click on the Journal entry line under the Transaction type column to open the transaction.


Journal 

This month to date ▾

Journal :
01 Feb - 01 Feb

Transaction ID	Date	Transaction type	Name	Description	Full name
Total for 1517					
▼ 1534 (2)					
1534	02/01/...	Expense	Urban C...	-	1170 Chas
1534	02/01/...	Expense	Urban C...	Office Monthly...	Rent
Total for 1534					
▼ 1535 (2)					
1535	02/01/...	Journal Entry	-	Depreciation e...	Depreciat...
1535	02/01/...	Journal Entry	-	Accumulating ...	Accumulat...
Total for 1535					

Thursday, February 1, 2024 01:13 PM

25 columns | 34 rows | Updated a few seconds ago 

Viewing a previous journal entry from the Journal report in QuickBooks

Using the Register

To view a previous journal entry from the register, click on **Transactions** in the left-side menu and then select **Chart of accounts**. Locate the account, such as accumulated depreciation, and scroll through the list of transactions to locate the journal entry. Click anywhere on the entry line and then tap the **Edit** button to open the journal entry.

In the screenshot below, we see the journal entry we just created. You'll notice that it's marked 'Split' under the Account column, and that's because it involves two accounts.

	TYPE	ACCOUNT		LOCATION		
Add journal entry ▼						
08/24/2022			Office Computer			\$1,000.00
	Expense	1170 Chase Checking Account				
12/31/2022	Setup 18	Overhead	To record accumula...	Overhead	\$40,203.88	
	Journal	-Split-				
12/31/2022	FAM2009		Record 2009 Depre...		\$23,519.10	
	Journal	-Split-				
12/31/2022	FAM2009		Record 2009 Depre...		\$2,185.71	
	Journal	-Split-				
12/31/2023	FAM2010		Record 2010 Depre...		\$44,435.91	
	Journal	-Split-				
12/31/2023	1		Accumulating depr...		\$5,000.00	
	Journal	-Split-				

Locating a journal entry from the Transactions list in QuickBooks

Editing a Journal Entry

If you need to make changes to an entry, simply open the journal entry form and make the necessary changes. Once done, click the Save or Save and new button.

Deleting a Journal Entry

If you made a journal entry by mistake, then you can permanently delete it by clicking More at the bottom of the form and selecting Delete.

2.4. Record the transactions

Record and make bank deposits in QuickBooks Online

Step 1: Put transactions into the Undeposited Funds account

If you haven't already, put invoice payments and sales receipts you want to combine into **the Undeposited Funds account**. This account holds everything before you record a deposit.

Step 2: Combine transactions in QuickBooks with a bank deposit

Each bank deposit creates a separate record in QuickBooks. Make deposits one at a time for each of your deposit slips.

1. Select + **New**.
2. Select **Bank Deposit**.

- From the **Account** ▼ dropdown, choose the account you want to put the money into.

Bank Deposit

Account: Checking Balance \$1,201.00 Date: 03/25/2019 AMOUNT: \$2,062.52

Select the payments included in this deposit

<input checked="" type="checkbox"/>	RECEIVED FROM ▲	DATE	TYPE	PAYMENT METHOD	MEMO	REF NO.	AMOUNT
<input checked="" type="checkbox"/>	Cool Cars	02/27/2019	Payment	<input type="text" value="Enter Text"/>	<input type="text"/>	<input type="text"/>	1,675.52
<input checked="" type="checkbox"/>	Freeman Sporting Goods:0969 Ocean View Road	02/27/2019	Payment	<input type="text" value="Enter Text"/>	<input type="text"/>	<input type="text"/>	387.00
Total							2062.52
Selected Payments Total							2062.52

1 - 2 of 2 results

- Select the checkbox for each transaction you want to combine.
- Make sure the total of the selected transactions matches your deposit slip. Use your deposit slip as a reference.
- Select **Save and close** or **Save and new**.

Include bank or processing fees

Next steps: Manage bank deposits

Review past bank deposits

- Go to **Reports** (**Take me there**).
- Scroll down to the **Sales and customers** section.
- Select the **Deposit Detail** report.

The report lists all your completed bank deposits. Select individual deposits to get more details.

Remove a payment from a bank deposit

Added a payment by mistake? No problem. If you want to remove a specific payment from a deposit:

- Go to **Sales**, then **All sales**
- Find and open the payment you want to remove. The status should be “Closed.”
- Select the **date link** near the customer name. This opens the bank deposit.

Receive Payment #6552 ? Help X

Customer
 Amy's Bird Sanctuary
 Deposit amount of \$108.00 was deposited on 03/07/2019

AMOUNT RECEIVED
\$108.00

Payment date
 03/06/2019

Payment method **Reference no.** **Deposit to** **Amount received**


Check 6552 Undeposited Funds 108.00

4. Uncheck the checkbox for the payment you want to remove.
5. Select **Save and new** or **Save and close**.

The payment will go back to the Undeposited Funds account. You can add it to another deposit.

Delete a bank deposit

If you need to start over and delete a bank deposit:


1. Go to **Settings** , then **Chart of accounts (Take me there)**.
2. Find the bank account you put the deposit into and select **View register**.
3. Search for the bank deposit and select it to get more details.
4. Select **Delete**.

All payments on the deposit go back to the Undeposited Funds account. You can start over and create a brand-new deposit.

Edit Log for Transactions

In QuickBooks Online, the **Audit Log** (or **Edit Log**) allows you to track and view all changes made to your transactions, including who made the change, when it was made, and what the original and updated details are. This is particularly useful for maintaining transparency and accuracy in your accounting records.

Access the Audit Log in QuickBooks Online:

1. **Log in to QuickBooks Online:**
 - Go to the **QuickBooks Online** website and sign in to your account.
2. **Access the Audit Log:**
 - Click on the **Gear Icon** () in the top-right corner of the screen to open the settings menu.

- Under the **Tools** section, select **Audit Log**. This will open the audit log page, where all changes to transactions, users, and settings are recorded.
3. **Filter the Audit Log (Optional):**
- You can filter the audit log to narrow down your search. Use filters like:
 - **Date Range:** Choose a specific date range for the transactions you want to review.
 - **User:** Filter by the user who made the changes.
 - **Events:** Choose which types of actions you want to see (e.g., edits, deletions, additions).
 - **Details:** Search for specific transaction details or keywords.
4. **Review the Audit Log Entries:**
- The audit log will display a detailed list of all actions. Each entry will show:
 - **Date and Time** of the action.
 - **User** who made the change.
 - **Type of Action** (e.g., Created, Edited, Deleted).
 - **Transaction Type** (e.g., Invoice, Bill, Payment).
 - **Details** of the change, including the original values and the updated values (if applicable).

Example Entry:

- **Action:** Edited Invoice #1023.
 - **Old Value:** Total amount was \$500.
 - **New Value:** Total amount is now \$600.
 - **Date:** February 3, 2025.
 - **User:** John Doe.
5. **View More Details on a Specific Entry:**
- To see more details about a specific change, click on the **View/Edit** link next to the entry. This will give you a breakdown of the specific change made, such as fields that were modified, deleted, or added.
6. **Download the Audit Log (Optional):**
- If you need a copy of the audit log for your records or reporting purposes, you can download the log. On the top-right corner of the audit log page, click the **Export** button, and choose either **CSV** or **PDF** format.

Common Actions Tracked in the Audit Log:

- **Creating Transactions:** When an invoice, bill, payment, or any transaction is created.
- **Editing Transactions:** Changes made to any existing transaction (e.g., amounts, dates, customer/vendor details).
- **Deleting Transactions:** When a transaction is deleted or voided.
- **User Activity:** Changes to user roles, permissions, or settings.
- **Changes to Account Settings:** Modifications to company settings, chart of accounts, or other system preferences.

Why the Audit Log is Important:

- **Transparency:** You can trace all actions taken in the system, ensuring that everyone is accountable for changes.
- **Accuracy:** It helps verify that any modifications to transactions were made with proper authorization.
- **Audit Trail:** Provides a trail of historical changes, which is essential for tax purposes or during an audit.
- **Security:** Helps identify any unusual or unauthorized changes made to your account.


View Edit Log for transactions

To **view the Edit Log** (also known as the **Audit Log**) for transactions in QuickBooks Online, follow these steps:

Step 1: Log into QuickBooks Online

- Go to the **QuickBooks Online** website and log in with your credentials.

Step 2: Open the Audit Log

- Click on the **Gear Icon**  in the top-right corner of the screen to open the settings menu.
- Under the **Tools** section, select **Audit Log**.

Step 3: Filter the Audit Log (Optional)

To find specific transaction changes, you can use filters. Here's how:

- **Date Range:** Select the date range you want to check.
- **User:** Choose a specific user if you want to see changes made by that person.
- **Event Type:** Choose specific actions, such as "Edited," "Deleted," or "Created."

- **Transaction Type:** You can filter by the type of transaction, such as Invoices, Bills, Payments, etc.

Step 4: Review the Audit Log

- The **Audit Log** will display a list of all changes made in your QuickBooks account, including transactions that have been **created, edited, or deleted**.
- Each log entry will show:
 - **Date and Time** of the action.
 - **User** who made the change.
 - **Action** (e.g., created, edited, or deleted).
 - **Transaction Type** (e.g., Invoice, Payment, Bill).
 - **Details:** The original and updated details of the transaction (e.g., amount, date, account).

Step 5: View More Details of an Action

- If you want to see specific changes made to a transaction, click on the **View/Edit** link beside the transaction entry.
- This will show you the **original values** (before the edit) and **updated values** (after the edit).

Example of an Audit Log Entry:

- **User:** Jane Doe
- **Action:** Edited Invoice #1035
- **Date:** February 3, 2025
- **Original Amount:** \$200
- **Updated Amount:** \$250

Step 6: Export or Print the Audit Log (Optional)

If you need a copy of the audit log:

1. At the top-right corner of the audit log page, click on **Export**.
2. Choose **CSV** or **PDF** format to download the log.

Impact of re-numbering voucher number

Renumbering voucher numbers (or any other transaction numbers, like invoice numbers) in QuickBooks Online can have some impact, particularly on your records, reporting, and auditing. While QuickBooks Online doesn't typically allow you to directly change or renumber transaction numbers once they've been created (to prevent

confusion and maintain an audit trail), there are still some scenarios where you might want to manually adjust or override a transaction number, such as for **invoices, bills, or checks**.

Let's break down the potential impacts of renumbering a voucher or transaction number in QuickBooks Online:

1. Loss of Audit Trail

- QuickBooks Online keeps an **audit trail** (or **edit log**) for every transaction. Renumbering voucher numbers may interfere with the clarity of this audit trail, making it harder to track the original number and how the change occurred.
- If you're editing the voucher number manually, it's important to remember that the audit log will still show the history of that change, but it may not be as clear when the transaction was first entered.
- For instance, if an invoice number is edited manually, the original number will still show in the history, but it can create confusion when trying to reconcile records, particularly for auditors or when reconciling bank statements.

2. Impact on Reporting

- QuickBooks uses transaction numbers to generate reports and track the order of transactions. Renumbering can make reports less clear or cause discrepancies when you're trying to reconcile or trace transactions.
- For example, **Sales by Product/Service** or **Sales by Customer Detail** reports might show gaps in the numbering, which could be confusing or lead to mistakes when you're reviewing your financial data.

3. Inconsistent Numbering and Record-Keeping

- Renumbering might disrupt the sequential nature of your transaction records, which is often important for businesses to ensure proper tracking and organization of financial records.
- If you regularly renumber your vouchers or invoices, it could create confusion for your staff or anyone else working on your financial records, leading to potential data entry errors.

4. Issues with Reconciliation

- Many businesses rely on the **order of transactions** (such as invoice or voucher numbers) when reconciling their **bank accounts** or **credit card statements**.
- Renumbering transactions could lead to confusion when you're reconciling your accounts, especially if the number does not match the sequence of your bank

statements or accounting records. This could result in **reconciliation discrepancies**.

5. Potential Tax or Legal Implications

- In some regions or industries, transaction numbering must follow specific guidelines, especially for legal or tax reporting purposes.
- **Invoices, receipts, and vouchers** are often required to have sequential numbers for tax reporting, and changing the number sequence without documentation or explanation could create issues if you're audited.

6. Impact on Integrations

- If you use third-party apps or systems that integrate with QuickBooks Online (e.g., point of sale, CRM, or inventory management systems), renumbering transaction numbers can cause issues with syncing or reporting data between systems.
- These systems often expect sequential numbers, and changing them may create mismatches or errors during data import/export.

How to Handle Renumbering or Manual Adjustments:

If you absolutely need to adjust voucher or transaction numbers (for example, if you've accidentally skipped a number or made an error), here's how you can do so in QuickBooks Online:

1. **For Invoices and Sales Receipts:** You can adjust the invoice number when creating the transaction, but once it's saved, you can't directly change it.
 - If you need to change the number, you may have to delete and recreate the invoice or receipt (not ideal but sometimes necessary).
2. **For Bills, Checks, and Other Transactions:** You can change the transaction number when creating it, but after saving, you can't edit it directly.
 - If you must adjust, you can delete the transaction and create a new one with the correct number.

Alternative Solution:

If you want to maintain sequential numbering without gaps, here's a recommendation:

- **Use Custom Numbering:** If you need to reset or renumber your transactions, consider adjusting your numbering convention for future transactions. You could start with a higher number (e.g., after skipping a few numbers) to avoid the need for constant renumbering.

- **Documentation:** If you decide to make changes to transaction numbers, make sure you document the changes properly for your own records and for anyone else working with the books.

Key Takeaways:

- Renumbering transactions in QuickBooks Online should be done carefully to avoid confusion, audit trail loss, and reconciliation issues.
- It's typically not recommended to change transaction numbers once they're created unless absolutely necessary.
- Always document the changes made and ensure that reports and integrations continue to function properly.

Impact of deleting a voucher

Deleting a voucher (or any transaction such as an invoice, bill, or check) in **QuickBooks Online** can have significant effects on your financial records, reporting, and reconciliation. Below are the key impacts of deleting a voucher or transaction:

1. Loss of Transaction History

- **Audit Trail Impact:** Deleting a voucher or transaction completely removes it from your records. While QuickBooks Online does maintain an **Audit Log** that tracks changes made to transactions (such as deletions), the transaction itself is no longer visible in your active records.
- **Audit Log:** If you delete a transaction, it will be recorded in the **Audit Log** (or Edit Log), but the actual transaction will no longer appear in your main financial records. This can make it harder to track the full history of financial activities if you need to trace back for tax purposes or an audit.

2. Financial Reports Impact

- **Disruption to Financial Reports:** Deleting a voucher (e.g., an invoice or bill) can disrupt your financial reports, such as your **Profit and Loss Statement**, **Balance Sheet**, or **Cash Flow Statement**. Since QuickBooks relies on all recorded transactions for report accuracy, removing a transaction can result in incorrect figures.
- **Revenue or Expense Gaps:** For instance, if you delete a bill (expense), your expenses will be underreported, and your profits could appear artificially high. Conversely, deleting an invoice (revenue) will underreport your sales and revenue.

3. Impact on Bank Reconciliation

- **Discrepancies in Bank and Credit Card Reconciliation:** If you've already matched a deleted voucher (such as a bill or payment) to your **bank feed** or **credit card feed**, deleting the transaction will cause discrepancies in the reconciliation process.

- **Reconciliation Errors:** Your reconciliation report may show unmatched transactions or discrepancies between what QuickBooks reports and what your bank or credit card statement reflects.

4. Tax Reporting Implications

- **Under or Overreporting of Taxes:** Deleting a voucher, such as an invoice or bill that affects taxable income, can distort your tax filings, especially if the transaction was tied to **sales tax** or **purchase tax credits**.
- **Sales Tax Liability:** If the voucher was related to a sales transaction, deleting it could affect your **sales tax liability** report, causing you to underreport the amount you owe to the tax authorities.

5. Vendor and Customer Impact

- **Vendor and Customer Balances:** Deleting a voucher linked to a **vendor bill** or **customer invoice** can affect your **Accounts Payable (A/P)** and **Accounts Receivable (A/R)** balances. If a bill or invoice was already linked to a payment or credit, deleting it can result in incorrect outstanding balances for those accounts.
- **Vendor and Customer Relationships:** If the deleted voucher was related to an agreed-upon transaction with a vendor or customer, they might have inaccurate records on their end as well. It's important to ensure communication with these parties if the transaction was deleted by mistake.

6. Impact on Inventory and Cost of Goods Sold (COGS)

- If the voucher involves inventory-related transactions (e.g., purchases or sales), deleting the transaction could affect your **Inventory Valuation** and **Cost of Goods Sold (COGS)** reports. For example:
 - Deleting a sales invoice that included inventory items would reduce your **inventory levels** and may overstate your **profit margins** since the cost of those goods sold wouldn't be accounted for.
 - Deleting a bill for inventory purchases could reduce your inventory and **accounts payable** but will also reduce your **COGS** on the profit and loss report.

7. Potential for Data Entry Errors

- **Unintended Consequences:** Deleting a transaction can cause unintended discrepancies, especially if you don't properly document why the transaction was deleted. This can result in confusion later if you need to refer back to the transaction.
- **Need for Re-Entry:** If the voucher was deleted in error, you may need to re-enter it, which can create additional work. It's important to double-check before deleting to ensure it's the correct action.

8. Integration Issues with Third-Party Apps

- **Synced Data Problems:** If you're using third-party integrations (such as inventory management, CRM, or POS systems), deleting a transaction may

cause syncing issues between QuickBooks Online and those apps. This could lead to discrepancies between systems, making it harder to maintain consistent data.

Alternatives to Deleting a Voucher

Instead of deleting a voucher, here are some alternatives that might be less disruptive:

1. **Void the Transaction:** If the transaction was recorded in error but you need to keep it in your records, consider **voiding** the voucher. Voiding will keep the transaction in QuickBooks, but it will mark it as canceled and will not affect your financial reports in the same way as deleting.
 - To void a transaction, open it, and select **More > Void**.
2. **Edit the Transaction:** If the issue with the voucher is minor (e.g., wrong amount, date, or customer/vendor), you can **edit** the voucher instead of deleting it. This keeps your records intact while making the necessary corrections.
3. **Mark as Paid or Closed:** If you're dealing with a bill, invoice, or other voucher, and you don't want it to show up as unpaid or open anymore, you can mark it as **paid** or **closed** without deleting it.

How to Delete a Transaction in QuickBooks Online (If Necessary)

If you determine that deleting a voucher is necessary, here's how to do it:

1. **Find the Transaction:** Go to the **Transactions** menu (e.g., Sales or Expenses) and locate the transaction you want to delete.
2. **Open the Transaction:** Click on the transaction to open it.
3. **Delete:** At the bottom of the transaction, click on the **More** button, and select **Delete**.

QuickBooks will prompt you to confirm that you want to delete the transaction. Once you confirm, the transaction will be removed from your records.

Accounting with Journal Voucher

In QuickBooks Online, **Journal Entries** (which include **Journal Vouchers**) allow you to record financial transactions that don't involve the usual flow of invoices, bills, or receipts. They are commonly used for **adjustments**, **corrections**, and **transfers** between accounts. Unlike typical transactions that are generated through invoices, bills, or payments, journal entries are more manual and provide you with control over how to debit and credit accounts.

How to Record a Journal Voucher (Journal Entry) in QuickBooks Online

Here's a step-by-step guide to record **journal vouchers** (journal entries) in **QuickBooks Online**:

Step 1: Log in to QuickBooks Online

- Open your browser and log in to **QuickBooks Online** with your credentials.

Step 2: Go to the Journal Entry Screen

1. On the left-hand sidebar, click the + **New** button.
2. Under the **Other** column, select **Journal Entry**. This will open the journal entry form where you can manually enter debits and credits.

Step 3: Fill in the Journal Entry Details

1. **Date**: Choose the **date** the journal entry is being made.
2. **Journal Entry Number**: QuickBooks Online will automatically assign a journal entry number, but you can change it if you want to follow a specific numbering convention.
3. **Account**: In the **Account** column, select the account you wish to debit or credit. For example:
 - **Debit**: If you are increasing an asset (e.g., Cash, Accounts Receivable), you'll select the relevant asset account.
 - **Credit**: If you are increasing a liability (e.g., Accounts Payable, Loans Payable) or equity, select the appropriate liability or equity account.

Step 4: Add Debits and Credits

For each account you want to include in your journal entry, do the following:

1. **Debit Amount**: In the **Debits** column, enter the amount for the account that is being debited.
2. **Credit Amount**: In the **Credits** column, enter the amount for the account that is being credited.
3. **Description**: Optionally, add a description for each line to explain why you are recording the transaction (e.g., "Correction of invoice #101," "Transfer of funds from savings").

For example, if you're transferring \$1,000 from your **Bank Account** to **Owner's Equity**:

- Debit **Bank Account** for \$1,000.
- Credit **Owner's Equity** for \$1,000.

Step 5: Ensure the Journal Entry Balances

- A journal entry must always be **balanced** — meaning the total **debit** amount must equal the total **credit** amount. QuickBooks will show an error if the entry is out of balance.
- Double-check your entries to make sure everything adds up correctly.

Step 6: Save the Journal Entry

- Once you've filled in the required information, click **Save and Close** if you're finished, or **Save and New** if you want to create another journal entry.

Example Journal Entries for Common Scenarios

1. Bank Transfer

You want to move \$500 from your checking account to your savings account.

- **Debit:** Savings Account \$500
- **Credit:** Checking Account \$500

2. Accruing Expenses

You have an expense of \$1,000 that needs to be recorded at the end of the month.

- **Debit:** Expense Account (e.g., Rent Expense) \$1,000
- **Credit:** Accounts Payable \$1,000

3. Recording Depreciation

To record monthly depreciation on an asset (e.g., Equipment) of \$100.

- **Debit:** Depreciation Expense \$100
- **Credit:** Accumulated Depreciation \$100

4. Revenue Adjustment

You want to record a \$200 revenue adjustment for sales tax collected.

- **Debit:** Sales Tax Payable \$200
- **Credit:** Sales Revenue \$200

When Should You Use Journal Entries in QuickBooks Online?

Journal entries (or vouchers) are typically used in the following scenarios:

1. **Adjustments and Corrections:**
 - When there are errors in previous transactions, such as invoices, bills, or payments, and you need to make corrections.
2. **Manual Transactions:**
 - For transactions that don't follow the regular invoicing or payment processes, like transferring funds between accounts or recording depreciation.
3. **Non-cash Transactions:**
 - For things like adjusting equity, recording depreciation, or adjusting inventory balances.
4. **End-of-Period Adjustments:**
 - At the end of a fiscal period, you may need to adjust for accrued income, expenses, or tax liabilities.

Things to Keep in Mind When Using Journal Entries:

1. **Accuracy:** Journal entries require a solid understanding of accounting principles (double-entry bookkeeping). Ensure that debits and credits are entered correctly to avoid errors in your financial reports.
2. **Tracking Changes:** QuickBooks Online will keep a record of all journal entries in the **Audit Log** (Edit Log), which tracks any changes made to the transaction. This is useful for accountability and auditing.
3. **Financial Reports:** Incorrect or unnecessary journal entries can affect your **Profit and Loss, Balance Sheet**, and other financial reports. Make sure journal entries are used appropriately to avoid discrepancies in your financial statements.
4. **Limit Use:** While journal entries provide flexibility, they should not be overused for routine transactions. Most routine business transactions (invoices, bills, payments) should be recorded using the normal features in QuickBooks Online, not as journal entries.

Self-Check Sheet - 2: Record transactions

1. How do you collect source documents in QuickBooks Online?

Answer:

2. How do you identify debit and credit heads in QuickBooks Online?

Answer:

3. How do you journalize transactions in QuickBooks Online?

Answer:

4. How can you record transactions in QuickBooks Online?

Answer:

5. What is the purpose of uploading source documents in QuickBooks Online?

Answer:

6. How do you apply debits and credits in QuickBooks Online?

Answer:

7. How do you view and edit journal entries in QuickBooks Online?

Answer:

Answer Key - 2 : Record transactions

1. How do you collect source documents in QuickBooks Online?

Answer: To collect source documents, gather receipts, invoices, bank statements, and bills. Upload these documents to QuickBooks by attaching them to relevant transactions or using the Documents feature for storage.

2. How do you identify debit and credit heads in QuickBooks Online?

Answer: Debits and credits impact various accounts: assets increase with debits, liabilities increase with credits, and expenses increase with debits. Revenue increases with credits, and equity decreases with debits.

3. How do you journalize transactions in QuickBooks Online?

Answer: Go to +New > Journal Entry, select the date, and enter debits and credits for impacted accounts. Include any additional details like descriptions and save the journal entry once complete.

4. How can you record transactions in QuickBooks Online?

Answer: Record transactions by entering them through forms like invoices or bills. QuickBooks automatically debits and credits the correct accounts based on your input, maintaining accurate financial records.

5. What is the purpose of uploading source documents in QuickBooks Online?

Answer: Uploading source documents ensures accurate record-keeping, linking receipts and invoices to corresponding transactions for easy reference and auditing.

6. How do you apply debits and credits in QuickBooks Online?

Answer: Debits increase assets and expenses, while credits increase liabilities, revenue, and equity. QuickBooks handles this automatically during transactions.

7. How do you view and edit journal entries in QuickBooks Online?

Answer: To view journal entries, go to the "Reports" menu and select "Journal." You can also edit entries by opening them from the Chart of Accounts or transaction register and making necessary changes.

Task Sheet-2.1: Journalize the transactions.

Steps to Follow:

1. **Navigate to 'Journal Entry'**; Click the +New button on the upper left, then select **Journal Entry** under the Other category.
2. **Select the Date & Double-Check Journal Number:** Choose the transaction date and verify the journal number, which QuickBooks generates automatically.
3. **Enter Debits and Credits:** Select the account to debit in the first line, input the amount in the Debits field, then select the account to credit and input the same amount in the Credits field.
4. **Provide Additional Information:** Add details in the Description field, and if applicable, select the class, location, or customer/vendor for Accounts Payable/Receivable transactions.
5. **Save the Journal Entry:** Click **Save** or **Save and New** at the bottom of the form to save your journal entry.
6. **View the Transaction Journal:** Click **More** at the bottom and select **Transaction Journal** to view details of the journal entry.
7. **Edit or Delete the Journal Entry:** To make changes, open the journal entry, edit it, and save. To delete, click **More** and select **Delete**.

Learning Outcome 3: Editing/voiding/deleting/archiving transactions.

Assessment Criteria	<ol style="list-style-type: none"> 1. Able to request to edit/void/delete/archive transactions according to needs (1) 2. Able to get approval according to standard procedures (2) 3. Able to edit/void/delete/archive transactions (3)
Conditions and Resources	<ol style="list-style-type: none"> 1. Real or simulated workplace 2. CBLM 3. Handouts 4. Laptop 5. Multimedia Projector 6. Paper, Pen, Pencil, Eraser 7. Internet facilities 8. White board and marker
Contents	<ol style="list-style-type: none"> 1 Edit/Void/Delete/Archive Transaction Request (1) 2 Standard Approval Procedures (2) 3 Editing/Volding/Deleting/Archiving Transactions
Activities/job/Task	<ol style="list-style-type: none"> 1. Delete a Transaction in QuickBooks Online
Training Methods	<ol style="list-style-type: none"> 1. Discussion 2. Presentation 3. Demonstration 4. Guided Practice 5. Individual Practice 6. Project Work 7. Problem Solving 8. Brainstorming
Assessment Methods	<p>Assessment methods may include but not limited to</p> <ol style="list-style-type: none"> 1. Written Test 2. Demonstration 3. Oral Questioning 4. Portfolio

Learning Experience 3: Edit/void/delete/archive transactions.

In order to achieve the objectives stated in this learning guide, you must perform the learning steps below. Beside each step are the resources or special instructions you will use to accomplish the corresponding activity.

Learning Activities	Recourses/Special Instructions
1. Trainee will ask the instructor about the learning materials	1. Instructor will provide the learning materials ‘Edit/void/delete/archive transactions.’
2. Read the Information sheet and complete the Self Checks & Check answer sheets on “Edit/void/delete/archive transactions.”	2. Read Information sheet 3: Edit/void/delete/archive transactions. 3. Answer Self-check 3: Edit/void/delete/archive transactions. 4. Check your answer with Answer key 3: Edit/void/delete/archive transactions.
3. Read the Job/Task Sheet and Specification Sheet and perform job/Task	5. Job/Task Sheet and Specification Sheet Task Sheet - 3.1: Delete a Transaction in QuickBooks Online

Information Sheet 3: Edit/void/delete/archive transactions.

Learning Objective:

After completion of this information sheet, the learners will be able to explain, define and interpret the following contents:

- 3.1. Able to request to edit/void/delete/archive transactions according to needs
- 3.2. Able to get approval according to standard procedures
- 3.3 Able to edit/void/delete/archive transactions

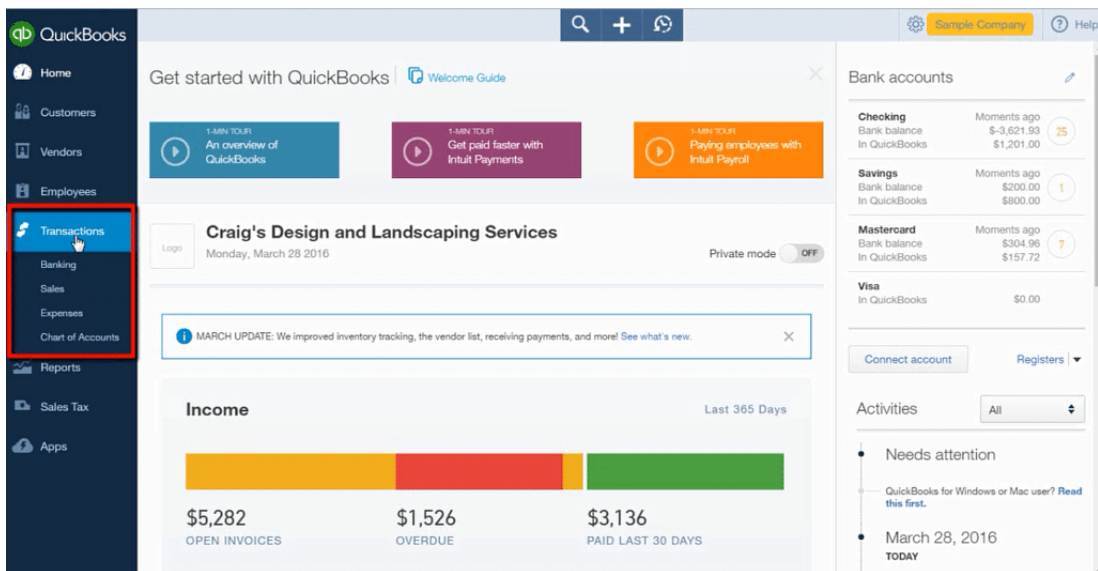
3.1. Edit/void/delete/archive transactions according to needs

How to Edit Transactions in QuickBooks Online

Let's say that you need to fix some part of a transaction – like the date, amount, account classification, or the description. In this case you would want to Edit a transaction.

I'll show you how to edit an Expense. You can edit any transaction the same way.

Go to **Transactions > Expenses**



Click to open up the transaction you want to edit:

DATE	TYPE	NO.	PAYEE	CATEGORY	TOTAL	ACTION
03/27/2016	Credit Card Expense			Automobile	\$34.00	
03/16/2016	Credit Card Credit			Checking	\$900.00	
03/14/2016	Credit Card Expense		Squeaky Kleen Car Wash	Automobile	\$19.99	
03/08/2016	Credit Card Expense		Hicks Hardware	Job Expenses..Job I	\$42.40	
03/07/2016	Credit Card Expense		Bob's Burger Joint	Meals and Entertain	\$18.97	
03/07/2016	Credit Card Expense		Squeaky Kleen Car Wash	Automobile	\$19.99	
03/05/2016	Cash Expense		Tania's Nursery	Job Expenses..Job I	\$23.50	
03/02/2016	Bill		Robertson & Associates	Legal & Professiona	\$315.00	Make payment
03/02/2016	Expense	76	Pam Seitz	Legal & Professiona	\$75.00	
03/02/2016	Bill		Norton Lumber and Building...	-Split-	\$205.00	Make payment

Let's say there's an error in the date entered, the type of payment, account or amount. Just correct the items as needed and click **Save and Close**.

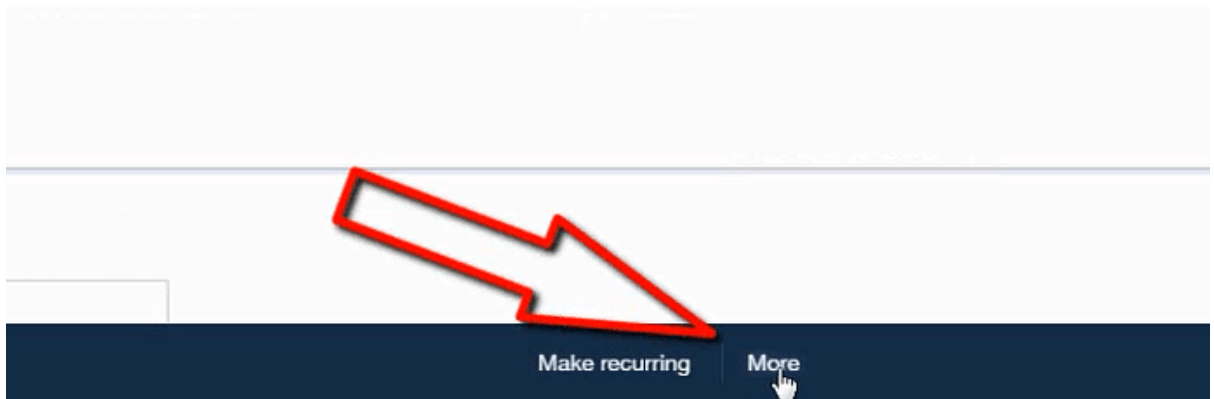
Expense form details:

- Vendor: Squeaky Kleen Car Wash
- Payment method: Mastercard
- Balance: \$157.72
- Amount: \$19.99
- Payment date: 03/14/2016 (highlighted with a red box)
- Account details:

#	ACCOUNT	AMOUNT	BILLABLE	TAX	CUSTOMER
1	Automobile	19.99			
2					
- Total: \$19.99

How to Void Transaction in QuickBooks Online

Open the transaction (as shown earlier), click **More**



You'll be able to see two choices, **Void** and **Delete**.

Click **Void**, then click **YES** when asked if you are sure to void.

You will still be able to see the transaction, but the amount is now zero.

The screenshot shows the 'Expense Transactions' page in QuickBooks. The table below lists several transactions. The transaction dated 03/11/2016 for 'Squeaky Kleen Car Wash' is highlighted with a red box, and its amount of \$0.00 is highlighted in yellow.

DATE	TYPE	NO.	PAYEE	CATEGORY	TOTAL	ACTION
<input type="checkbox"/>	03/27/2016	Credit Card Expense		Automobile	\$34.00	
<input type="checkbox"/>	03/16/2016	Credit Card Credit		Checking	\$900.00	
<input type="checkbox"/>	03/11/2016	Credit Card Expense	Squeaky Kleen Car Wash	Automobile:Fuel	\$0.00	
<input type="checkbox"/>	03/08/2016	Credit Card Expense	Hicks Hardware	Job Expenses:Job I	\$42.40	
<input type="checkbox"/>	03/07/2016	Credit Card Expense	Bob's Burger Joint	Meals and Entertain	\$18.97	
<input type="checkbox"/>	03/07/2016	Credit Card Expense	Squeaky Kleen Car Wash	Automobile	\$19.99	
<input type="checkbox"/>	03/05/2016	Cash Expense	Tania's Nursery	Job Expenses:Job I	\$23.50	
<input type="checkbox"/>	03/02/2016	Bill	Robertson & Associates	Legal & Professiona	\$315.00	Make payment
<input type="checkbox"/>	03/02/2016	Expense	76 Pam Seltz	Legal & Professiona	\$75.00	
<input type="checkbox"/>	03/02/2016	Bill	Norton Lumber and Building ...	-Split-	\$205.00	Make payment

When you click on this transaction, you will see **VOID** as the payment status, and the amount is **zero**. The rest of the details are still existing, giving you an audit trail.

How to Delete a Transaction in QuickBooks Online

Select a Transaction and open it.

Click **More** at the bottom

Choose **Delete**.

Before you delete a transaction, you should know that Delete **completely removes the transaction from QBO**.

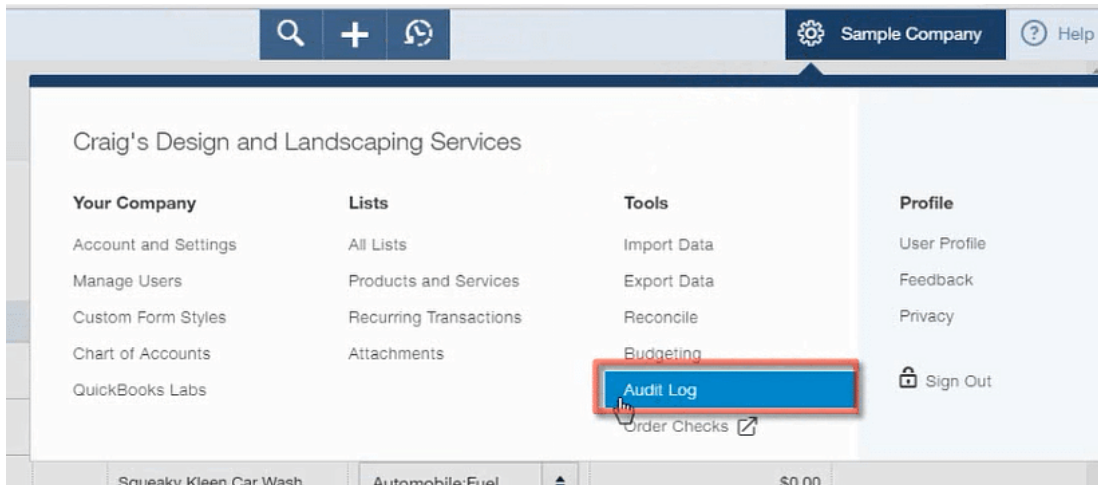
You will be able to see the audit trail of deleted transactions but there wont be any trace of visual trail as was shown under Void.

After pressing Delete, you will no longer see the transaction on your list.

How to find a transaction in the Audit Log

How do you know if a transaction has been voided, edited, or deleted? You can view the audit log in QBO.

Click the gear icon and choose **Audit Log**



You will be able to see the transactions that were voided and deleted

The screenshot shows the Audit Log table with a red box highlighting the 'Deleted Credit Card Expense' and 'Voided Credit Card Expense' rows. A green arrow points to the 'Deleted Credit Card Expense' row.

Date	User	Description	Account	Amount	Action
Mar 28, 3:00 pm Ce...	Craig Carlson	Logged in.			
Mar 28, 2:05 pm Ce...	Craig Carlson	Logged in.			
Mar 28, 12:09 pm C...	Craig Carlson	Deleted Credit Card Expense	Hicks Hardware	\$42.40	View
Mar 28, 12:09 pm C...	Craig Carlson	Voided Credit Card Expense	Squeaky Kleen C...	\$0.00	View
Mar 28, 12:07 pm C...	Craig Carlson	Edited Credit Card Expense	Squeaky Kleen C...	\$19.99	View
Mar 28, 11:14 am C...	Craig Carlson	Logged in.			

How to Edit a Customer Invoice

From the Left Navigation Bar, go to **Sales**, select the **Invoice**

The screenshot shows the QuickBooks Online interface with the 'Sales' menu item highlighted in the left navigation bar. A table of invoices is displayed, with one invoice highlighted in a red box. The invoice is dated 03/02/2016, for customer Mark Cho, with a balance of \$314.28 and a status of 'Open'.

DATE	TYPE	NO.	CUSTOMER	DUE DATE	BALANCE	TOTAL	STATUS	ACTION
03/02/2016	Payment		Cool Cars	03/02/2016	\$0.00	\$-1,675.52	Closed	
03/02/2016	Invoice	1035	Mark Cho	04/01/2016	\$314.28	\$314.28	Open	Open
03/02/2016	Payment		Freeman Sportin...	03/02/2016	\$0.00	\$-387.00	Closed	

Choose an invoice that has not been paid by the customer

You can change the date, terms, product and cost.

Once you change the cost, you will notice that the invoice amount will change too, that's why **its best to edit an invoice which has not been paid by your customer.**

Click **Save and Close or Save and Send** (as needed).

3.2. Get approval according to standard procedures

In **QuickBooks Online**, the process of obtaining approval for transactions (such as bills, invoices, payments, or journal entries) largely depends on the internal workflows and approval processes set by your organization. QuickBooks Online does not have built-in, automated approval workflows by default for all transaction types. However, you can implement a manual approval process by utilizing user permissions, customized settings, and third-party integrations.


Here's how you can set up a process for getting approvals in QuickBooks Online:

1. Use User Roles and Permissions

QuickBooks Online allows you to create different **user roles** with varying levels of access and permissions. You can assign a role that requires approval before transactions are finalized. Here's how you can set it up:

Step-by-Step Process:

1. Go to Settings:

- Click the **Gear Icon**  in the top-right corner and select **Manage Users** under the **Your Company** section.

2. Create Custom Roles (if necessary):

- Click on **Add user**.
- Choose **Custom role** to create a role with specific permissions for approval workflows.
- Select the permissions that you want to assign, such as **View only**, **Create**, or **Edit** transactions.
- For example, you can set roles where a **Manager** can create a bill or invoice, but a **Finance Team member** needs to approve it before it gets paid.

3. Assign User Roles:

- Assign the appropriate user roles to your team members. Ensure that the person responsible for approval has the ability to review transactions before they are finalized.

4. Limit Permissions:

- You can limit the ability to **delete** or **modify** transactions for users who do not have the approval authority, thus preventing unauthorized changes.

2. Manual Review and Approval Process

Although QuickBooks Online doesn't have built-in approval workflows for all transaction types, you can establish an **internal review process**. This involves a few manual steps, including:

1. **Create Transactions for Review:**
 - When a team member creates a bill, invoice, or journal entry, mark it as **“pending approval”** in the transaction's description, or use a specific tag or custom field to indicate it's waiting for approval.
2. **Review by Manager or Supervisor:**
 - The person with **approval authority** should review the pending transactions, checking for accuracy, consistency with budgets, and adherence to company policies.
3. **Approval/Modification:**
 - Once the review is complete, the supervisor or manager can either approve the transaction by **changing its status** or make edits as necessary.
4. **Finalize:**
 - After approval, the transaction can be finalized (e.g., bills can be marked as paid, invoices can be sent to clients, etc.).

3. Using Custom Workflow with Notes or Custom Fields

You can also use **custom fields** or **notes** to track the approval status. This can be particularly helpful when the approval process is done manually.

How to Use Custom Fields:

1. **Create a Custom Field** for each transaction type (such as **Bills, Invoices, or Expenses**) to indicate whether the transaction is **pending approval, approved, or rejected**.
2. **Create a Workflow:**
 - You can set up an internal process where the transaction is reviewed and moved through stages using custom fields and notes.

For example:

- **Custom Field for Invoices:** "Approval Status" with options like "Pending", "Approved", or "Rejected".
 - The manager can update the field to "Approved" once the invoice is reviewed.
3. **Use Notes** to document any changes or approvals on each transaction.

4. Third-Party Apps for Approval Workflows

If you require a more formal or automated approval process, consider using third-party apps that integrate with QuickBooks Online and offer **approval workflows** for bills, invoices, and other transactions. Some popular third-party apps are:

- **Bill.com:** Bill.com provides a cloud-based platform for automating the accounts payable and receivable processes, including an approval workflow for bills and invoices. When a bill is received, it can be routed for approval before being paid, and payments can be made directly from the platform.
- **Zoho Expense:** Zoho Expense allows businesses to implement expense approval workflows, which can then be integrated into QuickBooks Online.
- **Expensify:** Expensify is another expense management tool that offers an approval workflow for expenses and integrates directly with QuickBooks Online.

5. Transaction Approvals via Bank Feeds

For payments or bank transactions, you can use **bank feeds** to review the transactions before they are entered into QuickBooks Online. You can set rules to flag specific transactions for approval before posting them into QuickBooks. This provides an additional layer of review for financial transactions.

6. Reporting and Notifications for Approval Tracking

To make the approval process more visible, you can generate specific **approval-related reports** to track the status of pending and approved transactions. Here's how:

1. **Custom Reports:**
 - Customize reports that include the **approval status** from your custom fields or notes.
2. **Set Up Alerts:**
 - While QuickBooks Online does not offer automatic alerts for transaction approval, you can set up manual reminders or use third-party tools to notify users when action is required.

Example Approval Workflow Process

Here's a simplified process using **Bill.com** integrated with QuickBooks Online:

1. **Create a Bill in Bill.com:**
 - An employee or department enters a bill into Bill.com for services rendered.

2. **Automatic Routing:**
 - The bill is automatically routed to the designated manager or department head for approval.
3. **Approval or Rejection:**
 - The approver reviews the bill and either approves or rejects it based on the information.
4. **Sync with QuickBooks Online:**
 - Once approved, the bill is automatically synced with QuickBooks Online for payment, reducing manual data entry and errors.

3.3. Edit/void/delete/archive transactions

Void or delete a transaction

Once you decide whether you need to void or delete a transaction, here's how to do it:

1. Go to **Sales** then select **All sales** or **Expenses**.
2. Find the transaction. In the **Action** column, select the **small arrow ▼** icon and then select **Void** or **Delete**.
3. Select **Void/Yes** or **Delete/No** to confirm.
4. There is another way to void a transaction: Go to the required transaction. In the **Action** column, select the **small arrow ▼** icon and then select **View/Edit** to open the transaction.
5. If you want to include the date and reason you're voiding or deleting the transaction, enter that info in the **Memo** or **Message** section.
6. Select **More** in the footer. Then select **Void** or **Delete**.
7. Select **Yes** to confirm.

Batch delete or void transactions

Note: You can't batch delete the following transactions (you can still delete them individually):

- Invoices with reimbursed expenses, times, mileage, or items
- Invoices with billable time and costs
- Paychecks
- Payroll liability checks
- Sales tax payments
- Online bill payments
- Any transaction in a closed period
- Credit card transactions

To delete them individually, open the transaction, select **Edit**, then **Delete**.

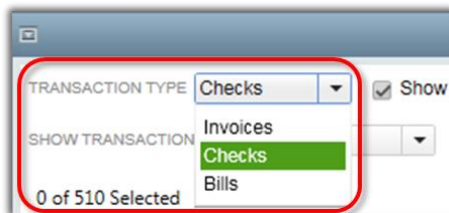
1. Go to the **File** menu, then select **Switch to Single-user mode**. If you see Switch to Multi-user mode, don't select it.
2. Go to the **Accountant** menu, then select **Batch Delete/Void Transactions....**
3. Find and select the checkboxes next to the transactions you want to delete or void.
4. Select **Review & Delete** if you want to delete the transactions. If you want to void them, select **Review & Void**.
5. Select **Back Up & Delete** or **Back Up & Void**. You may also skip the backup and select **Delete only** or **Void only** from the dropdowns.



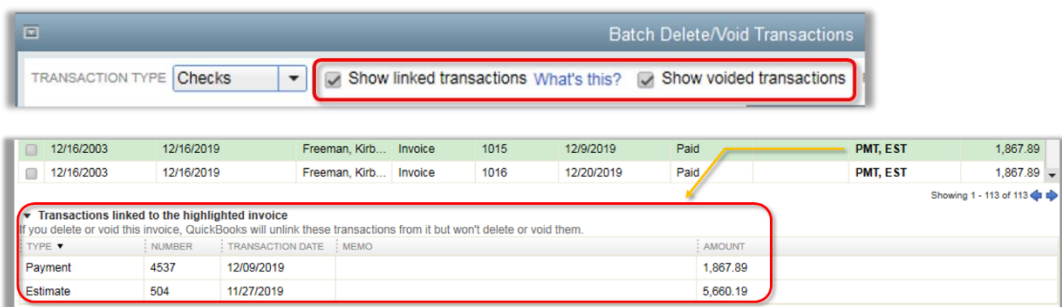
6. Select **Yes** to confirm you want to delete or void the transactions.

Select **View Deleted/Voided Transaction Report** to print a copy after you delete or void the transactions.

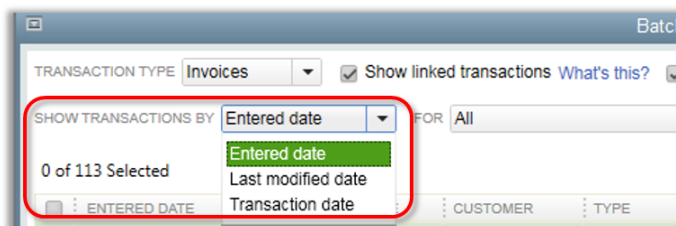
Delete or void transactions by type



Show or hide linked or voided transactions



Filter transactions



Self-Check Sheet - 3: Edit/void/delete/archive transactions.

1. **How do you edit a transaction in QuickBooks Online?**

Answer:

2. **What happens when you void a transaction in QuickBooks Online?**

Answer:

3. **How do you delete a transaction in QuickBooks Online?**

Answer:

4. **How can you track changes to a transaction in QuickBooks Online?**

Answer:

5. **Can you batch delete or void transactions in QuickBooks Online?**

Answer:

Answer Key - 3: Edit/void/delete/archive transactions.

1. How do you edit a transaction in QuickBooks Online?

Answer: Open the transaction, make necessary changes (e.g., date, amount, account), and click "Save and Close."

2. What happens when you void a transaction in QuickBooks Online?

Answer: The transaction remains in the system with a zero amount, but the audit trail is preserved, showing it was voided.

3. How do you delete a transaction in QuickBooks Online?

Answer: Open the transaction, click "More" at the bottom, then select "Delete" and confirm to remove it from the system.

4. How can you track changes to a transaction in QuickBooks Online?

Answer: Use the Audit Log to view edits, deletions, or voiding actions, and track the status and changes made to transactions.

5. Can you batch delete or void transactions in QuickBooks Online?

Answer: Yes, use the Accountant menu to batch delete or void multiple transactions, with certain restrictions on specific types like payroll or online payments.

Task Sheet - 3.1: Delete a Transaction in QuickBooks Online

Steps to Follow:

1. Access the Transaction:

- Go to the **Sales** or **Expenses** tab.
- Select **All Sales** or **Expenses** depending on the transaction type.
- Find the transaction you want to delete from the list.

2. Open the Transaction:

- In the **Action** column, click the small **arrow ▼** next to the transaction.
- Select **View/Edit** to open the transaction.

3. Delete the Transaction:

- After opening the transaction, click **More** at the bottom of the screen.
- Select **Delete** from the menu.
- A confirmation prompt will appear asking if you're sure you want to delete the transaction.

4. Confirm Deletion:

- Click **Yes** to confirm that you want to delete the transaction.

5. Check the Transaction List:

- The transaction will no longer appear in the list of sales or expenses. However, the audit trail will still show that the transaction was deleted.

Learning Outcome 4: Reconciling bank and ledger accounts

Assessment Criteria	<ol style="list-style-type: none"> 1. Source Document Collection (1) 2. Reconcilable Ledger Reconciliation (2) 3. Bank Reconciliation Statement Preparation (3)
Conditions and Resources	<ol style="list-style-type: none"> 1. Real or simulated workplace 2. CBLM 3. Handouts 4. Laptop 5. Multimedia Projector 6. Paper, Pen, Pencil, Eraser 7. Internet facilities 8. White board and marker 9. Audio Video Device
Contents	<ol style="list-style-type: none"> 1 Able to collect source documents 2 Able to reconcile reconcilable ledgers <ol style="list-style-type: none"> 2.1 Bank Reconciliation Statement 2.2 Credit Card Reconciliation Statement 2.3 Holding Accounts Reconciliation Statement 2.4 Accounts Receivable Reconciliation Statement 2.5 Accounts Payable Reconciliation Statement 2.6 Inventory Reconciliation Statement 2.7 Other Asset Accounts Reconciliation Statement 2.8 Other Liability Accounts Reconciliation Statement 3 Able to prepare bank reconciliation statement
Activities/job/Task	<ol style="list-style-type: none"> 1. Prepare Bank Reconciliation Statement Preparation
Training Methods	<ol style="list-style-type: none"> 1. Discussion 2. Presentation 3. Demonstration 4. Guided Practice 5. Individual Practice 6. Project Work 7. Problem Solving 8. Brainstorming
Assessment Methods	<p>Assessment methods may include but not limited to</p> <ol style="list-style-type: none"> 1. Written Test 2. Demonstration 3. Oral Questioning 4. Portfolio

Learning Experience 4: Reconcile bank and ledger accounts

In order to achieve the objectives stated in this learning guide, you must perform the learning steps below. Beside each step are the resources or special instructions you will use to accomplish the corresponding activity.

Learning Activities	Recourses/Special Instructions
1. Trainee will ask the instructor about the learning materials	1. Instructor will provide the learning materials 'Reconcile bank and ledger accounts'
2. Read the Information sheet and complete the Self Checks & Check answer sheets on "Reconcile bank and ledger accounts"	2. Read Information sheet 4: Reconcile bank and ledger accounts 3. Answer Self-check 4: Reconcile bank and ledger accounts 4. Check your answer with Answer key 4: Reconcile bank and ledger accounts
3. Read the Job/Task Sheet and Specification Sheet and perform job/Task	5. Job/Task Sheet and Specification Sheet Task Sheet-4.1: Prepare Bank Reconciliation Statement Preparation

Information Sheet 4: Reconcile bank and ledger accounts

Learning Objective:

After completion of this information sheet, the learners will be able to explain, define and interpret the following contents:

- 4.1. Source Document Collection
- 4.2. Reconcilable Ledger Reconciliation
- 4.3. Bank Reconciliation Statement Preparation

4.1. Source Document Collection

In QuickBooks Online, **Source Document Collection** refers to the process of gathering and organizing all the original documents that support your financial transactions, such as invoices, receipts, bills, and bank statements. These documents are critical for bookkeeping, audits, and financial reporting, as they provide the evidence needed to substantiate the transactions recorded in your accounting system.

While QuickBooks Online doesn't offer a fully automated way to collect and store physical documents, it does provide features for **attaching and storing digital copies** of source documents directly to your transactions.

4.2. Reconcilable Ledger Reconciliation

Reconciling your accounts is an important part of managing your finances in QuickBooks Online. It allows you to compare your records with your bank or credit card statement and make sure that everything is accurate and up-to-date.

By following these simple steps, you can ensure that your records match your bank or credit card statement and avoid any discrepancies or errors.

Step 1: Select an account to reconcile

You can start reconciling once you have your monthly bank or credit card statement. If you need to reconcile more than one month, do them one statement at a time, starting with your oldest statement.

1. Select the **Gear icon** in the upper-right corner of the screen.

2. Select **Reconcile** from the drop-down menu. This displays the **Reconcile** page in QuickBooks Online (**Take me there**).
3. Select the account you want to reconcile from the **Account** drop-down menu.
4. Ensure that the account you select matches the account you're reconciling on your bank or credit card statement.

Step 2: Start the reconciliation

If your accounts are connected to online banking, make sure you match and categorize all of your downloaded transactions.

Note: If you see a message about a previous reconciliation, you need to fix this before you start. Select **We can help you fix it**.

1. Review the **Beginning balance**. Make sure the beginning balance in QuickBooks matches the one on your statement. **Here's what to do if they don't match**.
2. Enter the **Ending balance** and **Ending date** as they appear on your bank or credit card statement. Some banks call the ending balance a **new balance** or a **closing balance**.
3. If you see it, review the **Last statement ending date**. This is the end date of your last reconciliation. Your current bank statement should start the day after.
4. When you're ready to start, select **Start reconciling**.

Step 3: Review and match transactions

After entering the statement date and ending balance, you'll see a list of transactions that need to be reviewed and matched. Go through each transaction and ensure that it matches the transactions on your bank or credit card statement. You can also mark transactions as cleared or add new transactions that may be missing.

If all of your transactions come directly from your bank, reconciling should be a breeze. In some cases, your accounts may already be balanced. If they are not, the process is the same, but it might just take a little longer:

1. Identify the first transaction on your statement.
2. Find the same transaction in the **Reconciliation** window in QuickBooks.
3. Compare the two transactions. If they match, put a checkmark next to the amount in QuickBooks. This marks it as reconciled.
4. If a transaction doesn't appear on your statement but you see it in QuickBooks, don't put a checkmark beside it.

5. Compare each transaction on your statement with what's in QuickBooks.

If you're absolutely sure you've found a match but a small detail isn't quite right, such as the payee, don't worry. Select the transaction in QuickBooks to expand the view, then select **Edit**. Make edits so the details match your statement.

Step 4: Finish the reconciliation

Once you've reviewed and matched all transactions, QuickBooks will calculate the difference between your records and your bank or credit card statement. **If the difference is zero**, you've successfully reconciled your account. **If the difference is not zero**, you may need to review your transactions again to find any discrepancies.

When you reach the end of your transactions, the difference between your statement and QuickBooks should be CA **\$0.00**. If it is, select **Finish now**.

If the difference isn't CA \$0.00, or you can't find a transaction that should be in QuickBooks, don't worry. **Here's how to review and fix everything**.

Once the difference is **\$0.00**, you've completed the reconciliation process.

Note: If you haven't finished you can save your progress and finish later if needed.

Step 5: Review past reconciliations

If you need to review past reconciliations, you can run a reconciliation report to review your work:

1. Select **Settings**, then select **Reconcile (Take me there)**.
2. Select **History by account**.
3. Use the drop-down menus to select the account and date range. Or, **print or export your reconciliation reports** if you need to share them.

Step 6: Edit completed reconciliations

You can **make changes to past reconciliations**, but be careful! Changes to completed reconciliations can unbalance your accounts and other reconciliations. It also affects the beginning balance of your next reconciliation.

Start by **reviewing a previous reconciliation report**. If you reconciled a transaction by mistake, **here's how to unreconcile it**. If you **adjusted a reconciliation** by mistake or need to start over, reach out to your accountant. These kinds of changes get complicated.

Reconciling your accounts is an essential part of managing your finances in QuickBooks Online. By following the steps above, you can reconcile your accounts accurately and ensure that your records match your bank or credit card statement.

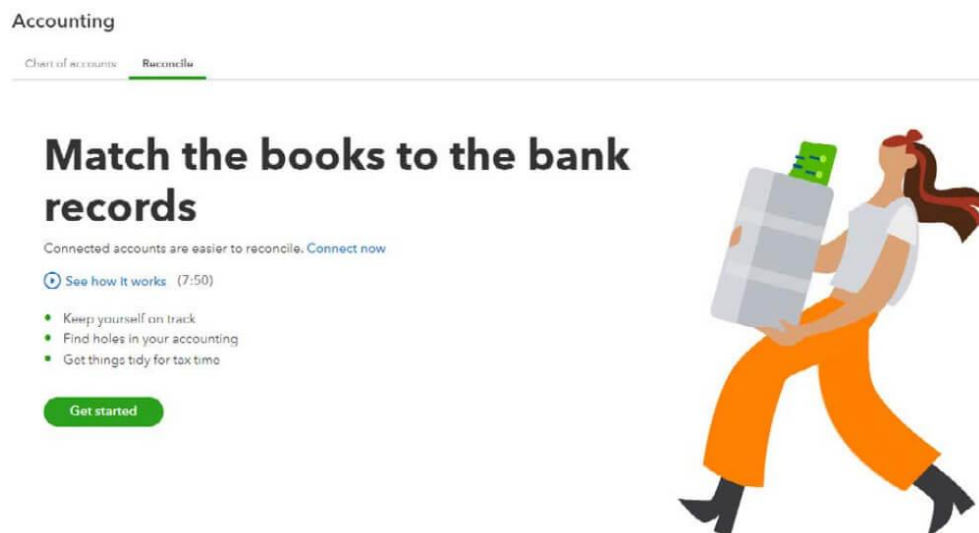
Remember to regularly reconcile your accounts to maintain financial accuracy and avoid discrepancies.

4.3. Bank Reconciliation Statement Preparation

Step 1: Open the Reconcile Tab

- Select **Accounting** from the left-hand navigation menu
- Select the **Reconcile** tab.

The first time in, there is an option to watch a video on how it works. Click Get Started. The next time you are in the **Reconcile** tab, the Reconcile window will come up straight away.



Step 2: Select your bank account

- In the Reconcile window, choose the bank account you are reconciling from the drop-down box.

For example: The last statement ending date 01/01/2022 and Beginning balance was the last time this bank account was reconciled and the balance at this date.

Which account do you want to reconcile?

Account

Add the following information

Last statement ending date 01/01/2022

Beginning balance

3,000.00

Ending balance *

Ending date *


[Start reconciling](#)

Step 3a: Resolving a Reconciliation Discrepancy

- **Important:** If after the bank statement was reconciled and a transaction was changed or deleted, an error message will appear to warn you that your beginning balance is off and needs to be fixed.
- Select **We can help you fix it.**

Which account do you want to reconcile?

Account

 **Your account isn't ready to reconcile yet.**
Your beginning balance is off by -\$500.00. [We can help you fix it.](#)



Add the following information

Last statement ending date 01/01/2022

Beginning balance

 2,500.00

Ending balance *

Ending date *

[Start reconciling](#)

Step 3b

A Reconciliation Discrepancy Report (shown opposite) will populate. This will help you find the transactions that were changed after the last reconciliation.

- Select **View** under the **History** column and fix the errored transaction to once again reconcile your bank.

Step 4a: Finalise

The image opposite shows all transactions processed via the bank feeds. If all transactions match the bank statement, then the reconciliation will show **Difference 0.00**. If a transaction is not ticked as below, you will need to investigate where this transaction has come from and remove it from this reconciliation. All transactions from the bank feeds will have a green icon and be ticked automatically.

Step 4b

- Select **Finish Now**. You also have the option to select **Save for later** or **Close without saving**.
- This takes you back into the Reconcile window, which will summarise the bank account's last reconciled date and ending balance just completed.

Edit info

Finish now



\$0.00
DIFFERENCE



Show me around



PAYMENT (AUD)	DEPOSIT (AUD)	<input type="radio"/>
	2,200.00	<input checked="" type="checkbox"/>
95.54		<input checked="" type="checkbox"/>
187.50		<input checked="" type="checkbox"/>
28.99		<input checked="" type="checkbox"/>

Self-Check Sheet - 4 : Reconcile bank and ledger accounts

1. **What is Source Document Collection in QuickBooks Online?**

Answer:

2. **What is Reconcilable Ledger Reconciliation?**

Answer:

3. **How do you start Reconciling in QuickBooks Online?**

Answer:

4. **How can you fix discrepancies during bank reconciliation?**

Answer:

5. **How do you finalize a bank reconciliation in QuickBooks?**

Answer:

Answer Key - 4: Reconcile bank and ledger accounts

1. What is Source Document Collection in QuickBooks Online?

Answer: Source Document Collection refers to gathering and organizing original documents like invoices, receipts, and bills that support financial transactions. QuickBooks allows you to attach and store digital copies of these documents directly to your transactions.

2. What is Reconcilable Ledger Reconciliation?

Answer: Reconcilable Ledger Reconciliation is the process of matching your QuickBooks transactions with your bank or credit card statement to ensure accuracy. It helps prevent discrepancies by ensuring all transactions are recorded correctly.

3. How do you start Reconciling in QuickBooks Online?

Answer: To begin reconciling, select **Reconcile** from the Gear icon, choose the account to reconcile, and input the bank statement's ending balance and date. Afterward, match and review each transaction in QuickBooks against your statement.

4. How can you fix discrepancies during bank reconciliation?

Answer: If discrepancies occur, select "We can help you fix it" to generate a **Reconciliation Discrepancy Report**. This report helps identify changes made to transactions since the last reconciliation.

5. How do you finalize a bank reconciliation in QuickBooks?

Answer: Once all transactions match your bank statement, the reconciliation will show a difference of **\$0.00**. You can then select **Finish Now** to complete the process or **Save for later** if you're not done.

Task Sheet-4.1: Prepare Bank Reconciliation Statement Preparation

Steps to Follow:

Step 1: Open the Reconcile Tab

1. From the **left-hand navigation menu**, select **Accounting**.
2. Then, select the **Reconcile** tab.
 - If this is your first time, you can click **Get Started** to watch an introductory video.

Step 2: Select Your Bank Account

1. In the **Reconcile window**, choose the bank account you are reconciling from the **drop-down menu**.
 - Ensure you select the correct account you want to reconcile.
2. The **Last Statement Ending Date** and **Beginning Balance** will automatically appear based on the last successful reconciliation.

Step 3a: Resolving a Reconciliation Discrepancy

1. If you receive a warning that the **beginning balance** is incorrect, it means a transaction was changed or deleted after the last reconciliation.
2. Click **We can help you fix it** to initiate the error-fixing process.
3. A **Reconciliation Discrepancy Report** will be generated, showing the changes made to transactions since the last reconciliation.

Step 3b: Review and Fix the Discrepancy

1. Under the **History column**, select **View** to investigate the discrepancies.
2. Review and correct the erroneous transaction(s) as required to fix the beginning balance and proceed with the reconciliation.

Step 4a: Review Transactions and Match to Bank Statement

1. Review all transactions listed from the **bank feeds**.
2. Ensure that each transaction in QuickBooks matches your **bank statement**. All transactions that match will have a **green icon** and will be **automatically ticked**.
3. If any transaction does not match, you will need to investigate and correct it.

Step 4b: Finalize the Reconciliation

1. After confirming that all transactions are correct and the difference is **\$0.00**, click **Finish Now** to complete the reconciliation.
 - If needed, you can select **Save for Later** or **Close without saving**.

Step 5: Review and Confirm the Reconciliation

1. After completing the reconciliation, the system will show the **last reconciled date** and **ending balance**.
2. If you need to review past reconciliations, go to **Settings**, select **Reconcile**, and click **History by account**.
3. You can print or export your **Reconciliation Report** for your records.

Learning Outcome 5: Processing payroll and tax

Assessment Criteria	<ol style="list-style-type: none"> 1. Able to collect data related to employee salary (1) 2. Able to set up salary components according to needs (2) 3. Able to process salary according to needs (3) 4. Able to calculate tax liability (4) 5. Able to prepare tax reports according to needs (5)
Conditions and Resources	<ol style="list-style-type: none"> 1. Real or simulated workplace 2. CBLM 3. Handouts 4. Laptop 5. Multimedia Projector 6. Paper, Pen, Pencil, Eraser 7. Internet facilities 8. White board and marker 9. Audio Video Device
Contents	<ol style="list-style-type: none"> 1 Employee Information <ol style="list-style-type: none"> 1.1 Full Time 1.2 Part Time 1.3 Consultant 1.4 Contractor 2 Collecting Employee Tax Information 3 Calculation of Allowances and Deductions 4 Payroll Process 5 Creation of Payslips 6 Accessing Information Required for Tax Calculation 7 Tax Calculation 8 Taxes <ol style="list-style-type: none"> 8.1 Value Added Tax (VAT) 8.2 Income Tax 8.3 Corporate Tax 8.4 GST 9 Recording Taxes
Activities/job/Task	<ol style="list-style-type: none"> 1. Process salary in Quickbook Online
Training Methods	<ol style="list-style-type: none"> 9. Discussion 10. Presentation 11. Demonstration 12. Guided Practice 13. Individual Practice 14. Project Work 15. Problem Solving

	16. Brainstorming
Assessment Methods	Assessment methods may include but not limited to 5. Written Test 6. Demonstration 7. Oral Questioning 8. Portfolio

Learning Experience 5: Process payroll and tax

In order to achieve the objectives stated in this learning guide, you must perform the learning steps below. Beside each step are the resources or special instructions you will use to accomplish the corresponding activity.

Learning Activities	Recourses/Special Instructions
1. Trainee will ask the instructor about the learning materials	1. Instructor will provide the learning materials 'Process payroll and tax '
2. Read the Information sheet and complete the Self Checks & Check answer sheets on "Process payroll and tax"	2. Read Information sheet 5: Process payroll and tax 3. Answer Self-check 5: Process payroll and tax 4. Check your answer with Answer key 5: Process payroll and tax
3. Read the Job/Task Sheet and Specification Sheet and perform job/Task	5. Job/Task Sheet and Specification Sheet Task Sheet-5.1: Process salary in Quickbook Online

Information Sheet 5: Process payroll and tax

Learning Objective:

After completion of this information sheet, the learners will be able to explain, define and interpret the following contents:

- 5.1. Collect data related to employee salary
- 5.2. Able to set up salary components according to needs
- 5.3. Able to process salary according to needs
- 5.4. Able to calculate tax liability
- 5.5. Able to prepare tax reports according to needs


5.1. Collect data related to employee salary

Processing payroll and taxes in **QuickBooks Online** involves several steps to ensure that employees are paid correctly, taxes are calculated, and compliance is maintained. QuickBooks Online offers a payroll service (QuickBooks Payroll) to help automate much of this process. Here's a step-by-step guide to processing payroll and taxes in QuickBooks Online:

Set Up Payroll in QuickBooks Online

Before processing payroll, you need to ensure QuickBooks Online is set up for payroll.

1. Sign Up for QuickBooks Payroll:

- If you haven't already, you'll need to sign up for **QuickBooks Payroll** (either Core, Premium, or Elite depending on your needs).
- To sign up, go to the **Gear Icon**  in the upper-right corner of QuickBooks Online, select **Payroll Settings**, and follow the instructions to sign up.

2. Enter Company and Employee Information:

- Go to **Workers** in the left-hand menu.
- Click on **Employees**, and select **Add an employee** to enter employee details such as name, address, and Social Security number (or Tax ID).
- Set up the payroll schedule (e.g., weekly, biweekly, monthly).

5.2. Set up salary components according to needs

Set Up Payroll Items:

- QuickBooks Online will guide you through setting up **payroll items** such as wages, bonuses, deductions, and contributions. Ensure you add any benefits or tax deductions that apply to your business (e.g., healthcare, retirement plans).
- You may also need to enter your **payroll tax information** (federal and state tax rates, unemployment rates, etc.).

Set Up Payroll Taxes:

- Enter the required **tax information** for your company, including your **EIN, federal and state tax rates, and tax payment frequency**.
- QuickBooks will automatically calculate your **federal, state, and local taxes**, including income tax withholding, Social Security, and Medicare taxes.

Add Employees and Set Pay Details

1. Add Employees:

- Go to **Workers > Employees** in QuickBooks Online and click **Add an employee** to add all your employees. You'll need to input information such as:
 - **Personal Information** (name, address, etc.)
 - **Pay Schedule** (hourly or salary, and how often they are paid)
 - **Tax Information** (filing status, exemptions, and any additional deductions)
 - **Bank Details** (if paying by direct deposit)

2. Set Pay Types:

- If your employees are salaried or hourly, enter their **pay rate**.
- Add any **bonus, commission, or overtime** rules specific to your employees.
- Add any **deductions or benefits**, such as retirement plan contributions, health insurance, and other benefits.

5.3. Process salary according to needs

1. Navigate to Payroll:

- Go to the **Payroll** tab on the left-hand menu in QuickBooks Online.
- Select **Run Payroll**.

2. Choose Payroll Schedule:

- QuickBooks Online will show a list of employees and their pay schedules. Choose the appropriate payroll schedule (e.g., weekly, biweekly, monthly) for the payroll you're processing.

3. Review Employee Hours (if applicable):

- If employees are hourly, enter the total hours worked during the pay period.
- QuickBooks will automatically calculate pay based on the hourly rate and hours worked.

4. Review Pay and Deductions:

- QuickBooks will automatically calculate each employee's **gross pay, taxes, deductions, and net pay**.
- Review the details for accuracy. You can add bonuses or other adjustments as needed.

5. Check for Errors:

- Make sure all details are correct, especially employee tax withholding, deductions, and pay rates.

6. Submit Payroll:

- After reviewing all payroll details, click **Preview Payroll**.
- Once everything looks correct, click **Submit Payroll**. You will be asked to confirm the payroll run.

Pay Employees

Once you've processed payroll, you need to pay your employees. There are several options available depending on how you've set up payments:

1. Direct Deposit:

- If you've set up **direct deposit** for employees, QuickBooks will automatically deposit the **net pay** into each employee's bank account on the scheduled payday.
- You can also generate **pay stubs** that employees can view.

2. **Print Checks:**

- If you are paying by check, QuickBooks can generate **paychecks** for each employee. You can print them directly or write them manually, depending on your preference.

3. **Manual Payments:**

- If you are paying manually (e.g., via cash or another method), make a note in QuickBooks Online that payroll was processed outside of the system, but you can still keep track of tax and deduction details.

5.4. **Calculate tax liability**

QuickBooks Online will automatically calculate payroll taxes, including **federal, state, and local** tax liabilities. You are responsible for paying these taxes to the correct tax authorities.

1. **Review Payroll Taxes:**

- After running payroll, go to **Taxes > Payroll Tax**.
- Review your **tax liabilities** (e.g., federal, state, and local taxes).
- QuickBooks Online automatically tracks your tax payments and due dates for you.

2. **Pay Payroll Taxes:**

- You can pay **federal** taxes directly from QuickBooks Online using the **E-pay** option (if applicable).
- For **state and local taxes**, QuickBooks will generate payment forms and instructions for you to pay taxes directly to the appropriate tax agency.

3. **File Payroll Tax Forms:**

- QuickBooks Online also helps with **filing** required payroll tax forms (e.g., **Form 941, Form W-2**, etc.). You can electronically file tax forms through QuickBooks Online (if your payroll plan supports this) or print them and file manually.

5.5. Prepare tax reports according to needs

Record and Review Payroll Reports

After processing payroll, QuickBooks Online will generate payroll reports to help you track your payroll expenses and liabilities. Here's what you can do:

1. Generate Payroll Reports:

- Go to **Reports** on the left-hand menu.
- You can run various payroll-related reports, such as:
 - **Payroll Summary:** Shows total wages, deductions, and taxes for a specific pay period.
 - **Payroll Detail:** Breaks down individual employee pay details, including hours worked, gross pay, taxes, and deductions.
 - **Tax Liability Report:** Shows your payroll tax liabilities.
 - **W-2 and 1099 Reports:** Used for year-end tax filing.

2. Review and File Reports:

- Ensure that all reports are accurate and file them for your records or submit them to the tax authorities as required.

Ensure Compliance and Stay Updated

It's essential to stay on top of compliance, especially when it comes to tax rates and employee deductions.

1. Update Tax Rates:

- QuickBooks Online automatically updates payroll tax rates, but make sure to regularly check for any changes in federal, state, or local tax laws that could affect your payroll calculations.

2. Year-End Tax Forms:

- At the end of the year, you'll need to prepare and file **W-2 forms** for your employees and **1099 forms** for any contractors. QuickBooks Online can generate these forms for you if you've been processing payroll through the system.

Self-Check Sheet - 5: Process payroll and tax

1. What is the first step in setting up payroll in QuickBooks Online?

- A) Enter employee tax information
- B) Sign up for QuickBooks Payroll
- C) Set up payroll items like wages and deductions
- D) Add employees to the system

2. How does QuickBooks Online automatically calculate payroll taxes?

- A) Manually entered tax rates by the user
- B) Using the company's EIN and tax rates entered during setup
- C) Through an external software integration
- D) By downloading tax tables from the government website

3. What option does QuickBooks Online provide for paying employees?

- A) Only by direct deposit
- B) Only by manual payments
- C) By direct deposit, printed checks, or manual payments
- D) Only by printed checks

4. After processing payroll, where can you review payroll taxes in QuickBooks Online?

- A) Taxes > Payroll Tax
- B) Reports > Payroll Report
- C) Employees > Tax Information
- D) Payroll > Payroll History

5. How does QuickBooks Online help ensure compliance with tax filing?

- A) By automatically submitting all payroll taxes on behalf of the user
- B) By updating tax rates and generating year-end tax forms like W-2 and 1099
- C) By outsourcing tax filing to an external service
- D) By only allowing manual filing of tax forms

Answer Key - 5: Process payroll and tax

1. What is the first step in setting up payroll in QuickBooks Online?

- A) Enter employee tax information
- B) Sign up for QuickBooks Payroll
- C) Set up payroll items like wages and deductions
- D) Add employees to the system

Answer: B) Sign up for QuickBooks Payroll

2. How does QuickBooks Online automatically calculate payroll taxes?

- A) Manually entered tax rates by the user
- B) Using the company's EIN and tax rates entered during setup
- C) Through an external software integration
- D) By downloading tax tables from the government website

Answer: B) Using the company's EIN and tax rates entered during setup

3. What option does QuickBooks Online provide for paying employees?

- A) Only by direct deposit
- B) Only by manual payments
- C) By direct deposit, printed checks, or manual payments
- D) Only by printed checks

Answer: C) By direct deposit, printed checks, or manual payments

4. After processing payroll, where can you review payroll taxes in QuickBooks Online?

- A) Taxes > Payroll Tax
- B) Reports > Payroll Report
- C) Employees > Tax Information
- D) Payroll > Payroll History

Answer: A) Taxes > Payroll Tax

5. How does QuickBooks Online help ensure compliance with tax filing?

- A) By automatically submitting all payroll taxes on behalf of the user
- B) By updating tax rates and generating year-end tax forms like W-2 and 1099
- C) By outsourcing tax filing to an external service
- D) By only allowing manual filing of tax forms

Answer: B) By updating tax rates and generating year-end tax forms like W-2 and 1099

Task Sheet-5.1: Process salary in Quickbook Online

Steps to Follow:

Step 1: Navigate to Payroll

1. **Log in to QuickBooks Online.**
2. **Select the Payroll tab** from the left-hand menu.

Step 2: Select Payroll Schedule

1. QuickBooks will display a list of your employees along with their pay schedules (weekly, biweekly, monthly, etc.).
2. **Choose the appropriate payroll schedule** for the current payroll you're processing.

Step 3: Review Employee Hours (if applicable)

1. For hourly employees, **enter the total hours worked** during the pay period.
2. QuickBooks Online will automatically calculate the pay based on the hourly rate and hours worked.

Step 4: Review Pay and Deductions

1. QuickBooks Online will **automatically calculate** the employee's gross pay, taxes, deductions, and net pay based on the information entered.
2. **Check the accuracy of all details**, including pay rates, deductions, and any bonuses or adjustments.
3. You can manually **adjust pay** (e.g., add bonuses, commissions, or overtime) or **edit any incorrect information**.

Step 5: Check for Errors

1. Double-check that all details are correct, especially:
 - Employee tax withholding
 - Deductions
 - Pay rates
 - Hours worked (for hourly employees)
2. QuickBooks Online will alert you if any required fields are missing or incorrect.

Step 6: Preview Payroll

1. **Click on "Preview Payroll"** to review a summary of the payroll run, including:

- Gross pay
 - Deductions
 - Net pay
 - Taxes withheld
2. This will give you a chance to make any last-minute adjustments.

Step 7: Submit Payroll

1. Once you've reviewed the payroll details and confirmed everything is correct, **click "Submit Payroll"**.
2. You will be asked to confirm the payroll run before it is processed.

Step 8: Pay Employees

1. **Pay by Direct Deposit:**
 - If you have set up direct deposit, QuickBooks will automatically transfer the net pay to each employee's bank account on the scheduled payday.
 - You can also generate **pay stubs** for employees to view their payment details.
2. **Print Checks:**
 - If paying by check, QuickBooks Online can generate **paychecks** for each employee.
 - You can print them directly or manually write them, depending on your preferences.
3. **Manual Payments:**
 - If you are paying manually (e.g., cash or another method), make a note in QuickBooks that payroll was processed outside of the system.
 - QuickBooks will still track taxes and deductions for you.

Step 9: Confirm Payroll Completion

1. Once payroll is processed and employees are paid, QuickBooks will give you a summary of the payroll run.
2. You can also **view payroll reports** to track payroll expenses, taxes, and deductions.

Step 10: Record and Review Payroll Reports

1. Go to the **Reports** section in QuickBooks Online.
2. You can run reports such as:

- **Payroll Summary Report** (Total wages, deductions, and taxes for the period).
 - **Payroll Detail Report** (Individual employee pay details).
 - **Tax Liability Report** (Payroll tax liabilities).
 - **W-2 and 1099 Reports** (Used for year-end tax filing).
3. **Review and file** payroll reports for your records or submit them to tax authorities as needed.

Learning Outcome 6: Generating reports

Assessment Criteria	<ol style="list-style-type: none"> 1. Able to configure reports according to requirements 2. Able to prepare reports 3. Able to submit reports according to requirements
Conditions and Resources	<ol style="list-style-type: none"> 1. Real or simulated workplace 2. CBLM 3. Handouts 4. Laptop 5. Multimedia Projector 6. Paper, Pen, Pencil, Eraser 7. Internet facilities 8. White board and marker 9. Audio Video Device
Contents	<ol style="list-style-type: none"> 1 Reports <ol style="list-style-type: none"> 1.1 Individual ledger statement 1.2 Group statement 1.3 Receivable 1.4 Payable 1.5 Payroll summary 1.6 Cash book 1.7 Bank book 1.8 Trial balance 1.9 Profit and loss A/c [Account] balance sheet 1.10 Changes in equity 1.11 Cash flow statement 1.12 Fixed asset register 1.13 Stock summary 1.14 Stock summary for particular warehouse 1.15 Stock valuation 1.16 Stock to client 1.17 Movement analysis 2 Report configuration 3 Report preparation 4 Report submission
Activities/job/Task	<ol style="list-style-type: none"> 1. Prepare Balance Sheet
Training Methods	<ol style="list-style-type: none"> 1. Discussion 2. Presentation 3. Demonstration 4. Guided Practice 5. Individual Practice

	<ol style="list-style-type: none">6. Project Work7. Problem Solving8. Brainstorming
Assessment Methods	<p>Assessment methods may include but not limited to</p> <ol style="list-style-type: none">1. Written Test2. Demonstration3. Oral Questioning4. Portfolio

Learning Experience 6: Generate reports

In order to achieve the objectives stated in this learning guide, you must perform the learning steps below. Beside each step are the resources or special instructions you will use to accomplish the corresponding activity.

Learning Activities	Recourses/Special Instructions
1. Trainee will ask the instructor about the learning materials	1. Instructor will provide the learning materials 'Generate reports'
2. Read the Information sheet and complete the Self Checks & Check answer sheets on "Generate reports"	2. Read Information sheet 6: Generate reports 3. Answer Self-check 6: Generate reports 4. Check your answer with Answer key 6: Generate reports
3. Read the Job/Task Sheet and Specification Sheet and perform job/Task	5. Job/Task Sheet and Specification Sheet Task Sheet-6.1: Prepare Balance Sheet

Information Sheet 6: Generate reports

Learning Objective:

After completion of this information sheet, the learners will be able to explain, define and interpret the following contents:

- 6.1. Able to configure reports according to requirements
- 6.2. Able to prepare reports
- 6.3. Able to submit reports according to requirements

6.1. Configure reports according to requirements

In **QuickBooks Online**, accounting and financial reports are essential tools that provide a comprehensive overview of a business's financial performance, position, and cash flows. These reports are vital for evaluating a business's financial health by summarizing and analyzing all transactions over a specified period. By organizing raw financial data into meaningful insights, these reports help businesses turn complex financial information into actionable decisions.

QuickBooks Online simplifies the process of generating accounting reports, allowing users to easily create reports such as the **Balance Sheet**, **Profit and Loss (P&L)**, **Accounts Receivable** and **Accounts Payable**, **Cash Flow Statement**, and more. These reports offer in-depth views of your business's performance, helping you identify top-selling products, most profitable customers, and the status of your cash flow. Furthermore, these reports can be useful when determining eligibility for financing or loans.

Key Financial Reports in QuickBooks Online

1. **Balance Sheet:** The **Balance Sheet** provides a snapshot of your company's financial position at any given point in time. It shows a clear picture of your assets, liabilities, and equity, detailing what your business owns, what it owes, and the sources of financing for those resources.
2. **Profit and Loss (P&L):** The **Profit and Loss (P&L)** report summarizes your business's total income and expenses over a specific period. This report helps you determine whether your company is making a profit or incurring a loss,

and serves as an indicator of your company's ability to generate sales, manage expenses, and create profits.

3. **Cash Flow Statement:** The **Cash Flow Statement** outlines the flow of cash into and out of your business over a defined period. It helps you identify which areas of your business are generating and using the most cash. This report can also provide a **Cash Flow Projection**, allowing you to anticipate future cash movements and assist with budgeting and decision-making.
4. **Accounts Receivable:** When you extend credit to customers, you need to track the amounts owed to you. The **Accounts Receivable** report helps you manage outstanding receivables and ensures timely collection of dues. Monitoring this is critical for maintaining cash flow and ensuring your business is paid on time.
5. **Accounts Payable:** Similarly, the **Accounts Payable** report tracks the amounts your business owes to vendors or suppliers. Keeping track of outstanding payables ensures that payments are made on time and helps maintain positive vendor relationships. This report gives an overview of all pending payments for supplies, inventory, and services.
6. **Trial Balance:** The **Trial Balance** is a summary of all debits and credits recorded in various ledger accounts. It helps ensure that your accounting entries are mathematically correct, as per the double-entry accounting principle. This principle states that every debit must have an equal corresponding credit, ensuring that the sum of all debits equals the sum of all credits.
7. **Day Book:** The **Day Book** records daily transactions as they occur, including financial vouchers, inventory transactions, and other types of entries. You can configure this report to display specific periods and transaction types, making it easier to review your daily financial activities.
8. **Accounting Registers:** **Accounting Registers** help organize transactions of a particular type, such as the **Sales Register**, **Purchase Register**, **Payment Register**, or **Journal Register**. These reports provide a detailed summary of each transaction type for a specific period, allowing for easy analysis and record-keeping.
9. **Ratio Analysis:** **Ratio Analysis** provides a mathematical comparison of various accounts in your books, such as **Working Capital**, **Bank Balances**, and **Net Profit**. This comparison helps assess your business's financial position and identifies areas for improvement. Key ratios include the **Current Ratio**, **Debt-to-Equity Ratio**, **Gross Profit Percentage**, and **Quick Ratio**.
10. **Cash Book and Bank Book:** The **Cash Book** records all cash receipts and payments, while the **Bank Book** tracks all transactions made through your business's bank account. Both books are essential for monitoring cash flow and ensuring that your records match your physical cash and bank balances.

11. **Statistics:** **Statistics** gives you an overview of all voucher types and the accounts used in your books of accounts. You can configure this report to view specific details, such as the types of accounting entries and the number of vouchers created under each voucher type. It allows you to drill down to transaction-level details if needed.
12. **Multi Account Reports:** QuickBooks Online not only allows you to generate accounting and financial reports but also gives you the ability to print them all at once. You can generate multiple reports, such as the **Cash and Bank Books, Account Ledgers, Sales and Purchase Registers**, and more, without having to select accounts individually.

QuickBooks Online provides a range of accounting and financial reports that help business owners and managers monitor financial performance, manage cash flow, and make informed decisions. With detailed reports like the **Balance Sheet, Profit and Loss, Cash Flow**, and more, QuickBooks Online gives you the tools you need to assess your business's health and plan for future growth. These reports are invaluable for budgeting, financial planning, and managing business relationships, ensuring you have a clear understanding of your company's financial position at all times.

6.2. Prepare reports

a. Balance Sheet

Step 1: Log Into QuickBooks Online

1. Go to QuickBooks Online and log in using your credentials.

Step 2: Access the Reports Section

1. On the left-hand navigation panel, click on **Reports**.

Step 3: Search for Balance Sheet Report

1. In the **Reports Center**, you'll see a search bar at the top.
2. Type "**Balance Sheet**" in the search bar, and it will appear in the list of available reports.
3. You can also browse under the **Business Overview** section to find **Balance Sheet**.

Step 4: Select the Balance Sheet Report

1. Click on **Balance Sheet** to open the report.

Step 5: Customize the Report (Optional)

You can customize the Balance Sheet report to match your needs.

1. **Date Range:**
 - In the **Report Period** drop-down menu, select the time period you want to analyze, such as **This Month**, **This Quarter**, or **Custom** to specify a custom date range.
2. **Columns by:**
 - You can choose whether you want to group the data by **Current Period**, **Previous Period**, or **Year-to-Date (YTD)**.
3. **Comparison Period:**
 - If you want to compare your current period's Balance Sheet to a previous period, use the **Compare to Previous Period** or **Compare to Previous Year** options.
4. **Accrual vs Cash:**
 - QuickBooks Online allows you to choose between **Accrual** or **Cash** basis accounting.
 - **Accrual** shows transactions when they occur, regardless of when cash is received or paid.
 - **Cash** shows transactions only when cash is received or paid.
5. **Show All Accounts:**
 - You can toggle this option to show all accounts or only those with balances.
6. **Customize Further:**
 - Click on **Customize** at the top right to apply more filters. You can filter by **class**, **location**, or specific **accounts** if needed.

Step 6: Run the Report

1. After customizing the report to fit your needs, click on the **Run Report** button to generate the Balance Sheet with your settings.

Step 7: View or Download the Report

1. Once the report is generated, you can view it directly in QuickBooks Online.
2. **Export the Report:**
 - To save the report or share it, click the **Export** button (top right), and choose whether you want to export it to **Excel** or **PDF**.
3. **Print the Report:**
 - If you prefer a hard copy, click the **Print** button to print the report directly.

Step 8: Save the Report (Optional)

If you want to save this customized report for future use:

1. Click on **Save Customization** at the top right of the report.

2. Name the report (e.g., **Balance Sheet - Custom Report**).
3. Select a folder or save it under **Custom Reports** for easy access later.
4. Click **Save**.





Step 9: Schedule the Report (Optional)

If you want QuickBooks to generate and send you this Balance Sheet report on a regular basis (e.g., monthly):

1. Click on the **Set email schedule** option at the top.
2. Set the frequency (e.g., weekly, monthly) and enter the email addresses where the report should be sent.
3. Click **Save** to schedule the email delivery.

b. Profit and loss comparison report

Run a profit and loss comparison report

1. Go to **Reports**
2. Select the **Find report by name**  dropdown, then select **Profit and Loss Comparison**. You can also browse the list.
3. Select the **Report period**  dropdown, then select your preferred date range.
Note: By default, this report shows the current year-to-date and the same period last year.
4. Select the **Accounting method**  dropdown, then select **Accrual** or **Cash**.
5. Select **Compare**. Here you can select multiple items.
 - a. To see the same period and dates last year, select **Previous year (PY)**.
 - b. To see the last period for your preferred dates, select **Previous Period (PP)**.
 - c. Select the **Calculations**  dropdown, then select **\$ change** or **% change**.

c. Cash Flow Statement

Creating a **Cash Flow Statement** in **QuickBooks Online** is a simple process. This report helps you understand the inflow and outflow of cash in your

business, making it easier to manage your cash position. Here's how to generate a Cash Flow Statement in QuickBooks Online:

Step 1: Log Into QuickBooks Online

1. Go to the QuickBooks Online login page and sign in with your credentials.

Step 2: Access the Reports Section

1. From the left navigation menu, click on **Reports**.

Step 3: Search for Cash Flow Statement

1. In the **Reports Center**, use the **search bar** at the top and type "**Cash Flow**".
2. You should see a report called "**Statement of Cash Flows**" in the results. Click on it to open the report.

Step 4: Customize the Report (Optional)

You can customize the Cash Flow Statement to tailor it to your business's specific needs.

1. **Date Range:**
 - Choose a predefined range like **This Month**, **This Quarter**, **This Year**, or select **Custom** to specify the exact date range you need.
2. **Columns by:**
 - You can opt to display the report by **Current Period**, **Previous Period**, or **Year-to-Date (YTD)** for comparison.
3. **Accrual vs Cash:**
 - Choose between **Accrual** and **Cash** basis for accounting. For a Cash Flow Statement, it's usually most accurate to use **Accrual**, which recognizes revenue when earned and expenses when incurred.
4. **Show All Accounts:**
 - You can choose whether to show **all accounts** or only those with actual transactions during the selected period.
5. **Customize Further:**
 - If you'd like to filter based on **classes**, **locations**, or specific **accounts**, click on **Customize** at the top-right to apply additional filters.

Step 5: Run the Report

1. Once you've selected your filters and settings, click on the **Run Report** button to generate your Cash Flow Statement.

Step 6: Review the Report

The **Cash Flow Statement** will show the following sections:

1. **Cash Flow from Operating Activities:**

This section includes cash transactions related to your core business activities, such as customer payments and vendor payments.

2. **Cash Flow from Investing Activities:**
This section shows cash flows related to buying or selling assets, like equipment or property.
3. **Cash Flow from Financing Activities:**
This includes cash flows related to business financing, such as loans, capital investments, and debt repayments.
4. **Net Change in Cash:**
The final line will show the net change in your business's cash position over the selected period.

Step 7: Export or Print the Report

1. **Export the Report:**
 - To save or share the report, click the **Export** button at the top-right of the report page.
 - Choose whether to export to **Excel** or **PDF**.
2. **Print the Report:**
 - To print a hard copy of the report, click the **Print** button and select your print settings.

Step 8: Save the Customized Report (Optional)

If you plan to use this report regularly with the same settings, you can save it as a custom report:

1. After customizing the report, click **Save Customization** at the top right.
2. Name the report (e.g., **Custom Cash Flow Statement**).
3. Choose a folder or save it under **Custom Reports** for future access.
4. Click **Save**.

Step 9: Schedule the Report (Optional)

If you'd like QuickBooks to automatically send you or others this Cash Flow Statement on a recurring basis:

1. Click on the **Set email schedule** option at the top.
2. Choose how often you'd like the report to be emailed (e.g., monthly, quarterly).
3. Enter the email addresses where the report should be sent.
4. Click **Save** to schedule the email delivery.

6.3. Submit reports according to requirements

In **QuickBooks Online**, submitting reports according to specific requirements (criteria #3) involves effectively delivering the generated reports to the intended

recipients while following the outlined instructions. Here's a breakdown of the key steps:

Understanding Report Requirements:

Before submitting a report, it's crucial to understand the specific requirements for the report. This may include:

- **Report format:** (e.g., PDF, Excel, printed copy)
- **Delivery method:** (e.g., email, upload to a portal, print and hand over)
- **Content specifications:** (e.g., specific data filters, date range, additional information)
- **Formatting preferences:** (e.g., specific layout, headers, logos)

Preparing Reports for Submission:

Once you've generated the report in QuickBooks Online, ensure that it aligns with the required format:

- **Export or Print the Report:**
 - Use the **Export** button to save the report in the appropriate format (PDF or Excel).
 - If needed, customize the report to meet specific data filters or layout preferences.
- **Review the Report:**
 - Double-check the report for accuracy and completeness to ensure it meets the requirements.

Delivery Options in QuickBooks Online:

QuickBooks Online provides several options for delivering reports to the intended audience:

- **Export to PDF or Excel:**
 - After generating the report, click the **Export** button at the top-right of the report screen, then choose to export the report as **PDF** or **Excel**.
 - Once exported, you can email the report or upload it to a portal as required.
- **Email the Report:**
 - You can email the report directly from QuickBooks Online by clicking on the **Email** button at the top-right corner of the report page. Enter the recipient's email address and any additional message, then click **Send**.
- **Print and Deliver:**
 - If a physical copy is needed, simply click the **Print** button to print the report and deliver it manually or through internal channels.

Self-Check Sheet - 6: Generate reports

1. How can you access the Balance Sheet report in QuickBooks Online?

- a) Go to the "Reports" section and search for "Profit and Loss"
- b) Go to the "Reports" section, search for "Balance Sheet"
- c) Click on "Transactions" and select "Balance Sheet"
- d) Go to the "Settings" section and choose "Reports"

2. What is the default comparison option for the Balance Sheet report in QuickBooks Online?

- a) Compare to Previous Month
- b) Compare to Previous Year
- c) Compare to Current Period
- d) Compare to Previous Period

3. Which of the following options allows you to customize the Balance Sheet report by filtering accounts based on class, location, or specific accounts?

- a) Customize button at the top-right of the report
- b) Export button at the top-right of the report
- c) "Save Customization" option in the report settings
- d) "Set Email Schedule" option in the report settings

4. What is the first step when creating a Cash Flow Statement in QuickBooks Online?

- a) Customize the report settings
- b) Click on "Save Customization"
- c) Log into QuickBooks Online
- d) Export the report to PDF or Excel

5. If you want to email the generated report directly from QuickBooks Online, which option should you use?

- a) Click the "Print" button
- b) Click the "Export" button
- c) Click the "Email" button at the top-right of the report
- d) Click the "Run Report" button

Answer Key - 6 : Generate reports

1. How can you access the Balance Sheet report in QuickBooks Online?

- a) Go to the "Reports" section and search for "Profit and Loss"
- b) Go to the "Reports" section, search for "Balance Sheet"
- c) Click on "Transactions" and select "Balance Sheet"
- d) Go to the "Settings" section and choose "Reports"

Answer: b) Go to the "Reports" section, search for "Balance Sheet"

2. What is the default comparison option for the Balance Sheet report in QuickBooks Online?

- a) Compare to Previous Month
- b) Compare to Previous Year
- c) Compare to Current Period
- d) Compare to Previous Period

Answer: b) Compare to Previous Year

3. Which of the following options allows you to customize the Balance Sheet report by filtering accounts based on class, location, or specific accounts?

- a) Customize button at the top-right of the report
- b) Export button at the top-right of the report
- c) "Save Customization" option in the report settings
- d) "Set Email Schedule" option in the report settings

Answer: a) Customize button at the top-right of the report

4. What is the first step when creating a Cash Flow Statement in QuickBooks Online?

- a) Customize the report settings
- b) Click on "Save Customization"
- c) Log into QuickBooks Online
- d) Export the report to PDF or Excel

Answer: c) Log into QuickBooks Online

5. If you want to email the generated report directly from QuickBooks Online, which option should you use?

- a) Click the "Print" button
- b) Click the "Export" button
- c) Click the "Email" button at the top-right of the report
- d) Click the "Run Report" button

Answer: c) Click the "Email" button at the top-right of the report

Task Sheet-6.1: Prepare Balance Sheet

Steps to Follow:

To prepare a **Balance Sheet** in **QuickBooks Online**, follow these steps:

Step 1: Log Into QuickBooks Online

1. Open your browser and go to the QuickBooks Online login page.
2. Enter your credentials (email and password) and click **Sign In**.

Step 2: Access the Reports Section

1. From the left-hand navigation panel, click on **Reports**.

Step 3: Search for the Balance Sheet Report

1. In the **Reports Center**, use the search bar at the top.
2. Type "**Balance Sheet**" in the search bar.
3. The **Balance Sheet** report will appear in the list of available reports.

Step 4: Select the Balance Sheet Report

1. Click on **Balance Sheet** from the list to open the report.

Step 5: Customize the Report (Optional)

You can customize the Balance Sheet report to fit your business's needs:

1. **Date Range:**
 - In the **Report Period** drop-down menu, select the time period you want to analyze. You can choose options like **This Month**, **This Quarter**, or **Custom** to specify a custom date range.
2. **Columns by:**
 - Choose whether you want to group the data by **Current Period**, **Previous Period**, or **Year-to-Date (YTD)**.
3. **Comparison Period:**
 - To compare your current period's Balance Sheet to a previous period, select options like **Compare to Previous Period** or **Compare to Previous Year**.
4. **Accrual vs Cash:**
 - Select whether you want to use **Accrual** or **Cash** basis accounting.
 - **Accrual:** Shows transactions when they occur, regardless of when cash is received or paid.
 - **Cash:** Shows transactions only when cash is received or paid.
5. **Show All Accounts:**
 - Toggle this option to show **all accounts** or only those with balances.
6. **Customize Further:**
 - Click on the **Customize** button at the top-right to apply more filters, such as by **class**, **location**, or specific accounts.

Step 6: Run the Report

1. Once you've made all the desired customizations, click the **Run Report** button to generate your Balance Sheet.

Step 7: View or Download the Report

1. **View the Report:** The Balance Sheet will display directly within QuickBooks Online.
2. **Export the Report:**
 - If you wish to save or share the report, click the **Export** button at the top-right, and choose whether you want to export it as a **PDF** or **Excel** file.
3. **Print the Report:**
 - If you need a physical copy, click the **Print** button and follow the printer settings.

Reference

1. **"QuickBooks Online For Dummies"** by David H. Ringstrom (2020)
2. **"QuickBooks Online: The Ultimate Guide to Mastering QuickBooks Online"** by Tim Grant and Gordon McNulty (2021)
3. **"The QuickBooks Online Practice Set: A Complete Guide to QuickBooks Online"** by Howard F. McAlister (2020)
4. **"QuickBooks Online Made Easy"** by Kathy Ivens (2019)
5. **"QuickBooks Online for Freelancers: The Simplified Guide to Managing Your Freelance Business Finances"** by Adam K. Winston (2021)
6. **"Mastering QuickBooks Online: The Complete QuickBooks Online Guide for Freelancers and Small Businesses"** by Brian Bowers (2022)

Review of Competency

Below is yourself assessment rating for module “Performing accounting using accounting software packages”

Assessment of performance Criteria	Yes	No
1.1. Select application software	<input type="checkbox"/>	<input type="checkbox"/>
1.2. Create a company profile	<input type="checkbox"/>	<input type="checkbox"/>
1.3. Create groups/account types	<input type="checkbox"/>	<input type="checkbox"/>
1.4. Create ledgers under groups	<input type="checkbox"/>	<input type="checkbox"/>
1.5. Create groups/inventory categories	<input type="checkbox"/>	<input type="checkbox"/>
1.6. Create items under groups	<input type="checkbox"/>	<input type="checkbox"/>
1.7. Determine/create measurement units	<input type="checkbox"/>	<input type="checkbox"/>
2.1. Able to collect source documents according to needs	<input type="checkbox"/>	<input type="checkbox"/>
2.2. Identify the debit and credit heads	<input type="checkbox"/>	<input type="checkbox"/>
2.3. Able to journalize the transactions.	<input type="checkbox"/>	<input type="checkbox"/>
2.4. Able to record the transactions	<input type="checkbox"/>	<input type="checkbox"/>
3.1. Able to request to edit/void/delete/archive transactions according to needs	<input type="checkbox"/>	<input type="checkbox"/>
3.2. Able to get approval according to standard procedures	<input type="checkbox"/>	<input type="checkbox"/>
3.3. Able to edit/void/delete/archive transactions	<input type="checkbox"/>	<input type="checkbox"/>
4.1. Source Document Collection	<input type="checkbox"/>	<input type="checkbox"/>
4.2. Reconcilable Ledger Reconciliation	<input type="checkbox"/>	<input type="checkbox"/>
4.3. Bank Reconciliation Statement Preparation	<input type="checkbox"/>	<input type="checkbox"/>
5.1. Collect data related to employee salary	<input type="checkbox"/>	<input type="checkbox"/>
5.2. Able to set up salary components according to needs	<input type="checkbox"/>	<input type="checkbox"/>
5.3. Able to process salary according to needs	<input type="checkbox"/>	<input type="checkbox"/>
5.4. Able to calculate tax liability	<input type="checkbox"/>	<input type="checkbox"/>
5.5. Able to prepare tax reports according to needs	<input type="checkbox"/>	<input type="checkbox"/>
6.1. Able to configure reports according to requirements	<input type="checkbox"/>	<input type="checkbox"/>
6.2. Able to prepare reports	<input type="checkbox"/>	<input type="checkbox"/>
6.3. Able to submit reports according to requirements	<input type="checkbox"/>	<input type="checkbox"/>

I now feel ready to undertake my formal competency assessment.

Signed:

Date:

Development of CBLM

The Competency based Learning Material (CBLM) of “Performing accounting using accounting software packages’ (Occupation: Accounting for Freelancing) for National Skills Certificate is developed by NSDA with the assistance of SAMAHAR Consultants Ltd.in the month of June, 2024 under the contract number of package SD-9C dated 15th January 2024.

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