



QUICKBOOKS ONLINE ADVANCED CERTIFICATION COURSE

Supplemental Guide

Module 5: Reporting and Troubleshooting

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Table of Contents

About the Author	2
About the Team	3
Supplemental Guide Overview	6
Purpose of this Guide	6
Google Chrome	6
Learning Objectives.....	6
Training at a Glance	7
QuickBooks Online Accountant Test Drive.....	8
Topic 1: Advanced Reporting	9
Understand Report Logic	10
Customize Reports.....	28
Custom Business Reports.....	43
Management Reports	53
Topic 2: Complex Problem Solving	62
Data Review and Cleanup.....	62
Correcting Improper Workflow	73
Guide Conclusion	82

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Heather was named a Top 100 ProAdvisor by Insightful Accountant in 2014, 2015 and 2016. She is a member of Intuit Trainer/Writer Network.

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It does take a village to complete a project of this magnitude. My heartfelt thanks goes out to the following team members and fellow ProAdvisors as well as Intuit employees, Lindsay Ransom and Trudie Folsom for all their long hours and dedication.



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Michelle is the owner of Long for Success, LLC specializing in QuickBooks training and consulting. Plus, she consults with developers regarding feedback and input on app development, understanding and reaching the market and more.

She is co-author of the Advanced Certifications for QuickBooks (both QuickBooks Online and desktop) and author of numerous courses for Intuit's Accountant University.

Michelle is the author of five Books: *How to Start a Home-Based Bookkeeping Business*, *QuickBooks Practice Set*, *QuickBooks Online Practice Set*, *QuickBooks 2014: on Demand*, and *Successful QuickBooks Consulting* – all are available on Amazon.

Michelle's recognition includes: CPA Practice Advisor Most Powerful Women, Top 10 ProAdvisor for Trainer/Writer and Social Media, Top 100 ProAdvisor, Small Business Influencer Champion, Stevie Gold Winner for Women in Business and more.



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She has been teaching QuickBooks nationally to both end users and accountants/consultants since 1999. She is a charter member of the Intuit Trainer/Writer Network.

The focus of her practice in CT is mainly QuickBooks consulting and training, specializing in strategizing, researching and installing third-party add-ons and conversions to QuickBooks from other accounting software.

She's part of the Intuit Premier Reseller program, getting great deals on Intuit products and services.

MB was named the Top QuickBooks Online ProAdvisor, 2015 by Insightful Accountant and has been in the Top 100 ProAdvisors for 2014-2016.



Laura Redmond

[Redmond Accounting Inc.](#)

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Laura Redmond is a financial controller and IT manager turned cloud accounting advocate and app designer. She is a QuickBooks Online power user, Advanced Certified QuickBooks ProAdvisor, member of the Intuit Trainer/Writer Network, and co-author of QuickBooks Online training and certification courses. Laura has been awarded Top 100 ProAdvisor and Leading QuickBooks Online Practice.

Laura runs Redmond Accounting Inc., a boutique cloud accounting and consulting firm selected by Intuit as a Top 20 Firm of the Future. Their service delivery is centered solely on QuickBooks Online and its eco-system of apps. Laura co-created the AERO Workflow app used by accounting firms to manage their knowledge capital and service delivery. The Aero Library includes step-by-step instructions and procedures for many of today's most popular apps in the QuickBooks Online eco-system.

Supplemental Guide Overview

PURPOSE OF THIS GUIDE

In this module, we'll take a deep dive into reporting in QuickBooks. We'll learn strategies to help you evaluate the health of QuickBooks Online data and troubleshoot common mistakes that clients make. As an Advanced Certified ProAdvisor, your clients will look to you to design the reports they need to run their business. You'll also need to know how to help them correct mistakes that happen during the day-to-day use of the program.

Product Update Notification!

QuickBooks Online and QuickBooks Online Accountant are constantly being improved:

- When you log in to qbo.intuit.com, it may look different from the screenshots originally taken for this supplemental guide
- Where to go to learn about the latest product updates:
 - <https://www.firmofthefuture.com/product-industry-news/product-updates//>
 - <http://quickbooks.intuit.com/blog>

GOOGLE CHROME

NOTE: Screenshots and instructions included in this guide use Google Chrome as the browser.

LEARNING OBJECTIVES

- Identify the fundamental logic behind QuickBooks Online reports
- Recognize options to customize reports
- Indicate customized reports that are used in various business scenarios
- Identify the steps to customize Management Reports
- Identify the steps to analyze the health of a QuickBooks Online company
- Identify the steps to recognize and correct improper workflow

TRAINING AT A GLANCE

Use this as a guide to select specific workflows you want to cover.

TOPIC	STEP BY STEP WORKFLOWS	LEARNING OBJECTIVE
1. ADVANCED REPORTING	<ul style="list-style-type: none">• Customize reports• Understand report logic• Business reports• Management Reports	<ul style="list-style-type: none">• Identify the fundamental logic behind QuickBooks Online reports• Recognize the available options to customize reports• Indicate custom reports that are used in various business scenarios• Identify the steps to customize Management Reports
2. COMPLEX PROBLEM SOLVING	<ul style="list-style-type: none">• Data review and cleanup• Correct improper workflow	<ul style="list-style-type: none">• Identify the steps to analyze the health of a QuickBooks Online company• Identify the steps to correct improper workflow

QUICKBOOKS ONLINE ACCOUNTANT TEST DRIVE

GUIDES

Exercises contained inside this guide can be completed using the QuickBooks Online Sample Company, Craig's Design and Landscaping Services.

- Open the Sample Company by logging into your QBOA → gear icon → Your Company section → Sample Company
- While you are working in the Sample Company, your work will be saved
- Upon closing the sample company file, QuickBooks Online automatically restores its settings and data. If you log out and log in again, the Sample Company will reset (your work is *not* saved).
- By default, the Sample Company will sign out if inactive for one hour. You will lose any data and settings, since this sample company resets each time you log in. Give yourself enough time to complete the assignment.
- To increase the maximum hours of inactivity allowed before timing out, in the Sample Company → gear icon → Your Company section → Account and Settings → Advanced Settings → Other preferences → Sign me out if inactive for and select two hours or three hours.

NOTE: *The QuickBooks Online Accountant test drive company contains some features that are not available in QuickBooks Online Simple Start, Essentials or Plus. (You may wish to share the QuickBooks Online test drive file with your clients for them to practice without seeing Accountant-only features: <https://QuickBooksOnline.intuit.com/redirect/testdrive>.) In addition, some features (such as in-product Help) are not enabled in this test drive file. This is subject to change.*

Topic 1: Advanced Reporting

The purpose of setting up and using QuickBooks is to organize and verify financial data so we can create reports that help businesses make sound financial and management decisions. In Modules 1 through 4 of this training, you learned how to set up and structure, optimize and record transactions in a way that provides the most accurate, complete and useful information for a company. In Topic 1 of this module, you'll learn how to use "reporting logic" and the various customization options available in reports to transform existing "canned" reports into useful tools a business needs to make decisions. You'll learn to create several commonly used customized reports and, finally, how to create beautiful report packages you can provide to your clients using the Management Reports in QuickBooks.

Let's explore:

- How to customize reports
- Understand reporting logic
- Business-related customized reports
- Management Reports

UNDERSTAND REPORT LOGIC

Before we learn about the report customization options in QuickBooks, we must understand how reports work and where to find them. In this section, we will learn report size limits, report types, cash-basis reports and the difference between reports based on product and service details versus account details.

Report Size Limits

There is a limit on the amount of data that can be displayed or exported on reports in QuickBooks. Reports are made up of cells of data, just like a spreadsheet. A cell is the intersection of a single row and a single column and only cells that have data in them count toward the report limits.

The size limits when displaying QuickBooks Online reports are:

- Maximum 256 columns displayed
- Maximum 50,000 cells with data
- Maximum 10 MB worth of data

In addition to all the reports provided in QuickBooks Online and all the ways you can customize them, you can apply further customization by exporting the report to Microsoft Excel®. Businesses may export for a variety of reasons, such as providing a subset of data to auditors or to further analyze the information by using functions in Excel. Some users export reports to keep as a data backup.

If you display a QuickBooks Online report which exceeds the limits, you could run subsets of the data and export each to Excel. Once in Excel, you could manually add them together into one spreadsheet (copy and insert rows from one spreadsheet to another), as the limits in Excel are greater than QuickBooks Online:

- Maximum 256 columns displayed
- Maximum 400,000 cells with data
- Maximum 10 MB worth of data

If your reports are being cut off and you believe it is due to QuickBooks Online report limits, here are some workarounds:

- If you are looking at a report in QuickBooks Online, save the report to Excel to increase the limits
- Since the limit is based on the raw amount of data displayed, you can potentially get more useful data into a report by eliminating unneeded columns
- Segment the report by generating reports with intermediate date ranges, such as day, week, month

Report Types

There are different types of reports in QuickBooks Online, such as summary, transaction detail, aging and list reports. Summary reports, such as profit and loss, do not show transaction detail. List reports, such as the Account list, do not calculate a total sum or running balance but may display the current balance for the list name. The type of report you run determines the customization options available.

Summary Reports

Summary reports, such as the Profit and Loss, show the aggregate total of all transactions for a list name, such as an account, customer or product.

Craig's Design and Landscaping Services	
PROFIT AND LOSS	
January 1 - April 7, 2017	
	TOTAL
▼ INCOME	
Design income	2,250.00
Discounts given	-89.50
▼ Landscaping Services	1,197.50
▼ Job Materials	
Fountains and Garden Lighting	1,971.50
Plants and Soil	2,220.72
Sprinklers and Drip Systems	138.00
Total Job Materials	4,330.22
▼ Labor	
Installation	250.00
Maintenance and Repair	50.00
Total Labor	300.00
Total Landscaping Services	5,827.72
Pest Control Services	40.00
Sales of Product Income	912.75
Services	503.55
Total Income	\$9,444.52
▼ COST OF GOODS SOLD	
Cost of Goods Sold	405.00
Total Cost of Goods Sold	\$405.00
GROSS PROFIT	\$9,039.52

Detail Reports

If you drill into an Income account on the Profit & Loss summary report, you will find a detailed transaction report of the individual financial activity associated to the summary amount you clicked on in the Profit & Loss. If you click into the Net Income amount on a Profit & Loss report, it will open a Profit & Loss Detail report. The customization options for a Profit & Loss Detail report are limited.

Craig's Design and Landscaping Services							
PROFIT AND LOSS DETAIL							
January 1 - April 7, 2017							
DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	SPLIT	AMOUNT	BALANCE
+ Ordinary Income/Expenses							
+ Income							
+ Design income							
02/15/2017	Sales Receipt	1008	Kate Whelan	Custom Design	Checking	225.00	225.00
02/15/2017	Invoice	1007	John Melton	Custom Design	Accounts Receivable (A...	750.00	975.00
03/07/2017	Sales Receipt	1003	Dylan Solifrank	Custom Design	Checking	337.50	1,312.50
03/10/2017	Invoice	1015	Paulsen Medical Supplies	Custom Design	Accounts Receivable (A...	300.00	1,612.50
03/10/2017	Invoice	1010	Weiskopf Consulting	Custom Design	Accounts Receivable (A...	375.00	1,987.50
03/11/2017	Invoice	1033	Geeta Kalapatapu	Custom Design	Accounts Receivable (A...	262.50	2,250.00
Total for Design income						\$2,250.00	
+ Discounts given							
02/26/2017	Invoice	1012	Shara Barnett:Barnett Design	Discount	Accounts Receivable (A...	-30.50	-30.50
03/10/2017	Invoice	1015	Paulsen Medical Supplies	Discount	Accounts Receivable (A...	-50.25	-80.75
03/10/2017	Sales Receipt	1011	Pye's Cakes	Discount	Undeposited Funds	-8.75	-89.50
Total for Discounts given						\$ -89.50	
+ Landscaping Services							
01/22/2017	Invoice	1016	Kookies by Kathy	Weekly Gardening Service	Accounts Receivable (A...	75.00	75.00
01/23/2017	Invoice	1028	Freeman Sporting Goods:55 T...	Weekly Gardening Service	Accounts Receivable (A...	75.00	150.00
01/23/2017	Invoice	1027	Bill's Windsurf Shop	Weekly Gardening Service	Accounts Receivable (A...	50.00	200.00
01/23/2017	Invoice	1025	Amy's Bird Sanctuary	Weekly Gardening Service	Accounts Receivable (A...	120.00	320.00
02/01/2017	Invoice	1006	Freeman Sporting Goods:55 T...	Weekly Gardening Service	Accounts Receivable (A...	80.00	400.00
02/18/2017	Invoice	1022	Jeff's Jalopies	Weekly Gardening Service	Accounts Receivable (A...	75.00	475.00

List Reports

List reports, such as the Account List report, may show a column for balance. They have customization options appropriate for lists but none for period, aging or grouping/sub-totals. Some list reports do allow grouping, such as the Customer Contact list which can be grouped by shipping ZIP code, for example, and you can choose which columns are displayed in the report.

Sort ▼ Add notes Edit header					✉ 🖨 🔄 ⚙	
Craig's Design and Landscaping Services						
ACCOUNT LIST						
ACCOUNT	TYPE	DETAIL TYPE	DESCRIPTION	BALANCE		
Checking	Bank	Checking		1,201.00		
Savings	Bank	Savings		800.00		
Accounts Receivable (A/R)	Accounts receivable (A...	Accounts Receivable (A/R)		5,281.52		
Inventory Asset	Other Current Assets	Inventory		596.25		
Prepaid Expenses	Other Current Assets	Prepaid Expenses		0.00		
Uncategorized Asset	Other Current Assets	Other Current Assets		0.00		
Undeposited Funds	Other Current Assets	Undeposited Funds		2,062.52		
Truck	Fixed Assets	Vehicles		13,495.00		
Truck:Depreciation	Fixed Assets	Accumulated Depreciation		0.00		
Truck:Original Cost	Fixed Assets	Vehicles		13,495.00		
Accounts Payable (A/P)	Accounts payable (A/P)	Accounts Payable (A/P)		-1,602.67		
Mastercard	Credit Card	Credit Card		-157.72		
Visa	Credit Card	Credit Card		0.00		
Arizona Dept. of Revenue Pay...	Other Current Liabilities	Sales Tax Payable		0.00		
Board of Equalization Payable	Other Current Liabilities	Sales Tax Payable		370.94		



Step by Step: Create a Customer by State Report

1. Open the Customer Contact List report from the Report Center (All Reports → Review Sales → Customer Contact List).
2. Click Customize.
3. Click Rows/Columns and Group by Billing State or Shipping State, depending on your need.
4. Click Change Columns and add or remove columns as necessary.
5. Click Header/Footer and change Report title to *Customer by Billing (or Shipping) State*.



TIP: Add Filters as needed to modify your report and drill down even further.

Aging Reports

Aging reports are special reports that show how many days a transaction is beyond the due date specified on it. Aging reports can be displayed in summary or detail format. If you click on the total amount for all customers and dates, you will open an Aging Detail report.

Collapse Sort▼ Add notes Edit header ✉ 🖨 ↗ ⚙						
Craig's Design and Landscaping Services A/R AGING SUMMARY As of April 7, 2017						
	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
Amy's Bird Sanctuary		239.00				\$239.00
Bill's Windsurf Shop			85.00			\$85.00
▼ Freeman Sporting Goods						\$0.00
0969 Ocean View Road	477.50					\$477.50
55 Twin Lane		4.00	81.00			\$85.00
Total Freeman Sporting Go...	477.50	4.00	81.00			\$562.50
Geeta Kalapatapu	629.10					\$629.10
Jeff's Jalopies		81.00				\$81.00
John Melton		450.00				\$450.00
Kookies by Kathy			75.00			\$75.00
Mark Cho	314.28					\$314.28
Paulsen Medical Supplies	954.75					\$954.75
Red Rock Diner	70.00			156.00		\$226.00
Rondonuwu Fruit and Vegi	78.60					\$78.60

Filters: Customer X

Add notes Edit header

Craig's Design and Landscaping Services

A/R AGING DETAIL
As of April 7, 2017

DATE	TRANSACTION TYPE	NUM	CUSTOMER	DUE DATE	AMOUNT	OPEN BALANCE
▼ 61 - 90 days past due						
01/02/2017	Invoice	1024	Red Rock Diner	02/01/2017	156.00	156.00
Total for 61 - 90 days past due					\$156.00	\$156.00
▼ 31 - 60 days past due						
01/22/2017	Invoice	1016	Kookies by Kathy	02/21/2017	75.00	75.00
01/23/2017	Invoice	1028	Freeman Sporting Goods:55 T...	02/22/2017	81.00	81.00
01/23/2017	Invoice	1027	Bill's Windsurf Shop	02/22/2017	85.00	85.00
Total for 31 - 60 days past due					\$241.00	\$241.00
▼ 1 - 30 days past due						
02/15/2017	Invoice	1007	John Melton	03/17/2017	750.00	450.00
02/18/2017	Invoice	1022	Jeff's Jalopies	03/20/2017	81.00	81.00
02/18/2017	Invoice	1021	Amy's Bird Sanctuary	03/20/2017	459.00	239.00
02/26/2017	Invoice	1012	Shara Barnett-Barnett Design	03/28/2017	274.50	274.50

Some special report types like the Audit Log and Company Snapshot have their own special formats and options for customization.

Cash-basis Reports

One of the major benefits of QuickBooks is you can run reports on a cash or accrual basis within one set of books. QuickBooks calculates cash-basis reports by omitting unpaid invoices and bills from the report. On a cash-basis balance sheet, the accounts receivable and accounts payable balances should always be zero. On a cash-basis Profit & Loss statement, only income received and expenses paid appear. If an open bill or invoice used a balance sheet account on the distribution (or target) line, that amount will not be reflected in the target account balance either. Some examples of this would be if a client created a bill to record the purchase of a fixed asset like equipment or to pay the principal portion of a loan. Another example is if a client used an invoice to record a deposit or prepayment on a job, or used items that are mapped to an asset account, like Inventory or Work in Process.

If a bill is entered but not yet paid for the purchase of a new company vehicle, the cash-basis balance sheet will not account for it in the asset account or the AP account. Some things to note about cash reporting are:

- When a cash-basis report is generated, QuickBooks Online disregards open accrual transactions such as unpaid customer invoices and unpaid vendor bills
- When the targets (distribution accounts) are Profit & Loss accounts, these amounts are not calculated when a cash-basis Profit & Loss report is generated
- When the targets (distribution accounts) are Balance Sheet accounts, such as the purchase of assets or paying down a loan, these amounts are not calculated when a cash-basis balance sheet is generated

Unapplied Cash

When you record a customer payment via the Receive Payment screen and do not apply it to an invoice, the cash-basis Profit & Loss will report it as Unapplied Cash Payment Income.

Likewise, a bill payment debited to the Accounts Payable account but not associated to a bill must be reflected somewhere on cash-basis reports. QuickBooks credits accounts payable to zero the balance and debits Unapplied Cash Bill Payment Expense.

These accounts don't appear on your Chart of Accounts and the entries can't be adjusted. Like the Retained Earnings account, QuickBooks uses them behind the scenes to adjust the AR and AP accounts to zero. In fact, if you were to drill down into the cash-basis Profit & Loss to the Unapplied Cash account, open a transaction and run a transaction journal, you wouldn't see the account in the report.

The transaction date impacts cash-basis reporting too. If a bill payment is dated earlier than the bill it is applied to and the cash-basis Profit & Loss is dated sometime between the bill payment and the bill date, the bill payment is shown as Unapplied Cash Bill Payment Expense. The same is true for customer payments received earlier than the invoice date: the payment is shown as Unapplied Cash Payment Income when the report is generated for a date prior to the invoice date. In addition, the inventory adjustment to COGS is not recorded on this report because it is recorded by the invoice and the report is dated earlier than the invoice.

Credit Cards

When a business records credit card activity to a liability account, this activity is treated as a cash transaction. It does not reverse the entries as it does with Accounts Receivable and Accounts Payable. The cash-basis balance sheet will show a balance for this liability account and the expenses paid by the credit card are included in the cash-basis Profit & Loss.

If a bill transaction is recorded to pay the credit card liability and is still open as of the reporting date, the transaction will be reversed to zero out the Accounts Payable account. However, the reversal will not go back to the liability account; rather it will be posted to the Unapplied Cash Bill Payment Expense account. Therefore, an adjustment should be considered for tax purposes at the end of the tax year.

TIP: A good way to remember this is to realize that an expense type transaction will always be included on the Profit & Loss regardless if the report is cash or accrual basis. But a bill will always be reversed on a cash-basis Profit & Loss.

Review Expenses and Purchases

When you record expense transactions in a QuickBooks Online Plus company, you can choose to use product and service items instead of coding the transaction directly to an income or expense account. In the core certification, you learned that one of the advantages to using product and service items on expense transactions is it allows you to run item profitability reports. But using items on expense transactions can also affect which type of report you'll use to get the information you need.

QuickBooks Online has a group of reports called All Reports → Review Expenses and Purchases. Expense reports are based on *accounts* and purchase reports are based on *items*.

- Purchase by Vendor Detail Report only includes transactions where you used an item on the distribution line instead of an expense account. Therefore, if you were looking to tally how much you had spent with a vendor for a period, this report may not give you the correct total if you had coded directly to an account on any transaction for that period. This report also includes transactions coded to both Balance Sheet accounts (ex. Inventory Asset) or Profit & Loss accounts (ex. Job Costs Expense).
- Expenses by Vendor Summary report sums vendor activity posted *only to expense accounts* regardless of whether a product/service item was used. However, it won't include any amounts posted to a Balance Sheet account. That means purchases of fixed or other assets, or payments against the principal portion of a loan will not be reflected in this report.
- Transaction List by Vendor report is a list of all transactions related to vendors, whether posted via account or item, and includes bills, bill payments and non-posting transactions like purchase orders

Comparing these reports to each other will not necessarily give you the same totals, as they can each be made up of different transactions, so use the appropriate one for your purpose.

Account QuickReports

You can run a QuickReport on any account in QuickBooks right from the Chart of Accounts. A QuickReport displays all activity for the account along with a running balance for the period. You can customize a QuickReport to add or remove columns, group by criteria and change the reporting period. You can also apply filters in a QuickReport.

Sort ▾ Add notes Edit header

Craig's Design and Landscaping Services

ACCOUNT QUICKREPORT

Since January 7, 2017

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT		
- Undeposited Funds							
02/13/2017	Payment		Dukes Basketball Camp		Undepos		0
03/08/2017	Payment		Sushi by Katsuyuki		Undepos		0
03/08/2017	Sales Receipt	1014	Diego Rodriguez		Undepos		0
03/10/2017	Payment	6552	Amy's Bird Sanctuary		Undepos		0
03/10/2017	Deposit				Undepos	76	0
03/10/2017	Deposit				Undepos		5
03/10/2017	Sales Receipt	1011	Pye's Cakes		Undepos		0
03/10/2017	Payment	5421	John Melton		Undeposited Fu...	300.00	948.40
03/11/2017	Deposit				Undeposited Fu...	-300.00	648.40
03/11/2017	Payment		Amy's Bird Sanctuary		Undeposited Fu...	220.00	868.40
03/11/2017	Payment		Travis Waldron		Undeposited Fu...	81.00	949.40
03/11/2017	Deposit				Undeposited Fu...	-108.00	841.40
03/12/2017	Deposit				Undeposited Fu...	-220.00	621.40

View register ▾

View register ▾

Edit

Delete

Run report

View register ▾

View register ▾

View register ▾

View register ▾

View register ▾

View register ▾

The Audit Log

The QuickBooks Online Audit Log contains a list of all the changes made to the company data. For this reason and for security purposes the Audit Log cannot be disabled. Lines displaying changes to transactions within the log cannot be deleted. Dates and times in the Audit Log reflect when events occurred and are displayed in your local time. On the QuickBooks servers, the events are recorded in Greenwich Mean Time. When the times are displayed to you in the Audit Log and Audit History, software on your computer interprets the GMT and changes it to reflect your time zone.

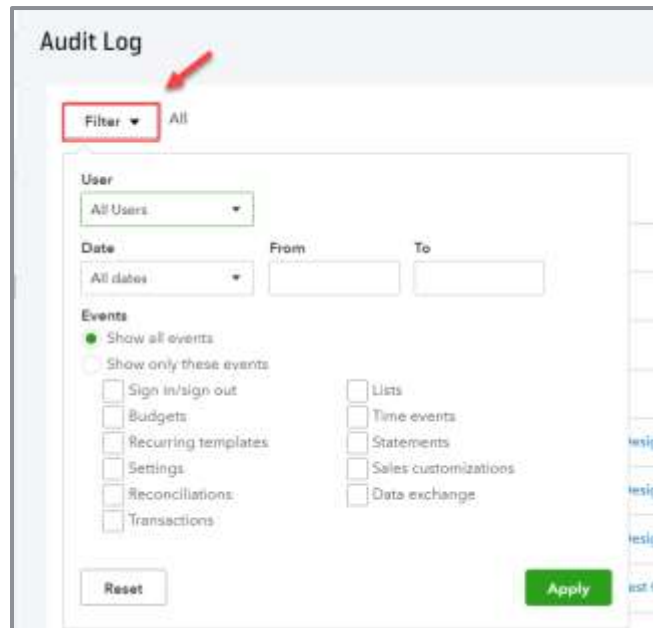
There are two reports in QuickBooks Online which are pre-filtered versions of the Audit Log: the Exceptions to Closing Date report and the Voided/Deleted Transactions report.

Open the Audit Log from the gear icon or click Reports → All Reports → Business Overview → Audit Log.

Filter ▼ All						
DATE CHANGED	USER	EVENT	NAME	DATE	AMOUNT	HISTORY
Apr 7, 7:48 pm Eastern Da...	Craig Carlson	Logged out.				
Apr 7, 7:46 pm Eastern Da...	Craig Carlson	Logged in.				
Apr 7, 7:39 pm Eastern Da...	Craig Carlson	Logged in.				
Apr 7, 4:51 pm Eastern Da...	Craig Carlson	Logged out.				
Apr 7, 4:49 pm Eastern Da...	Craig Carlson	Edited Product or Service: Design : Ricks				View
Apr 7, 4:49 pm Eastern Da...	Craig Carlson	Edited Product or Service: Design : Lighting				View
Apr 7, 4:49 pm Eastern Da...	Craig Carlson	Edited Product or Service: Design : Services				View
Apr 7, 4:48 pm Eastern Da...	Craig Carlson	Edited Product or Service: Pest Control : Pest Control				View
Apr 7, 4:48 pm Eastern Da...	Craig Carlson	Edited Product or Service: Landscaping : Sprinklers : Sprinkler Pipes				View
Apr 7, 4:48 pm Eastern Da...	Craig Carlson	Edited Product or Service: Landscaping : Sprinklers : Sprinkler Heads				View
Apr 7, 4:48 pm Eastern Da...	Craig Carlson	Edited Product or Service: Landscaping : Trimming				View
Apr 7, 4:48 pm Eastern Da...	Craig Carlson	Edited Product or Service: Landscaping : Soil				View

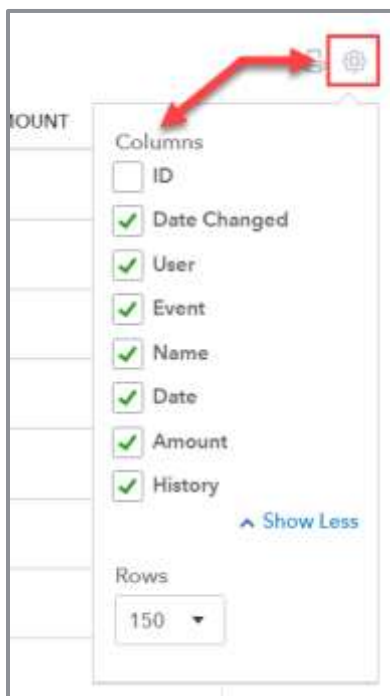
There are several ways to view the Audit Log.

- To limit the view to specific users, date or types of events, click Filter and set the options available



The screenshot shows the 'Audit Log' interface. At the top, there is a 'Filter' button with a dropdown arrow, currently set to 'All'. Below this, there are three main sections: 'User' with a dropdown menu set to 'All Users'; 'Date' with a dropdown menu set to 'All dates' and two empty input fields for 'From' and 'To'; and 'Events' with two columns of checkboxes. The first column includes 'Show all events' (selected), 'Show only these events', 'Sign in/sign out', 'Budgets', 'Recurring templates', 'Settings', 'Reconciliations', and 'Transactions'. The second column includes 'Lists', 'Time events', 'Statements', 'Sales customizations', and 'Data exchange'. At the bottom left is a 'Reset' button, and at the bottom right is a green 'Apply' button. A red arrow points to the 'Filter' button.

- To control which columns are shown and printed, click the gear icon



The screenshot shows the 'Columns' configuration interface. It features a list of columns with checkboxes: 'ID' (unchecked), 'Date Changed' (checked), 'User' (checked), 'Event' (checked), 'Name' (checked), 'Date' (checked), 'Amount' (checked), and 'History' (checked). Below the list is a blue link that says 'Show Less'. At the bottom, there is a 'Rows' section with a dropdown menu set to '150'. A red arrow points to a gear icon in the top right corner of the interface.

- To open a transaction noted in the Event column, click its link (deleted transactions have no link and cannot be reinstated; they must be added again to restore them)
- To see a history of the event, click View in the History column to see exactly what changes were made throughout the history of a transaction

Apr 7, 12:14 pm Eastern D...	Craig Carlson	Logged in.				
Apr 7, 11:54 am Eastern D...	Craig Carlson	Edited Journal Entry No. 1234		03/31/2017		View
Apr 7, 11:10 am Eastern D...	Craig Carlson	Added Journal Entry No. 1		03/31/2017		View
Apr 6, 5:04 pm Eastern Da...	Craig Carlson	Added Credit Card Expense		04/06/2017	\$34.00	View
Apr 6, 4:57 pm Eastern Da...	Craig Carlson	Logged in.				
Apr 6, 12:02 pm Eastern D...	Craig Carlson	Logged in.				
Apr 5, 2:33 pm Eastern Da...	Craig Carlson	Logged in.				
Mar 31, 1:11 pm Eastern D...	Craig Carlson	Logged in.				
Mar 30, 6:56 pm Eastern D...	Craig Carlson	Logged out.				
Mar 30, 6:53 pm Eastern D...	Craig Carlson	Logged in.				
Mar 26, 5:45 pm Eastern D...	Craig Carlson	Added Credit Card Expense	Hicks Hardware	03/18/2017	\$42.40	View

Click the expand arrow at the left of the event line you want to examine. Data that was changed is shown in highlight.

Audit History

History of this transaction: [Journal Entry No. 1234 ID: 145](#)

Compare

Show all

▶ Apr 7, 11:54 am Eastern Daylight Time: Edited by Craig Carlson

▼ Apr 7, 11:10 am Eastern Daylight Time: Added by Craig Carlson

Type: Journal Entry

Date: 03/31/2017

Item: 1

Item: Adjusting Entry

Balance: false

NO.	VENDOR	EMPLOYEE	CUSTOMER	DESCRIPTION	DEPOSITED	DEPOSIT ID	CLB	MATCH STATUS	ACCOUNT	AMOUNT	OPEN BALANCE
0			Bill's Windmill Shop		Not deposited				Accounts Receivable (A/R)	1200.00	1200.00
1			Bill's Windmill Shop		Not deposited				Sales of Product Income	1200.00	0.00

Click the Show All button in the upper right to expand all arrows.

Click the Compare button to see just what was changed.

Audit History

History of this transaction: [Journal Entry No. 1234 ID: 145](#)

Compare **Hide all**

▼ Apr 7, 11:54 am Eastern Daylight Time: Edited by Craig Carlson

Type: Journal Entry From: 1234
Date: 03/31/2017 Adjusting Entry: false

NO.	VENDOR	EMPLOYEE	CUSTOMER	DESCRIPTION	DEPOSITED	DEPOSIT ID	CLJ	MATCH STATUS	ACCOUNT	AMOUNT	OPEN BALANCE
0			Bill's Windurf Shop		Not deposited				Accounts Receivable (A/R)	1200.00	1200.00
1			Bill's Windurf Shop		Not deposited				Sales of Product Income	1200.00	0.00

▼ Apr 7, 11:10 am Eastern Daylight Time: Added by Craig Carlson

Type: Journal Entry From: 1
Date: 03/31/2017 Adjusting Entry: false

NO.	VENDOR	EMPLOYEE	CUSTOMER	DESCRIPTION	DEPOSITED	DEPOSIT ID	CLJ	MATCH STATUS	ACCOUNT	AMOUNT	OPEN BALANCE
0			Bill's Windurf Shop		Not deposited				Accounts Receivable (A/R)	1200.00	1200.00
1			Bill's Windurf Shop		Not deposited				Sales of Product Income	1200.00	0.00

Compare view

[Journal Entry No. 1234 ID: 145](#) [Show changes only](#) Previous 1,2 Next

FIELD	APR 7, 11:10 AM EASTERN DAYLIGHT TIME: ADDED BY CRAIG CARLSON (1)	APR 7, 11:54 AM EASTERN DAYLIGHT TIME: EDITED BY CRAIG CARLSON (2)
TYPE:	Journal Entry	Journal Entry
NUM:	1	1234
DATE:	03/31/2017	03/31/2017
ADJUSTING ENTRY:	false	false
MEMO:		
Line NO. 0		
VENDOR		
EMPLOYEE		
CUSTOMER	Bill's Windurf Shop	Bill's Windurf Shop
DESCRIPTION		
DEPOSITED	Not deposited	Not deposited
DEPOSIT ID		
CLJ		

You can also access this history from the transaction itself. Click More on the bottom bar and click Audit History from the menu.

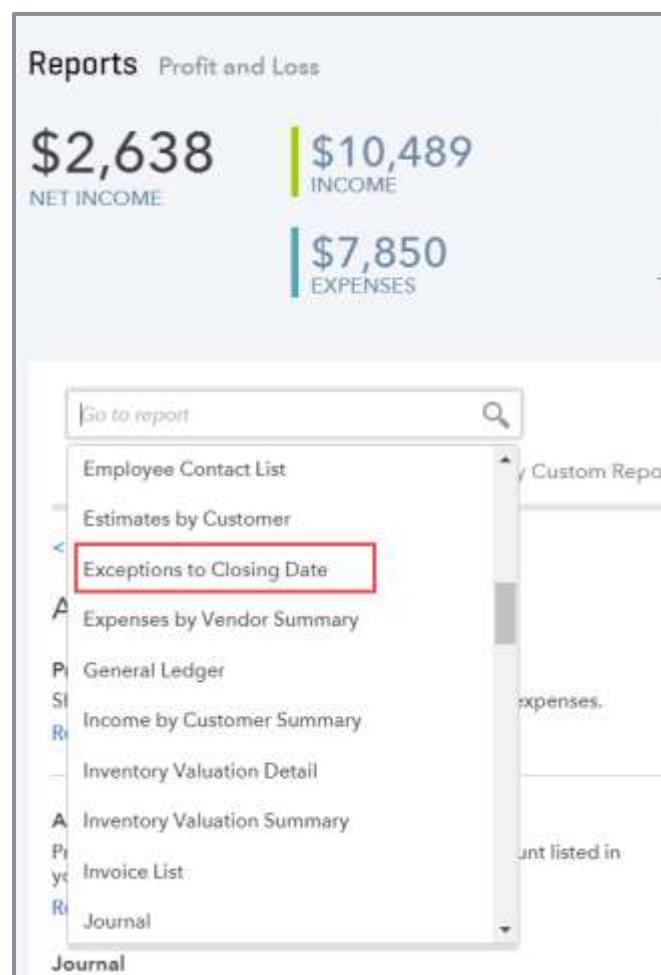
- Some events are not transactions (perhaps they are actions taken on the vendor or employee list); for these types of events you can click View to see the history but you can't audit exactly what data has changed
 - If you see nothing in the History column, this type of event has no history. This could be a login or logout event, a setting changed, etc.
 - For the Audit Log to record a sign-out, you must go to your company name at the top of the QuickBooks Online screen and select Sign Out from the drop-down arrow. Time-outs (after the designated period you have set) or clicking the X button at the top right of the browser will not prompt the Audit Log to show a sign-out. This is typical of online banking and most other sites that require a sign-in/sign-out.
 - Attempted logins are not recorded

To view more events, scroll to the bottom of the screen and click Next. To print the current view of the Audit Log, click Print. For best results, select Landscape orientation from your browser's Print dialog box.

Exceptions to Closing Date Report

The Exceptions to Closing Date report is an audit history of all changes made after the closing date was set, to transactions dated on or before the closing date. If you access QuickBooks Online via QuickBooks Online Accountant, this report is found in Reports → Accountant Reports, if a closing date has been specified in Account and Settings.

If your client accesses QuickBooks Online, they can navigate to the Reports screen and locate the Go to report search field above the report categories tabs. Click that field to open the drop-down list of all reports. Scroll through the reports to find the Exceptions to Closing Date report. If you have trouble finding it, bookmark the URL: <https://qbo.intuit.com/app/audithistory?view=auditexception>.



This is an interactive report. Click the blue hyperlinked transaction ID number to view the transaction. Time /date stamps underneath each transaction link show when each transaction was edited and added. Click the arrow next to the time/date stamp on *edited* transactions for the highlighted details of what changed. Click the arrow next to the time/date stamp on *added* transactions to view the original information.

To use this report *you must have set a closing date in Account and Settings*. Once you set the closing date, any changes to transactions on or before that date are tracked and viewed on this report. Your QuickBooks Online Accountant's Client list shows a count of changes to closed books for clients with QuickBooks Online subscriptions. This will alert you to exceptions before you even log into their QuickBooks Online company.

Save a copy of this report before you set a new closing date by printing it. Once you set a new closing date, your previous list of exceptions will be lost and you will only be able to track changes that occur after the new closing date.

CUSTOMIZE REPORTS

As advanced certified ProAdvisors, we need to know how to use the customization tools to create reports that reveal pertinent data and trends to deliver the information our clients need to run their companies, help solve problems and answer business questions. The customization options available for each report depend on the type of report you run.

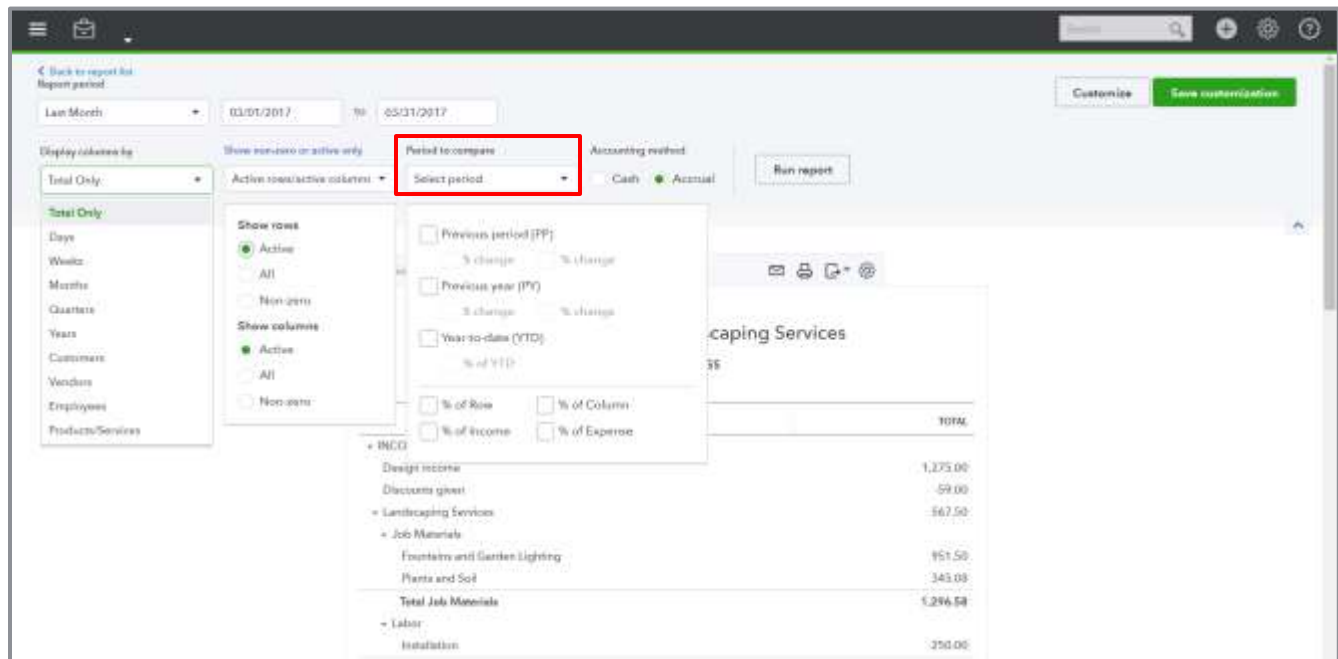
Here are the customization options. Keep in mind you may not see them available on every report; rather, you will see them only on the types of reports to which they apply.

- General
- Aging
- Rows/Columns
- Filter
- Header/Footer

Customization Options in the Header

Many customization options are found right on the face of the reports in QuickBooks. You can easily change the Report period and Accounting method on most reports.

For summary reports, you can choose to display the data grouped in columns based on various options like period, customer, vendor, classes, locations or products and services. You can also select a Period to compare the report period to previous periods or include YTD totals.

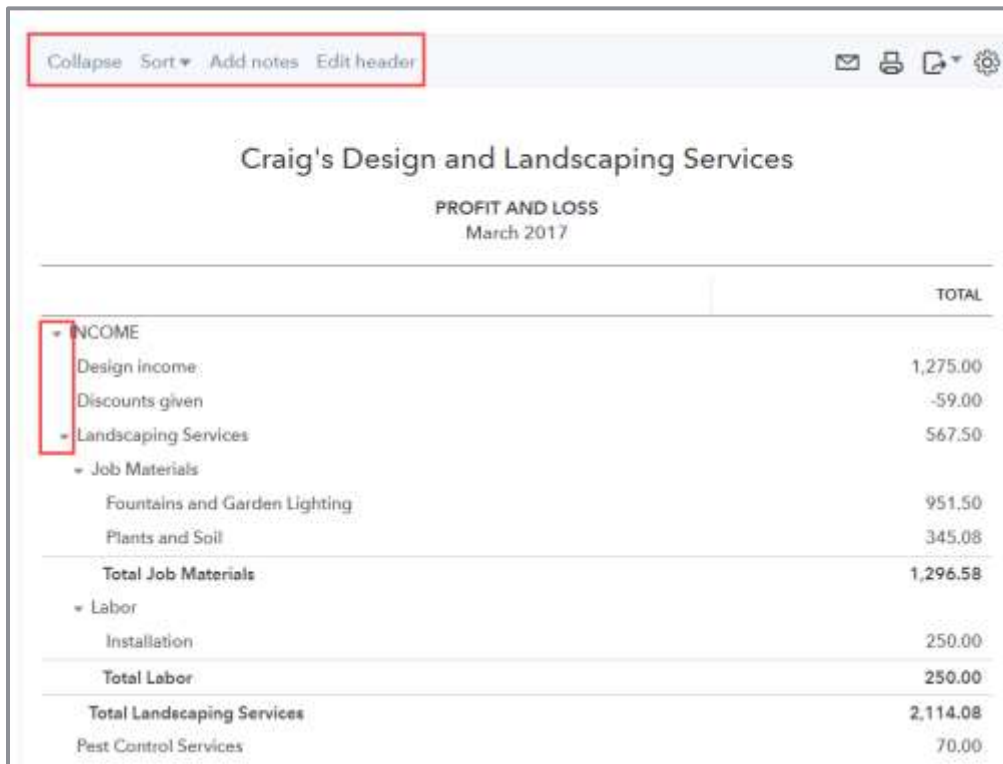


The options for detail reports are a bit different. While you can still change the Report period and Accounting method, you can also Group by many fields in the transaction. Click the gear icon at the top right of the report body to add or remove columns and change the order in which they are displayed.

The screenshot displays the Advanced Reporting interface. On the left, a 'Group by' dropdown menu is open, showing options: None, Account (selected), Name, Transaction Type, Customer, Vendor, Employee, Product/Service, Day, Week, Month, and Quarter. The main report area shows a table titled 'Craig's Design and Landscaping' for March 2017. The table has columns: TRANSACTION TYPE, N/UM, NAME, and MEMO/DESCRIP. The data rows show transactions for March 2017, including 'Solex Receipt', 'Invoice', and 'Design Income'. A 'Customize' panel is open on the right, showing 'Display density' (Compact) and 'Change columns' (Date, Transaction Type, Name, Adj, Create Date, Created By, Last Modified, Last Modified By, Name). A red arrow points to the gear icon at the top right of the report body.

TRANSACTION TYPE	N/UM	NAME	MEMO/DESCRIP
03/07/2017	1003	Dylan Schmark	Custom Design
03/10/2017	1013	Parker Medical Supp...	Custom Design
03/10/2017	1018	Workshop Consulting	Custom Design
03/11/2017	1033	Geeta Kishanpuri	Custom Design
Total for Design income			
			\$1,275.00
TOTAL			\$1,275.00

You can collapse rows on a summary report to hide sub-list items. Click Collapse at the top left of the report to collapse all sub-list items, or click the down arrow to the left of a name if you only want to collapse the sub-list items for that name. Click the right-facing arrow next to a name to expand the list.







	TOTAL
▾ INCOME	
Design income:	1,275.00
Discounts given	-59.00
▾ Landscaping Services	567.50
▾ Job Materials	
Fountains and Garden Lighting	951.50
Plants and Soil	345.08
Total Job Materials	1,296.58
▾ Labor	
Installation	250.00
Total Labor	250.00
Total Landscaping Services	2,114.08
Pest Control Services	70.00

You can also Sort reports to total in ascending or descending order, Add notes to the bottom of a report and Edit header to change the logo, company name or report title.

The filters applied to the report are displayed at the top of the report. To remove a filter, click on the X next the filter name.

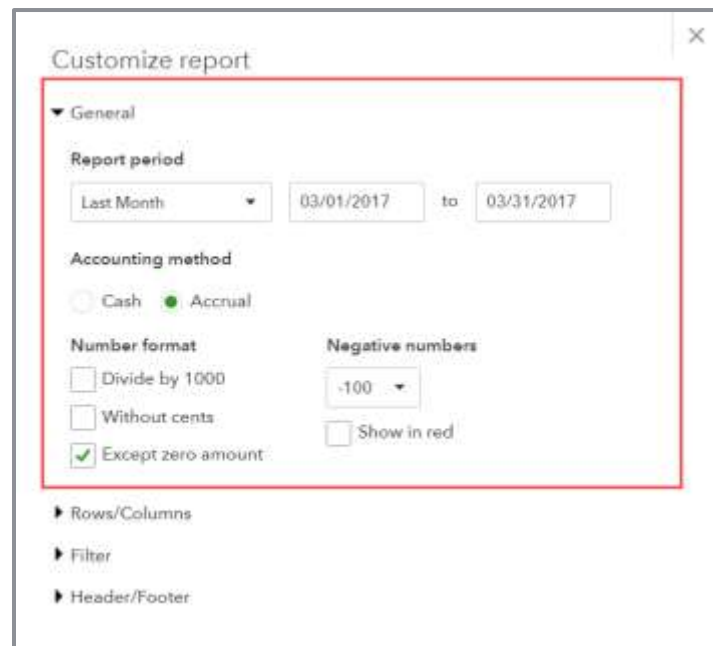
Filters: Distribution Account X

Collapse Sort ▼ Add notes Edit header		   	
Craig's Design and Landscaping Services			
PROFIT AND LOSS			
March 2017			
			TOTAL
▼ INCOME			
Design income			1,275.00
Discounts given			-59.00
▼ Landscaping Services			567.50
▼ Job Materials			

Customize Menu

General Customization Options

The General section of the customize menu lets you specify the Report period to include in the report. Change the Accounting method from Accrual to Cash and modify the Number format and how Negative numbers are displayed.



The screenshot shows the 'Customize report' dialog box with the 'General' section expanded. A red rectangle highlights the 'Report period', 'Accounting method', 'Number format', and 'Negative numbers' settings. The 'Report period' is set to 'Last Month' with dates '03/01/2017' to '03/31/2017'. The 'Accounting method' has 'Accrual' selected. The 'Number format' has 'Divide by 1000' and 'Without cents' unchecked, and 'Except zero amount' checked. The 'Negative numbers' dropdown is set to '-100' and 'Show in red' is unchecked.

Customize report

▼ General

Report period

Last Month ▼ 03/01/2017 to 03/31/2017

Accounting method

☐ Cash ☒ Accrual

Number format

☐ Divide by 1000

☐ Without cents

☒ Except zero amount

Negative numbers

-100 ▼

☐ Show in red

► Rows/Columns

► Filter

► Header/Footer

Customization Options for Rows/Columns

The Rows/Columns customization options are different for summary and detail reports. It is important to know what features are available in different report types so you can choose the proper base report when you create custom reports.

Options for Summary Reports

The customization options for summary reports include the ability to show columns by:

- Period (period, days, weeks, months, quarters, or years)
- Entity (customers, vendors or employees)
- Locations
- Classes
- Products/Services

Add a Period Comparison, such as previous period or year-to-date amounts for each row and show columns for dollar or percentage change.

Specify whether to show rows or columns of active data, all data or non-zero data. The Show all data option is useful when consolidating reports from multiple companies that use the same Chart of Accounts using Excel.

You can also add columns to show % of row, income, column or expense.

Customize report

► General

▼ Rows/Columns

Columns: Total Only ▼

Show non-zero or active only: Active rows/active c. ▼

Period Comparison

☐ Previous period (PP)

\$ change % change

☐ Previous year (PY)

\$ change % change

☐ Year-to-date (YTD)

% of YTD

☐ % of Row ☐ % of Column

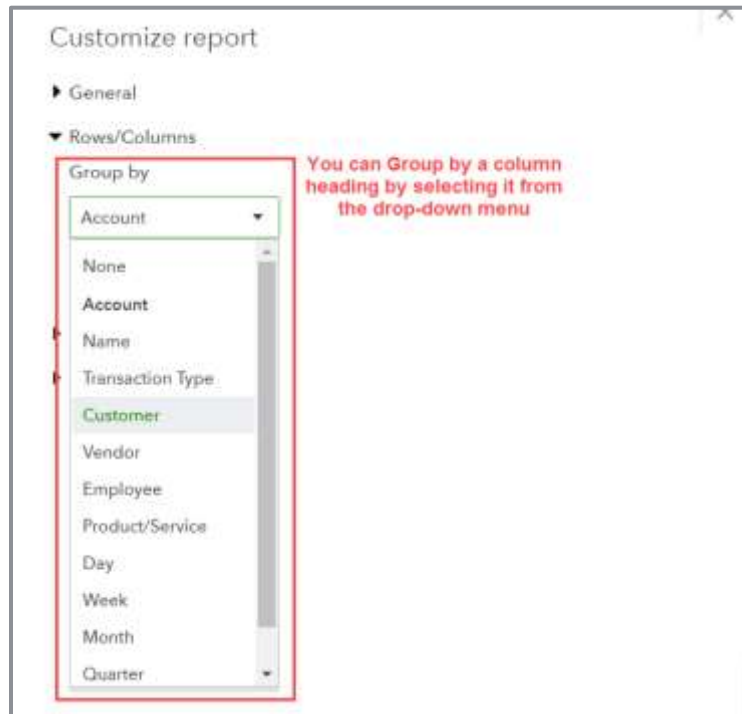
☐ % of Income ☐ % of Expense

► Filter

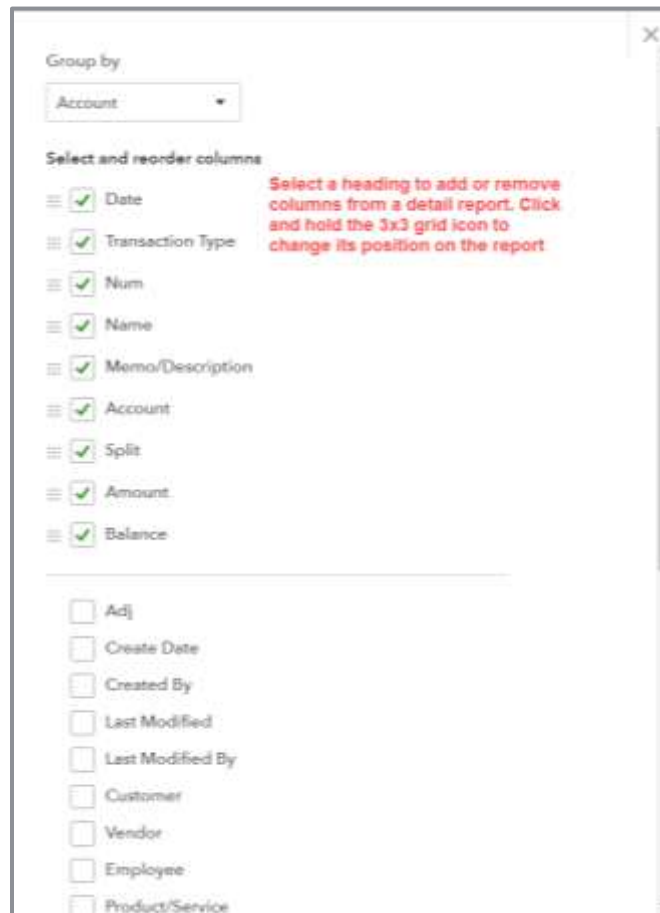
► Header/Footer

Options for Detail Reports

Detail reports have different options for the rows/columns. You can Group by a column heading by selecting it from the drop-down menu. When you select a grouping, the amount column will sub-total for each group.



Click Change Columns to add or remove columns from a detail report. Click and hold the 3x3 grid icon to the left of a column heading to change its position on the report.

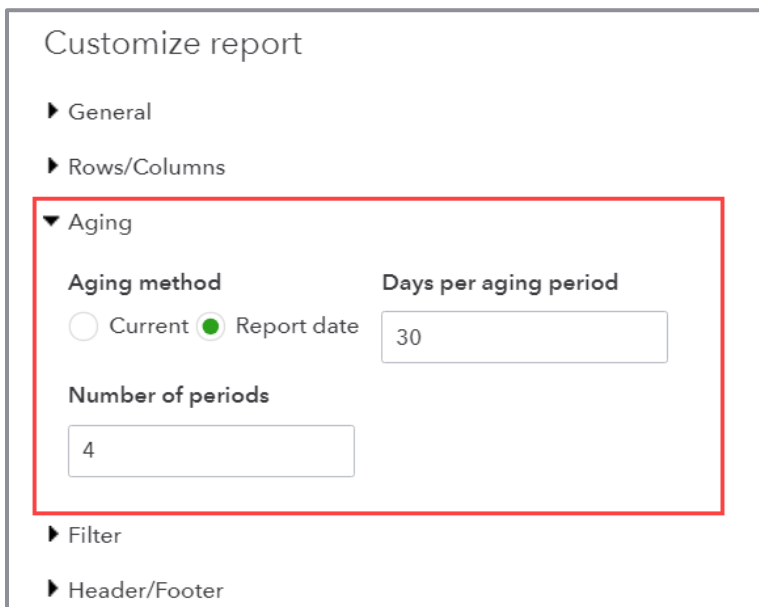


Aging Customization Options

There are two options for aging methods, depending on whether the invoice is currently due or was due on the report date. Let's say your report is dated for the last day of last month.

- **Current aging method** – If the invoice was open at the end of last month but has since been paid, this report will *not* show the invoice since it is not *currently* due. But if the invoice was open at the end of last month *and* it is still open, it would show on this report.
- **Report Date aging method** – If the invoice was due on that date, regardless of whether or not it has been paid in the meantime, it will show on this report

This section also allows you to set the number of days in the aging period and the number of aging periods to show on the report.



Customize report

- ▶ General
- ▶ Rows/Columns
- ▼ Aging
 - Aging method**
 - ☐ Current
 - ☒ Report date
 - Days per aging period**
30
 - Number of periods**
4
- ▶ Filter
- ▶ Header/Footer

Filters

Filters in QuickBooks reports allow you to filter out information and only show the specific information you select on your custom report. For each filter you can select one name from the drop-down list or select multiple names. You can also select:

- All
- Specified - Returns transactions or names that have data in the specified field; excludes transactions where the field is blank
- Not specified - Returns only transactions in which the field was left blank (e.g., a report filtered by Class would only display transactions that had no Class assigned or a Customer List report filtered by terms would only show customers that do not have terms assigned to them)

The screenshot shows the 'Filter' dialog box in QuickBooks. The 'Filter' section is expanded, and the 'Product/Service' filter is selected. The dropdown menu for 'Product/Service' is open, showing the following options:

- All
- Not Specified
- Specified
- (Select all)
- Design
- Design:Design
- Design:Fountains
- Design:Fountains:Concrete
- Design:Fountains:Pump

The 'Run report' button is located at the bottom right of the dialog box.



Tip: *If you save a customized filtered report where you have used multiple selections, you'll need to update the saved custom report if you add any new names to QuickBooks.*

On summary reports, common filters you can choose are:

- Distribution Account (target)
- Customer
- Vendor
- Employee
- Location
- Class
- Product/Service
- Payment Method
- Terms
- Custom fields defined in the Sales or Expense settings

On detail reports, the number of criteria you can filter by is much larger, and includes all the criteria included on summary reports along with status tags. The options you see will depend on the type of report you are creating and may include:

- Transaction Type - (including posting and non-posting)
- Distribution Account (target account)
- Account (source account)
- Due Date
- Created Date
- Last Modified Date
- Cleared (cleared, uncleared or reconciled)
- A/R Paid (paid or unpaid)
- A/P Paid (paid or unpaid)
- Check Printed (printed or to be printed)
- Sales Printed (printed or to be printed)
- Sent (sent or to be sent)
- Estimate Status (pending, accepted, pending or accepted, closed, rejected, not rejected)
- Customer Taxable
- Product/Service Taxable
- A/P Paid (paid or unpaid)

The following filters do not have drop-down fields from which to select. In these customization fields, you must enter the exact text you want to match:

- Amount
- Memo
- Num (number)
- Ship Via (if enabled in Account and Settings)
- Custom fields (as enabled in Account and Settings)

▼ Filter

<input type="checkbox"/> Transaction Type	All ▼
<input type="checkbox"/> Distribution Account	All ▼
<input type="checkbox"/> Customer	All ▼
<input type="checkbox"/> Product/Service	All ▼
<input type="checkbox"/> Payment Method	All ▼
<input type="checkbox"/> A/R Paid	All ▼
<input type="checkbox"/> Customer Taxable	All ▼
<input type="checkbox"/> Product/Service Taxable	Taxable ▼
<input type="checkbox"/> Memo	<input type="text"/>
<input type="checkbox"/> Num	<input type="text"/>
<input type="checkbox"/> Crew #	<input type="text"/>
<input type="checkbox"/> Ship Via	<input type="text"/>

Enter the exact data you want to match

► Header/Footer

Run report

Depending on the report you start with, you will see different status options to filter by. For example, you can run an estimate list by customer and customize it to show only an estimate status of pending. If you run a balance sheet and drill into a bank account to view the Transaction Detail report, you can customize this to show only uncleared transactions.

Header/Footer Customization Option

The Header/Footer section allows you to change the company name and report title. You can also add date and time prepared, show or hide the accounting method and change the header or footer alignment. You can't add extra footer text to a report in QuickBooks in the customize window. If you need to add footer text, add a note to the report as you learned earlier, or you can either export the report to Excel or use the Management Reports you'll learn about later in this module.

- Company name
- Report title
- Report period
- Date prepared
- Time prepared
- Report basis
- Set header and footer alignment

Customize report

General

Rows/Columns

Filter

▼ Header/Footer

Header

☒ Company name Craig's Design and Landscaping

☒ Report title Taxable Sales Detail

☒ Report period

Footer

☒ Date prepared

☒ Time prepared

☒ Report basis (cash vs. accrual)

Alignment

Header Center ▼

Footer Center ▼

Run report

Share Customized Reports between QuickBooks Online Companies

Reports can be shared between QuickBooks Online companies using the URL generated by the report. This works well for general customizations, like a customized Product/Service list showing the income and cost account columns. However, if the report is customized to filter for data specific to one QuickBooks Online company (such as account names, customer names, etc.), there's a good chance the report won't translate properly in another QuickBooks Online company. In addition, the QuickBooks Online company with which you are sharing a report must also have access to the base of that report. If you have customized a report that is only available in QuickBooks Online Plus, then sharing it with an Essentials or Simple Start company will fail.



IMPORTANT: *You must turn off the company name display option before you save the URL, otherwise the name of the company that you are currently working in will be displayed on the report when you open it in another company.*



Step-by-Step: Share a Report Template

1. Open the report from within the client company in which it resides.
2. Open the Customize panel and unselect the Company name field under Header.
3. Copy the web address (URL) from your web browser or add a bookmark to your bookmark bar.
4. Exit the QuickBooks Online company.
5. Log into the company with which you wish to share the report.
6. Paste the copied address into the address bar of the browser or click your bookmark.

NOTE: *This will display the report but with the current company's information.*

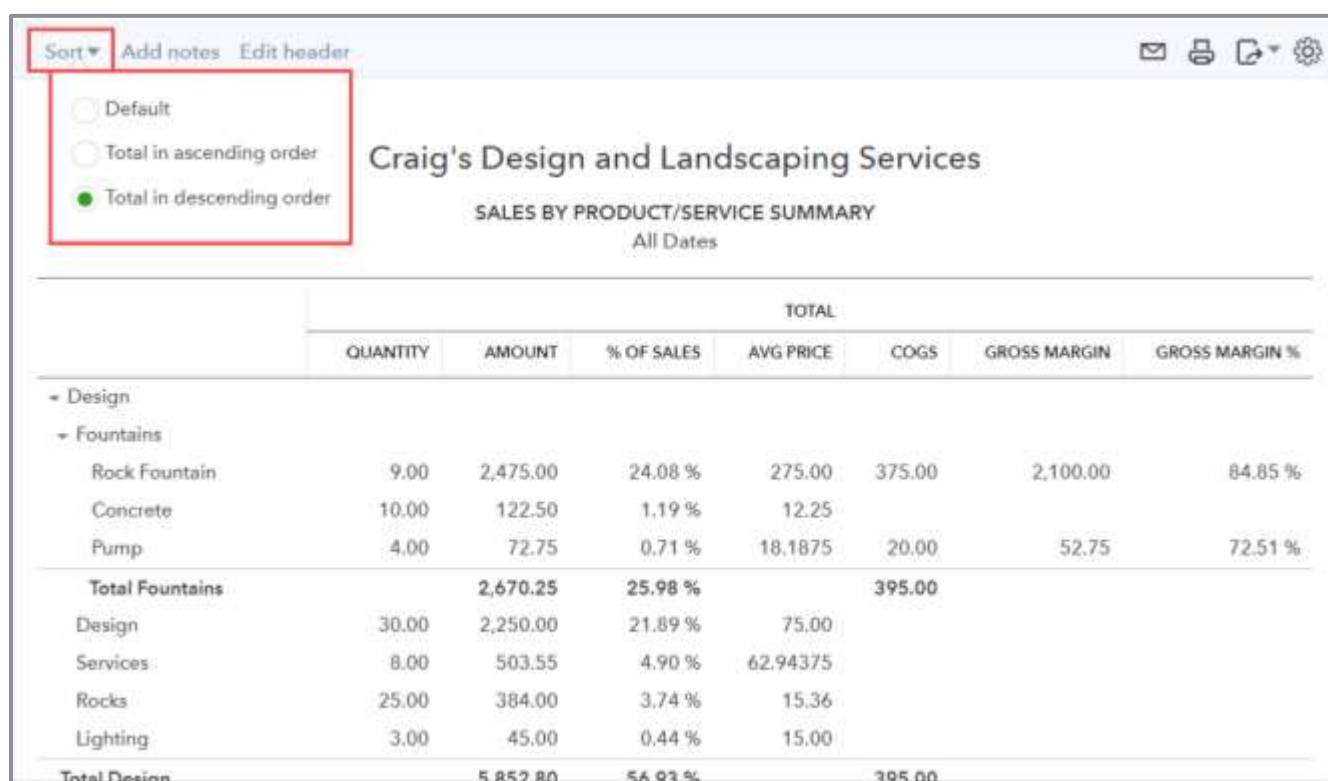
At the time this training was produced, reports-only users in QuickBooks Online were still using QuickBooks Online classic edition; this reporting functionality is not available in that earlier version of QuickBooks Online.

CUSTOM BUSINESS REPORTS

Whether readily available in QuickBooks Online or with a little customizing, there are many great reports that will help you with some standard business needs. Here we will go over how to modify some standard business reports that are available in QuickBooks Online to use with custom processes for your clients.

Best Sellers and Profitability by Product

There are several reports that help you determine the best-selling products and services by quantity and profit. Run the Sales by Product/Service Summary report (Report Center → All Reports → Manage Sales) to determine which item is responsible for the highest sales. Sort in descending order to show highest sales amounts at the top of the report. If you have products and services categories, this report will automatically group by category showing the highest sales amounts at the top of each category.



	TOTAL						
	QUANTITY	AMOUNT	% OF SALES	AVG PRICE	COGS	GROSS MARGIN	GROSS MARGIN %
Design							
Fountains							
Rock Fountain	9.00	2,475.00	24.08 %	275.00	375.00	2,100.00	84.85 %
Concrete	10.00	122.50	1.19 %	12.25			
Pump	4.00	72.75	0.71 %	18.1875	20.00	52.75	72.51 %
Total Fountains		2,670.25	25.98 %		395.00		
Design	30.00	2,250.00	21.89 %	75.00			
Services	8.00	503.55	4.90 %	62.94375			
Rocks	25.00	384.00	3.74 %	15.36			
Lighting	3.00	45.00	0.44 %	15.00			
Total Design		5,852.80	56.93 %		395.00		

To view detail of this information, run the Sales by Product/Service Detail report. This report shows all the products and services used on sales transactions for the period, including ones mapped to asset or liability accounts, like a retainer item used on an invoice. This will cause the report not to tie out to your Profit & Loss for the period.

Sort ▼ Add notes Edit header

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Craig's Design and Landscaping Services

SALES BY PRODUCT/SERVICE DETAIL
March 2017

DATE	TRANSACTION TYPE	NUM	CUSTOMER	MEMO/DESCRIPTION	QTY	SALES PRICE	AMOUNT	BALANCE	TAX NAME
» Design									
» Design					17.00		\$1,275.00		
» Fountains					15.00		\$1,770.25		
» Lighting					3.00		\$45.00		
» Rocks					15.00		\$264.00		
» Services					8.00		\$503.55		
Total for Design					58.00		\$3,857.80		
» Landscaping					146.50		\$3,132.50		
» Pest Control					2.00		\$70.00		
» Retainer									
» Retainer	03/31/2017 Invoice	1038	Amy's Bird Sanctuary		1.00	1,000.00	1,000.00	1,000.00	
Total for Retainer					1.00		\$1,000.00		
Total for Retainer					1.00		\$1,000.00		
» Not Specified					-1,997.50		\$ -89.50		
TOTAL					-1,190.00		\$7,970.80		

Annual basis Tuesday, April 11 2017 09:12 AM GMT-04:00

Filters: Distribution Account X

Collapse Sort ▼ Add notes Edit header

✉ 🖨 📄 ⚙

Craig's Design and Landscaping Services

PROFIT AND LOSS
March 2017

	TOTAL
» INCOME	
Design income	1,275.00
Discounts given	-89.50
» Landscaping Services	642.50
» Job Materials	
Fountains and Garden Lighting	1,226.50
Plants and Soil	2,150.00
Sprinklers and Drip Systems	30.00
Total Job Materials	3,406.50
» Labor	
Installation	250.00
Total Labor	250.00
Total Landscaping Services	4,299.00
Pest Control Services	70.00
Sales of Product Income	912.75
Services	503.55
Total Income	\$6,970.80
GROSS PROFIT	\$6,970.80

You can customize the report to create a report that will match the total income on your Profit & Loss.



Step-by-Step: Filter a Sales by Product/Service Detail Report

1. Click the Customize button.
2. In the Filter section, filter the Distribution Account by selecting All Income Accounts in the drop-down list.
3. Click Run Report. The report should now match the total Income on the Profit & Loss.

NOTE: If the sales report still doesn't match the Profit & Loss, click on the Total Income line in the Profit & Loss to review the activity to see if a non-sales transaction used an income account in the distribution line.

Customize report

- ▶ General
- ▶ Rows/Columns
- ▼ Filter
 - ☒ Distribution Account All Income Accounts ▼
 - ☐ Customer All ▼
 - ☐ Vendor All ▼
 - ☐ Employee All ▼
 - ☐ Product/Service All ▼
- ▶ Header/Footer

Run report

You should also verify which products and services are your most profitable. Create a Profit & Loss by Product/Service report by starting with a Profit & Loss report then customizing it.



Step-by-Step: Create a Profit & Loss by Product/Service Report

1. Run a Profit & Loss Summary report.
2. Display columns by Products/Services.
3. Filter for Product/Service = Specified.
4. Add sub-columns for comparison of % of row.

This will show which items bring in the most profit. If you have too many columns, filter your Product/Service list for specified products, such as your bestsellers or a product/service category.

The screenshot shows the 'Customize report' dialog box with the following settings:

- General:** (Expanded)
- Rows/Columns:** (Expanded)
 - Columns:** Products/Services
 - Show non-zero or active only:** Active rows/active c
- Period Comparison:**
 - ☐ Previous period (PP)
 - \$ change
 - % change
 - ☐ Previous year (PY)
 - \$ change
 - % change
 - ☐ Year-to-date (YTD)
 - % of YTD
- % of Row:** ☒ (Selected)
- % of Column:** ☐
- % of Income:** ☐
- % of Expense:** ☐
- Filter:** (Expanded)
 - ☒ Product/Service: Specified
 - ☐ Distribution Account: All Income/Expense Ac
 - ☐ Customer: All

A green 'Run report' button is located at the bottom right of the dialog box.

Now you can determine which products are your bestsellers and keep track of your biggest moneymakers so you'll know which products to promote and keep in stock and which you might want to consider dropping.

Open Sales Orders

QuickBooks Online uses estimates to track sales opportunities from a status of *pending* to *accepted* until the order is fulfilled and closed. Run the Reports → All Reports → Review Sales → Estimates by Customer report and customize it to change the estimate status to Accepted. Save this customized report and schedule it to be emailed to your operations department regularly so they can work on fulfilling the open orders.

Sort ▾ Add notes Edit header

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Craig's Design and Landscaping Services

OPEN SALES ORDERS

All Dates

DATE	NUM	ESTIMATE STATUS	ACCEPTED DATE	ACCEPTED BY	EXPIRATION DATE	INVOICE #	AMOUNT
▼ Geeta Kalapatapu							
03/04/2017	1001	Accepted	04/01/2017	G. Kalapatapu			582.50
Total for Geeta Kalapatapu							\$582.50
▼ Paulsen Medical Supplies							
03/12/2017	1001	Accepted	03/22/2017	Marty Paulson			1,005.00
Total for Paulsen Medical Supplies							\$1,005.00
▼ Red Rock Diner							
03/02/2017	1001	Accepted	04/03/2017	Stephanie Mart...			70.00
Total for Red Rock Diner							\$70.00
▼ Sonnenschein Family Store							
03/13/2017	1001	Accepted	04/10/2017	W. Keeling			362.07
Total for Sonnenschein Family Store							\$362.07

Tuesday, April 11 2017 09:36 AM GMT-04:00

Nonprofit Donor Contributions

Although nonprofit organizations are not managing themselves to make a profit, they do need to make more money than they spend in order to accomplish their mission. Nonprofit organizations track donations, pledges and grants. Nonprofits can create end-of-year donation reports to see who their biggest donors are and track their contributions.



Step-by-Step: Breakdown of Contributions Report

1. Choose Reports → Accountant Reports → Transaction Detail by Account.
2. Click Customize.
3. Set Report period to the needed date range.
4. Set Accounting Method to Cash.
5. Open Rows/Columns, click the Group by drop down and select Customer, Donor or equivalent.
6. Click Change Columns and remove any unwanted fields then click OK.
7. From the left sidebar, click Filter.
8. For Distribution Account select All Income Accounts.
9. Click Run Report.

This report will show a sub-total by each donor. To get each donor's totals on a separate page, you can export the report to Excel by clicking the Export drop-down button on the top left of the report and choosing the appropriate version of Excel. You can then put a page break between each donor.

Nonprofits can also send annual statements as donor or pledge reports. The statement works only for nonprofits which use invoices, not sales receipts or deposits. These annual statements are useful for entities that need to send activity reports to their donors but don't want to show a running balance or an amount due.



Step-by-Step: Create Transaction Statements

1. From the plus sign icon select Statement.
2. Select Transaction Statement as the statement type.
3. Enter the statement date, perhaps the end of the year.
4. Select All as the Customer Balance Status.
5. Select the start and end dates and click Apply.
6. Click Print or Preview in the lower menu bar to view the selected donors' statements. On each statement you'll see two columns: one for amount billed and one for amount received. Sub-total at the bottom of the report shows the total received.
7. Click Save and Send.
8. (Optional) Click Print or Preview to print the statements.

Another way to run statements only for specific customers, navigate to the Customer Center, check the box for each donor, then click the Batch actions button and select Create Statements for the selected donors. Update the statement criteria as specified in the steps above.

Craig's Design and Landscaping Services 123 Sierra Way San Pablo, CA 87999 noreply@quickbooks.com			
Statement			
TO Amy Lauterbach Amy's Bird Sanctuary 4581 Finch St. Bayshore, CA 94326		STATEMENT NO. 1001 DATE 04/01/2017	
DATE	ACTIVITY	AMOUNT	RECEIVED
03/13/2017	Invoice #1001: Front yard, hedges, and sidewalks	108.00	108.00
03/31/2017	Invoice #1038	1,000.00	0.00
		TOTAL AMOUNT	TOTAL RECEIVED
		\$1,108.00	\$108.00

Cash Balance

You can create a report that shows the current register balance for all bank accounts in QuickBooks. This is useful when the owner or controller is looking for a regular report of the bank balance, including any future recurring transactions to the account, to determine available funds.

Run the Reports → Accountant Reports → Account List report in QuickBooks Online and customize it to report only on accounts of type All Bank Accounts. Change the columns to show the ones you want.

One of the columns on the Account List report is the current ending register balance, regardless of date. You can save and schedule this report to be emailed to those who regularly watch the booked cash balances.

Filters: Account X

Sort ▼ Add notes Edit header

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Craig's Design and Landscaping Services

ACCOUNT LIST

ACCOUNT	TYPE	DETAIL TYPE	DESCRIPTION	BALANCE
Checking	Bank	Checking		1,201.00
Savings	Bank	Savings		800.00

Tuesday, April 11 2017 09:49 AM GMT-04:00

Transaction Count

Sometimes we need to get a transaction count for our clients' QuickBooks Online companies. Maybe you want to compare the number of financial transactions a year ago to the current count. To get a count on the total number of transactions, run the Reports → Accountant Reports → Transaction List by Date report. Since this is a list by date and not account, it will only show one line per transaction. Select the appropriate date range and run the report. Since this is a list report it will not give a total. Instead, export to Excel where you can read the row number (minus the five header rows) or use the Count function to give you the total number of transactions.

Custom Open Balance Report

Many clients need to track open balances for their customers, vendors or employees other than what is tracked in AR or AP. Examples of this could be retainers or prepayments – like we learned about in Module 3, tenant security deposits or loans payable or receivable. To create the report, you'll need to reconcile the balance sheet account these transactions are posted to. As you remember from Module 4, you can reconcile any balance sheet account except for Undeposited funds, AR, AP and Retained earnings. When a transaction is reconciled using the tool, the cleared status is changed to R and you can use the Cleared filter to customize an account QuickReport to only show the uncleared items.



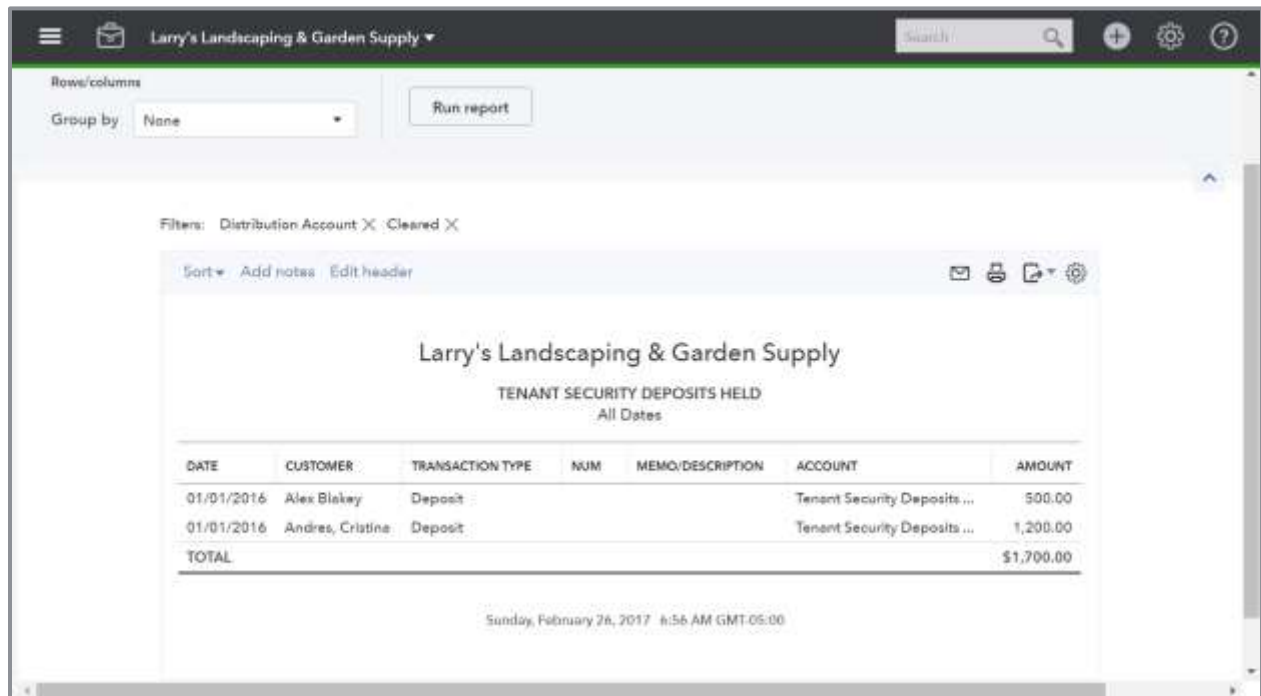
Step by Step: Run a Custom Open Balance Report

1. From the Chart of Accounts, click the down arrow in the Action column next to the account name and select Run Report.

The screenshot shows the 'Chart of Accounts' window. At the top right, there are buttons for 'Run Report' and 'New'. Below the title bar is a search bar and a filter dropdown set to 'All Lists'. The main table has columns: NAME, TYPE, DETAIL TYPE, QUICKBOOKS BALANCE, BANK BALANCE, and ACTION. The 'Undeposited Funds' row is highlighted, and its 'ACTION' dropdown menu is open, showing options: 'View register', 'Edit', 'Delete', and 'Run report' (which is highlighted in yellow).

NAME	TYPE	DETAIL TYPE	QUICKBOOKS BALANCE	BANK BALANCE	ACTION
Checking	Bank	Checking	1,201.00	1,621.93	View register
Savings	Bank	Savings	880.00	200.00	View register
Accounts Receivable (A/R)	Accounts receivable (A/R)	Accounts Receivable (A/R)	6,281.52		View register
Inventory Asset	Other Current Assets	Inventory	596.25		View register
Prepaid Expenses	Other Current Assets	Prepaid Expenses	0.00		View register
Uncategorized Asset	Other Current Assets	Other Current Assets	1,000.00		View register
Undeposited Funds	Other Current Assets	Undeposited Funds	2,862.52		View register Edit Delete Run report
Truck	Fixed Assets	Vehicles	13,495.00		View register
Depreciation	Fixed Assets	Accumulated Depreciation	0.00		View register
Original Cost	Fixed Assets	Vehicles	13,495.00		View register
Accounts Payable (A/P)	Accounts payable (A/P)	Accounts Payable (A/P)	1,602.67		View register
Mastercard	Credit Card	Credit Card	502.80	304.96	View register
Visa	Credit Card	Credit Card	0.00		View register

2. Change the Report period to All Dates.
3. Filter by Cleared, select Uncleared.
4. Click Run report.



Rows/columns

Group by: None

Run report

Filters: Distribution Account X Cleared X

Sort Add notes Edit header

Larry's Landscaping & Garden Supply

TENANT SECURITY DEPOSITS HELD
All Dates

DATE	CUSTOMER	TRANSACTION TYPE	NUM	MEMO/DESCRIPTION	ACCOUNT	AMOUNT
01/01/2016	Alex Blakey	Deposit			Tenant Security Deposits ...	500.00
01/01/2016	Andres, Cristina	Deposit			Tenant Security Deposits ...	1,200.00
TOTAL						\$1,700.00

Sunday, February 26, 2017 8:56 AM GMT-05:00

This report can be used to keep track of open items, troubleshoot odd balances or create schedules for your balance sheet accounts. You can further customize the report to add or remove columns or group by specific criteria.

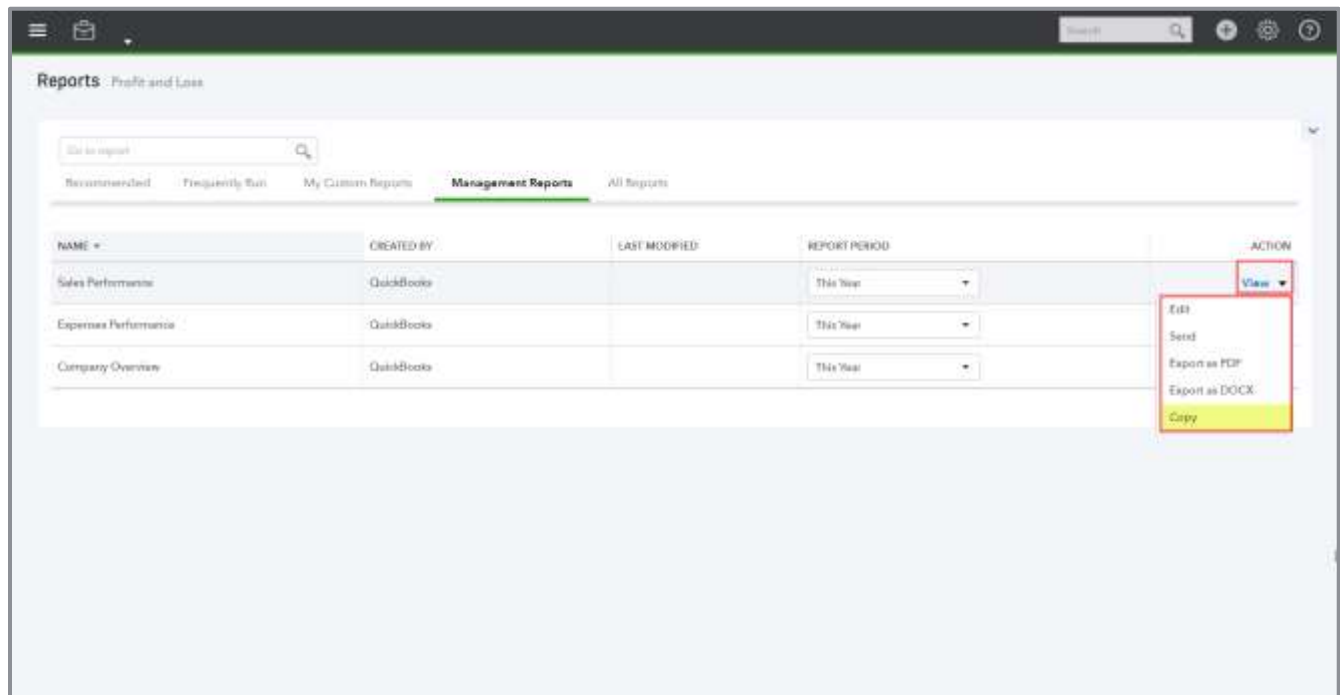
MANAGEMENT REPORTS

Management Reports are a great way to add additional value to the services you already provide your clients. You can use Management reports in QuickBooks to provide clients with professional looking report packages that include a title page, table of contents, preliminary pages – such as accountant reports, letters, end notes – and other custom content. You can also add footers to Management Reports, which is compliant with SSARS21 rules. You can add any report in the Report Center to a management report – including customized reports you’ve saved to the My Custom Reports tab.

Create a New Management Report

You can’t create a new Management Report from scratch but there are pre-designed templates included in each QuickBooks Online company that you can copy and edit to meet your specific needs. A regular user has three templates while an accountant user has two options to choose from. Click View in the Action column to view a template.

Once you’ve found a suitable template to start with, close the template and click the down arrow in the Action column again to copy it.



Edit a Management Report

Click Edit from the down arrow to open the newly created copied template and give it a name.

You can customize management reports to include the following:

- Cover page
- Custom pages for free-form content (like an executive summary or financial notes)
- A variety of reports and reporting periods
- Header and footer

Cover Page

Select from four styles and add a logo to personalize your cover.



Specify a title, subtitle and wording to use for the Report period. You can also change the Prepared by name. The default will be the name of your firm in your QuickBooks Online Accountant settings. Enter a prepared date and add a footnote disclaimer to the cover page.

The screenshot shows the 'Management Report' setup window. At the top, the 'Template name' is 'Client Financial Statements' and the 'Report period' is 'This Year'. On the left, a sidebar shows a preview of the report cover page. The main area contains the following fields:

- Cover style:** A dropdown menu showing a blue gear icon.
- Logo:** A blue gear icon with a dropdown arrow.
- Cover title:** A text field containing 'Management Report'.
- Subtitle:** A text field containing '(Company name)'.
- Report period:** A text field containing 'For the period ended (Report end) date'.
- Prepared by:** A text field.
- Prepared date:** A text field containing 'April 11, 2017'.
- Disclaimer:** A text field containing 'For management use only'.

At the bottom, there are buttons for 'Cancel', 'Print or Preview', 'Advanced', 'Save', and 'Save and close'.

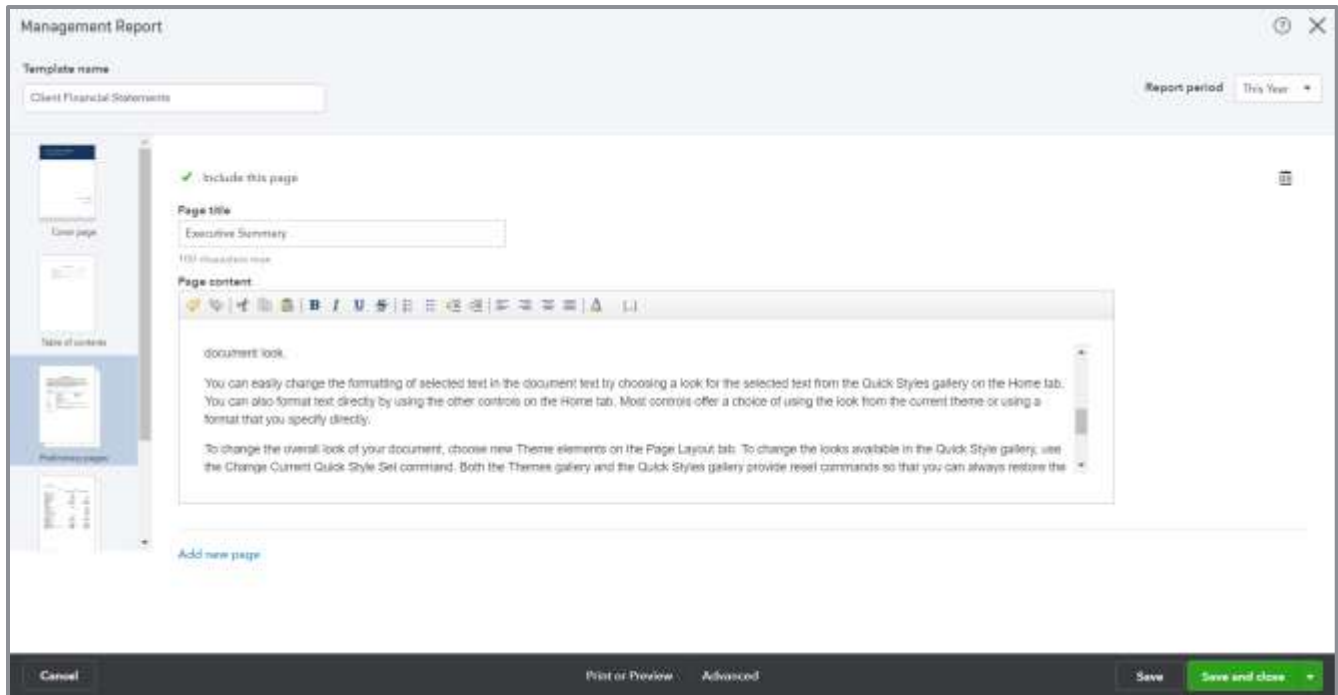
Table of Contents

Choose whether to add a Table of Contents and change its title.

The screenshot shows a software window titled "Management Report". At the top, there is a "Template name" field containing "Client Financial Statements" and a "Report period" dropdown menu set to "This Year". On the left side, there is a vertical list of report components: "Cover page", "Table of contents" (which is highlighted with a blue background), and "Preliminary pages". The main area of the window is divided into two sections. The first section, labeled "Include Table of Contents:", has a green checkmark icon and a "Page title" field containing "Table of Contents:". The second section, labeled "Page content", contains a list of items: "Table of Contents", "Profit and Loss", and "Balance Sheet". At the bottom of the window, there is a dark grey bar with several buttons: "Cancel", "Print or Preview", "Advanced", "Save", and a green "Save and close" button.

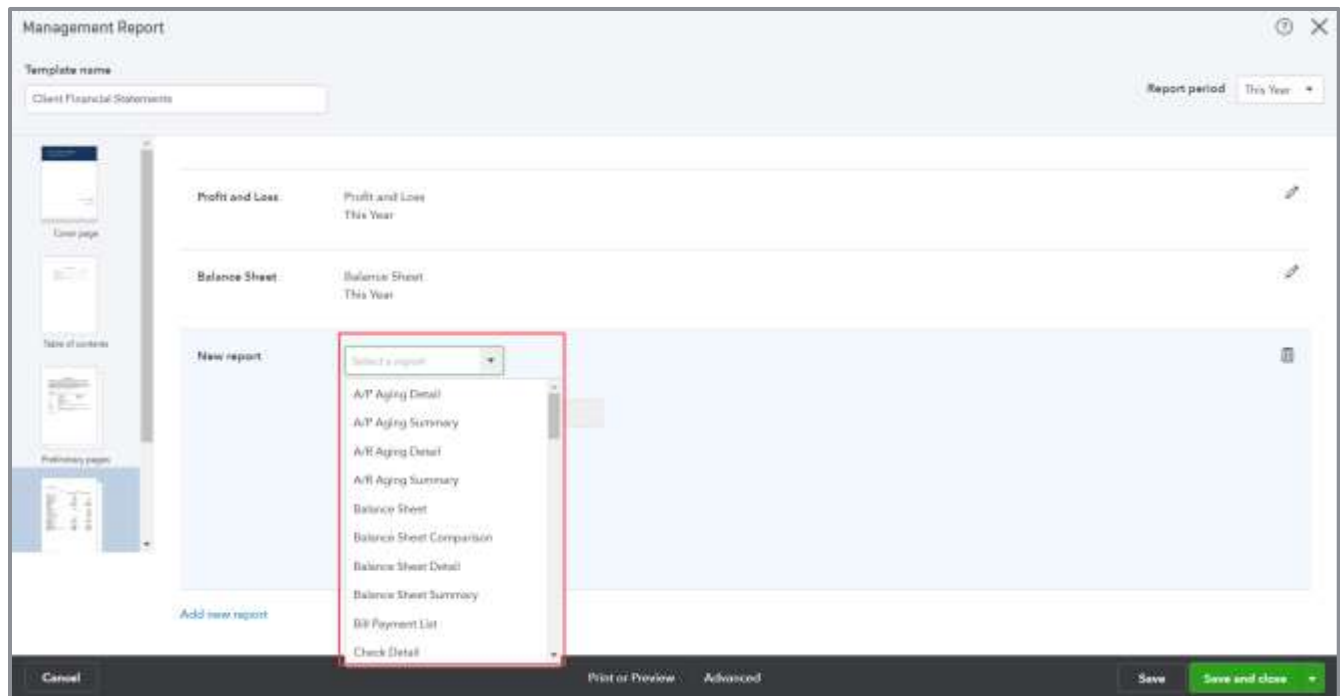
Preliminary pages

Add one or more preliminary pages and choose whether or not to include the page, change the title (which is included in the table of contents) and type or paste custom content from another source.



Add a Report

You can add any report in a QuickBooks company to a Management Report template, but you can't customize it from the Management Report screen. Instead, customize your reports the way you normally would and save the report in the My Custom Reports tab in the Report Center. Once you've saved the custom report, you can add it to a Management Report template.



End Notes

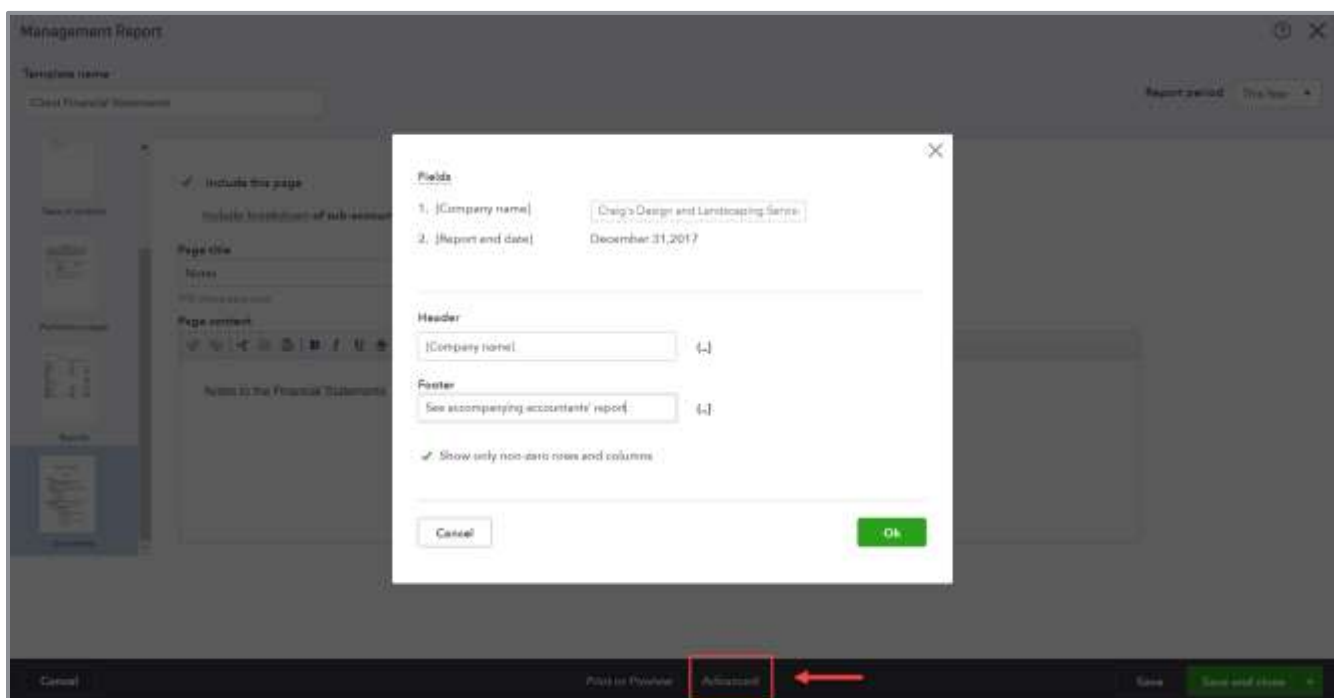
The end notes will appear at the end of the Management Report. You choose whether to include end notes, give the page a title (which will appear in the table of contents) and choose whether to include a breakdown of sub-accounts from the reports included in the Management Report package. You can type custom content here too, or copy and paste just like we did in the preliminary page.

The screenshot shows the 'Management Report' configuration window. At the top, the 'Template name' is 'Client Financial Statements' and the 'Report period' is 'This Year'. On the left, a sidebar shows a 'Table of contents' and a 'Preliminary page' section with 'Summary' and 'Introduction' items. The main area has a green checkmark and the text 'Include this page'. Below this, there is a checkbox for 'Include breakdown of sub-accounts'. The 'Page title' is 'Notes' and the 'Page content' is 'Notes to the Financial Statements'. A rich text editor toolbar is visible above the content area. At the bottom, there are buttons for 'Cancel', 'Print or Preview', 'Advanced', 'Save', and 'Save and close'.

Headers/Footers

To customize the header, footer and fields, click Advanced at the bottom of the page.

- **Fields** – These are placeholders that are replaced with actual data when the report is created. For example, if you set {CompanyName} to *Olive*, then anywhere you type {CompanyName}, it will be replaced by Olive in the generated report. It's an easy way to add the same text in multiple places.
- **Header/Footer** – Text you enter here appears on every page of the Management Report except the cover page and the table of contents. You can also add fields here.



Working with Management Reports

There are different ways to work with a Management Report, both in the Edit screen or from the Report Center.

In the Edit screen, click the lower right corner to save, export or send:

- Save - Save the existing template and continue customizing
- Save As - Save changes to a new template
- Export as DOCX - Export the Management Report in Word format
- Export as PDF - Export the Management Report as a PDF
- Send - Email the Management Report as an attachment; you can edit the email subject, body, and filename before sending
- Save and close - Save the existing template for future use



TIP: *While a premade Management Report template can be edited, it is not considered a best practice to do so. Copy the template and edit the copy, this way the original template formatting will be preserved. A premade template cannot be deleted, but a customized copy can.*

Topic 2: Complex Problem Solving

Businesses rely on QuickBooks to provide them with accurate and complete financial information. The reports created will only be as good as the data that is recorded. Improper setup or procedures can create errors and inefficiencies in the financial information, which creates problems for the users relying on the data to make financial and management decisions. In this section, you'll learn tools and methods to identify errors and solutions for fixing them.

DATA REVIEW AND CLEANUP

Providing data review and cleanup services to clients is an important part of being a ProAdvisor. We use our knowledge and skills to detect errors in the company data, fix incomplete or incorrect setup, and make recommendations to correct or improve a company's workflow. You can provide data review services to new or existing clients and it is recommended that you perform the steps you are going to learn periodically, to help detect errors and mistakes that could be affecting the accuracy of the company's financial information.

Review Account Balances

A good place to start troubleshooting is to review a company's financial statements, the Balance Sheet and Profit & Loss statement.

Review the Balance Sheet

- Consider using QuickBooks Online Accountant's Trial Balance tool to help with some of the steps. The Trial Balance tool is helpful because it includes prior year balances, current year activity and allows users to make adjusting entries right from the tool. Users can make notes and attach documents that are retained in QuickBooks Online Accountant. When the review is finished, users can freeze the year and export it to a zip file for retention.
- Verify account balances
 - Is the balance sheet in balance? While this is rare, it should be verified and would indicate an issue with the data itself.
 - Do the prior period balances match the last reviewed workpapers and tax returns?
 - Do they have the appropriate standard debit or credit balances for their account type?
 - Are any balances improperly negative?
- Were bank accounts reconciled recently? A best practice is to verify the beginning and ending balances to a bank statement to prove accuracy.

- Undeposited funds – Is there a balance and how recent is it? If the balance is high or you uncover improper workflow, you learned steps in the core certification to correct this. Use the account register to review the payments that haven't been included in a deposit, undeposited payments will not have an R next to them.
- Accounts receivable – Verify against a Customer Balance Detail report for the same end date with aging method by report date; look for obvious errors like payments and credits not applied to invoices
- Inventory – Verify against Inventory Valuation Summary report total; look for obvious errors like negative inventory
- Fixed assets – Review the activity in the accounts to confirm that accumulated depreciation is being posted each year; look for small amounts that should be expensed, etc.
- Accounts payable – Verify against an Unpaid Bills report for the same end date with aging method by report date; look for obvious errors like payments and credits not applied to bills; look for credit card vendor balance representing activity that should be applied to credit card liability account instead
- Credit cards – Examine activity: determine if the client entered activity as credits instead of charges, or recorded expenses twice by recording activity in the credit card account then coding the payment to an expense account instead of the liability account. Verify recent reconciliation.
- Payroll tax payable – Verify against payroll liability reports to determine whether accruals are appropriate and payments are applied
- Sales tax payable – Verify against sales tax return and sales tax liability reports
- Loan account – Confirm principal and interest have been allocated appropriately and interest payment is not applied to principal. Make sure to compare the balance to a statement from the lender or an amortization table. Consider whether to use the Reconcile Tool.
- Equity accounts – Look for reasonable balances and activity and accounts based on entity type; confirm Opening Balance Equity account is zero

Review the Profit & Loss Statement

- Do all accounts have the appropriate standard debit or credit balances?
- Are account names appropriate, not customer or vendor names?
- Recognize whether it's important for the business to use proper workflow for sales transactions. Determine whether they should be recording income with invoices and sales receipts using products/services items vs. recording income via deposits without product/service items. Your P&L may be correct if you post a bank feed to an income account but your sales reports won't be. Using sales forms will give you accurate Customer Dashboard activity, Accounts Receivable reports, Sales by Product reports and Sales by Customer reports. You can still use the Banking screen to record and/or match payments and deposits. However, for some small entities, the sales processing may be overkill and it may be appropriate to record income without product/service items.
- Income accounts – Review accounts for proper sales activity. Are transactions listed sales-type transactions (Invoice, Sales Receipt, Credit Memo) or do they include deposits or expense transactions coded directly to the income account?
- Cost of goods sold – Review accounts for proper direct cost activity related to the cost of producing the product or service sold. Are transactions listed sales-type transactions or do they include expense transactions coded directly to an account?
- Expense accounts – Assess for proper indirect cost activity; verify payroll expenses against payroll reports
- If class or location tracking is used, verify transactions are appropriately categorized
- If accrual accounting is used, verify the matching principle, that income and matching costs are recorded at the time the product or service was provided, and that expenses were recorded when they were incurred. This reduces timing mismatch and allows for better analysis of profitability.



TIP: Use the Reclassify Tool to review that income and expenses are coded to the appropriate accounts.

Undeposited Funds

The Undeposited Funds account is a holding account for payments received until they are taken to the bank and deposited. When a customer payment is received, the Deposit to account typically should be Undeposited Funds. Then a deposit is recorded to group one or more customer payments together and move them from Undeposited Funds to the bank account. The setting for Deposit to on the sales receipt and receive payment form is "sticky." Once saved, the next time you open the screen it will default to the last account used.

Some businesses do not understand the Undeposited Funds workflow and make mistakes using this account. The most common error is businesses will record a payment against a customer invoice and post it to Undeposited Funds – so far, so good. Then they will record a deposit and post it to income. Now income has been recorded twice – once by the invoice and once by the deposit. This can be easy to do on the Banking screen if the deposit is for a group of amounts that QuickBooks Online can't recognize, and the user doesn't click Find Match to group them but instead adds them as income. This mistake causes Undeposited Funds and income to both be overstated and leads to a growing balance in the Undeposited Funds account. When the Undeposited Funds account has a balance at the end of a period, you must determine which payments have not yet been recorded as deposited in order to confirm whether or not they are current and the deposit is really pending.

Before you start troubleshooting, it helps to make sure the bank account is reconciled so you can delete any duplicate deposits that may be recorded. There are several ways to identify which payments need to be grouped and recorded on a deposit transaction.



Step-by-Step: Identify Payments to be Grouped and Recorded

1. Drill into the Undeposited Funds account on the balance sheet to view the detail and running balance. Start exploring from the line where the last running balance was zero.
2. Navigate to the Undeposited Funds register and look for lines that do not have an R for reconciled.
3. Open a new Deposit transaction and view the undeposited payments received at the top of the screen waiting to be incorporated into a deposit.
4. Once you find the payments that need to be deposited, you must find the deposits that should have included these payments. Search the Banking screen's In QuickBooks tab to find the downloaded bank transaction for this deposit and click the link to find out how it was recorded. This should open a Deposit screen, likely posted to an income account. You should see the outstanding customer payment received at the top of the screen.

Deposit

Checking Balance \$1,201.00 Date: 04/11/2017

\$2,062.52

Select Existing Payments:

RECEIVED FROM	DATE	TYPE	PAYMENT METHOD	MEMO	REF NO.	AMOUNT
<input type="checkbox"/> Cool Cars	03/16/2017	Payment	Bank Debit			1,675.52
<input type="checkbox"/> Freeman Sporting Goods 0869 Cloves View Road	03/16/2017	Payment	Bank Debit			387.00

1 of 2

Select all Clear all

Total 2,062.52
Selected Payments Total 0.00

Add New Deposits:

#	RECEIVED FROM	ACCOUNT	DESCRIPTION	PAYMENT METHOD	REF NO.	AMOUNT
1	Cool Cars	Landscaping Services	payment on invoice	Check	1059357	1,675.52
2	Freeman Sporting Goods	Pest Control Services	payment on invoice	Check	5467	387.00

Cancel Clear Print Make recurring Save and new

5. Check the box next to the customer payment and delete the line below recording the duplicate income.
6. Save and close. This will not affect the deposit's reconciled status.

Applying each payment to its proper deposit is time consuming but is the most accurate. As long as you don't change the deposit date or deposit total amount, this will not disrupt bank reconciliations that include the deposit. Before you begin, make sure it is acceptable to adjust the numbers for the periods where the deposit to income was originally recorded. When you apply the deposit to the payment and delete the income line, the income for that period will be reduced.

If there is an overwhelming number of payments in the Undeposited Funds account, too many to fix individually, the decision may be made to group them together for adjustment and reduce income for the total amount. You can group them by month or group all of them in one adjustment. Create a new deposit, select each undeposited payment in the upper section of the screen, enter the appropriate income account(s), descriptions and amounts in the lower section's account line items as negative numbers to offset the total then confirm the total deposit is \$0. This will have no effect on the bank account and will reclassify the undeposited funds amount against the incorrectly recorded revenue.

NOTE: *It is important to explore and confirm that the original deposits posted directly to income accounts and not applied to payments were, in fact, posted to the same income accounts against which you are offsetting the undeposited funds, or else post to an income adjustment account to group them together as unspecified to a particular revenue line.*

Undeposited Funds should have a debit account balance when holding customer payments that have not yet been taken to the bank. If you have a credit, this may indicate the deposit was dated before the received payments, in which case you should investigate to correct the dates.

Troubleshoot Inventory Balances

You learned about tracking inventory in Module 2, but what if the balance on the inventory reports in QuickBooks doesn't match the amount on the balance sheet? The first thing to look for is transaction lines that are coded to the Inventory Asset account without utilizing an Inventory item. Let's create a report to identify this:



Step by Step: Troubleshoot Inventory Balance Discrepancies

1. From the Balance Sheet, click on the total for the Inventory Asset account.
2. Click Customize, Filter → Product and Service → Not Specified.
3. Review transactions to determine if they should be reclassified to another account or if the transaction should have included inventory parts on them.
4. Edit transactions or make an inventory quantity adjustment as necessary.

Review the transactions on the report to determine whether a new transaction should to be entered to record the purchase of inventory, if a transaction needs to be edited to include inventory items instead of accounts, or if an inventory quantity adjustment is the appropriate method to adjust the error.

Troubleshoot Negative Inventory Quantities

QuickBooks Online allows you to sell inventory products on sales forms even when there is not sufficient quantity on hand. There is no setting to prevent this. When you record an invoice for sales of product with negative inventory, QuickBooks Online guesses at the cost based on historical activity and records that as a decrease to Inventory Asset and an increase to Cost of Goods Sold.

When the purchase is made to replenish the quantity on hand, whether the purchase is dated before or after the invoice that recorded the sale of negative inventory, QuickBooks Online will automatically adjust the inventory cost for that invoice appropriately based on the new purchase cost. The problem occurs if the quantity on hand is never replenished properly. Then the inventory asset value and costs are not reliable, because they are based on QuickBooks Online's guess at the time the sale and cost are recorded.

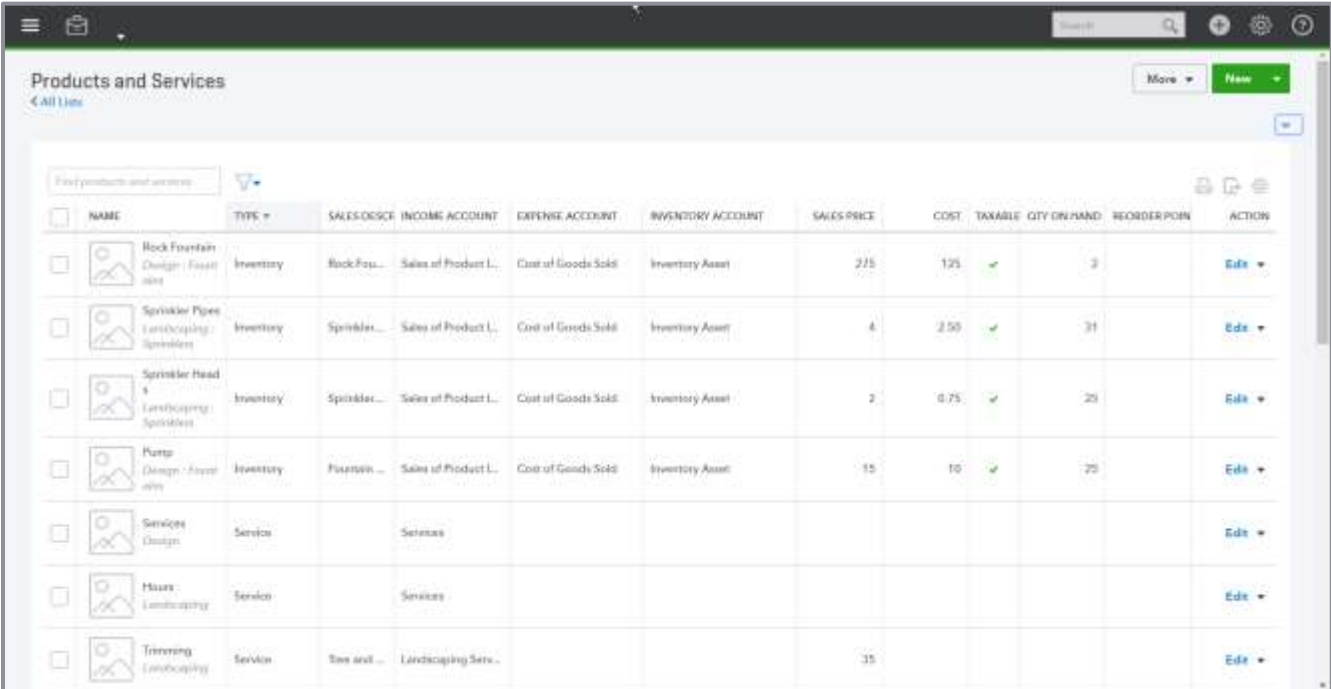
Review the Products and Services list or the Inventory Valuation Summary report looking for total inventory counts in the quantity column. If you find negative total inventory, run an Inventory Valuation Detail report for that product. The QTY column represents the count of product bought or sold on that transaction. The QTY ON HAND column represents the running count of product on hand. Review the transaction detail for the negative inventory products to find how far back the negative inventory quantity goes. Work with your client to determine whether this is a current issue easily resolved with a vendor bill or check, or whether this involves adjustments to prior periods. Train your clients to verify sufficient quantity on hand before recording sales.








Examine Product/Service Items

Similar to the Chart of Accounts, Product and Service items also need to be reviewed to determine whether the list is too long, if there are duplicates and if they are set up properly. Product/service items are linked to general ledger accounts. It is recommended that you review the Item list and the associated accounts at least annually to help you uncover financial reporting errors.

A double-sided item is linked to both an income and an expense account. When used on a sales form, it posts to the income account. When used on a purchase transaction, it posts to the expense account. A common error in the Item list is the item has not been set up as a double-sided item. When the expense side is not set up on a double-sided item, users cannot select it on a purchase transaction form from the Product/Service field when recording expenditures. Inventory replenishment and costs may not be recorded consistently and Sales and Purchase Profitability and Product/Service Item reports are incomplete.

On the Products and Services list, click the grid gear icon to select the Expense account column. With both the Income and Expense account columns now showing, you can view any product/service items that do not have an expense account designated and easily edit the item.



	NAME	TYPE	SALES DESCR	INCOME ACCOUNT	EXPENSE ACCOUNT	INVENTORY ACCOUNT	SALES PRICE	COST	TAXABLE	QTY ON HAND	REORDER POIN	ACTION
<input type="checkbox"/>	 Rock Fountain Design - Fountain	Inventory	Rock Fou...	Sales of Product L...	Cost of Goods Sold	Inventory Asset	225	125	<input checked="" type="checkbox"/>	3		Edit
<input type="checkbox"/>	 Sprinkler Pipes Landscaping - Sprinkler	Inventory	Sprinkler...	Sales of Product L...	Cost of Goods Sold	Inventory Asset	4	2.50	<input checked="" type="checkbox"/>	31		Edit
<input type="checkbox"/>	 Sprinkler Head Landscaping - Sprinkler	Inventory	Sprinkler...	Sales of Product L...	Cost of Goods Sold	Inventory Asset	2	0.75	<input checked="" type="checkbox"/>	20		Edit
<input type="checkbox"/>	 Pump Design - Fountain	Inventory	Pump...	Sales of Product L...	Cost of Goods Sold	Inventory Asset	15	10	<input checked="" type="checkbox"/>	70		Edit
<input type="checkbox"/>	 Service Design	Service		Services								Edit
<input type="checkbox"/>	 Hours Landscaping	Service		Services								Edit
<input type="checkbox"/>	 Trimming Landscaping	Service	Trim and ...	Landscaping Serv...			35					Edit

If you change the income or expense account associated with a product/service item, a checkbox will appear to check if you also want to update this account in historical transactions for this product/service item. When you click Save and Close, if any of the historical transactions are dated before the current close date, you will be prompted to click Save again to make this change if involving transactions prior to the closing date.

If the item is an inventory item, QuickBooks Online will allow you to change the Inventory Asset, Income or Expense account, but it will not give you the checkbox option to affect historical transactions; rather, it will affect all historical transactions automatically. It will prompt you to click Save again to make this change if involving transactions dated prior to the closing date. If the item is used in a prior period, it will affect prior period numbers.

Examine Customer/Vendor Lists

You'll also want to review the Customer and Vendor lists to make sure they are free of duplicates. You can use the same method to merge duplicate customers or vendors as you did with the Chart of Accounts. You may also want to clean up unused list items by making them inactive in the list - this is especially useful for contractors and others who use sub-customers to track jobs.

There may be long lists of completed jobs that are no longer needed in the Customer list. Other issues you may encounter are the way the client is recording customer/sub-customer transactions. Keep in mind that if you delete a customer or vendor who has an open balance, QuickBooks will record an entry to zero the open balance and post the offsetting debit or credit to Opening Balance Equity. You should use the methods discussed in Module 3 of this training to write off customer invoices and create the appropriate transaction (bill, vendor credit or journal entry) to zero the balance on a vendor account before you delete the name.

Recall from the core certification that you have the option to bill a sub-customer at the parent level or directly to the sub-customer. If the client bills the sub-customer and isn't careful, you can end with payments that are posted to the wrong sub-customer. To fix this error, click on the open payment and change the name to the correct sub-customer. To easily find unapplied payments for a customer, open the customer detail page and filter for money received, then click the status column to sort by status and the open payments will be listed at the top.

The screenshot shows the customer profile for Freeman Sporting Goods. The Transaction List is displayed with columns: DATE, TYPE, DUE DATE, BALANCE, TOTAL, STATUS, and ACTION. A red box highlights the Filter dropdown menu, which is open, showing options like All transactions, All paid deposits, All invoices, Open invoices, Overdue invoices, Open estimates, Credit memos, Unbilled income, Recently paid, Money received, Recurring templates, and Statements. The Money received option is highlighted in green.

DATE	TYPE	DUE DATE	BALANCE	TOTAL	STATUS	ACTION
03/16/2017	Payment	03/16/2017	\$0.00	\$-387.00	Closed	
03/16/2017	Invoice	04/15/2017	\$477.50	\$477.50	Open	Receive payment
12/20/2018	Invoice	01/29/2019	\$0.00	\$387.00	Paid	Print
12/20/2018	Payment	12/20/2018	\$0.00	\$-226.75	Closed	
11/29/2018	Invoice	12/29/2018	\$0.00	\$226.75	Paid	Print
Total:			\$477.50	\$477.50		

This would be a great opportunity to review the Bill to settings with your client to make sure they are using the correct one for each customer. You can also turn off the sales setting to automatically apply credits to help with this type of error.

The screenshot shows the Customer information form with the Billing address tab selected. The form includes fields for Title, First name, Middle name, Last name, Suffix, Email, Company, Phone, Mobile, Fax, Other, and Website. The Billing address map is also visible. A red box highlights the Bill to customer dropdown menu, which is open, showing options like Bill to customer, Bill with parent, and Bill this customer. The Bill this customer option is highlighted in green.

Customer information

Title: [] First name: [] Middle name: [] Last name: [] Suffix: [] Email: []
 Company: [] Phone: [] Mobile: [] Fax: []
 Other: [] Website: []
 Display name as: []
 Print on check as: [] Use display name: []
 Billing address map: [] Shipping address map: []
 Billing address: [] Shipping address: []
 City/State: [] Zip/Postal: []
 Country: [] Country: []

Buttons: Cancel, Make inactive, Print, Save

Examine the Chart of Accounts List

Businesses often have huge account lists that need to be cleaned up or merged. Based on your experience and training, determine whether the Chart of Accounts is too long or complicated, if there are duplicates or any accounts have been set up as incorrect types. The account type controls the presentation for financial reports.

Use the Audit Log to filter and search for changes to lists and look for changes to accounts since the last review. Edit accounts to make changes as needed. Delete unused accounts to make them inactive. Accounts can be re-activated; they are never actually deleted. Merge duplicate accounts to move all financial transactions from one account to the other, thereby combining activity into one account. The information will remain for the account to which the name is being changed; the other account will be marked as inactive. *Be careful!* Merging accounts is not reversible and you are potentially changing prior year information by moving it to another account. The account detail types must match in order to merge.

If a P&L account with activity is deleted, the account will show on reports with (deleted) appended to the end of the name. If you discontinue use of an expense account in a current year and delete the account, when you run a prior year P&L it will still show this category with (deleted) in the name.

If a Balance Sheet account with a balance is deleted, QuickBooks Online will give you an error message that there is a non-zero balance. The proper procedure is to reclassify the balance before deleting the account. When a balance sheet is run for prior periods when the account had a balance, it is shown on the report with (deleted) appended to the end of the name.

CORRECTING IMPROPER WORKFLOW

When you perform a data review and cleanup, you may uncover errors and inconsistencies in the way the business completes its workflows. It's one thing to clean them up for your client, but it's equally important to prevent them from happening again. Many ProAdvisors who provide data review services to their clients include a report of their findings along with suggestions on how to improve processes. These types of reports can be a great way to document your findings and recommendations, and you can charge your clients for the report.

You learned how to correct some common workflow errors in Module 12 of the core certification course, such as how to clean up open accounts receivable, accounts payable and opening balance equity errors. In this section, you'll learn how to identify when a workflow is not optimal for a business and how to make recommendations to your clients to prevent errors from happening again.

You'll also learn to use some tools that can help you clean up errors created by improper workflow.

Evaluating the Revenue Cycle

When evaluating a workflow for a business, the first step is to determine what reports the business needs to succeed and develop the workflow from there. It's also important to keep the workflow as simple as possible for the client, while providing the most bang for your buck.

Recognize whether it's important for the business to use proper workflow to record sales. Should they be recording income using product and services items or is it fine to use deposits coded directly to a revenue account?

The client's cash-basis revenue may be correct if you post a deposit from the bank feed to an income account, which is the simplest way to record revenue in QuickBooks, but you won't be recording any details about the sale. Using sales forms will provide your client with accurate customer activity, accounts receivable reporting, sales by product reporting and sales tax tracking.

For some small entities or cash-basis entities with one source of revenue, the normal sales workflow may be overkill and it may be appropriate to record income without product/service items. It's your job as an advanced certified ProAdvisor to know the difference.

The method you use to correct an error should be consistent with the method you recommend to the client going forward to ensure the most continuity in reporting. While this may be more work upfront, the detail will provide historical information and can be used as a reference for your client. However, there may be times when it isn't possible or practical to do so.

Correcting Overstated Accounts Receivable

There are three methods to correct overstated accounts receivable balances. In the core certification, you learned to correct overstated accounts receivable by recording payments against the invoices then editing the deposits to include the customer payments and deleting the incorrect distribution line posted to the income account. This corrects both the accounts receivable balance and the revenue. While this is the most time-consuming option, it is the most accurate because it preserves the integrity of traditional revenue cycle and the accounts receivable workflow.

You can also use a journal entry to correct the mistake. A single journal entry in QuickBooks Online can have multiple lines posting to accounts receivable. Therefore, you could create an entry for each period that includes a line to credit each customer's balance and a single line to debit the revenue account. This option corrects the accounts receivable and revenue balances, but you will lose the integrity of the workflow because the single journal entry won't match any of the deposits in the bank account. In addition, you'll need to make sure the journal entry is applied to the correct invoices.

The third option is to delete the invoices in QuickBooks. This method can be used if the client:

- Is cash-basis
- Doesn't need to track sales or customer details
- Doesn't collect sales tax from their customers

You can manually delete invoices one by one or, if there are many, you can use a third-party app from apps.com to delete the invoices in bulk. Keep in mind you should use caution and explore best practices when using tools like this to work with QuickBooks data. We'll learn more about using third party apps to delete data later in this module.

Case Study

A new client has just started a small tutoring business. She needs to keep track of the income and expenses related to the business, but she doesn't have many transactions, she has only a few students. During your data review, it is discovered that while she created invoices for each session, instead of receiving a payment against each invoice and selecting the payments on a deposit, she used the bank feed to record deposits using a revenue account. This resulted in her accounts receivable and revenue being overstated.

After speaking to the client, you discover she always receives payments from her students at the end of a session and takes her deposits to the bank daily. At the end of each day, she records the invoices in QuickBooks to keep track of the sessions she taught and, at the end of the week, she records her deposits from the bank feed.

To decide the best way to correct the error, it must be determined if she needs reports that show sales details by product/service item or sales by customer. During the interview, she states she only offers one type of service and comments that she assigns the customer name to the deposit when she records the bank feed deposit.

It is clear from the examination that the client doesn't need to use accounts receivable. She receives payments at the time she renders the service. To keep this type of error from happening in the future, it's recommended to teach her a workflow that doesn't involve accounts receivable. This business is very simple, so it makes sense for her to record her revenue in the simplest way possible.

Discussion

The client could use a sales receipt to record the sales and the payment on the same form each day and match the sales receipts to the deposits in the banking center each week. This doesn't change her *current process* at all; it just changes the type of form she uses. She can be trained to match the sales receipts to the deposit in the banking center instead of coding the transactions to an income account.

Another option could be to eliminate the use of a sales form and record the revenue using just the deposit in the bank feed. This reduces a step in her current workflow and is the simplest solution, but it also removes an important internal control. By entering the sales receipt and matching it to the deposit in the bank feed, she will know whether money she collected makes it to the bank or if the bank made an error. It also helps her to keep track of the number of sessions she provides to her customers and how much she has earned from them.

Solution

The benefits of using a sales receipt as an internal control outweighs the convenience of eliminating a step from our client's workflow. This is a good solution for this client because it only requires a small change in the way things are done, and it reduces the likelihood of future errors.

Once the future workflow is decided, a remedy for the immediate problem can be prescribed. The journal entry method will retain the sales detail that has been recorded for each customer, so the client will be able to run period-to-period comparisons that show information about sessions and amounts earned from each customer.

Clean Up Billable Expenses

Many businesses track expenses and items by customer so they can create job profitability reports. If the expense setting to mark expenses billable is turned on, clients can sometime make a mess by marking expenses billable when they really aren't. This can also happen when a QuickBooks Desktop file is converted to QuickBooks Online and transactions were marked billable but never billed. Regardless of how this situation arises, you end up with bogus billable expenses in the invoice drawer and an Unbilled Charges report that is unusable. An excess of billable expenses can take a long time to load on invoices too.

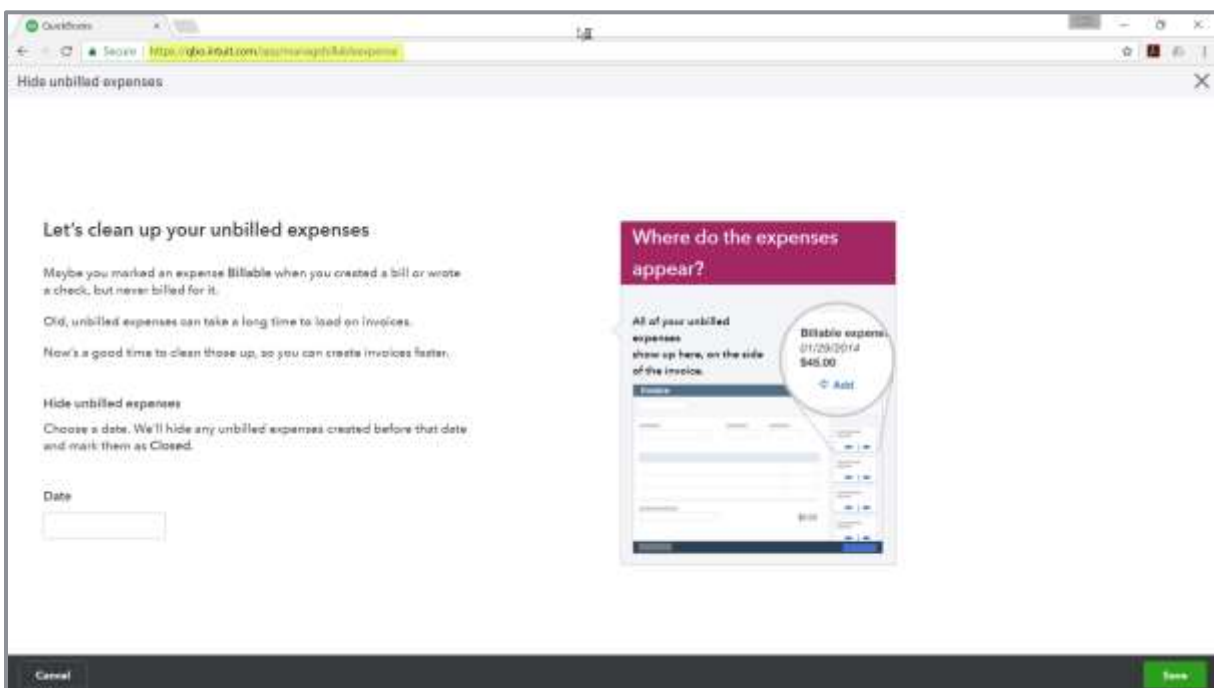
There is a tool in QuickBooks to clean up billable expenses. You can access the tool by typing <https://qbo.intuit.com/app/managebillableexpense> into your browser when you are logged into a QuickBooks Online company.



Step-by-Step: Clean Up Billable Expenses

1. While logged into the QuickBooks company, type <https://qbo.intuit.com/app/managebillableexpense> into your browser address window.
2. Select a date, click Save.

QuickBooks will hide all billable expenses prior to that date. This only works with billable expenses and not billable time or delayed charges or credits. A great tip is to bookmark this page so you'll know where to find it in the future.



Transactions Created in the Bank Register

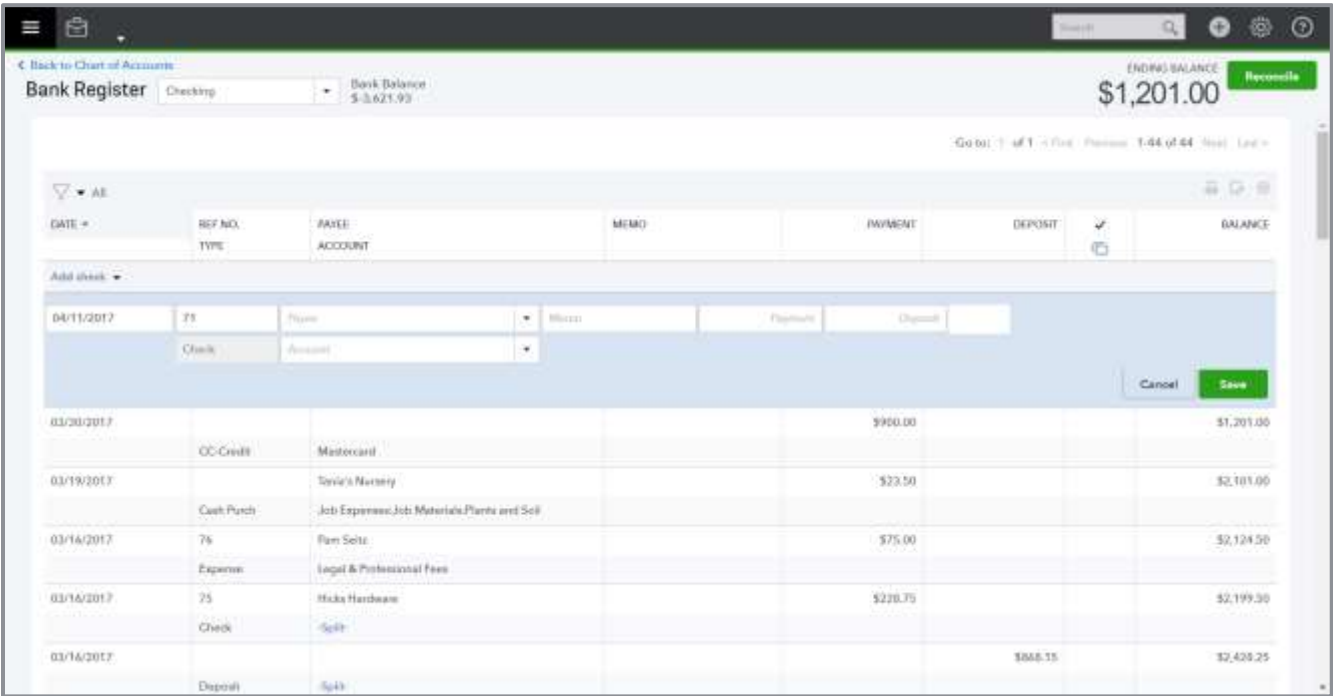
It is not a best practice to use the bank register to record transactions in QuickBooks, but sometimes clients think they are taking a shortcut by entering information into a central location. It may seem easier to enter expenses and revenue from the same screen, but often these entries can wreak havoc on the workflow and financial reports and be cumbersome to fix.

You can (but shouldn't) create the following types of transactions from a bank type register:

- Check
- Deposit
- Sales receipt
- Receive payment
- Bill payment
- Refund
- Expense
- Transfer
- Journal entry

There are limitations on the type of data you can include when entering transactions in the register. For example, when you record a check in the register you can only enter a single distribution account, and you can't assign a customer or a product/service item to the transaction or mark it billable.

If you record a Sales Receipt, QuickBooks doesn't allow you to select a product/service item in the register, it uses the default service item that is created when you create a new QuickBooks Online company and it doesn't allow you to charge sales tax. If you record a receive payment or bill payment, you can't select which invoice or bill to apply the payment to, which will leave an unapplied balance on the customer or vendor account in AR or AP. This can really do a number on your customer and vendor details that requires time to clean up.



Using Apps to Correct Errors

There are several apps found on apps.com that can help when you are correcting improper workflow errors in QuickBooks Online. These apps are utilities that can add, modify and delete lists and transactions in bulk. For example, in the last section we discussed how things can go wrong when you enter transactions directly into a bank register. Imagine a new client just hired you to do a data review and cleanup and you uncover she entered every check into the register as a bill payment. Instead of recording expenses in her company, the transactions are posting to AP. This could be a huge undertaking to fix manually in QuickBooks, either requiring you to enter a bill for each payment, delete each payment manually, or create a journal entry to record the expenses and correct the vendor balances.

Another option to fix this error could be:

1. Use an app to export the bill payments to Excel.
2. Change the type of the transaction to a check or expense transaction.
3. Delete the existing transactions and
4. Re-import the transaction into QuickBooks as the correct type.

This could be a much quicker way to fix the error without spending a lot of time or using a journal entry.

At the time of this recording and development of these training materials, there were several apps available to work with QuickBooks data, including:

- Axis - import and export utility
- Business Importer
- Excel Transactions Importer and Deleter
- Cdata Excel Add-In for QuickBooks Online
- Transaction Pro Importer
- Transaction Pro Deleter

Each of these apps works slightly differently and offers a different pricing structure. You can learn about the apps, including capabilities, reviews and pricing, at apps.com.

Purging Data

If you're within the first 60 days of a QuickBooks Online subscription, you can delete all the existing data and start from scratch. If you converted from QuickBooks Desktop, simply send the data from Desktop again and it will replace all data in the QuickBooks Online company. If you did not convert from QuickBooks Desktop, and your QuickBooks Online subscription is Essentials or Plus, you can purge a company. This process will delete all transactions and reset your file to brand new. It is a best practice to first export the data to a QuickBooks Desktop file saved as an archive.



Step-by-Step: Purge Data

1. Click on the Home tab.
2. On the URL, replace the homepage with <https://qbo.intuit.com/app/purgecompany>.
3. Press Enter. You will be directed to a confirmation page where you have to type Yes in the box and click OK.
4. On the next screen, if the industry you want is different from the one showing, change it and mark whether you would like the system to create accounts based on your industry or start with an empty Chart of Accounts.
5. Click Wipe Data.



IMPORTANT: You cannot undo this. Proceed with caution. If there is payroll data in the company, it will have errors doing this. When the deletion is complete, you will be rerouted to your home page. If your QuickBooks Online subscription was started more than 60 days ago, you will need to cancel your current subscription and start a new company in order to start from scratch.

Guide Conclusion

You have just completed *Module 5: Reporting and Troubleshooting*. This Supplemental Guide, in tandem with its recorded module, has been provided to help prepare you for the QuickBooks Online Advanced Certification Exam. You've completed the final module of the training course; you should be ready to proceed to the certification exam.

By completing this final module of the training course for Advanced Certification in QuickBooks Online, you should be able to:

- Identify the fundamental logic behind QuickBooks Online reports
- Recognize the available options to customize reports
- Indicate customized reports that are used in various business scenarios
- Identify the steps to customize Management Reports
- Identify the steps to analyze the health of a QuickBooks Online company
- Identify the steps to recognize and correct improper workflow