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**Elaine Marmel**





# QuickBooks® Online

4th Edition

**by Elaine Marmel**

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## QuickBooks® Online For Dummies®, 4th Edition

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# Introduction

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**M**ost small business owners do something besides accounting; they sell products or services. Many small business owners address accounting only because they *have* to address it — to meet legal requirements, such as reporting earnings and paying employees.

QuickBooks helps take the pain out of the process; in fact, accounting can become downright tolerable. And QuickBooks Online (QBO) makes accounting almost easy. Because QBO is a web-based product with mobile versions, you can securely do what you need to do from anywhere at any time of day. And, because QBO is web-based, you can easily share your data with your accountant — again, anywhere and at any time.

In most cases, QuickBooks Desktop users who want to stick with something they know but now yearn for the flexibility of a web-based product won't be disappointed. QBO's functionality will feel very familiar to them, and they can migrate their QuickBooks Desktop company to QBO.

Accountants can easily support QuickBooks clients via QuickBooks Online Accountant (QBOA), the sister product of QBO that enables seamless collaboration between accountants and their clients.

Use this book to help you learn how to use QBO and QBOA.

## About This Book

---

Intuit's web-based accounting product is really two products: End users who want to do their accounting on the web or on mobile devices use QBO, whereas accountants use QBOA, which enables the accountant to log in to a client's books and make changes and queries as needed. Although much of QBO and QBOA look and behave alike, QBOA incorporates tools that an accountant needs while working on a client's books. And accountants need to manage multiple client companies, whereas end-user clients typically do not.

QBO and QBOA are not for everyone. Before you commit to Intuit's web-based solution, you need to explore the available editions and examine the requirements for the products.

Because these products are both similar and different, I've divided this book into three parts. In the first part of the book, I examine what QBO and QBOA are — and what they aren't — and I describe what you need to be able to use QBO and QBOA. I explain the various editions available and the product costs at the time I wrote this book, and I describe the available features.

The second part of the book focuses on using QBO and is aimed at the end user; but, the accountant who opens a client's company via QBOA will be able to use the same tools that the end user uses to manage lists, enter transactions, and print reports.

The third part of the book is aimed at the accountant and covers using QBOA.

I don't pretend to cover every detail of every feature in QBO or QBOA. Instead, I've focused on covering the tools I think most users will need as they navigate QBO and QBOA.



REMEMBER

As I discuss in Chapter 2, there are different versions of QBO; I used QBO Plus as I wrote this book because it contains the most features. Users of other versions might find references in this book to features they don't have because they aren't using the Plus version.

Before we dive in, let's get a few technical convention details out of the way:

- » Text that you're meant to type as it appears in the book is **bold**. The exception is when you're working through a list of steps: Because each step is bold, the text to type is not bold.
- » Web addresses and programming code appear in monofont. If you're reading a digital version of this book on a device connected to the Internet, note that you can tap or click a web address to visit that website, like this:  
`www.dummies.com`.
- » You can use QBO and QBOA from their Android and iOS apps, from the Windows desktop app (which works on Windows desktop computers, tablets, and laptops, but not on Windows phones) or from Chrome, Firefox, Safari, or Internet Explorer. At the time I wrote this book, a variety of issues existed if you tried to use QBO and QBOA with Microsoft Edge. In my experience, QBO and QBOA function best in Chrome. For that reason, I used Chrome throughout this book and I've devoted The Part of Tens chapters in this book to



Chrome so that, if you aren't familiar with Chrome, you can get up and running more quickly.

- » When I discuss a command to choose, I separate the elements of the sequence with a command arrow that looks like this: ⇨. For example, when you see Chrome Menu ⇨ Settings, that means you should click the Chrome Menu button (on the right side of the Chrome screen — see Chapter 16 for a description of Chrome's screen elements) — and, from the drop-down menu that appears, click Settings.

## Foolish Assumptions

I had to assume some things about you to write this book. Here are the assumptions I made:

- » You know that you need to manage the accounts for your business, and you might even have some sort of setup in place to record this information. I *don't* assume that you know how to do all of that on a computer.
- » You have some interest in managing the accounts for your business using a web-based product.
- » You are probably but not necessarily a QuickBooks Desktop edition user.
- » You have a personal computer or Mac (that you know how to turn on). Your PC must be running Microsoft Windows 7, Windows 8.1, or Windows 10; I wrote this book using Windows 10. Your Mac must be running OS X 10.6 or later.
- » You might have purchased an edition of QuickBooks Online, but not necessarily.

## Icons Used in This Book



TIP

Think of these icons as the fodder of advice columns. They offer (hopefully) wise advice or a bit more information about a topic under discussion.



REMEMBER

This icon points out juicy tidbits that are likely to be repeatedly useful to you — so please don't forget them.



WARNING

Mr. Spock! Scotty! Red Alert! Well, okay, it's really not life-threatening. In this book, you see this icon when I'm trying to help you avoid mistakes that can cost money.



TECHNICAL  
STUFF

When you see this icon, you've come across material that isn't critical to understand but will satisfy the curious. Think "inquiring minds want to know" when you see this icon.

## Beyond the Book

In addition to the content in this book, this product also comes with a free access-anywhere cheat sheet that gives you keyboard shortcuts for QBO and QBOA and some handy tool buttons in QBO. To get this cheat sheet, simply go to [www.dummies.com](http://www.dummies.com) and search for "QuickBooks Online For Dummies Cheat Sheet" in the Search box.

## Where to Go from Here

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

That said, if you're just getting started with QBO or QBOA, you might want to turn the page and follow, in order, the chapters in Part 1. Then feel free to explore any topic you want, using the table of contents or the index to help you find a topic.

# 1

## **Getting Started with QBO and QBOA**

**IN THIS PART . . .**

Examine what QBO is and what it isn't.

Learn the requirements to use QBO.

Meet the QBO interface.

- » Taking a first look at QuickBooks Online and QuickBooks Online Accountant
- » Considering the cloud
- » Meeting requirements to use QBO and QBOA

## Chapter **1**

# Introducing QBO and QBOA

**Q**uickBooks Online (QBO) and QuickBooks Online Accountant (QBOA) are web-based products you can use to manage your business's accounting. This chapter introduces these products and discusses whether you should move into the cloud to manage your accounting. It also examines the system requirements for these products.

## QBO for the Client and QBOA for the Accountant

QuickBooks Online offers you the ability to manage your business's accounting in the cloud. The software is divided into two products: one for end users and the other for accountants. Interfaces for both products are available on multiple platforms.

QuickBooks Online (QBO) is the cloud-based product for end users who need to perform typical accounting tasks. QBO is based on the same principles as the QuickBooks Desktop product — that is, it uses lists to, for example, manage customers and vendors, and it includes transactions similar to the ones found in the

QuickBooks Desktop product. But, QBO is *not* simply a “rewrite” of the QuickBooks Desktop product for the web. It was designed and developed as a new product, optimized for web-based usage.

QuickBooks Online Accountant (QBOA) is the cloud-based portal that accountants use to access client QBO companies, work in them, and communicate with clients. QBOA also comes with one free company that accountants can use to track their own businesses.

## Comparing interfaces

QBO and QBOA were initially written and optimized to be used in the major web browsers — Chrome, Firefox, Safari, and Internet Explorer. Later, Intuit added QBO apps that you can use for iOS and Android mobile devices. Intuit also offers a desktop version of QBO referred to in this book as, cleverly, QBO Desktop; this version is *not* a mobile app in the sense that it won’t work on a Windows phone . . . but it will work on any Mac or Windows computer, including “portable” computers like laptops and tablets, making it somewhat mobile.

In this section of the book, you explore what QBO and QBOA look like in a browser; the next section explores what the QBO Desktop edition looks like as well as detailing some of the things you can do in the iOS and Android mobile app versions of QBO.

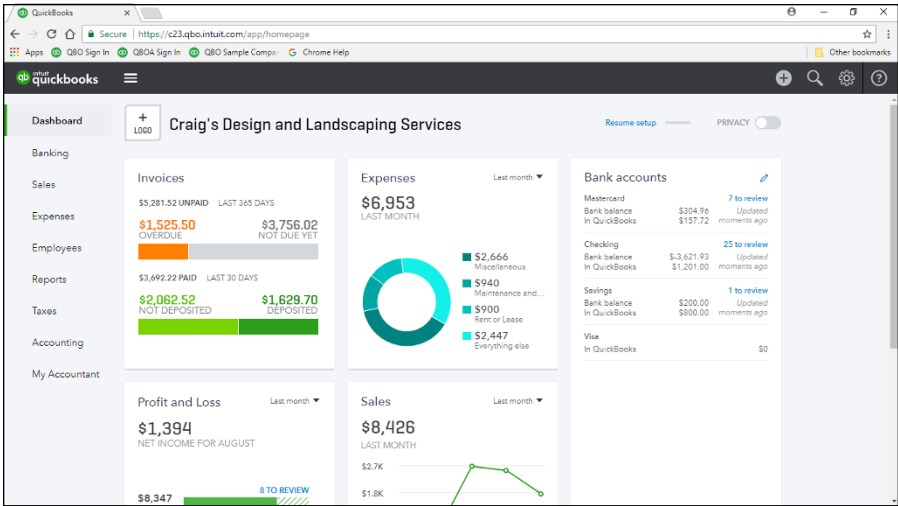
In a browser, an open company in QBO looks similar to the one shown in Figure 1-1. I cover the interface in more detail in Chapter 3, but for the time being, the most important thing to notice is the Navigation bar that runs down the left side of the screen. If you’ve been a QuickBooks Desktop user and you’ve used the Left Icon Bar in that product, you might find the Navigation bar a familiar tool. The Left Icon Bar and the Navigation bar work the same way; you click a link in either of them to navigate to a portion of the program.

Clicking the three-striped button beside the QuickBooks logo above the Navigation bar enables you to collapse the Navigation bar to view just the icons (and clicking it again expands the Navigation bar back to the view in Figure 1-1). When you collapse the Navigation bar (you see an example of it collapsed in Chapter 3), you have more screen real estate to view the right side of the QBO interface.

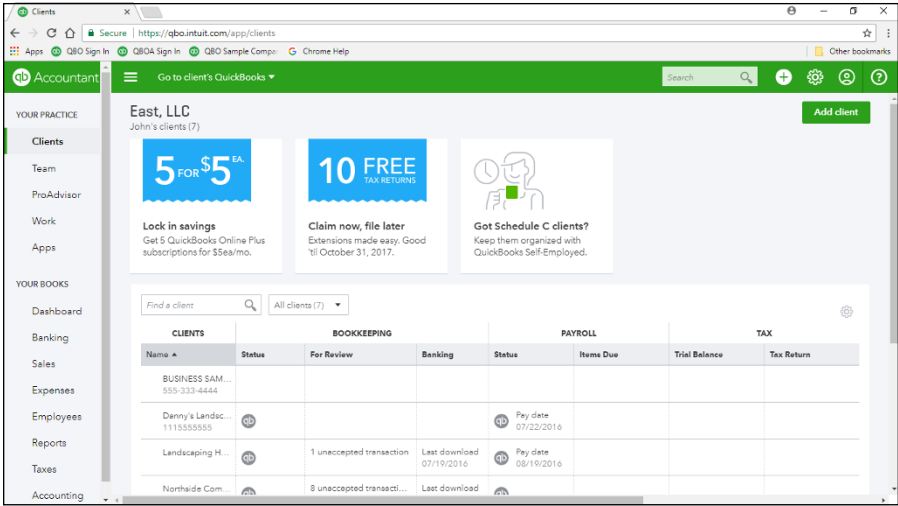
At the top of the screen, you see tools that help QBO users create transactions, search for existing transactions, and view settings for the QBO company.

Figure 1-2 shows what an accountant sees immediately upon logging into QBOA. The Navigation bar changes to support an accountant’s needs; you can read more about the QBOA interface in Chapter 11.

**FIGURE 1-1:**  
An open company in QBO.

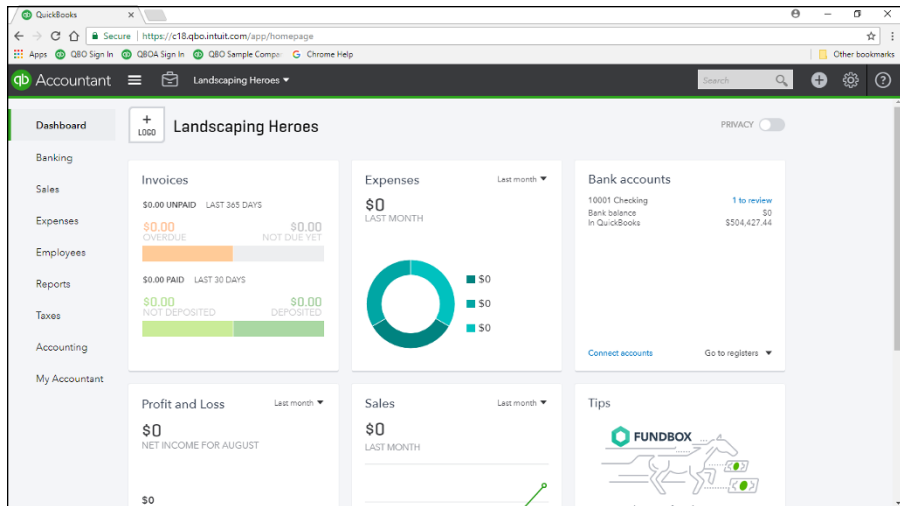


**FIGURE 1-2:**  
The first view an accountant has when he opens QBOA.



When an accountant opens a client's company from within QBOA (see Figure 1-3), the interface resembles what a client sees, with some minor differences. Compare Figure 1-1 with Figure 1-3. First, you know you're using QBOA because the top of the Navigation pane shows QuickBooks Accountant. Second, the tools used to search for a transaction, go to a report, and view recent transactions are combined into one Search box near the right side of the screen. And third, the Accountant Tools menu (the briefcase icon) displays tools not found in QBO that help accountants manage client companies.

**FIGURE 1-3:**  
An open  
company in  
QBOA.



Even though an open company looks a bit different depending on whether you open it using QBO or QBOA, the basic functionality doesn't really change, other than accountants have more options than end users have.



Because QBOA contains functionality that QBO doesn't have, I've organized this book so that QBO users can focus on Part 2 when using the product, and QBOA users can use the information in both Parts 2 and 3 to work in a company online.

## Taking a look at QBO Desktop and QBO Mobile

You can work with QBO and QBOA without using a browser; you can use QBO Desktop or you can use the iOS or Android apps.

### Introducing QBO Desktop

If you prefer, you can work with QBO using QBO Desktop; it's purported to run faster than QBO in your browser, but I'll let you judge for yourself. To download QBO Desktop, use your browser to navigate to the QBO sign-in page: [qbo.intuit.com](https://qbo.intuit.com), shown in Figure 1-4. On the left side of the page, you'll see a Download It Free button; click it and follow the on-screen instructions to download and install QBO Desktop.



Both Windows and Mac users can use QBO Desktop; what you download from the QBO sign-in page works on both platforms. Ingenious, don't you think?





WARNING

The word “app” has become a buzzword and is often used when it probably shouldn’t be. In this chapter, I’m using the word “app” *only* when I refer to the mobile versions of QBO and QBOA *that support a touch interface* and are available for download from the Google Play Store or the Apple App Store. In many places online, you’ll find references to a QBO Windows app — and, at the time I wrote this, there is no Windows app. There is QBO Desktop, which allows Windows users (except Windows Phone users) to use QBO while being mobile — on, for example, laptops and tablets — but QBO Desktop *does not* support a touch interface and therefore, I’m not calling it an app.

**FIGURE 1-4:**  
You can  
download and  
install QBO  
Desktop from the  
QBO sign-in page.

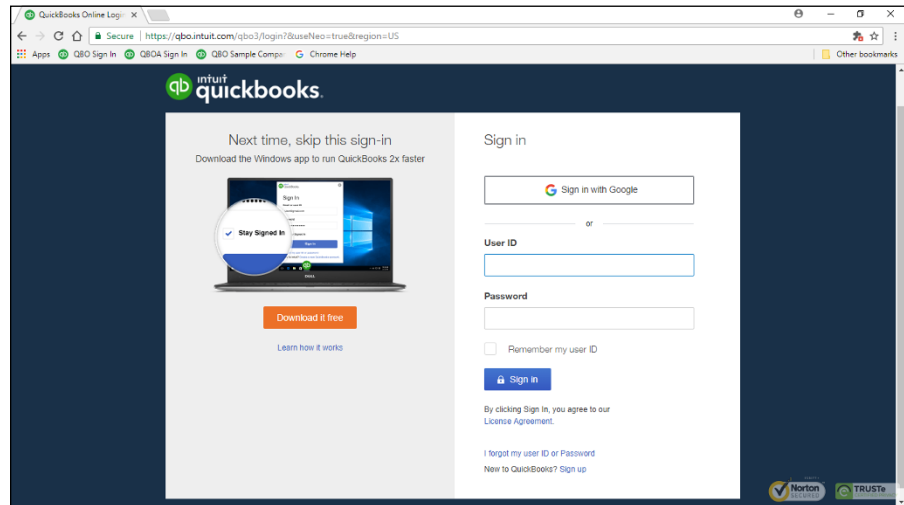


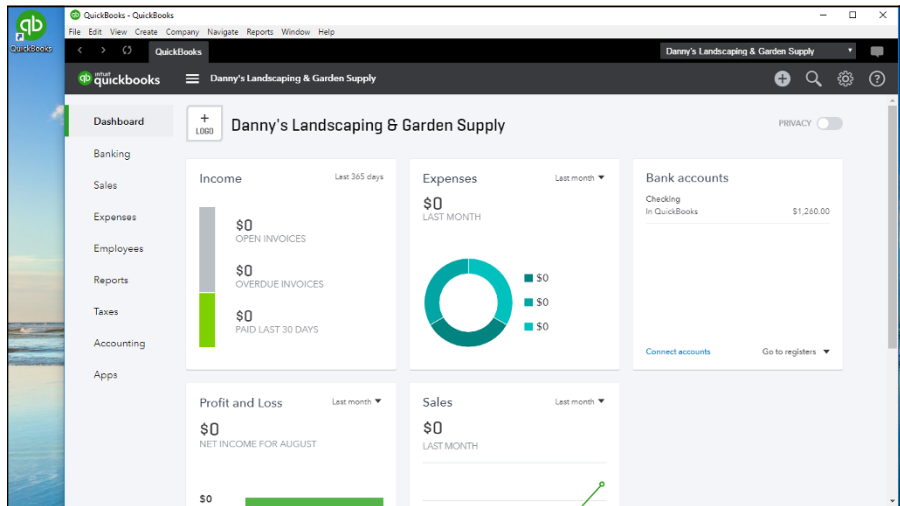
Figure 1-5 shows QBO Desktop with a QBO company open, and Figure 1-6 shows QBOA just after opening it in QBO Desktop (but before opening any client company).



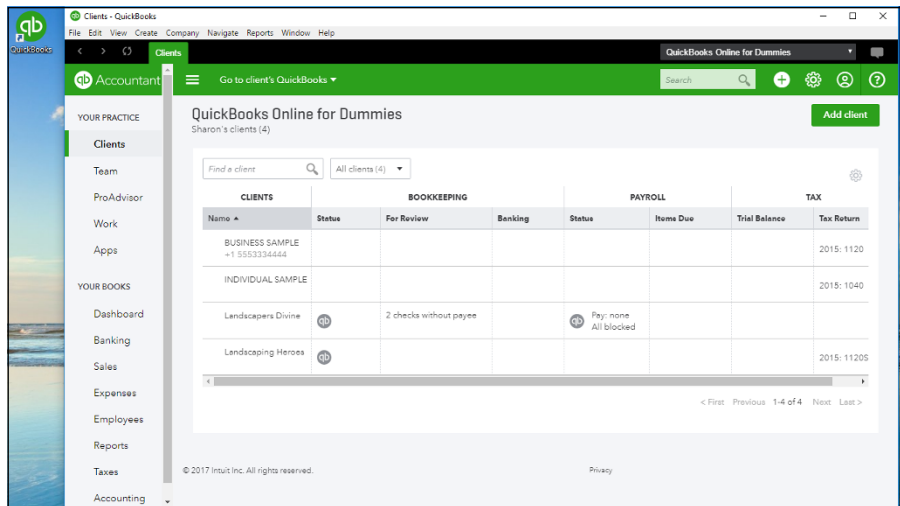
TIP

If you compare Figure 1-5 to Figure 1-1 and Figure 1-6 to Figure 1-2, you’ll notice that, once again, QBOA users have the same additional options in QBO Desktop that they have in a browser. The menus at the top of the screen are the biggest visual difference between QBO and QBOA in QBO Desktop and QBO and QBOA in a browser. If you’ve been a QuickBooks Desktop product user, you know that you can use the menus to navigate. Under the hood, QBO Desktop offers some options that you won’t find readily available in a browser, such as the ability to work in multiple windows.

**FIGURE 1-5:**  
QBO while  
working in QBO  
Desktop.



**FIGURE 1-6:**  
QBOA while  
working in QBO  
Desktop.



## Understanding QBO mobile apps

At no additional cost to you, mobile apps are also available for iPhones, iPads, and Android devices. The iOS and Android apps are optimized for touch interaction and on-the-go workflows like customer management, invoicing, estimates, and signatures. You also can use the mobile apps to track the status of invoices, take payments, reconcile bank accounts, capture expenses, and check reports. And, you'll find Pinch and Zoom functionality in the mobile apps and in browsers on mobile devices.

You can get the mobile apps here: <https://quickbooks.intuit.com/mobile>. In addition to using the QBO mobile apps for iOS and Android, you also can access QBO from your mobile device's browser at <https://qbo.intuit.com>.

New features are added often to the mobile apps. For example, you can customize invoice templates from the browser-based QBO and from QBO Desktop. You can customize templates from mobile devices but not using mobile apps; instead, use the browser-based QBO on your mobile device.



REMEMBER

Be aware that the browser-based version of QBO and QBOA has additional functionality and keyboard shortcuts geared towards more in-depth business accounting tasks.

So, take your choice; you're not limited: Work in a browser, work in QBO Desktop, or work in a mobile app, depending on your needs at the moment.

## Understanding the Cloud

Just to make sure we're on the same page here, I'm defining the *cloud* as software and data housed securely in remote data centers (not on your office premises) and accessed securely using the Internet. Working in the cloud can increase your efficiency by offering you the opportunity to work anywhere, communicate easily with others, and collaborate in real time.



REMEMBER

Regardless of whether you use QBO or QBOA in a browser, in QBO Desktop, or in an app, both the software and the data are housed on servers controlled by Intuit and accessible via the Internet.

In the traditional model of software use, you buy software and install it on your computer. Or you might buy the software and install it on a vendor's server. QBO and QBOA fall into the category of Software as a Service (SaaS). You typically don't buy SaaS software; instead, you rent it (that is, you purchase a subscription).

Because SaaS software is typically web-based software, you (also typically) access SaaS software over the Internet using a browser. A *browser* is software installed on your local computer or mobile device that you use to, well, browse the Internet, looking up cool stuff like what the stock market is doing today, what kind of weather can you expect on Friday when your vacation starts, how to get to your boss's house for the party he's having, and — oh, yes — to work with web-based software such as QBO and QBOA. In the case of QBO and QBOA, you can work with these web-based SaaS products using a browser, using QBO Desktop, or using an app you download to your mobile device.

Using web-based software can be attractive for a number of reasons. For example, using web-based software, you have access to that software's information anywhere, anytime, from any device — stationary or mobile.



REMEMBER

Some folks see the “anywhere, anytime” feature as a potential disadvantage because it makes information too readily available — and therefore a target for hackers. Intuit stores your data on servers that use bank-level security and encryption, and Intuit automatically backs up your data for you. Other folks see the “anywhere, anytime” feature as a disadvantage for exactly the reason that they have access to the software's information anywhere, anytime, and from any device, offering the opportunity to work more than they'd like. You are in charge of your life, so . . . no comment on this “disadvantage.”

In addition, web-based software like QBO and QBOA promotes collaboration and can help you save time. Using QBO and QBOA, accountants, bookkeepers, and clients can communicate about issues that arise, as described in Chapter 14.

Then there's the issue of keeping software up to date. Desktop software such as traditional QuickBooks is updated typically once each year. Unlike their desktop cousin, QBO and QBOA are updated every two to four weeks.



REMEMBER

Because updating occurs so frequently to QBO and QBOA, by the time this book is published, things (and screens) might have changed. Actually, make that “probably have changed.”

## Should You Move to the Cloud?

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

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

Beyond the advantages described in the preceding section, the particular needs of a business might dictate whether you can use QBO. For example, QBO *won't* work for you if your business has industry-specific needs or is mid-sized and needs to use ODBC-compliant applications. In addition, QBO won't work for you if you need to

- » Track your balance sheet by class.
- » Process more than 350,000 transactions annually.
- » Track labor costs.
- » Manage a robust inventory that supports making and selling finished goods.
- » Prepare and track progress invoices.

In any of these cases, you would probably be better off with one of Intuit's "designed for desktop use" products like traditional QuickBooks Pro or QuickBooks Premier.



TIP

When QBO and QBOA were first released, the U.S. version didn't support multiple currencies. That feature has been added to both products. And, you can set a "home currency" without enabling multicurrency support. See Chapter 3 for more information.

## System Requirements

Using a web-based software product typically doesn't require a lot of hardware and software; in fact, the demands of QBO and QBOA aren't extensive. In particular, you need a Windows or Intel-based Mac computer using Windows 7, 8.1, or 10, or OSX 10.6 or later. You also need:

- » An Internet connection — Intuit recommends a high-speed connection
- » One of the four supported Internet browsers:
  - Google Chrome
  - Mozilla Firefox
  - Microsoft Internet Explorer 10 or higher
  - Safari 6.1 if your operating system is iOS 7 or higher



REMEMBER

At the time I wrote this, several issues had been identified when using Microsoft Edge, so, you can try, but temper your expectations. If something doesn't work as you'd expect, try a different browser. In this book, I use a Windows 10 desktop computer and the Chrome browser.

Although QBO and QBOA work in all the major browsers, they work best, in my experience, in Chrome, with Firefox coming in a close second. Therefore, I use Chrome throughout this book, and the Part of Tens chapters cover using Chrome so that you can get comfortable with that browser. If you're a Firefox user, give QBO and QBOA a try in Firefox.

The requirements for the QBO Desktop and the mobile apps are basically the same as those outlined here, except that you won't really need a browser on your device (although you'll probably have one). You'll still need an Internet connection and be aware that, although new features are added to the mobile apps all the time, the mobile apps do not support all features of QBO and QBOA.

Whether you work on a desktop computer or on a mobile device, the computer or device needs to meet the basic requirements of the operating system you use on that computer or device — and then some. For example, if you're using a Windows desktop computer, you need the amount of RAM (random access memory) specified by Microsoft to load Windows on the computer before you ever launch your browser. If you don't have sufficient RAM to run the operating system, you certainly won't be happy with the behavior of QBO and QBOA. You won't be happy with the behavior of the computer, either.

Basic requirements (and I stress the word *basic*) for a Windows 7, 8.1, and 10 computer, as specified by Microsoft, are

- » 1-gigahertz (GHz) or faster 32-bit (x86) or 64-bit (x64) processor
- » 1 gigabyte (GB) of RAM (32 bit) or 2GB of RAM (64 bit)
- » 16GB of available hard disk space (32 bit) or 20GB (64 bit)
- » A display that supports at least 800 x 600 dpi
- » DirectX 9 graphics device with WDDM 1.0 or higher driver

These versions of Windows work with multi-core processors, and all 32-bit versions of Windows can support up to 32 processor cores, whereas 64-bit versions can support up to 256 processor cores.

And a word on the word *basic*. You'll be a whole lot happier if your desktop computer components have higher numbers than the ones listed above. If you have a computer that's fairly new — say, three to four years old — you might need only

to add some RAM or possibly hard disk space. If your computer is older than three or four years, you should consider purchasing new equipment, simply because you'll be unbelievably happier with the computer's performance. Technology continues to improve dramatically in short spurts of time.

If you buy a new computer, you don't need to worry about much to meet more than the basic requirements. I'm pretty sure you can't buy a new computer containing a 1-gigahertz processor; most computers today come with at least 2.5-gigahertz processors and they support better graphics than the DirectX 9 graphics listed in the basic requirements. And most monitors available for purchase today don't support low resolutions such as 800 x 600; you most likely own a monitor that supports much higher resolution. In my opinion, 1GB of RAM is insufficient; your desktop computer should have at least 4GB of RAM, and you'll be much happier if it has 8GB of RAM. On the hard drive requirement, if you don't have the 16GB or 20GB of available space specified, you probably should be considering a hard drive replacement for your computer.

QBO and QBOA have their own hardware requirements — that exceed Microsoft's basic requirements. Visit this page to see the system requirements for QBO and QBOA:

<https://community.intuit.com/articles/1145516-system-requirements-for-quickbooks-online>

If you want to use QBO Desktop, visit this page to see system requirements:

<https://community.intuit.com/articles/1458875-quickbooks-windows-app-general-support>



TECHNICAL  
STUFF

The amount of RAM your computer can successfully use depends on the computer's architecture — in particular, if your computer uses a 32-bit process, as older computers often did, your computer might not be able to “see” more than 4GB of RAM. So, you could put 16GB of RAM in the computer and only be able to use 4GB. And part of that 4GB goes to other stuff, like your video card; so, with most 32-bit processors (there are a few exceptions), your computer can use only 3GB of RAM. Bottom line here: Newer computers use 64-bit processors and can take advantage of much more RAM, which makes them much faster.





- » Understanding available QBO subscriptions and their costs
- » Examining ways to meet payroll needs
- » Taking a tour of the App Center

## Chapter 2

# Embracing the QBO/QBOA Format

**Q**BO and QBOA are not traditional software that you buy and install on your local computer. In this chapter, you explore the QBO/QBOA software format, and I assume that you've read Chapter 1 and evaluated whether QBO can meet your needs.

## It's All about Subscriptions

QBO and QBOA fall into the category of Software as a Service (SaaS). As such, you don't buy the software. Instead, you rent it; that is, you buy a subscription to use the software for a time period specified by the seller.



REMEMBER

Traditionally, you buy a *license* to use software that you install on your computer, and typically, that license permits you to install the software on only one computer.

And, of course, a QBO user can pay varying amounts for a subscription, depending on the subscription level purchased.

QBO is available at four different subscription levels, and each subsequent subscription level costs more and contains more functionality. The QBO subscriptions available at this writing are

- » Self-Employed
- » Simple Start
- » Essentials
- » Plus



REMEMBER

All versions of QBO share three attributes in common. First, you can use a tablet, Android or iOS smartphone, or desktop computer to access your data. Second, your data is automatically backed up online. And third, all versions of QBO use 128-bit Secure Sockets Layer (SSL), the same security and encryption used by banks to secure data sent over the Internet.

Once you assess your needs as described in Chapter 1, use the following information to identify the lowest subscription level that will meet your requirements. At this point in time, you can upgrade to a higher level, but you cannot downgrade to a lower level.

Accounting professionals signing up clients for QBO and creating client companies originally couldn't switch client companies from one version of QBO to another if the accounting professional created the client as part of the Intuit Wholesale Pricing program. However, except for the Self-Employed version, that's no longer true. So, you no longer need to anticipate your client's requirements for more advanced features like the ability to track inventory or prepare 1099s.

## The Self-Employed version

This version of QBO is aimed at freelancers and self-employed individuals, basically, those who receive Federal Form 1099 to account for the money they've been paid and pay their taxes using Schedule C of IRS Form 1040. Using the Self-Employed version, you can

- » Download transactions from your bank and credit card accounts.
- » Separate business from personal spending.
- » Create and send invoices at any time, and personalize your invoices using your logo. In addition, QuickBooks Self-Employed (QBSE) offers free bank transfers and enables you to accept mobile payments. And, QBSE lets you know when your invoice is viewed and paid.
- » Track mileage using your phone's GPS.

- » Use your phone to take photos of receipts for your expenses; QBSE automatically extracts key data from the receipt and uses the information to match an existing transaction or to create a new expense.
- » Use QBSE's Expense Finder feature to identify more potential deductions by securely connecting your bank accounts to pull in business expenses from the entire past year and sorting them into Schedule C categories. When you sign in to QBSE for the first time from March 20 to April 15, select "No, I am still working on 2017 taxes" to access the Expense Finder feature. You can then connect to your bank accounts to securely import all 2017 expenses in just minutes. The Expense Finder feature automatically finds work expenses and organizes them by Schedule C category.
- » Calculate and pay estimated quarterly taxes.
- » If you need more guidance or have loyalties to a tax preparer, you can invite your tax preparer to work with your QBSE data using QBOA.

Like the other versions of QBO, you can use a tablet, an Android or iOS smartphone, or desktop computer to access your data. In addition, QuickBooks Self-Employed uses the same security and encryption as banks, and your data is automatically backed up online. As you might expect, this version has the fewest reports available, and only one person and an invited accountant can access QBO.

If you opt to include TurboTax in your subscription, you also can pay your estimated quarterly taxes online and export Schedule C information from QBO to TurboTax so that you can prepare your tax return more easily. With TurboTax as part of your subscription, you receive one federal and one state electronic tax return filing at no extra cost.

## The Simple Start version

The Simple Start version of QBO is great for a new business with basic bookkeeping needs. With Simple Start, you can

- » Track your income and expenses.
- » Download transactions from your bank and credit card accounts.
- » Create an unlimited number of customers.
- » Send unlimited estimates and invoices.
- » Print checks and record transactions to track expenses.
- » Import data from Microsoft Excel or QuickBooks Desktop.

- » Invite up to two accountants to access your data.
- » Integrate with available apps.

Although the Simple Start version supports Accounts Receivable functions, you can't set up invoices to bill customers on a recurring basis. You also can't track bills due in the future in the Simple Start version because it doesn't include any Accounts Payable functions. And, one other important consideration: The Simple Start version also has no general ledger.

Although the Simple Start version allows two accountants to work in the client's company, Simple Start is still designed for a single user. Therefore, the accountant cannot create the client's company for the client. At the time the company is created in QBO, whoever creates the company becomes, in QBO parlance, the master administrator.

In addition to the single-user restriction, the Simple Start version offers more than 20 reports. And Simple Start users can memorize report settings and produce memorized reports.



REMEMBER

For subscription levels that support multiple users, the accountant can create the company for the client and then assign the master administrator role to the client. And, if the accountant doesn't make the client the master administrator when creating the company, the accountant can, later on, transfer the master administrator role to the client. See Chapter 12 for more information.

## The Essentials version

The Essentials version of QBO includes all the features found in Simple Start. In addition, with the Essentials version, you can

- » Set up invoices to automatically bill on a recurring schedule.
- » Take advantage of Accounts Payable functions, including entering vendor bills and scheduling their payment for later.
- » Compare your sales and profitability with industry trends.
- » Create and post recurring transactions.
- » Control what your users can access.

The Essentials version permits three simultaneous users and two accountant users. In addition, the Essentials version contains the reports found in Simple Start and 20 additional reports.

## The Plus version

The Plus version of QBO is the most full-featured version of QBO. It contains all the features found in the Essentials version. In addition, you can

- » Create, send, and track purchase orders.
- » Track inventory using the first in, first out (FIFO) inventory valuation method. QBO supports light inventory needs: If you sell finished goods, QBO should be able to manage your needs. But if you need to assemble finished goods to sell, QBO won't meet your needs on its own. You can look for an add-on app to supplement your inventory needs; I talk about add-on apps at the end of this chapter.
- » Track, create, and send 1099-Misc forms.
- » Categorize income and expenses using class tracking.
- » Track sales and profitability by business location. You can assign only one location to a transaction, but you can assign multiple classes to a transaction.
- » Give employees and subcontractors limited access to the QBO company to enter time worked.
- » Track billable hours by customer. QBO supports light job-costing needs, but it does not allow you to automatically cost labor.
- » Create budgets to estimate future income and expenses, and you can create multiple budgets per year, location, class, or customer.



REMEMBER

I used QBO Plus as I wrote this book because it contains the most features; therefore, users of other versions might find references in this book to features they don't have. Accounting professionals: The company that comes with QBOA is a Plus company.

The Plus version supports five simultaneous users and two accountant users and can be scaled up to support 20 users. The Plus version also contains more than 65 reports: all the reports found in both the Simple Start and the Essentials versions, and some additional reports.

## Essentials and Plus with Payroll

If an end user signs up for QBO Essentials or Plus on his own and creates his own company, he can create the company using the Plus Payroll option, or later, he can sign up for QBO Payroll (QBOP) separately. An accountant also can create the company that uses QBOP for a client. For details, see the section “Addressing Payroll Needs” later in this chapter.

# What Does It Cost?

The big question: What's it cost? The price is dependent primarily on the QBO version you choose.

If you are an end user who signs up on your own for a QBO subscription, the price per month as of the date this book was written appears in Table 2-1.



REMEMBER

The prices shown in Table 2-1 are monthly subscription prices, and, at the time I wrote this, the sale price was good for six months. In some cases, when you sign up, you'll be offered the option to pay for an entire year. And, paying for a full year might turn out to be less expensive than paying on a monthly basis.

**TABLE 2-1**

## QBO Subscription Pricing

QBO Version	Regular Price	Sale Price
Self-Employed	\$10/month	\$5/month
Simple Start	\$15/month	\$10/month
Essentials	\$35/month	\$24/month
Plus	\$50/month	\$35/month



REMEMBER

At the time I wrote this, Intuit offered Simple Start, Essentials, and Plus users the ability to add Enhanced Payroll for \$19/month and Full Service payroll for \$49/month.

You'll receive a bill on a regular basis from Intuit. Intuit gives you a free 30-day trial that includes payroll processing along with the rest of the subscription's features. If you opt to continue QBO Payroll after the 30-day trial, your subscription fee increases. You also can use the QBO Payments app for free; it gives you the capability to process online and mobile payments at a rate of 2.9 percent per bank payment/ACH at the time I wrote this book. QuickBooks Self-Employed users can enable mobile payments and enjoy free bank transfers and accept electronic payments.



REMEMBER

If you opt for a 30-day free trial, you won't get the sale price for the subscription. But, if you "buy now," Intuit gives you a 60-day, money-back guarantee on your purchase.

If you are an accounting professional, you can sign up for the Wholesale Pricing program and use QBOA for free. If you create a client's company as part of the Wholesale Pricing program and you manage the client's subscription, Intuit sends you the bill for the client's subscription. It is your responsibility to bill the client for the QBO subscription. The bill you receive from Intuit is a single consolidated bill for all the QBO subscriptions you manage. For a little more information on the Wholesale Pricing program, see Chapter 11. But, for the complete skinny on the Wholesale Pricing program, contact Intuit. Note that accounting professionals might be able to get QBO for their clients at a reduced price.



REMEMBER

If an accounting professional creates a company through QBOA, the company does not come with a 30-day free trial. Instead, at the time the accounting professional creates the company, he must provide a payment method to ensure uninterrupted service.

If your client initially sets up QBO with his or her own subscription, you can move that existing QBO subscription to your consolidated bill at the discounted rate. And, if your arrangement with your client doesn't work out, you can remove the client from your consolidated bill, and the client can begin paying for his own subscription.

## Addressing Payroll Needs

QBO can handle payroll regardless of whether an end user or an accountant creates the QBO company.

If an end user signs up for QBO Essentials or Plus on his own, he can create his own company using the appropriate “with Payroll” option — Enhanced or Full Service Payroll — or, after the fact, he can sign up for QBO Payroll from the Employees screen (see Figure 2-1).



REMEMBER

The distinction between the two options, besides price, is that you choose Enhanced Payroll if you want to prepare payroll on your own; for details on preparing payroll in QBO, see Chapter 9. Alternatively, you can subscribe to QBO Full Service Payroll, which integrates with QBO, where Intuit prepares payroll for you.

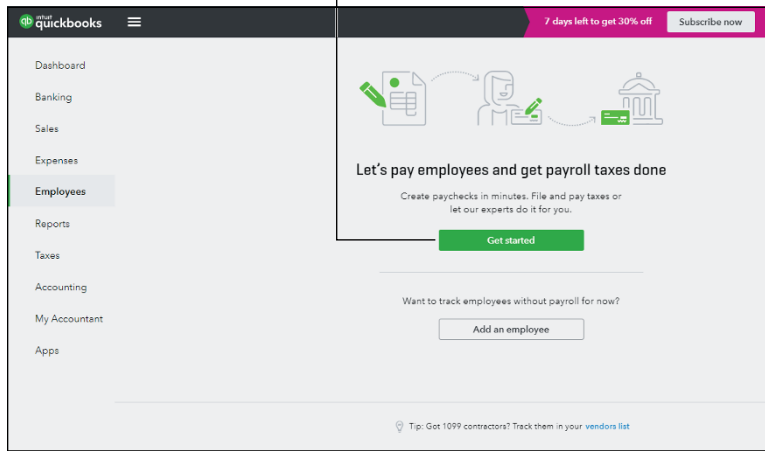


REMEMBER

It's easy to get confused here . . . I know I was. Intuit also offers another payroll product, Intuit Full Service Payroll, which is a stand-alone product that doesn't integrate with QBO.

Click here to get started using payroll.

**FIGURE 2-1:**  
If you sign up for QBO on your own, you can turn on payroll from the Employees screen.



Both Enhanced and Full Service QBO Payroll sport the following features:

- » Paying employees with printed checks or by directly depositing paychecks
- » Automatically calculating tax payments and paying them electronically
- » Processing Federal and State quarterly and annual reports and preparing W-2 forms
- » Processing payroll for employees in multiple states
- » Keeping payroll tax tables up to date without having to install updates like you do with the QuickBooks Desktop product
- » Using the QBO Payroll mobile app to pay employees, view past paychecks, electronically pay taxes, and electronically file tax forms

If an accountant who is not enrolled in the Intuit Wholesale Pricing program creates a QBO Essentials or Plus company for a client, the client company can turn on QBO payroll (QBOP) from the Employees screen in the client's company (refer to Figure 2-1). Clients can prepare payroll for themselves, or accounting professionals can manage all payroll functions for clients.

If the accountant is enrolled in the Intuit Wholesale Pricing program and creates a QBO Essential or Plus company for a client as part of the program, the accountant can set up the QBO company to use QBO Payroll (QBOP).

Last, an accountant can add an Intuit Full Service Payroll subscription to a client company subscription through QBOA, regardless of whether he or she is enrolled in the Wholesale Pricing Program.



# Switching from QuickBooks Desktop

At this point (or maybe earlier than now), you might have been wondering if you can easily switch to QBO if you have been a QuickBooks Desktop program user. And, the answer is yes. Chapter 12 provides details on importing QuickBooks Desktop data into QBO. And, the import process doesn't affect your original desktop company; it's still available via the desktop product. After you import your data into QBO, you should run the Profit & Loss report and the Balance Sheet using the Accrual method for all dates from both QBO and QuickBooks Desktop to ensure both versions show the same information.

And, if you want some reassurance that you'll get the same accurate information from QBO that you got from QuickBooks Desktop, you can "run in parallel" for a time period you specify. For example, you might decide to enter all your transactions in both versions of the software for one month; at the end of that time, you can run reports from both products and make sure you see the same information.



WARNING

Although you can continue to use the QuickBooks Desktop, once you make the switch to QuickBooks Online, be aware that no synchronization occurs between QuickBooks Desktop and QBO. So, changes you make in one are not reflected in the other. Unless you're temporarily running in parallel, continuing to use both products could really mess up your books because you might accidentally enter transactions into one product and not the other.

## Where Add-On Apps Fit In

QBO doesn't operate as a complete, stand-alone accounting solution. It has functional limitations. The section "Addressing Payroll Needs" highlights one such limitation — and shows how you can use Intuit add-ons to achieve more functionality in QBO. And, earlier in this chapter I briefly mentioned Intuit's Payments app, which supports electronic customer payment processing and integrates with QBO.

But those aren't the only add-on apps available for QBO; third-party developers have been creating apps to enhance the functionality of QBO. And, over time, you can expect more apps to be developed.



REMEMBER

In Chapter 1, I made a distinction about apps: In that chapter, I used the term to describe the touch-enabled versions of QBO and distinguish them from QBO Desktop, which is not touch-enabled. In this section, when I refer to apps, I refer to products developed to enhance the functionality of QBO in general; touch capability doesn't play a role here when using the term "app."