ASSOCIATION OF CHARTERED CERTIFIED SYSTEM ACCOUNTANTS

...Experts in IT-based Training & Practice of Accounting and Forensics

Course Title:

SA 2- Cloud Accounting Applications

(A Practical Based Course for the Training of Students, Accountants, & Other Professionals)

2025

About ACCSA Global

The Association of Chartered Certified System Accountants (ACCSA) Global is a professional accounting training Association established in 2019 in Louisiana, United States, as a non-profit organization. Its mission is to bridge the digital divide in accounting education and practice across the continents. Training is offered in a hybrid format (online and in-person) and focuses on applying digital technologies to empower professionals in accounting, forensics, auditing, block - chain technology, digital currencies, artificial intelligence, and other emerging fields.

Since its inception, ACCSA Global has been delivering training programs, organizing conferences, seminars, masterclasses, and webinars for professionals across the United States, Europe, Africa, and Asia.

The goal of the Association of Chartered Certified System Accountants (ACCSA) is to provide high-quality education and training for professionals and academia, enabling them to reach their full potential. By fostering stimulating professional activities, the association aims to promote efficiency, dedication, and selfless service for the benefit of the public and the global community. This goal is grounded in ACCSA Global's commitment to using all available strategies to bridge the digital divide among the world's continents.

Vision
To be the global hub for Chartered and Certified System Accountants, bridging the digital divide across continents through innovative training and accounting practices.

Mission
To produce world-class system accountants through exceptional, IT-focused, career-driven, and innovative training programs, empowering accountants to become skilled global experts.

Acknowledgement

The Association of Chartered Certified System Accountants (ACCSA) Global sincerely appreciate and acknowledges the support of the Training director, Africa Representative, System Analyst of ACCSA Global, other experts and affiliate organizations across the globe with several years of teaching and practice experiences who reviewed and contributed to these materials.

Foreword

The advent of cloud accounting has revolutionized how financial data is managed, processed, and utilized across the globe. At ACCSA Global, we recognize the transformative power of this technology and its ability to enhance efficiency, security, and scalability in the accounting profession. This training material, "Cloud Accounting Applications," serves as a practical guide to equip professionals with the skills necessary to thrive in a cloud-centric financial ecosystem.

Through the modules presented, participants will gain insights into the fundamentals of cloud computing, practical applications of cloud accounting software, and strategies for ensuring security and compliance in the digital space. These lessons are designed not only to build technical proficiency but also to inspire innovation and adaptability among accountants, students, and other professionals.

As the Training Director of ACCSA Global, I am proud of the collaborative effort that has gone into creating this comprehensive resource. It reflects our mission to bridge the digital divide in accounting education and to prepare practitioners for the demands of a dynamic and interconnected world.

We remain committed to fostering a learning environment that empowers accountants to become global experts, leveraging cutting-edge technologies to deliver exceptional value to their organizations and clients. I encourage all participants to fully engage with this material and embrace the opportunities presented by cloud accounting.

Warm regards,

Prof. Paul A. Adejola, FCCSA, PhD.
Training Director,
ACCSA Global.

Course Outline

This course should aim to enhance their understanding and proficiency in using cloud accounting software, understanding cloud security, and leveraging cloud technologies to improve efficiency and provide better services. Here's a proposed outline for the course:

Module 1: Introduction to Cloud Computing

- Basics of Cloud Computing
- Types of Cloud Services: IaaS, PaaS, SaaS
- Cloud Computing Models: Public, Private, Hybrid, Community

Module 2: Fundamentals of Cloud Accounting

- Principles of Cloud Accounting
- Overview of Cloud Accounting Software and Tools
- Transitioning from Traditional to Cloud Accounting

Module 3: Navigating Cloud Accounting Software

- Setting Up an Account
- Dashboard and User Interface Overview
- Key Features of Popular Cloud Accounting Software (QuickBooks, Sage Accounting, FreshBooks, etc.)

Module 4: Accounting Processes in the Cloud

- Managing Accounts Receivable and Payable
- Conducting Bank Reconciliations
- Generating Financial Reports and Statements
- Budgeting and Forecasting in the Cloud

Module 5: Advanced Cloud Accounting Features

- Automation in Cloud Accounting
- Integrating Third-Party Apps with Cloud Accounting Software
- Multi-User Access and Collaboration in Real-Time

Module 6: Cloud Security and Data Protection

- Understanding Cloud Security Basics
- Best Practices for Data Protection and Privacy
- Compliance with Financial Regulations in the Cloud

Module 7: Case Studies and Real-World Applications

- Success Stories of Businesses Transitioning to Cloud Accounting
- Analyzing Common Challenges and Solutions
- Future Trends in Cloud Accounting

Module 8: Course Wrap-up and Next Steps

- Review of Key Concepts and Learnings
- Continuing Professional Development in Cloud Accounting
- Certification Exam

Table of Contents

Module 1: Introduction to Cloud Computing

Introduction

The impact of cloud computing on industry and end users would be difficult to overstate: many aspects of everyday life have been transformed by the omnipresence of software that runs on cloud networks. By leveraging cloud computing, startups and businesses are able to optimize costs and increase their offerings without purchasing and managing the hardware and software themselves. Independent developers are empowered to launch globally-available apps and online services. Researchers can share and analyze data at scales once reserved only for highly-funded projects. And internet users can quickly access software and storage to create, share, and store digital media in quantities that extend far beyond the computing capacity of their personal devices. Despite the growing presence of cloud computing, its details remain obscure to many. What exactly is the cloud, how does one use it, and what are its benefits for businesses, developers, researchers, government, healthcare practitioners, and students? In this conceptual article, we'll provide a general overview of cloud computing, its history, delivery models, offerings, and risks.

What is Cloud Computing?

Cloud computing is the delivery of computing resources as a service, meaning that the resources are owned and managed by the cloud provider rather than the end user. Those resources may include anything from browser-based software applications (such as Tik Tok or Netflix), third party data storage for photos and other digital media (such as iCloud or Dropbox), or third-party servers used to support the computing infrastructure of a business, research, or personal project.

Cloud computing is the on-demand access of computing resources—physical servers or virtual servers, data storage, networking capabilities, application development tools, software, AI-powered analytic tools and more—over the internet with pay-per-use pricing.

Cloud computing is a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction.

Before the broad proliferation of cloud computing, businesses and general computer users typically had to buy and maintain the software and hardware that they wished to use. With the growing availability of cloud-based applications, storage, services, and machines, businesses and consumers now have access to a wealth of on-demand computing resources as internet-accessed services. Shifting from on-premise software and hardware to networked remote and distributed resources means cloud users no longer have to invest the labor, capital, or expertise required for buying and maintaining these computing resources themselves. This unprecedented access to computing resources has given rise to a new wave of cloud-based businesses, changed IT practices across industries, and transformed many everyday computer-assisted practices. With the cloud, individuals can now work with colleagues over video meetings and other collaborative platforms, access entertainment and educational content on demand, communicate with household appliances, hail a cab with a mobile device, and rent a vacation room in someone's house.

Basics of Cloud Computing

Essential characteristics of cloud computing

- On-demand self-service: Cloud resources can be accessed or provisioned without human interaction. With this model, consumers can gain immediate access to cloud services upon signup. Organizations can also create mechanisms for allowing employees, customers, or partners to access internal cloud services on demand according to predetermined logics without needing to go through IT services.
- Broad network access: Users can access cloud services and resources through any device and in any networked location provided that they have permission.
- Resource pooling: Cloud provider resources are shared by multiple tenants while keeping the data of individual clients hidden from other clients.
- Rapid elasticity: Unlike on-premise hardware and software, cloud computing resources can be rapidly increased, decreased, or otherwise modified based on the cloud user's changing needs.
- Measured service: Usage of cloud resources is metered so that businesses and other cloud users need only pay for the resources they use in any given billing cycle.

Origins of cloud computing

The origins of cloud computing technology go back to the early 1960s when Dr. Joseph Carl Robnett Licklider (link resides outside ibm.com), an American computer scientist and psychologist known as the "father of cloud computing", introduced the earliest ideas of global networking in a series of memos discussing an Intergalactic Computer Network. However, it wasn't until the early 2000s that modern cloud infrastructure for business emerged.

In 2002, Amazon Web Services started cloud-based storage and computing services. In 2006, it introduced Elastic Compute Cloud (EC2), an offering that allowed users to rent virtual computers to run their applications. That same year, Google introduced the Google Apps suite (now called Google Workspace), a collection of SaaS productivity applications. In 2009, Microsoft started its first SaaS application, Microsoft Office 2011.

Cloud computing components

The following are a few of the most integral components of today's modern cloud computing architecture.

1. **Data centers:** CSPs own and operate remote data centers that house physical or bare metal servers, cloud storage systems and other physical hardware that create the underlying infrastructure and provide the physical foundation for cloud computing.

2. **Networking capabilities:** In cloud computing, high-speed networking connections are crucial. Typically, an internet connection known as a wide-area network (WAN) connects front-end users (for example, client-side interface made visible through web-enabled devices) with back-end functions (for example, data centers and cloud-based applications and services). Other advanced cloud computing networking technologies, including load balancers, content delivery networks (CDNs) and software-defined networking (SDN), are also incorporated to ensure data flows quickly, easily and securely between front-end users and back-end resources.
3. **Virtualization:** Cloud computing relies heavily on the virtualization of IT infrastructure—servers, operating system software, networking and other infrastructure that's abstracted using special software so that it can be pooled and divided irrespective of physical hardware boundaries. For example, a single hardware server can be divided into multiple virtual servers. Virtualization enables cloud providers to make maximum use of their data center resources.

Types of Cloud Services: IaaS, PaaS, SaaS

Cloud resources are provided in a variety of different delivery models that offer customers different levels of support and flexibility.

1. Infrastructure as a Service (IaaS)

IaaS is the on-demand delivery of computing infrastructure, including operating systems, networking, storage, and other infrastructural components. Acting much like a virtual equivalent to physical servers, IaaS relieves cloud users of the need to buy and maintain physical servers while also providing the flexibility to scale and pay for resources as needed. IaaS is a popular option for businesses that wish to leverage the advantages of the cloud and have system administrators who can oversee the installation, configuration, and management of operating systems, development tools, and other underlying infrastructure that they wish to use. However, IaaS is also used by developers, researchers, and others who wish to customize the underlying infrastructure of their computing environment. Given its flexibility, IaaS can support everything from a company's computing infrastructure to web hosting to big data analysis.

2. Platform as a Service (PaaS)

PaaS provides a computing platform where the underlying infrastructure (such as the operating system and other software) is installed, configured, and maintained by the provider, allowing users to focus their efforts on developing and deploying apps in a tested and standardized environment. PaaS is commonly used by software developers and developer teams as it cuts down on the complexity of setting up and maintaining computer infrastructure, while also supporting collaboration among distributed teams. PaaS can be a good choice for developers who don't have the need to customize their underlying infrastructure, or those who want to focus their attention on development rather than DevOps and system administration.

3. Software as a Service (SaaS)

SaaS providers are cloud-based applications that users access on demand from the internet without needing to install or maintain the software. Examples include GitHub, Google Docs, Slack, and Adobe Creative Cloud. SaaS applications are popular among businesses and general users given that they're often easy to adopt, accessible from any device, and have free, premium, and enterprise versions of their applications. Like PaaS, SaaS abstracts away the underlying infrastructure of the software application so that users are only exposed to the interface they interact with.

Cloud Computing Models: Public, Private, Hybrid, Community

1. Public cloud

A public cloud is a type of cloud computing in which a cloud service provider makes computing resources available to users over the public internet. These include SaaS applications, individual virtual machines (VMs), bare metal computing hardware, complete enterprise-grade infrastructures and development platforms. These resources might be accessible for free or according to subscription-based or pay-per-usage pricing models.

The public cloud provider owns, manages and assumes all responsibility for the data centers, hardware and infrastructure on which its customers' workloads run. It typically provides high-bandwidth network connectivity to ensure high performance and rapid access to applications and data.

Public cloud is a multi-tenant environment where all customers pool and share the cloud provider's data center infrastructure and other resources. In the world of the leading public cloud vendors, such as Amazon Web Services (AWS), Google Cloud, IBM Cloud®, Microsoft Azure and Oracle Cloud, these customers can number in the millions.

Most enterprises have moved portions of their computing infrastructure to the public cloud since public cloud services are elastic and readily scalable, flexibly adjusting to meet changing workload demands. The promise of greater efficiency and cost savings through paying only for what they use attracts customers to the public cloud. Still, others seek to reduce spending on hardware and on-premises infrastructure. A high percentage of organizations, as time goes on, will adopt a digital transformation model predicated on cloud as the fundamental underlying platform.

2. Private cloud

A private cloud is a cloud environment where all cloud infrastructure and computing resources are dedicated to one customer only. Private cloud combines many benefits of cloud computing—including elasticity, scalability and ease of service delivery—with the access control, security and resource customization of on-premises infrastructure.

A private cloud is typically hosted on-premises in the customer's data center. However, it can also be hosted on an independent cloud provider's infrastructure or built on rented infrastructure housed in an offsite data center.

Many companies choose a private cloud over a public cloud environment to meet their regulatory compliance requirements. Entities like government agencies, healthcare organizations and financial institutions often opt for private cloud settings for workloads that deal with confidential documents, personally identifiable information (PII), intellectual property, medical records, financial data or other sensitive data.

By building private cloud architecture according to cloud-native principles, an organization can quickly move workloads to a public cloud or run them within a hybrid cloud environment whenever ready.

3. Hybrid cloud

A hybrid cloud is just what it sounds like: a combination of public cloud, private cloud and on-premises environments. Specifically (and ideally), a hybrid cloud connects a combination of these three environments into a single, flexible infrastructure for running the organization's applications and workloads.

At first, organizations turned to hybrid cloud computing models primarily to migrate portions of their on-premises data into private cloud infrastructure and then connect that infrastructure to public cloud infrastructure hosted off-premises by cloud vendors. This process was done through a packaged hybrid cloud solution like Red Hat® OpenShift® or middleware and IT management tools to create a "single pane of glass." Teams and administrators rely on this unified dashboard to view their applications, networks and systems.

Today, hybrid cloud architecture has expanded beyond physical connectivity and cloud migration to offer a flexible, secure and cost-effective environment that supports the portability and automated deployment of workloads across multiple environments. This feature enables an organization to meet its technical and business objectives more effectively and cost-efficiently than with a public or private cloud alone. For instance, a hybrid cloud environment is ideal for DevOps and other teams to develop and test web applications. This frees organizations from purchasing and expanding the on-premises physical hardware needed to run application testing, offering faster time to market. Once a team has developed an application in the public cloud, they may move it to a private cloud environment based on business needs or security factors.

A public cloud also allows companies to quickly scale resources in response to unplanned spikes in traffic without impacting private cloud workloads, a feature known as cloud bursting. Streaming channels like Amazon use cloud bursting to support the increased viewership traffic when they start new shows.

Most enterprise organizations today rely on a hybrid cloud model because it offers greater flexibility, scalability and cost optimization than traditional on-premises infrastructure setups. According to the IBM Transformation Index: State of Cloud, more than 77% of businesses and IT professionals have adopted a hybrid cloud approach.

4. Multicloud

Multicloud uses two or more clouds from two or more different cloud providers. A multicloud environment can be as simple as email SaaS from one vendor and image editing SaaS from another. But when enterprises talk about multicloud, they typically refer to using multiple cloud services—including SaaS, PaaS and IaaS services—from two or more leading public cloud providers.

Organizations choose multicloud to avoid vendor lock-in, to have more services to select from and to access more innovation. With multicloud, organizations can choose and customize a unique set of cloud features and services to meet their business needs. This freedom of choice includes selecting "best-of-breed" technologies from any CSP, as needed or as they emerge, rather than being locked into offering from a single vendor. For example, an organization may choose AWS for its global reach with web-hosting, IBM Cloud for data analytics and machine learning platforms and Microsoft Azure for its security features.

A multicloud environment also reduces exposure to licensing, security and compatibility issues that can result from "shadow IT"— any software, hardware or IT resource used on an enterprise network without the IT department's approval and often without IT's knowledge or oversight.

Module 2: Fundamentals of Cloud Accounting

Principles of Cloud Accounting

Cloud accounting refers to performing basic accounting tasks, like managing and balancing the books, using software that resides in the cloud and is often delivered in an as-a-service model. Staff or third-party accountants can manage accounts payable, accounts receivable, the general ledger and much more within the application. Just like other cloud-based systems, cloud accounting software runs on a cloud provider's platform rather than on a local hard drive or server. Users access the tools they need through the internet, meaning employees or third-party accountants do not need to be in a certain location to understand the financial state of the business.

Cloud accounting is a solution that allows employees in different departments, remote or branch locations to have access to the same data and the same version of the software, as well as performing all application functions off-site instead of on the company's desktop. Cloud accounting software is hosted on remote servers, just like the SaaS (Software as a Service) business midweek. Accounting data is sent into "the cloud," where it is processed and transferred back to the user.

The fundamentals of cloud accounting encompass several key aspects:

1. ***Accessibility:*** Cloud accounting allows users to access financial data and software from any location with an internet connection, using various devices such as computers, tablets, or smartphones. This accessibility enables remote work, facilitates collaboration among team members, and provides real-time insights into financial information.
2. ***Scalability:*** Cloud accounting solutions are scalable, meaning they can easily accommodate the changing needs of businesses as they grow or downsize. Users can typically adjust subscription plans or features to match their requirements without the need for significant infrastructure changes.
3. ***Automation:*** Cloud accounting software often includes automation features that streamline repetitive tasks such as data entry, invoicing, expense tracking, and reconciliation. Automation not only reduces the potential for errors but also frees up time for accountants and finance professionals to focus on more strategic activities.
4. ***Data Security:*** Cloud accounting providers typically invest heavily in security measures to protect sensitive financial data. This includes encryption, regular data backups, multi-factor authentication, and compliance with industry regulations such as GDPR or HIPAA. However, it's essential for users to implement proper security protocols and controls on their end as well.
5. ***Integration:*** Cloud accounting software can integrate with other business applications such as CRM systems, inventory management software, payment gateways, and payroll systems. This integration streamlines data flow between different functions of the business,

eliminates the need for manual data entry, and provides a more holistic view of business operations.

6. ***Real-time Reporting:*** Cloud accounting software enables real-time access to financial data, allowing users to generate up-to-date reports and insights instantly. This capability is particularly valuable for making informed business decisions, monitoring cash flow, tracking key performance indicators (KPIs), and complying with regulatory requirements.
7. ***Collaboration:*** Cloud accounting facilitates collaboration among multiple users, including accountants, bookkeepers, business owners, and other stakeholders. Users can share access to financial data securely, collaborate on tasks in real-time, and communicate within the platform, enhancing teamwork and efficiency.
8. ***Cost-effectiveness:*** Cloud accounting solutions typically operate on a subscription-based model, eliminating the need for upfront hardware and software investments. This pay-as-you-go approach can be more cost-effective for businesses, particularly small and medium-sized enterprises (SMEs), as it reduces IT infrastructure costs, maintenance expenses, and the need for dedicated IT staff.

How Cloud Accounting Works

In cloud accounting, accountants, controllers, CFOs and other relevant parties receive login credentials for the system and access it through a web browser, whether on a laptop, smartphone or tablet. The provider may also offer a mobile app to improve the user experience on phones and tablets.

The software is typically integrated with the company's bank accounts, so all transactions automatically post to the correct digital ledger. Users often have a home dashboard that displays the financial information most critical to their roles, like available cash, bills due in the next five days or past-due payments from customers. All numbers update immediately as the software receives new information, and users can drill down into the data for additional details.

Accounting is one of the key components of an enterprise resource planning (ERP) system. An ERP platform unifies essential business functions like accounting, financial planning and budgeting, inventory and order management, human resources (HR), customer relationship management (CRM) and more on a central database. This database connects modules designed to manage different aspects of the organization and thus supports cross-functional processes, many of which need to tie back to accounting. Payroll, purchase orders and the value of inventory on hand, for example, all need to be recorded in the accounting system as they happen.

Overview of Cloud Accounting Software and Tools

Cloud accounting software – also known as online accounting software or web-based accounting software – is accounting software that is hosted on a remote server. Users send data to "the cloud" where it is processed and returned to the user.

The software applications can be accessed by users via the internet or other networks via a cloud application service provider. With cloud-based accounting software, a company does not have to set up individual desktops with software because everyone in the company can access the cloud on their own devices. This also allows remote teams or branches to access the same data and the same version of the software.

A major benefit of cloud-based accounting software is the data backup and disaster recovery are often a part of your account.

Key Features of the Accounting Software

a) *Core accounting* – it's the basic component of all accounting software, so we make sure you are getting this module. Features include general ledger, accounts payable, accounts receivable, fixed assets, and bank reconciliation.
b) *Billing & Invoicing* – this module can be part of the basic module or as a separate component. It lets you to automate routine collections.
c) *Data Checks* – this solution has built-in data checks that flag common accounting mistakes and suspicious transactions. Audit and security functions allow users to track who is entering or editing data or accessing particular functions. It makes Audit a quick, simple and easy task.
d) *Integration* – its forecasting, analytics and other data/reports can be exported into Microsoft Excel, Outlook, Word and PDF or sent via email.
e) *Budget & Forecasting* – this module lets you estimate next year's budget based on historic data and sales targets.
f) *Fixed Asset* – whether as an add-on or bundled with core accounting, its fixed asset feature lets you manage financial information on important company assets.
g) *Payroll system* – lets you process employee payrolls, print cheques, automatically withhold and pay taxes and create legal and tax reports on schedule.
h) *Inventory management* – it's a specific module to manage inventory. The system allows you to manage the movement of products to avoid over or under stocking. It features tools to track orders, sales, and deliveries.

Cloud accounting software platforms have become increasingly popular due to their convenience, accessibility, and ability to streamline financial tasks for businesses of all sizes. Here's a general overview of popular cloud accounting software:

1. **QuickBooks Online**: QuickBooks Online is one of the most widely used cloud accounting solutions, particularly among small and medium-sized businesses. It offers a range of features including invoicing, expense tracking, bank reconciliation, payroll processing, and financial reporting. Users can access QuickBooks Online from any internet-enabled device, making it convenient for remote work and collaboration among team members. The software offers various pricing tiers with different features tailored to the needs of freelancers, small businesses, and larger enterprises.

2. **Xero**: Xero is another popular cloud accounting software known for its user-friendly interface and robust features. It provides tools for invoicing, bank reconciliation, expense tracking, payroll, and inventory management. Xero integrates with a wide range of third-party apps and services, allowing users to customize their accounting workflows according to their specific requirements. Like QuickBooks Online, Xero offers multiple pricing plans to accommodate businesses of different sizes and needs.
3. **Sage Business Cloud Accounting**: Sage is a prominent provider of accounting and business management software solutions, and Sage Business Cloud Accounting is one of their offerings designed to meet the needs of businesses transitioning to cloud-based financial management systems. Sage cloud accounting offers a comprehensive set of features to support various aspects of financial management, including invoicing, expense tracking, bank reconciliation, financial reporting, and more. Users can create and send professional invoices, track payments, and manage cash flow effectively.
4. **FreshBooks**: FreshBooks is primarily designed for freelancers, small businesses, and self-employed professionals. It offers features such as invoicing, time tracking, expense management, project management, and financial reporting. The software emphasizes simplicity and ease of use, making it a popular choice for individuals and small teams who may not have extensive accounting expertise. FreshBooks also integrates with various third-party apps and services to extend its functionality and streamline workflows.
5. **Wave**: Wave is a cloud-based accounting platform targeted at freelancers, entrepreneurs, and small business owners. It provides tools for invoicing, accounting, payroll, and receipt scanning. One of Wave's key selling points is its free accounting software, which includes core features like invoicing and expense tracking at no cost. However, users can opt for paid add-ons such as payroll processing and credit card payments. Wave is known for its simplicity and user-friendly interface, making it a popular choice for small businesses with basic accounting needs.
6. **Zoho Books**: Zoho Books is part of the larger Zoho suite of business software and offers features for invoicing, expense tracking, project management, inventory management, and financial reporting. Zoho Books integrates seamlessly with other Zoho applications as well as third-party services, providing users with a comprehensive suite of tools for managing their finances and operations. The software is suitable for small and medium-sized businesses across various industries, offering scalability and customization options to accommodate different business needs.

Transitioning from Traditional to Cloud Accounting

The use of cloud accounting is on the rise across all types of businesses, and accountants are tasked with staying on top of this trend. Transitioning from traditional accounting to cloud accounting involves a comprehensive process of migrating financial data, systems, and processes from on-premise servers or desktop-based software to cloud-based platforms. This shift enables businesses to leverage the benefits of cloud computing, such as scalability, accessibility, data security, and collaboration. Here's a general overview of the steps involved in transitioning from traditional to cloud accounting:

1. **Assessment and Planning**: Assess the current accounting infrastructure, including software, hardware, and processes. Identify the goals and objectives of transitioning to cloud accounting, such as improving efficiency, accessibility, and reducing costs. Evaluate different cloud accounting solutions available in the market to find the one that best fits the organization's needs.
2. **Data Migration**: Identify all relevant financial data that needs to be migrated to the cloud accounting system, including transaction records, charts of accounts, customer and vendor information, and historical financial reports. Clean and organize the data to ensure accuracy and consistency. Use migration tools provided by the chosen cloud accounting platform or work with a professional service provider to transfer the data securely to the cloud.
3. **System Integration**: Integrate the cloud accounting software with other business systems and applications, such as enterprise resource planning (ERP) systems, customer relationship management (CRM) software, and bank accounts. Configure settings and permissions to ensure seamless communication and data exchange between different systems.
4. **Training and Education**: Provide training sessions or workshops to educate employees on how to use the new cloud accounting software effectively. Offer ongoing support and resources to address any questions or concerns that arise during the transition period. Encourage employees to familiarize themselves with the features and functionalities of the cloud accounting platform through self-paced learning resources and tutorials.
5. **Security and Compliance**: Implement robust security measures to protect sensitive financial data stored in the cloud, such as encryption, multi-factor authentication, and regular data backups. Ensure compliance with relevant regulations and standards, such as the General Data Protection Regulation (GDPR) or the Sarbanes-Oxley Act (SOX), when handling financial information in the cloud.
6. **Testing and Optimization**: Conduct thorough testing of the cloud accounting system to identify any issues or bugs that need to be addressed before full deployment. Collect feedback from users and stakeholders to identify areas for improvement and optimization. Continuously monitor performance metrics and key performance indicators (KPIs) to gauge the effectiveness of the cloud accounting solution and make adjustments as needed.
7. **Go-Live and Transition**: Schedule a planned cutover date for migrating from the traditional accounting system to the cloud-based solution. Communicate the transition plan to all stakeholders and provide support resources to assist with any issues or challenges encountered during the go-live process. Monitor the transition closely to ensure a smooth and successful migration to the cloud accounting platform.

8. **Post-Transition Support and Maintenance**: Provide ongoing support and maintenance for the cloud accounting system, including software updates, troubleshooting, and user assistance. Monitor system performance and security to address any issues or concerns that arise after the transition. Regularly review and optimize processes to maximize the benefits of cloud accounting for the organization.

Challenges of Traditional Accounting Software

1. ***Expensive, long upgrades:*** On-premises systems are infamous for frustrating upgrades that drag on for months (or longer) and force customers to reinstall or reprogram customizations. The bills from these projects, which rarely go as planned, tend to pile up quickly. That's why many companies avoid upgrades, meaning they can't capitalize on the latest features and functionality that their competitors may have access to.
2. ***Poor security practices:*** Backing up all the data within your accounting application is no small task. Backups can be expensive and labor-intensive to set up, so companies often complete this process infrequently, if they do it all. That means you're constantly at risk of losing weeks or months' worth of critical data to a successful ransomware attack or act of nature.
3. ***Limited access:*** With traditional accounting software, users often need to be on the company's network or log into a VPN to access the system, which can limit where and how they use it. Not only is this a hassle, but it adds costs — the business has to purchase VPN or similar software. That can limit the ability for key stakeholders to see data that might affect their strategy and decisions.
4. ***End of Life (EOL):*** As cloud accounting becomes more of the standard, many on-premises accounting software providers are ending support for their solutions. This poses a major risk because if you're on a solution that reaches end of life, you're forced to move to the cloud or take complete ownership of outdated, unsupported on-premises software. With cloud accounting, the software is constantly updated and is unlikely to be *sun-setted*.

Difference between Cloud Accounting and Traditional Accounting

Cloud Accounting	**Traditional accounting**
1. It provides real-time financial reporting.	It lacks real-time financial reporting.
2. It automatically updates financial data.	Traditional accounting requires updating financial information manually.
3. Engaged employees are motivated to work every day and do everything in their will and power to help the company achieve its goals.	Satisfied employees are those that handle their job responsibilities well and decently but do not go above and beyond that.

4. Account balances are typically accurate and fewer errors are present.	There is the possibility of inaccurate account balances and several errors in financial data.
5. Cloud accounting software are also better able to efficiently manage multi-company and multi-currency transactions.	Traditional accounting cannot efficiently handle multi-company and multi-currency transactions.
6. With cloud computing, firms are not stuck with permanent and costly licenses and equipment. Even when the business experiences little expansion, there is no massive increase in costs.	Every time a company grows in the on-premise world, they encounter new fees for database, fresh licenses, greater maintenance costs, as well as higher software license. They may even need to make capital purchases of new, expensive hardware, like servers.
7. Overall, less maintenance is required for cloud accounting. This is because updates happen automatically, the cloud provider handles the backups, and no additional software is required to be installed or downloaded on a business computer.	High maintenance is typically an issue with traditional accounting.
8. Sharing data is also less stressful. Two parties simply need access permission to the same system with their respective passwords.	Usually, traditional methods use flash drives to transport data, which could be stolen or lost.

Benefits of Cloud Accounting

With a cloud system, the work of hosting and updating your accounting software is taken on by the provider. You move your books online and then access the software over the internet from a browser, paying for the service on a subscription basis. There's no need to buy or install any software on computers in your office, and cloud software is less expensive to implement and deploy to multiple locations.

Any cloud-based system brings a range of advantages, such as ensuring authorized users can access up-to-date, accurate financial information from home or while traveling. Some systems also provide more advanced capabilities, such as sophisticated automation of accounting processes.

1. ***Less administration:*** With cloud accounting software, business owners remove the need to contend with time-consuming software installation, backups and other administrative tasks, because you're accessing the software over the internet. You don't need to buy or

manage servers or other IT infrastructure to run your accounting software. You don't have to perform regular backups of important financial data, because your accounting provider automatically does that for you. Less time spent on administration frees staff to spend more time on the productive activities that grow your business.

2. ***Software is always up-to-date:*** Because the software is in the cloud, you always have the most up-to-date version. The cloud provider automatically updates the accounting software to include changes to tax rates and accounting rules and adds new features. You don't have to worry about upgrading your software to stay up-to-date; whenever you log in, you'll immediately get access to the latest version.
3. ***Automation:*** Cloud-based accounting platforms automate many accounting and banking tasks, reducing manual work. For example, the software can automatically import bank and credit card transactions, produce recurring invoices, schedule reports, pay subscriptions and post transactions to the correct ledger. It may automatically calculate discounts and taxes and flag exceptions where invoices don't match purchase orders. Some cloud accounting software programs are particularly useful for international sales, automatically handling tax calculations for many different countries.
4. ***Ease of compliance:*** Cloud accounting platforms help private and public companies with tax compliance by producing accurate financial statements, quarterly tax estimates and yearly tax returns. This helps business owners avoid under-reporting tax liability, which could prompt audits or fines, or over-reporting and paying too much. By automating domestic and international tax calculations, cloud platforms also help ensure compliance with all applicable tax regimes. Some leading cloud accounting solutions even automate revenue recognition to comply with accepted accounting standards.
5. ***Paper-free/eco-friendly:*** Traditional accounting often entails paperwork — lots of it. In today's digitized world, it's both inefficient and unnecessary to physically store archived paper records or manually distribute paper reports to investors, lenders and other parties. Ask vendors to send invoices electronically so they can be imported directly into the cloud accounting system. You can declutter the office by scanning paper bills and receipts for processing. Emailing your invoices to clients eliminates printing and postage costs and fast-tracks payment turnarounds. Cutting down on paper also reduces your environmental impact: The average office generates 350 pounds of waste paper per employee annually, and 375 million printer cartridges are incinerated or sent to landfills every year — and reducing energy consumption by reducing servers and hardware usages has an even greater impact.
6. ***Data security:*** You may have concerns about storing sensitive information in the cloud. But cloud accounting services actually enhance security for most businesses in several ways. First, cloud providers apply multiple levels of security, including advanced encryption and access control, to ensure that only authorized users can access your data. They also automatically back up your data so you don't run the risk of losing vital financial

records. If an employee loses a laptop or an office is damaged by fire or flooding, your data is still secure since it is stored online. Your IT team can then focus on securing endpoints and making sure employees have the proper access rights for their roles.

7. ***Scalability:*** One of the cloud's most appealing features is scalability. Managing finances with spreadsheets quickly becomes unmanageable as a business expands, and desktop-based accounting systems typically offer limited functionality, which can hamper a growing business. If you're a startup with expansion plans, for example, you don't want to be stuck with a system you'll outgrow in a year. Comprehensive cloud-based accounting software can scale and flex to match your business needs; you can start with basic accounting functions and add features and users as your business grows.
8. ***Accuracy:*** Cloud-based accounting software improves accuracy by eliminating many of the error-prone manual steps that are required when using spreadsheets. In addition to automatically categorizing transactions and calculating taxes, cloud software can match received invoices to payments and shipments and even automate reconciliation processes, matching internal transactions to bank records and flagging errors.
9. ***Single source of truth:*** Cloud accounting systems store all financial information in a single database, so everyone in the organization works from exactly the same information. There's no more wasted time while teams try to figure out which version of a spreadsheet is correct. A single, central, authoritative data set ensures consistency across all accounting processes and financial reports.
10. ***Customization:*** Every business is different, which is why it makes sense to choose cloud accounting software that can be customized to your organization's individual needs. Some cloud accounting solutions allow you to tailor processes and workflows to better match the way your company operates. You can build personalized dashboards that provide each user with an at-a-glance view of their most important metrics and other information. You can also add corporate branding and company-specific terminology.
11. ***Accessibility/availability:*** Unlike old-school desktop accounting software, cloud-based systems free you from the confines of your office. With online accounting software, authorized users can log in from any location, 24/7, through a web browser or mobile app. They can approve payments or send invoices without having to wait until they're back in the office. Accounting team members are always plugged in to the most current financial information and real-time analytics. Because all data is stored in the same cloud-based system, it's easier to share electronic documents among staff who are working at home or on the road. You also do not need to purchase addition software — like Citrix or VPN — to access true cloud software.
12. ***Real-time reporting and data visualization:*** When the business manages accounting using spreadsheets or paper-based processes, it's difficult to get a quick, accurate, up-to-date of view of business performance. As a result, leaders may not spot issues early enough to

prevent them from developing into bigger problems. Cloud accounting systems can solve this problem by providing real-time access to centralized financial data. Instead of waiting for historical reports that are weeks or months out of date, users always have an up-to-date view of the company's current financial position. Dashboards and other built-in analytics tools translate complex data into easy-to-understand charts and key performance indicators. Visualizing data enables the team to gain new insights and quickly identify trends that impact the business, and it costs significantly less with cloud software.

13. ***Integration possibilities:*** Some providers of cloud accounting solutions offer broad suites of integrated business applications that share the same central database. As your company grows, you can add modules that handle almost every aspect of the business, from payroll to inventory management, marketing and ecommerce. Because all these systems work from the same database, you'll have an accurate, real-time view of financial data across the entire business. Leading cloud solutions also have built ecosystems that include hundreds of suppliers providing complementary products to add specialized accounting functions or provide additional automation. You can also connect to online invoicing and payment platforms.
14. ***Collaboration:*** Because all financial data is stored online in a single database, team members can collaborate more easily. There's no need to manage multiple versions of the same file or copy data onto thumb drives to share it with others. Employees can work together from anywhere, as long as they have internet access. This can accelerate the financial close process and simplify other tasks, such as forecasting.
15. ***Efficiency:*** Automated accounting processes, real-time access to accurate information and reduced administration contribute to a more efficient accounting function overall, which helps boost the efficiency of the entire business. Your staff will waste much less time manually entering and checking data, and increased accuracy and built-in controls mean they expend less effort tracking down issues, such as mismatched invoices. More accurate data and automation mean staff members don't have to scramble to consolidate data from disparate systems to meet deadlines. And because accurate, up-to-date financial data is available throughout the organization, everyone across the company can use it to make decisions that improve business performance.

Module 3: Navigating Cloud Accounting Software

Many decades ago, technology vendors released the first accounting software and forever changed how accountants do their jobs. Systems that ran on computers replaced paper ledgers and the basic tools that helped bookkeepers crunch numbers. As accounting software matured, it took another major leap forward with the invention and advancement of cloud-based accounting systems. Much like other cloud software, these solutions gave businesses game-changing flexibility while reducing capital expenditures and maximizing human resources.

As an accounting professional, facing the rise of cloud-based accounting software, these are what to do:

1. ***Embrace Change:*** As cloud-based accounting software becomes more prevalent, it's crucial for you to stay adaptable and open-minded. Instead of viewing this technological shift as a threat to your profession, consider it an opportunity for growth and efficiency. By embracing these innovative tools, you can automate routine tasks, such as data entry and report generation, freeing up time to focus on more complex and valuable client services. Engaging with new technology can also expand your service offerings and client base, as many businesses are looking for tech-savvy accountants who can provide insights based on real-time financial data.
2. ***Upskill Regularly:*** To stay competitive in the face of cloud-based software, you must commit to regular upskilling. This doesn't mean becoming a tech expert overnight, but rather continuously learning about new features and best practices. Many software providers offer training and certification programs that can help you understand the ins and outs of their platforms. By enhancing your technological proficiency, you can offer more strategic advice to clients, ensuring that you remain an indispensable asset despite the automation of certain accounting tasks.
3. ***Diversify Services:*** Diversifying your service offerings is key when adapting to cloud-based accounting software. As routine tasks become automated, focus on advisory roles that require human judgment and expertise, such as financial planning, business consulting, or specialized tax advice. By offering a broader range of services, you not only become more valuable to your clients but also differentiate yourself from competitors who may not have adapted as quickly to technological changes.
4. ***Collaborate Online:*** Cloud-based software excels in fostering collaboration. You can work with clients and colleagues seamlessly, regardless of location. This creates an environment where information is shared more efficiently, leading to better decision-making and client satisfaction. By utilizing these collaborative tools, you can strengthen client relationships and build a reputation as a forward-thinking accounting professional who embraces modern work practices.
5. ***Reframe Mindset:*** Adjusting your mindset is perhaps the most critical step in facing the rise of cloud-based accounting software. Instead of fearing job displacement, view

technology as a partner that enhances your capabilities. A positive attitude towards innovation will help you see the vast potential for service improvement and personal growth. Clients will notice and appreciate your proactive approach to leveraging technology for their benefit.

6. ***Plan Strategically:*** Finally, strategic planning is essential for integrating cloud-based accounting software into your practice successfully. This involves assessing your current services, identifying areas where cloud software can add value, and developing a phased approach to implementation. Careful planning ensures a smooth transition for both you and your clients, minimizing disruptions while maximizing the benefits of the new technology. Remember, the goal is to complement your expertise with powerful tools, not to replace the unique insights you provide.

Setting Up an Account

Setting up an account on a cloud accounting software involves several steps to ensure that your financial information is securely managed and accurately recorded. is a crucial step for efficient financial management. Here's a detailed process:

1. ***Evaluate Your Needs:*** Begin by assessing your business requirements. Consider factors such as the number of users, scalability, reporting needs, and integration with other tools.
2. ***Choose the Right Software:*** Research and select a cloud accounting software that aligns with your business size, industry, and specific needs. Some popular options include:
3. ***Company Setup:*** Set up your company profile within the software. This typically involves providing details such as your business address, contact information, tax identification number (e.g. Employer Identification Number or EIN), and any other relevant details specific to your business.
4. ***Configure Core Financials:*** Move your day-to-day finance processes onto the platform for quick wins. Gradually add more complex functionality as needed.
5. ***Customize Templates and Transactions:*** Explore the software's settings and customize them according to your preferences and business requirements. This may include setting up invoicing templates, tax rates, chart of accounts, payment terms, and other preferences.
6. ***Training and Support:*** Familiarize yourself with the software's interface and features by exploring tutorials, help articles, and user guides provided by the software provider. Additionally, most cloud accounting software offers customer support through various channels such as email, live chat, or phone, so don't hesitate to reach out if you have any questions or encounter any issues during the setup process.

Dashboard and User Interface Overview

A cloud accounting software's dashboard and user interface (UI) are crucial components that allow users to efficiently manage their financial data, monitor key metrics, and perform various accounting tasks. Using QuickBooks Online cloud accounting software as an example, let's break down the elements typically found in a cloud accounting software's dashboard and UI:

1. **Dashboard*:*** The dashboard is the main landing page upon logging into QuickBooks Online. It provides users with a snapshot of their business's financial health. Here's what you can typically find on the dashboard:
    - *Income and Expenses Overview*: Graphical representations of income and expenses over a specified period, usually customizable.
    - *Bank Account Balances*: Quick access to the balances of linked bank and credit card accounts.
    - *Profit and Loss Summary*: Highlights the net profit or loss for the current fiscal year.
    - *Recent Transactions*: A list of recent transactions entered into the system.
    - *Tasks and Reminders*: Alerts for overdue invoices, upcoming bills, and other financial tasks.
    - *Reports*: Quick links to common reports such as Profit and Loss, Balance Sheet, and Cash Flow.
    - *Customization Options*: Users can often customize the dashboard to display the metrics and data that are most relevant to their business.
2. **Navigation Bar:** QuickBooks Online features a navigation bar that allows users to access different sections of the software easily. Here are the main sections typically found in the navigation bar:
    - Dashboard: Returns users to the main dashboard.
    - Sales: Contains features related to invoicing, sales receipts, customers, and sales reports.
    - Expenses: Handles bill payments, expense tracking, vendors, and expense reports.
    - Banking: Connects bank and credit card accounts for automatic transaction syncing, reconciliation, and bank feeds.
    - Reports: Access to various financial reports such as profit and loss, balance sheet, and customizable reports.
    - Taxes: Tools for managing sales tax, tracking tax deductions, and generating tax reports.
    - Accounting: Features related to managing chart of accounts, journal entries, and accounting tasks.

- Apps: Quick access to integrated apps and tools that expand QuickBooks Online's functionality.

3. **Customer and Supplier Centers:** QuickBooks Online offers dedicated sections for managing customers and suppliers (vendors). Here's what users can typically do in these sections:

   - Customers: Create and manage customer profiles, track customer transactions, and send invoices.
   - Suppliers (Vendors): Maintain vendor information, track expenses, and manage bills.

4. **Transaction Entry:** Users can enter various types of financial transactions directly from the user interface. This includes creating invoices, recording expenses, entering bills, processing payments, and reconciling bank accounts.
5. **Help and Support:** QuickBooks Online provides access to help and support resources directly from the user interface. Users can find articles, tutorials, and community forums to get assistance with using the software.
6. **Mobile Accessibility:** QuickBooks Online offers mobile apps for both iOS and Android devices, allowing users to manage their finances on the go. The mobile app provides a similar user interface and functionality to the web version, enabling users to access key features and data from their smartphones or tablets.

Key Features of Popular Cloud Accounting Software (QuickBooks Online as a Case Study)

SETTING UP QUICKBOOKS ONLINE

In this section, you'll learn how to set up key areas of QuickBooks Online, including entering your company information, adding users, customizing your QuickBooks Online dashboard, and setting up the chart of accounts. By the time you complete this section, you will be ready to start using QuickBooks to manage all of your income and expenses.

How To Set Up Company Information in QuickBooks Online

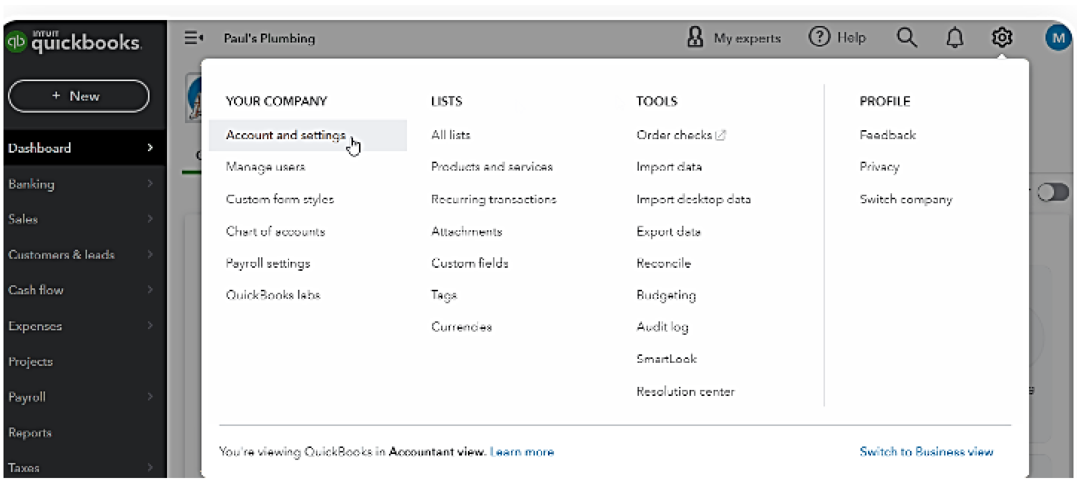
Step 1: Gather Company Info & Sign In to QuickBooks

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

- Business name
- Address
- Email
- Website

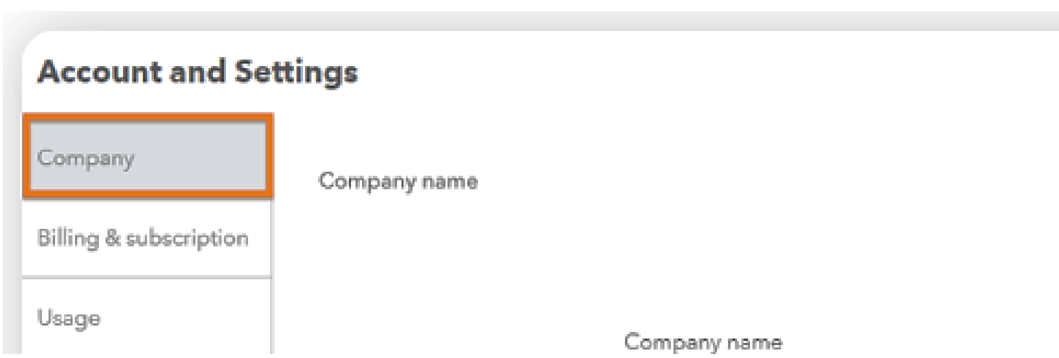
- Digital copy of your company logo
- Federal employer identification number (EIN)
- Business structure, such as sole proprietor or partnership
- Accounting method (cash or accrual)

Now that you have your information, log in to your QuickBooks account. From your dashboard, click the cogwheel on the upper right of the screen and choose Account and Settings.



Then, select the Company tab under Account and Settings. The Company tab includes five areas you need to set up: Company name, Company type, Contact info, Address, and Marketing preferences.

Company tab showing areas you need to set up, such as company name, type, and contact info.



Step 2: Select the Company Type

Click the pencil icon or anywhere on the Company Type section to enter or change your company type information—you can leave the field blank if you're unsure. Click on the drop-down menu next to the Tax form field and select your taxable entity type:

- Sole proprietor: You're a sole proprietor if you're the only one who runs your business. To report income or loss, you should use Schedule C (Form 1040).

- Partnership: Select this business type if you're carrying out your business with two or more partners. Partnerships use Form 1065 to report their business income and loss.
- S corporation (S-corp): A corporation that elects to be an S-corp passes corporate income, loss, and taxes through to its shareholders and reports on Form 1120S.
- C corporation (C-corp): A corporation that qualifies as a C-corp is taxed separately from its owners, rather than passing through to owners. C-corps report on Form 1120.
- Nonprofit organization: Nonprofits are tax-exempt corporations that are focused on social causes rather than generating income. They use Form 990 to report their annual activity.
- Limited liability company (LLC): Choose this business type if you're unsure whether to file taxes as a sole proprietor, partnership, or S-corp.

Then, start typing your industry name in the Industry field, and QuickBooks will provide suggestions. You must choose an industry from the QuickBooks list or leave it blank. Click the green Save button when you're finished.

Step 3: Edit Your Company Address

Click on the pencil icon or anywhere in the address section to enter or change your company's address information.

Company address: The company address is the physical location of the business and is used for your payments to QuickBooks. After making the changes, click Save.

Customer-facing address: This address appears on your invoices and other sales forms and should be the address to which you want customers to mail their payments. If it's different from your company address, uncheck the box and enter the correct customer-facing address. Click Save to record changes.

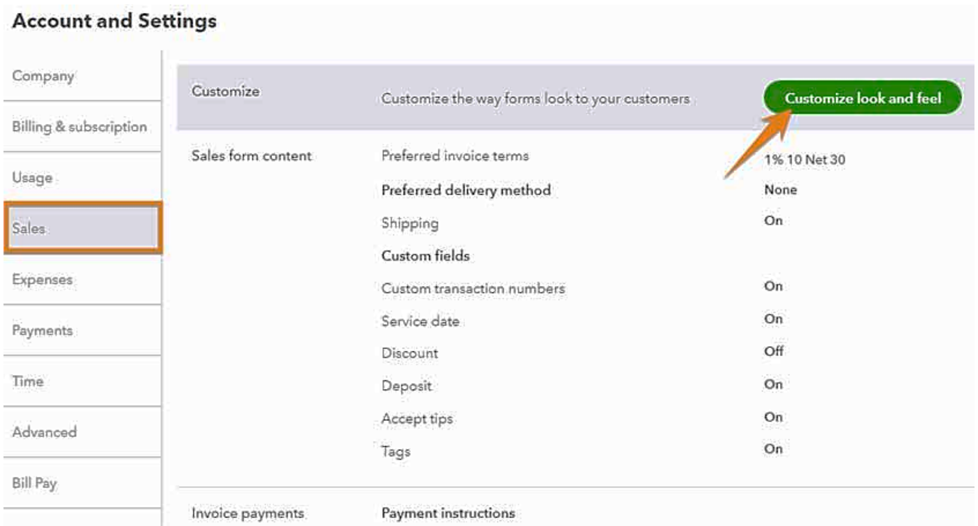
Legal address: The legal address is used for your tax filings and should match your address on file with the IRS. Again, if this differs from the company address, you must uncheck the box and input the legal address. When you're satisfied with the address you have entered, click the green Save button.

How To Customize Invoices in QuickBooks Online

You'll learn how to create a new template and then customize it by adding your company logo and changing the colors and fonts. You'll also know the process of customizing other sales forms, including sales receipts and estimates.

Step 1: Create a New Template (or Edit the Default Form)

To create a new invoice template, click on the cogwheel in the upper right corner of the QuickBooks Online screen and then select **Account and Settings**. Next, choose **Sales** in the left menu bar, and then click the green **Customize look and feel** button on the **Customize** section.



QuickBooks Online will take you to the custom form styles screen, where you can see the list of all the invoice templates you created or will create. If this is a new company, the only form style available is the default template named "Standard." If you want to make only a slight adjustment, you can edit the default template by clicking **Edit** on the far-right side of the line.

If you wish to create a new template, hover over the **New Style** menu on the upper right-hand side of the custom form styles window and select **Invoice** from the drop-down.

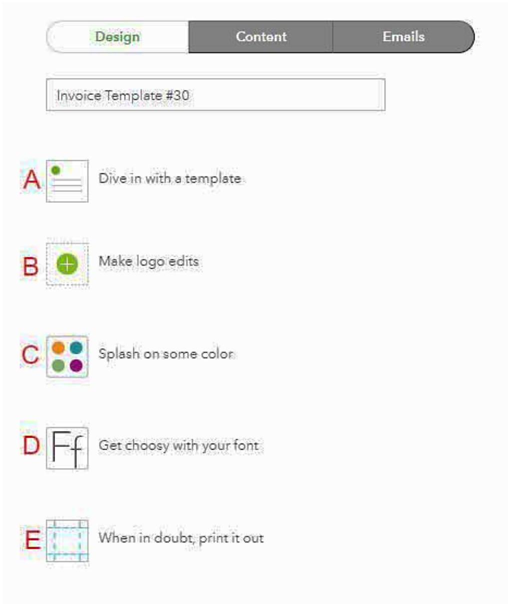
Step 2: Navigate to the Invoice Customization Screen

After clicking **Invoice**, QuickBooks will take you to the invoice customization form, which consists of three tabs:

- **Design**: Where you customize the overall design of your invoice template
- **Content**: Where you can edit the content of your invoice, including business name, contact details, and address, as well as add custom fields if needed
- **Emails**: Lets you edit the content of your invoice email, including a personalized message to your customer

Step 3: Customize the Design

From the Design tab, you can provide the name of your new invoice and customize its overall aesthetic design. There are five areas to design your invoice:

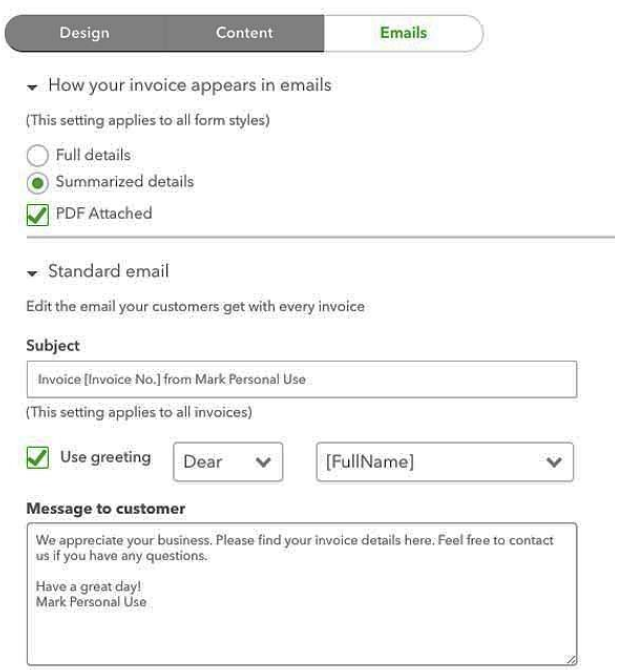


Step 4: Create Custom Content

The next two tabs in the invoice customization screen are Content and Emails. To customize the content, click on the pencil icon on the grayed area in the Content screen and then edit the important details, such as business name, phone number, and email address.

Step 5: Personalize Your Invoice Emails

From the Emails tab, you can control how you want your invoice to appear in your email. You'll find settings to personalize your standard and reminder emails, including adding specific subjects, greetings, etc. You can also add a personalized message to your customer if you desire.



How To Create Custom Estimates and Sales Receipts in QuickBooks Online

Now that you know how to craft a custom template, you can produce custom templates for estimates and sales receipts. The steps are identical to the process we used to create your customized invoice. From the custom form styles screen, click **New style**, then select either Estimate or Sales receipt.

You have the same design options for estimates and sales receipts as invoices. We suggest that you make the custom format similar to your invoices but different enough that it's easy to tell each of the forms apart to avoid confusion. It's important that customers don't mistake invoices for estimates.

How To Customize Expenses

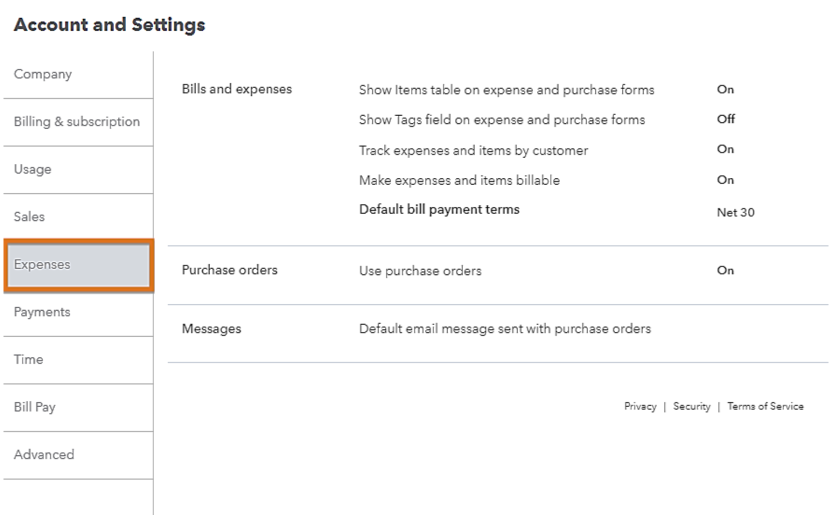
These settings let you activate important features and disable those you don't need, as well as set up custom options, such as adding a markup to expenses billed to customers.

Step 1: Navigate To Account and Settings

Click on the cog wheel in the upper right corner of your QuickBooks Online screen and select Account and settings under Your Company in the first column.

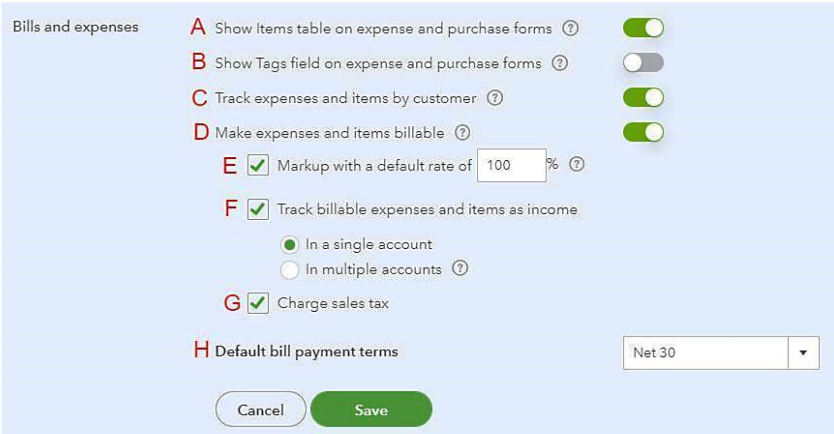
Step 2: Select 'Expenses'

Next, click on **Expenses** in the left menu bar to reveal the three categories of expense settings: bills and expenses, purchase orders (POs), and messages.



Step 3: Customize Bills and Expenses

Let's start by customizing your bills and expenses by clicking anywhere in the Bills and expenses section. The Bills and expenses section includes the following fields:



a) Show items table on expense and purchase forms: This setting must be turned on to assign expenses and purchases to "items" instead of directly to expense accounts. Items include the products and services that you sell to customers, so this option must be turned on if you have inventory. The use of items is a powerful feature of QuickBooks, so we highly recommend this option be activated.

b) Show Tags fields on expense and purchase forms: Tags are customizable labels that you can assign to transactions. Turn this setting on if you wish to categorize your expenses in a way that is not covered by the other fields available. For example, you might use tags to categorize expenses by department, project, or location or to identify expenses that are tax-deductible.

c) Track expenses and items by customer: This should be turned on so that you can assign expenses and items purchased to specific clients, and if you want to bill customers for expenses incurred on their behalf.

d) Make expenses and items billable: You should turn this setting on when you want to charge your customers for expenses you incurred on their behalf. For instance, if you are a consultant who travels to a client's site and incurs expenses, such as hotel and meals, you can use this setting to bill your client for those expenses in addition to your consulting fees.

e) Markup with a default rate of: If you've decided to provide an option to bill expenses and items to clients, you can choose a default markup rate. If you leave this box unchecked, the expense or item will be billed to the customer at the actual cost. You can change the markup when creating an invoice.

f) Track billable expenses as income: There are two methods of accounting for the reimbursement of billable expenses. If you leave this box unchecked, the reimbursement will directly offset the original expense. If you check the box, the reimbursement will be recorded as income. Any markup of expenses will always be shown as income.
If you decide to track billable expenses as income, you must choose whether you want all billable expenses to be tracked in a single account or multiple accounts:

- In a single account: All billable expenses will be tracked in an income account named "Billable Expense Income".

- In multiple accounts: A checkbox will be added to every income account information screen, so you can indicate which income accounts should be available to use for billable expense income.

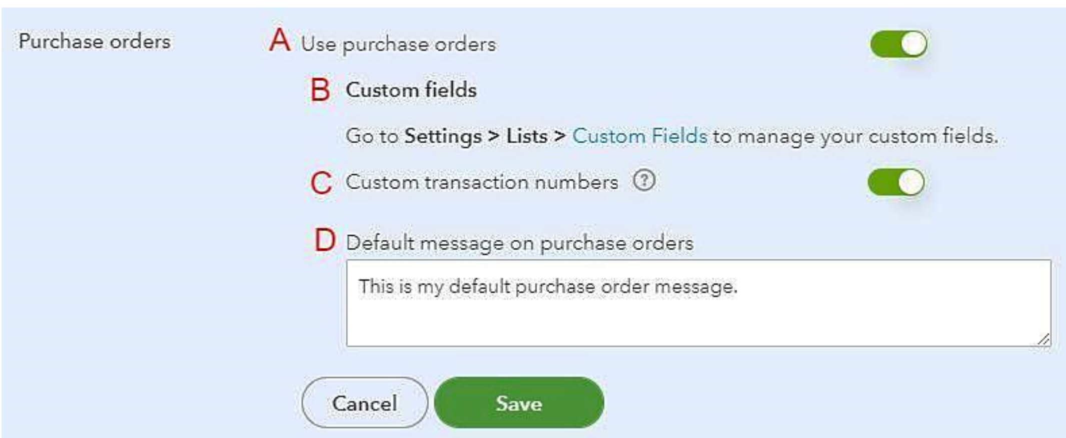
g) Charge sales tax: If you're required to collect sales tax from customers on billable expenses, check this box. Invoices for billable expenses will then include a field for sales tax.

h) Default bill payment terms: Most vendors will provide you with the payment terms for their invoices, which can be entered either in the vendor information screen or as the bill is input. The default payment term entered here will apply to bills for which the vendor hasn't specified payment terms. By setting up payment terms in QuickBooks, you'll receive reminders when a bill is coming due.

When you have customized all of your options under Bills and expenses, click the green Save button.

Step 4: Customize PO Settings

Click on Purchase orders to open the various options available.



a) Use purchase orders: POs can be generated in QuickBooks and then emailed to vendors or printed. They can be converted to bills once the order is received. Toggle Use purchase orders to enable POs for your company.

b) Custom fields: You can add up to three custom fields to print on your POs. This option is great if your vendors request specific information excluded from the QuickBooks PO. If you purchase products with unique attributes or specifications, such as size, color, or style, you may want to add custom fields to your POs to capture this information.

c) Custom transaction numbers: If this box is unchecked, QuickBooks will automatically generate PO numbers. By checking the box, you can manually input PO numbers when they're created. This option is nice if you want to match your PO to a vendor's system.

d) Default message on purchase orders: You can provide a default message that will print on all POs. This message can be changed and customized when you create a PO.

When you're satisfied with your choices, click the green Save button.

Step 5: Customize the PO Email

The last section of expense settings allows you to design a default email message to accompany POs emailed to vendors. Click on Messages to get started.

Customize the greeting, subject line, and message you wish to send with all POs. You can always change the email message when you send a PO. For instance, you might add a personal note when you send a PO to a long-time vendor. If you don't like the changes you've made, click the green Use standard message button to return to the original settings. The last option is to have a copy of the email sent to the QuickBooks master administrator.

The Importance of Customizing Expense Settings in QuickBooks Online

QuickBooks Online offers a wide range of expense customization options, allowing you to tailor your expense settings to your specific business needs. By customizing your expense settings, you can create a more accurate picture of your business expenses and track them more effectively.

For example, by using custom tags, you can categorize expenses according to different projects or departments and generate reports that provide a detailed breakdown of expenses by category. You can also set a default markup rate for expenses and ensure that your pricing is consistent across all products.

How To Set Up Advanced Settings

These settings affect what shows up on your financial reports, including your profit and loss (P&L) reports, balance sheets, and cash flow statements. We'll show you how to set your fiscal year and accounting method, configure your chart of accounts, and enable several time-saving useful tools to customize advanced settings in QuickBooks Online.

Step 1: Navigate To the Advanced Tab

Click on the gear icon in the upper right corner of the QuickBooks Online screen and select Account and Settings under Your Company in the first column:

Then click on Advanced in the left menu to reveal the nine categories of advanced settings:

Advanced tab in QuickBooks showing nine settings, including Accounting, Company Type, Categories, and Automation

Settings under the Advanced tab in QuickBooks

Step 2: Select the Fiscal Year & Your Accounting Method

Click anywhere in the accounting section to view the full range of options and edit the settings. Click Save to record the changes:

a) <u>Fiscal and income tax year</u>: Select the fiscal year and tax year for your business. Most businesses use the calendar year, January 1 through December 31, for both their fiscal and tax year. If you're a new business, consult a tax professional before choosing a tax year other than the calendar year.

b) Accounting method: You also need to set your default accounting method—cash or accrual—but you'll still be able to select either method when printing reports. This is a powerful feature of QuickBooks since many small businesses use the cash method of accounting for their tax return and the accrual method of accounting for their internal reports.

c) Close the books: Closing the books is an important control feature for any bookkeeping system. It prevents inadvertent changes to prior accounting periods, which will cause an error in your beginning balance sheet for the current period. It is recommended that you turn this feature on by entering the ending date of your prior fiscal year. You can select to either view a warning before making a prior-period change or require a password to make such a change.

Step 3: Select Your Company Type

In the second section, you need to select how your company is organized for income tax purposes:

Choose one of the following types of entities from the drop-down box: Sole proprietor; Partnership, S-corporation (S-corp), C-corporation (C-corp), Nonprofit organization, Limited liability.

If you don't know how your business is organized, choose Not sure/Other/None. Click the green Save button to continue to the chart of accounts section.

Step 4: Customize Your Chart of Accounts

QuickBooks provides you with a standard chart of accounts list based on the industry you selected when you created your company. We'll cover how to add and remove accounts in a later tutorial on how to set up the chart of accounts in QuickBooks Online but, for now, there are a few advanced settings you can adjust:

a) Enable account numbers: Accountants often use account numbers to help organize their chart of accounts. For instance, your revenue accounts might start at 1,000 and your expense accounts may begin at 2,000.

b) Shipping account: You can specify which of your income accounts you would like to use to track your shipping income.

c) Discount account: If you provide a discount to customers for early payments, you can specify which account to use to track the discounts.

d) Tips account: Tips collected are a current liability until you distribute them to your employees. You can specify which account to use to track unpaid tips. Be sure the account you select is a current liability.

e) Markup income account: If you've chosen to markup expenses that are billed to customers, you can choose which income account to use to track the markups.

f) Billable expense income account: You have the option to treat customer expense reimbursements as income or a reduction of expense. If you choose to treat them as income, this is where you specify an income account.

When you're satisfied with your settings, click the green "Save" button, and then click anywhere in the Categories section.

Step 5: Create Categories to Allow for Detailed Reporting

QuickBooks Online Plus and Advanced let you track profit and loss by both classes and locations. For instance, a retailer can examine profit for a particular product (class) sold at a particular store (location). We highly recommend turning on both classes and locations:

Track classes: This feature adds a class field to all sales and expense forms to enable the reporting of income and expenses by department or product line. Enable the warning if a transaction isn't assigned a class. Finally, assign classes to each row of a transaction rather than one class for the entire transaction since some transactions will likely involve multiple classes.

Track locations: This option adds a location field to all sales and expense forms. The definition of what constitutes a location is very flexible. You can change the label on the location field to business, department, division, property, store, or territory.

Step 6: Set Options for QuickBooks Online Automations

QuickBooks Online can make your bookkeeping faster by applying certain rules automatically. To turn automation on and off, click anywhere in the Automation section:

It is recommended that you turn on each of the automation options to evaluate whether it's helpful. You can return to this screen and disable any automation you don't like. These automations prefill a transaction, but any of the prefilled information can be changed before saving.

a) Prefill forms: This automation will prefill information based on the last form saved for that employee, vendor, or customer.
b) Apply credits automatically: QuickBooks will apply customer credits automatically to a newly created invoice.
c) Invoice unbilled activity automatically: Set this option to "Remind me to create invoices" vs allowing QuickBooks to generate an invoice automatically. Once you're proficient in QuickBooks and confident that unbilled activity should always be invoiced, you can change the setting to allow automatic invoices.
d) Apply bill payments automatically: As you'll learn later, most expenses are first inputted as bills and then paid for with a special check, referred to as a bill payment. This option will apply a bill payment to the oldest outstanding bill automatically.

Step 7. Turn on Projects in QuickBooks Online

QuickBooks Plus and Advanced users can track all income and expense items by Project. This is especially helpful for contractors or other businesses that have multiple jobs for the same customer and want to track each job separately.

We highly recommend turning on projects to at least evaluate the feature. By turning this option on, there will be a “Projects” item in the left menu of your dashboard that you can explore.

Step 8: Set Time Tracking Options

It’s important to track employee time in QuickBooks, even if you don’t use QuickBooks to process your payroll. This is especially true if you bill customers according to time spent on a job. By tracking the details of the time spent by your employees, you can analyze expenses and profitability by class, location, customer, or project:

a) First day of workweek: You can designate the first day of the week shown on weekly timesheets. This should match the first day of your weekly payroll periods, if applicable. If you don’t have weekly payroll, it’s a personal preference, but most people pick either Sunday or Monday.

b) Show service field: This field lets you specify what service was performed by your employee. You can enable this option, as it provides valuable information to help manage your employees.

c) Allow time to be billable: This option must be activated to designate a time entry as billable on either a timesheet or single-time activity form. When you check Show billing rate to users entering time, you have the option to show the employee’s billing rate to whoever is inputting the hours.

Step 9: Set Currency Options in QuickBooks Online

QuickBooks Online Essentials, Plus, and Advanced can record transactions in multiple currencies. Click anywhere in the Currency section to explore your options:

Click on the drop-down box next to Home Currency to select your currency. You cannot change this selection once multicurrency is turned on.

Turn on multicurrency only if you have customers or vendors that you deal with in a currency other than your home currency. Once turned on, multicurrency cannot be turned off, so it is recommended that you learn more about multicurrency before making a decision.

If you decide you need the option, click the box next to Multicurrency and the box that confirms you understand that it cannot be turned off.

Step 10: Decide Whether to Switch on Business Network

In the latest feature of QuickBooks Online, you can switch Business Network on to connect with other QuickBooks users. When turned on, your business will be searchable in the QuickBooks Business Network. You’ll also be able to search the network for customers and vendors, send invitations to connect, and use the Accounts Payable (A/P) automation feature. When a customer or vendor accepts your invitation, you can send them invoices or receive bills through the network.

When you keep your visibility off, other QuickBooks users won't be able to find your business on the QuickBooks Business Network, but you can still search the network for your customers and vendors, send invitations, and use the A/P feature.

Advanced setting where you can switch Business Network on in QuickBooks Online

Switching on Business Network in QuickBooks Online

Step 11: Set Other Preferences in QuickBooks Online

Click anywhere in the Other Preferences tab to set your final group of advanced options:

a) *Date & number format*: Select your preferences for how dates and numbers appear by making selections from the drop-down boxes.
b) *Customer label*: Select how you would like customers referred to on your forms. For instance, professional service firms usually refer to customers as clients and hotels refer to customers as guests.
c) *Warn if duplicate numbers*: Turn on the warning for whenever a check, bill, or journal entry number has already been used. A good accounting system should have a unique number for each transaction, and these warnings will alert you to potential problems. There may be circumstances where you want to use a number twice, which you'll be allowed to do after acknowledging the warning.
d) *Sign me out*: You can choose to be signed out after one, two, or three hours of inactivity.

How To Set Up Multiple Users

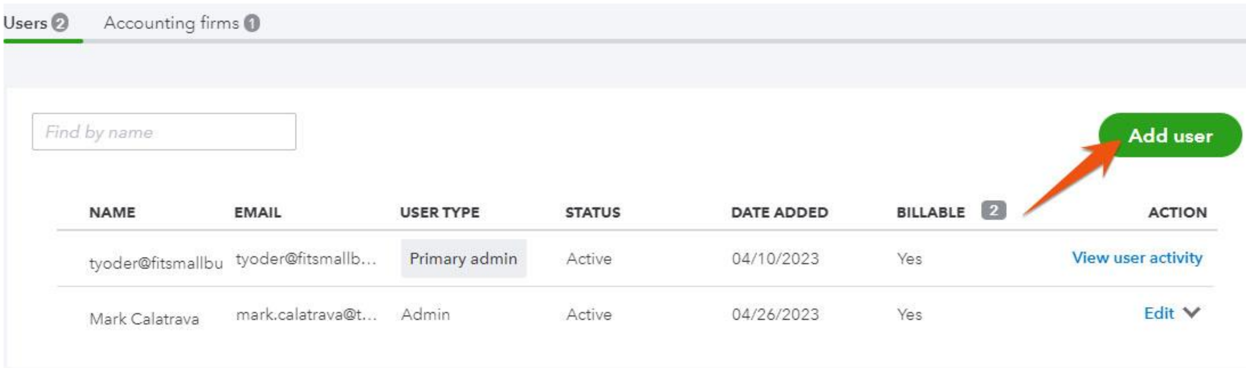
You'll learn how to set up multiple users in QuickBooks Online. You'll learn how to add standard users, company administrators, reports-only users, and time-tracking-only users. You'll also learn how to invite your accountant to your QuickBooks account so that they have real-time access to your most current data.

Step 1: Navigate to "Manage Users"

Click on the gear icon in the upper right-hand corner of the QuickBooks Online screen and then select **Manage users** under the first column.

Step 2: Create a New User

On the **Manage users** screen under the **Users tab**, click on the green **Add user** button.



If this is the first user you're adding, you'll be taken to the add a new user screen automatically. If you've already added users, you'll see a list of users and need to click the green **Add user** button.

Step 3: Select User Type

There are four types of users to choose from when granting someone access to your QuickBooks Online company.

a. **Standard user:** Most QuickBooks users should be set up as Standard users. You'll be able to customize their access in the next step.
b. **Company admin:** The QuickBooks Online master administrator is the person that purchased the subscription to QuickBooks. If that's the company owner, then they probably want to give their controller or head bookkeeper Company admin rights so that they can manage QuickBooks users and the QuickBooks account. In QuickBooks Online, only users with the admin role have the ability to add new admins to the account. Also, note that phone number verification may be required to add a new company admin user.
c. **Reports only:** Reports-only users can view all QuickBooks reports except for payroll or employee contact information. This user type is great for employees that aren't involved in inputting data into QuickBooks but are interested in tracking data like cost reports for projects they're managing.
d. **Time tracking only:** Employees and contractors can be set up as Time tracking only users so that they can input their hours worked, service code, and customer or project. Reported employee hours flow into the payroll system. Employee and contractor hours are available to add to invoices.

Step 4: Set User's Access Rights

If you're adding a standard user, you'll need to assign them access rights in this step. If you're adding any other type of user, you can skip to the next step. Select Standard user from the add a new user screen shown above and click the green **Next** button (not shown).

As you select different access levels on the left of the screen, a description of the access rights assigned to each level is given on the right of the screen.

All: These users have unlimited access to all QuickBooks data. This includes adding, editing, and deleting transactions related to all vendors, customers, sales, and purchases. If you place a checkmark next to Payroll access, they also have access to employee and payroll information. The only access not included is administrative rights, which you can assign in the next step.

None: The purpose of creating a user with no access rights is to allow someone to perform some administrative tasks without giving them access to the accounting features. You also have the option on the following screen to provide these users with access to input their own time.

Limited: You can provide limited access rights to members of the accounting team that don't require access to everything. If you select Limited, you must then select access to **Customers**, **Vendors**, or both. **Customers** is appropriate for an employee that generates invoices and collects payments from customers, such as an accounts receivable (A/R) clerk. **Vendors** is best for an employee who inputs and pays bills, such as an accounts payable (A/P) clerk.

After you have selected the level of access rights to provide the new user, click the green **Next button** to assign administrator rights.

Step 5: Select Administrator Rights

A user needing full administrator rights should be designated as a Company admin user in Step 3. However, you can assign different administrator rights to any standard user.

After deciding which administrator rights the new user should have, click the green **Next** button to provide the user's contact information.

Step 6: Provide Contact Information

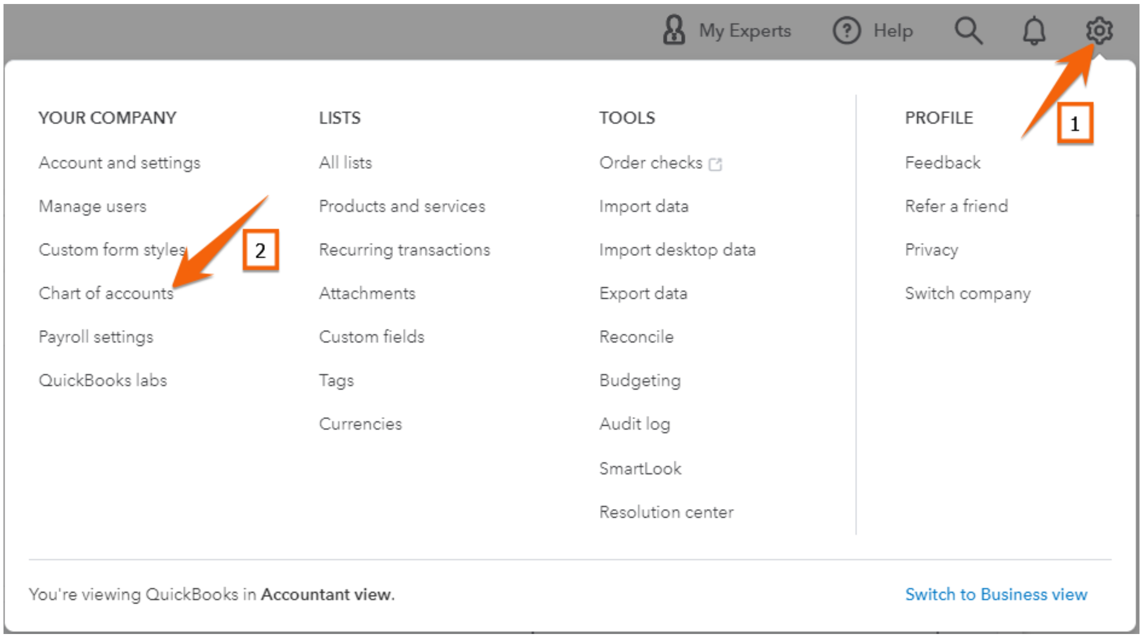
Provide the new user's first name, last name, and email address, and then click the green **Save** button.

The user will receive an email inviting them to your QuickBooks Online company. Their user ID is their email address. The new user will generally be prompted to create a password. If they aren't prompted to create a password, then there's already an Intuit password associated with that email address.

How To Set Up the Chart of Accounts

Step 1: Navigate To Chart of Accounts

First, click on the gear icon on the upper right-hand side of your QuickBooks dashboard, and then select Chart of accounts from the pop-up window, as shown below.



Step 2: Complete the Account Setup Screen

Next, click the green New button in the upper right corner of the screen to access the account setup window for your new account.

From the new account setup form, you can choose from the account type on top, such as income, expenses, banks, and assets.

Once you select the appropriate category, you must fill in the following fields:

- Save account under: Select the appropriate account from the drop-down menu. The available accounts will vary based on the account type you selected.
- Tax form section: Select the category that best describes your new account. This can be used by your accountant to complete your sales tax forms.
- Account name: Provide a name for your account that will make it easy for you to distinguish when choosing accounts to post transactions. For instance, instead of "Checking Account," it might be better to include the bank name and the last four digits of the account number, like "US Bank Checking x1234."
- Account number: Providing a number for your account is optional.
- Description: You may provide an optional description of the new account.

Step 3: Save Your New Chart of Account

When you are satisfied with your answers, click either the green Save and Close button or the drop-down arrow next to it and select Save and New to add another account.

How To Set Up the Products and Services List

Step 1: Prepare the Necessary Information

First, you'll need to gather the necessary information for your products and services.

Collect the following information on your products:

- Name of product
- Description of product to print on sales forms
- Description of product to print on purchasing forms
- Stock Keeping Unit (SKU) number (optional)
- Price at which you wish to sell the product
- Current price at which you can buy the product
- Preferred vendor for purchasing the product
- Whether the sale of the product is subject to sales tax

If you wish to keep track of the quantity of this item, you need:

- Initial quantity on hand prior to starting to use QuickBooks
- Quantity at which you wish to reorder the product

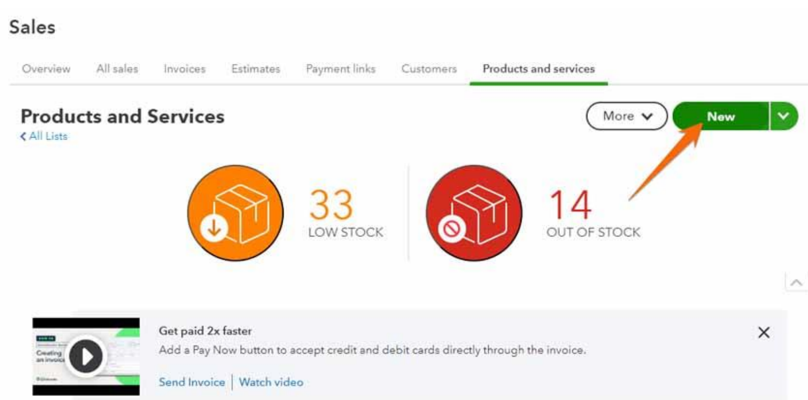
Step 2: Navigate To the Products and Services List

After you sign in to your QuickBooks Online account, select **Sales** in the left menu bar and click on **Products and Services**.

Step 3: Create New Item

We'll first show you how to enter a new item from the Product/Service information screen so that you can better understand the details required. Then, we'll show you how to import multiple items from your spreadsheet, which is an easier and quicker method, especially if you have multiple products and services to add to QuickBooks.

To access the Product/Service information screen, click the green **New** button in the upper right corner of the **Sales** page.



Step 4: Select Item Type

The Product/Service information screen that appears after clicking **New** provides the four types of items that can be created for products and services.

A. Setting Up an Inventory Item

Select this option if you need to track the cost and quantity of items that you buy and sell. Inventory items allow you to monitor stock levels as items are sold so that you know when to place an order with the supplier.

After clicking on **Inventory (A)**, you'll be able to provide the inventory details below:

Name: Give the item a name for your internal use that will help distinguish this item from others.

Picture of item: You can upload a picture of the item.

SKU: You can record the product's SKU number.

Sub-product: You can organize inventory items into groups of similar products. For instance, you might create a parent inventory item for "Sinks." Each different type of sink would then be a separate inventory item and designated as a Sub-product of Sinks. You wouldn't use the parent inventory item of Sinks for any purchase or sales transactions, and it wouldn't have any quantity information. It would only be used to group the Sub-product items together.

Class: You can separate your business activity into several classes that allow you to evaluate profit and loss separately. For instance, a plumbing company might create classes for new construction and repairs. You should leave the Class field blank if the inventory item you are setting up might be sold in multiple classes. In that case, you'll need to identify the Class separately on each invoice. If the inventory is used only in one Class of the business, you can designate that class here, and it will auto-populate on invoices. The unique class tracking feature in QuickBooks is one reason we selected it as our overall best small business accounting software.

Enable class tracking:

If the class field doesn't appear in your account, you need to enable class tracking.

Initial quantity on-hand: Report the number of units on-hand for this inventory item. Only report units here where the purchase of the inventory won't be recorded in QuickBooks, such as if you're moving to QuickBooks from another bookkeeping software. This is a required entry, so if you don't have any units on hand, you must enter zero. You're also required to enter the date you measured the units on hand.

Reorder point: Specify the number of units on-hand that should trigger the ordering of additional inventory. This will help you easily identify when to replenish your stock.

Inventory asset account: Specify the balance sheet account you would like to use to track the cost of this inventory item. Most businesses use only one inventory asset account. I recommend using "Inventory Asset" for all your inventory items, which is the default balance sheet inventory account created by QuickBooks Online.

Don't change asset account:

Don’t change the inventory asset account for an inventory item after it has been created, as this can cause inaccurate inventory cost calculations.

Description (sales forms): Enter a default description of the product that you would like to appear on sales forms like estimates and invoices.

Sales price/rate: Enter the standard sales price for this product. If needed, you can change the sales price when creating an invoice.

Income account: Specify the income statement account to record the revenue from this inventory item. I recommend that all inventory items use the “Sales of Product Income” account, which is the QuickBooks default. There’s no need to create additional income statement accounts for each product because you can print reports that show income by product item.

Sales tax category: Specify whether sales of this product are subject to sales tax.

Purchasing information: Enter a description of the product that should appear on purchasing forms like purchase orders.

Cost: Input the standard purchase price per unit for this product. You can change the purchase price when you input bills or purchase orders.

Expense account: This is the income statement account to report the expense from the purchase of this product. I recommend all inventory items use the QuickBooks default account, “Cost of Goods Sold.”

Preferred vendor: You can specify a preferred vendor for purchasing this product. This will auto-populate any purchase orders for this product but can be changed if the purchase order is to a different vendor.

B. Setting Up a Non-inventory Item

Select the Non-inventory option from the product/service information screen if you need to track the cost, but not the quantity for items that you buy or sell. Non-inventory items include things like supplies and special-order products.

After clicking on **Non-inventory (B)**, you’ll be able to provide details for the non-inventory item. The information collected is the same as for inventory items (discussed in the previous section), with the following exceptions:

Non-inventory items don’t require any quantity information

They aren’t assigned an inventory asset account

They are assigned to a variety of expense accounts, not only cost of goods sold (COGS)

While products sold to customers should go to the COGS account, other products, like office supplies, should be assigned to other expense accounts

C. Setting Up a Service Item

Select **Service (C)** for services that you sell to customers. Plumbing, bookkeeping, and housekeeping services are examples of service items.

The fields that should be completed for a service item are described below:

Name: Enter the name of the service for your internal use.

Picture: Attach a picture related to the service item if you wish.

Subservice: As with inventory items, you can create sub-services grouped under a parent service. If this is a sub-service, select the parent service here.

Class: If your company separates income and expense by class, designate the class for this service item. Leave the field blank if this service can be assigned to multiple classes.

Description: Enter a description of the service that you would like to appear on sales forms, such as invoices.

Rate: Input the rate you charge customers for this service. This can be either an hourly rate or a flat rate charged per engagement. The actual amount charged can always be changed on an invoice.

Income account: Select the income statement account that you want to use to track income for this service. It's not necessary to create an income account for each service since you can easily view income by service items.

Sales tax category: Indicate whether this service is subject to sales tax.

Purchasing information: Leave this area blank if employees perform the services. If you purchase the services from a subcontractor, check the box and provide a description, cost, expense account, and preferred vendor.

D. Setting Up a Bundle

A bundle is a combination of products and services that often are sold together. Bundles have no quantity on hand. They are a convenient way to record the sale of multiple products and services at once. Prior to setting up a bundle, you must create all the inventory, non-inventory, and service items that will be part of the bundle.

After clicking **Bundle (D)** on the product/service information screen, you can enter the following information:

Name: Provide a name for your bundle of products and services for your internal use.

Description: Provide a description of the bundle to appear on invoices to customers.

Display components: Check the box if you wish to display the detail of the products and services composing the bundle on invoices to customers.

Product/Service: Choose the product and service items, along with their quantity, to include in the bundle. All product and service items must be created prior to assigning them to a bundle.

- **How To Set Up Customers**

Step 1: Gather Customer Information

First, gather the information you need to set up your new customers, including the following:

- Company name
- Contact name
- Address
- Email address
- Website address
- Telephone numbers
- Opening balance (if applicable)

Step 2: Navigate To the Customer Center

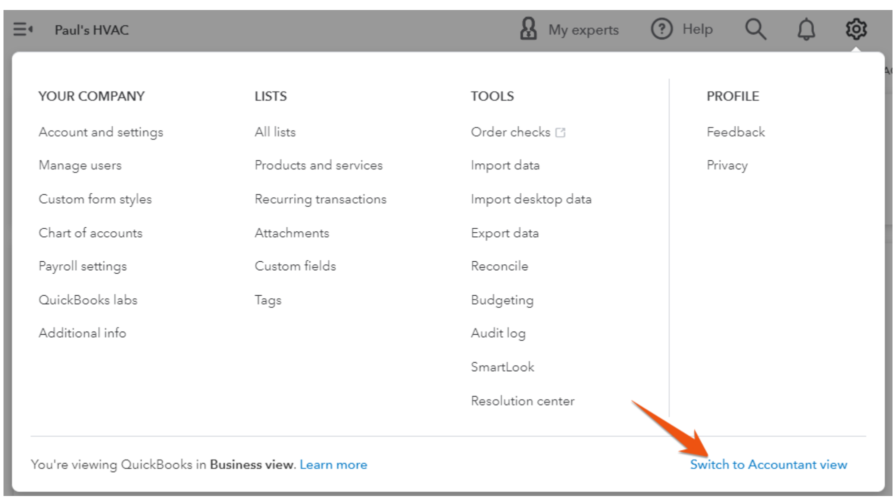
To set up customers in your company file, navigate to the customer center by hovering over **Sales** and then **Customers** on the left menu bar.

Seeing a different left-side navigation menu?

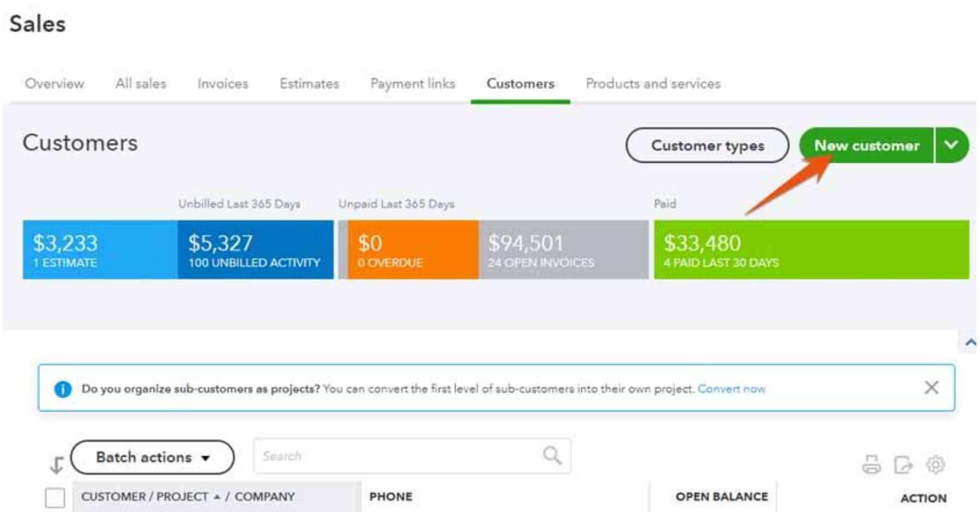
- Check User View
- Switch to Accountant view

QuickBooks has two user views: Business View and Accountant View. Your left-side navigation menu may look different depending on the user view you are in.

To verify whether you're using the Business View, click on the cog wheel at the top right-hand corner of your QuickBooks dashboard, and check whether the button on the lower right-hand says **Switch to Accountant view**, as shown below. If so, then it means you are on Business View.



From the customer center, click on the green **New customer** button in the upper right-hand corner.



Step 3: Enter Customer Information

At a minimum, you need to enter basic contact information for your customers. This includes contact name, business name, billing address, email address, and telephone number.

Below, we discuss some of the important fields and information requested in the customer information screen.

Name and Contact

- **First and last name:** Provide the name of the client or the name of the contact person if the customer is a company.
- **Customer display name:** This field will auto-populate based on the information entered in the Customer name field but can be changed if you wish. This is how your customer will appear on your customer list in QuickBooks.
- **Company:** Enter the company name or leave it blank if the customer is an individual.
- **Contact details:** Enter contact information, including email address and phone number.
- **Name to print on checks:** You must specify how to print the customer's name on checks. You may check the box to use the "Display name as" field or type in a different name.

Addresses

- **Billing address:** The billing address specifies the address to print on invoices you send to your customers.
- **Shipping address:** This is the address that will be used to ship products to your customers. The default setting is to use the same as the billing address.

Notes and Attachments

- **Notes:** Use the Notes tab to store any helpful information about the customer, such as who referred them or their relationship with other customers.

- **Attachments:** Attach documents to keep on file for this customer, such as signed contracts or a copy of email correspondence.

Payments

- **Preferred primary method:** The preferred payment method determines the default payment method applied when you receive a payment from the customer, such as check, cash, or credit card.
- **Sales form delivery options:** This allows you to specify how you want to deliver sales forms, such as invoices, estimates, sales receipts, to your new customer.
- **Payment terms:** This field lets you select the conditions under which the customer is expected to pay an invoice, such as 1%10 Net 30, 2%10 Net 30, or Due on receipt. For instance, if you select 1% 10 Net 30, it means the customer will receive a 1% discount off the total amount due if they pay the invoice within 10 days. If they do not pay within 10 days, the full amount is due within 30 days. If you don't specify the payment terms, the default payment term you have set up for all customers will be used for this new customer.

Additional Information

The remaining tabs are optional but can store some very helpful information:

- **Customer type:** Specify whether the customer is categorized as residential or commercial.
- **Tax info:** Indicates whether the customer is subject to sales tax and stores their exemption number if applicable.
- **Opening balance:** This field is used to record any outstanding balance that a customer owes you at the time you create the customer record. This field is typically used when you are transitioning to QuickBooks from another accounting system and you need to record any unpaid invoices or other transactions that the customer still owes you for. For instance, if your new customer has an outstanding invoice of $500 that hasn't been paid yet, you need to enter $500 in the open balance field.

Click the green **Save** button on the lower right corner of the customer information screen to save the information you've input.

How To Set Up Vendors

Step 1: Gather the Necessary Information

When setting up vendors in QuickBooks Online, you only need to enter their names to save their records. The relevant details are very similar to that of the Customers.

Step 2: Navigate to the Vendor Center

Navigate to the Vendor Center by clicking on **Expenses** and then **Vendors** from the left menu bar.

Step 3: Create New Vendor

Click the green **New vendor** button in the upper right-hand corner of the Vendor Center to enter vendor information manually.

Step 4: Enter Vendor Information

On the new vendor screen, enter as much information as possible for your vendor.

How To Create an Invoice from Scratch in QuickBooks Online

Step 1: Navigate To 'Invoice'

Click **+ New** at the top of the left menu bar of your QuickBooks Online dashboard and then select **Invoice** in the first column under **Customers**.

Step 2: Enter New Invoice Information

From the invoice screen, provide the necessary information to complete your invoice.

Below are the most common fields you'll have to complete:

- **Customer:** Select the customer and job, if applicable, that will receive the invoice. If this is a new customer, click **Add new** from the customer drop-down box and provide the necessary customer information. Once a customer is selected, the fields for email, billing and shipping addresses, terms, and location should populate automatically.
- **Invoice date:** The invoice date should be the date you wish to send this invoice.
- **Service date:** Enter the date you provided the service or shipped the product.
- **Product/Service:** Select the product or service that you provided from your list of products and services. If this is a new product or service, choose **Add new** and provide all the necessary information. Once a product or service has been selected, the fields for description, rate, tax, and class should populate automatically.
- **Terms:** Indicate when you want to be paid. For example, select Net30 if you want your customer to pay your invoice within 30 days after the invoice date.
- **Due:** This field is calculated automatically when converting from an estimate or can be input when creating an invoice. It shows the portion of the total amount that's due currently for this product or service. This should be the full amount unless this is a partial invoice.
- **Quantity:** Enter the quantity of each product or service sold. Once the quantity is entered, the amount will be calculated automatically as quantity times rate.

Step 3: Save and Send Your Invoice

Once you're satisfied with your invoice and intend to send it at a later time, click on the **Save** button on the lower right side of the screen. If you wish to preview or print the invoice before saving or sending it, click the **Print or Preview** button on the bottom menu bar of the invoice screen and then select the **Print or Preview** drop-down. If you wish to send your invoice right away, click **Save & Send**.

How To Receive Payments

Step 1: Open the 'Receive Payment' Screen

Click on the **+ New** button at the top of the left menu bar and then select **Receive payment** in the first column under **Customers**.

Step 2: Locate the Open Invoice

When you open the **Receive Payment screen**, you will see a list of outstanding invoices for the customer you have selected. To receive a payment against an outstanding invoice, you need to complete several fields on the **Receive Payment** screen.

A. Customer: Select the customer from which you received a payment.

B. Payment date: Input the date you received the payment.

C. Payment method: This is how the customer paid you, such as cash, check, credit card, or bank transfer.

D. Reference no.: Enter the check number or leave it blank if cash was received.

E. Deposit to: If this is the only check to be deposited in your bank account, you can select the appropriate bank account. However, if this check will be combined with other checks or cash, then you should record the payment received in Undeposited Funds.

The reasons behind Undeposited Funds:

Undeposited Funds allows you to group multiple checks and cash into a single deposit in your check register. Without Undeposited Funds, each check received shows as a separate deposit in the check register, making it difficult to trace to the bank statement where checks are combined into a single deposit amount.

F. Amount received: Input the amount of the cash or check received.

G. Invoice detail: The invoice detail will appear automatically for each outstanding invoice once a customer is selected in field A. Multiple invoices will appear if a customer has more than one outstanding invoice.

H. Payment: Enter the portion of the amount received in F to apply to each invoice listed in G. This will usually populate automatically but can be changed as long as the total payments applied match the total amount received.

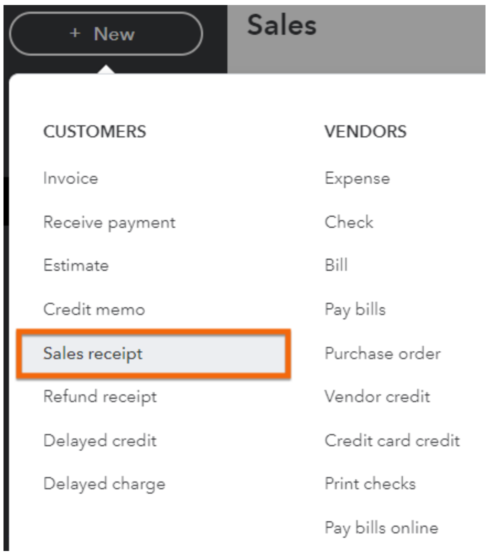
When you're satisfied with your payment details, click the green **Save and close** button to record the transaction.

How To Create and Send Sales Receipts

In situations where an invoice is not issued, such as when a customer pays for goods or services immediately, a sales receipt is necessary to record the payment in QuickBooks.

Step 1: Navigate to Sales Receipt

Click + **New** at the top of the left menu bar and then select **Sales receipt** in the first column under **Customers**, as shown below.



Step 2: Create the Sales Receipt

QuickBooks Online will then display the sales receipt screen. The fields that appear on the screen will depend upon the settings you specified.

To help you understand how to complete the sales receipt form better, let's use this sample scenario: a customer named Jane Doe calls your company and requests an air conditioning tune-up. The total amount for the service is $120, and Jane pays you by check at the time of service. In this case, you need to create a sales receipt in QuickBooks to record Jane's payment.

Below is a list of some of the fields you need to complete when creating a sales receipt in QuickBooks Online.

- **Customer:** Select the customer's name from the drop-down list or select **Add New** to create a new customer. Once you select a customer, the email and address fields should populate automatically, provided the customer information is complete.
- **Sales receipt date:** Typically, QuickBooks will default to the current date, but you can change this date if the sale is on a different date.
- **Payment method:** Select either check, cash, or credit card for the payment method.
- **Reference no.:** If the customer paid by check, enter the check number in this field.
- **Deposit to:** Select **Undeposited Funds** from the drop-down box (in newer QuickBooks Online accounts, the undeposited funds account is named "Payments to Deposit" by

default). This will place the check or cash in the Undeposited Funds account until the next bank deposit is recorded.

The Undeposited Funds account allows multiple checks to be grouped into a single deposit that will appear in the check register as a single amount. This amount can be traced easily to the bank statement at month-end when the bank statement is reconciled. Without Undeposited Funds, each check will appear as a separate deposit, making it difficult to trace the combined deposit amounts shown on the bank statement.

- **Service date:** The service date will default to the sales receipt date, but it can be adjusted if you provided the service or product on an earlier date.
- **Product/Service:** Select the product or service from the drop-down list or add a new product/service by selecting **Add New**. Once a new product or service item is selected, the description and rates fields should be populated automatically, but you can adjust them if needed. To illustrate our sample scenario, let's select A/C tune-up from the Product/service list.
- **Qty:** Enter the quantity for each product or service provided. Once you enter the quantity, the Amount column should populate automatically.

There are additional fields to complete based on the prior options you have assigned. For instance, if you selected to track information by class and location in the advanced options, then you should complete the Class field for each Product/Service and the Location field for each receipt.

Step 3: Click 'Save' or 'Save and Send'

Before you save your sales receipt, you can see what it looks like when emailed or printed by clicking on the **Print or Preview** button at the bottom of the screen and then selecting the **Print or Preview** drop-down. If needed, you can print or download the invoice after previewing. If you need to make changes, close the preview to return to the previous screen.

If you want to record the receipt without emailing it to your customer, click the **Save** button on the lower right side of the screen. If you want to send the receipt to your customer, click **Save and Send**.

When you click **Save and Send**, QuickBooks will provide a preview of the text that will appear in the body of the email. You can make changes, but they won't be reflected in future sales receipt emails. When you're satisfied with your email, click the green **Send and close** button.

How To Write & Print Checks

Step 1: Navigate to the Check Input Screen

Click the + **New** button at the top of the left menu bar and then select **Check** under Vendors in the second column.

Step 2: Create the Check

QuickBooks Online displays an input screen to create a new check. The exact fields shown on the screen will vary based on how you customize your advanced options.

To illustrate the process of completing the check input screen, we'll use a sample scenario. Let's say you receive a bill from your utility company, Vault Electricity, for $120. The bill has not yet been recorded, and you want to write and print a check to pay it.

Some of the important fields you need to complete include:

- **Payee:** Select the vendor you're paying from the drop-down box. If the check is to a new vendor, click **Add new** at the top of the drop-down list and set up the new vendor, as shown in our lesson on how to set up vendors in QuickBooks Online. After selecting a vendor, the billing address should populate automatically.
- **Bank Account:** Select the bank account from which you are writing a check.
- **Payment date:** Enter the date the check will be issued.
- **Category:** Payments must be assigned to either a Category or an Item. You should assign a check to a category when you want to track and classify the expense based on general expense categories.

Choose Category or Item.

The same expense cannot be charged to both a category and a product or service item. However, the same check can include a portion charged to categories and another portion charged to product and service items.

- **Description:** Provide a description of the payment.
- **Amount:** Enter the amount of the payment to assign to this category. By default, QuickBooks will enter the entire payment amount. However, the total check amount can be split between multiple categories and items if you wish.
- **Billable:** Place a checkmark if the amount charged to this category will be billed to a customer. However, the preferred method of recording expenses billable to customers is to use items instead of categories.
- **Tax:** Place a checkmark if you're required to charge the customer sales tax when billing them this expense.
- **Customer/Project:** Select the customer and project, if applicable, to which you want to bill this expense. If it is a new customer or project, click **Add new** at the top of the drop-down box and add the customer or project, as shown in our lesson on how to set up customers in QuickBooks Online.
- **Product/Service (Item Details):** This is where you can choose to assign the payment to a product or service item instead of a category. Once you select an item, the fields for Rate, Billable, Markup %, Tax, and Class will populate automatically.
- **Qty:** Enter the quantity of the item being purchased. This is especially important for inventory items. Once you enter the quantity, the amount will be calculated as rate times quantity.

- **Customer/Project:** Choose the customer and project to bill for this item. This field is required if there is a checkmark in Billable.

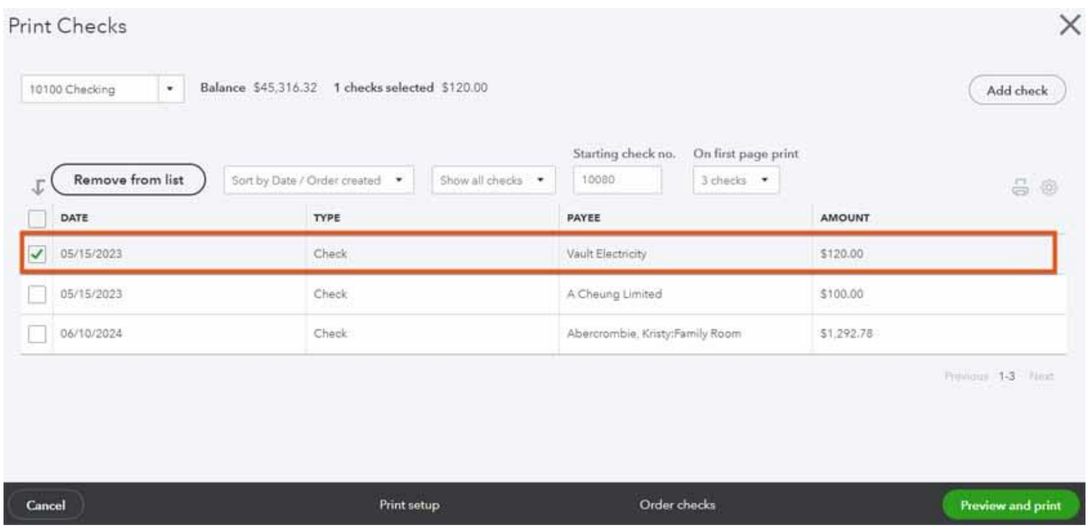
Step 3: Click 'Print check' or 'Save and close'

If you wish to save the check without printing it right away, you may simply click the green **Save and close** button on the lower right side of the screen. You may also choose to print the check later by placing a checkmark in the **Print later** field located under the check number. Printing later is convenient if you are creating multiple checks.

However, if you wish to print the check right away, click on the **Print check** button on the bottom menu bar.

QuickBooks will bring up the print queue window that shows the current check plus any other checks you have selected previously to print later. Place a checkmark next to the check, or all the checks, you wish to print.

In the screenshot below, we highlighted the check that we just wrote for Vault Electricity.



How To Enter Bills

Step 1: Navigate to the Bill Screen

Click + **New** button at the top of the left-hand menu bar, then select **Bill** under **Vendors** in the second column.

Step 2: Create the Bill

QuickBooks Online will display a screen to input the bill information. The actual fields that appear for your company will depend on your advanced option setup.

Before entering a bill, it's important to set up your vendors and product and service items. The information contained in these components will flow automatically to the Create Bill screen and populate many of the required fields.

Some of the important fields you need to complete when creating a bill include:

- **Vendor:** From the vendor drop-down list, choose the vendor that sent you the bill. Once you select a vendor, the fields for mailing address and terms will populate automatically. If it's a new vendor, then simply click on **Add new** from the drop-down and complete the vendor setup form.
- **Bill date:** Enter the invoice date from the bill. The due date is determined by applying the payment terms to the invoice date, so the bill date must be the invoice date—not the date the bill was received or entered.
- **Due date:** The due date should calculate automatically based on the terms and bill date, but we recommend verifying that the calculated date matches any due date shown on the bill.
- **Bill no.:** Enter the bill or invoice number from the vendor's bill. This will be very helpful if you need to contact the vendor with questions about the bill.

Avoid entering bills twice.

QuickBooks Online will provide a warning message if you try to enter the same bill based on the Vendor name and invoice number twice. Therefore, by providing the invoice number, you can avoid duplicate entries.

- **Category:** Assign the bill to a category if you want to track general expenses that are not directly tied to specific items or products. For instance, you may assign expenses such as rent and utilities to relevant categories instead of specific items. If this is the case, select the category from the drop-down or click **Add new** to create a new one.
- **Description:** Provide a description of the expense.
- **Amount:** Enter the amount of the expense.
- **Billable:** Place a checkmark here to make the expense billable to the customer. However, the better way to handle billable expenses is to assign them to product or service items instead of a category.
- **Tax:** Place a checkmark here if you are required to collect sales tax when the expense is billed to the customer.
- **Product/Service Item:** Purchases of items you will sell to customers must be assigned to an inventory item, and services and expenses billed to customers must be assigned to a service item. Select a product or service item or click **Add new** to set up a new product or service item. Once you select a product or service item, the fields for description, rate, billable, markup %, tax, and class will populate automatically.

- **Qty.:** Enter the quantity of goods or hours of services purchased. After you enter the quantity, the amount will calculate automatically as quantity times rate, and the sales amount will calculate as amount times markup percentage.

When you are finished inputting the required information, click the green **Save** button in the bottom right-hand corner. If you want to schedule a payment for the bill at a later date, click on the **Save and schedule payment** button.

How To Pay Bills

Pay Bills by Check

Step 1: Navigate to Pay Bills

Click the + **New** button at the top of the left menu bar and then select **Pay Bills** in the second column under Vendors.

Step 2: Select The Bills You Want to Pay

The **Pay Bills** screen shows a list of all bills that are due and enables you to select the bills you want to pay.

To process bill payments, you have to complete several fields on the **Pay Bills** screen, such as:

A. **Payment account:** Select the checking account that you wish to use to make the payments. If you haven't set up a bank account, you'll need to do so before you can pay bills in QuickBooks.
B. **Payment date:** Enter the date to print on the checks. This is usually the current date.
C. **Starting check no.:** Provide the starting check number. Alternatively, you can place a checkmark next to **Print later** to save the checks and print them at another time.
D. **Select bills:** Select bills to pay by placing a checkmark in the box to the left of the bill.
E. **Payment:** After you select a bill to pay, QuickBooks will default the payment amount to the entire open balance. However, you can change the payment to a lesser amount if you want to make a partial payment.

Step 3: Pay the Bills

After completing all the required fields and selecting the bill/s to pay, click the green **Save and print** button on the lower left corner of the screen. The bills will be marked as paid, and QuickBooks will take you to the **Print Checks** screen.

Step 4: Print the Checks

The **Print Checks** screen displays a list of all the checks that have been written from the specified checking account. To print the check/s, place a checkmark next to the check/s you wish to print, provide a starting check number, and click the green **Preview and print button**. Finally, follow the on-screen instructions to preview and print your checks.

How To Transfer Funds Between Bank Accounts

Step 1: Open the Transfer Screen

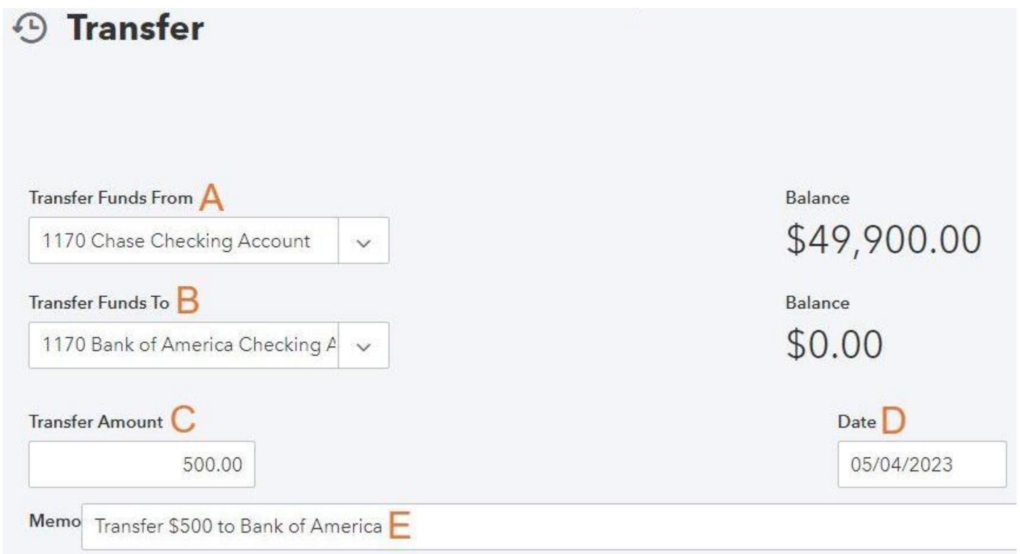
Click on the + New button at the top of the left menu bar of your QuickBooks Online dashboard and then select Transfer under the Other column.

Step 2: Enter the Bank Transfer Information

On the transfer screen, choose the account you want to transfer funds from and the account you want to transfer funds to. Then, complete the other important fields.

To better illustrate how to complete the transfer screen, let’s use a sample scenario. Let’s say you have two checking accounts, one with Chase and another with Bank of America. You wish to transfer $500 from your Chase account to your Bank of America account.

The screenshot below shows how the transfer screen is completed for our sample scenario.



A. Transfer funds from: Select the bank account from which the funds will be withdrawn. The balance in the account selected will be shown to the right of the account. Make sure you have enough funds in the account to cover the transfer.
B. Transfer funds to: Select the bank account where the funds will be deposited. If this is a new bank account, select Add New to create a new account.
C. Transfer amount: Enter the amount of the transfer.
D. Date: Enter the date the transfer will be recorded by the bank.
E. Memo (optional): Provide a brief description of the transfer.

After completing all the required fields, click the Save and new button below the screen.

How To Make a Journal Entry

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

Step 1: Navigate to 'Journal Entry'

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

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

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

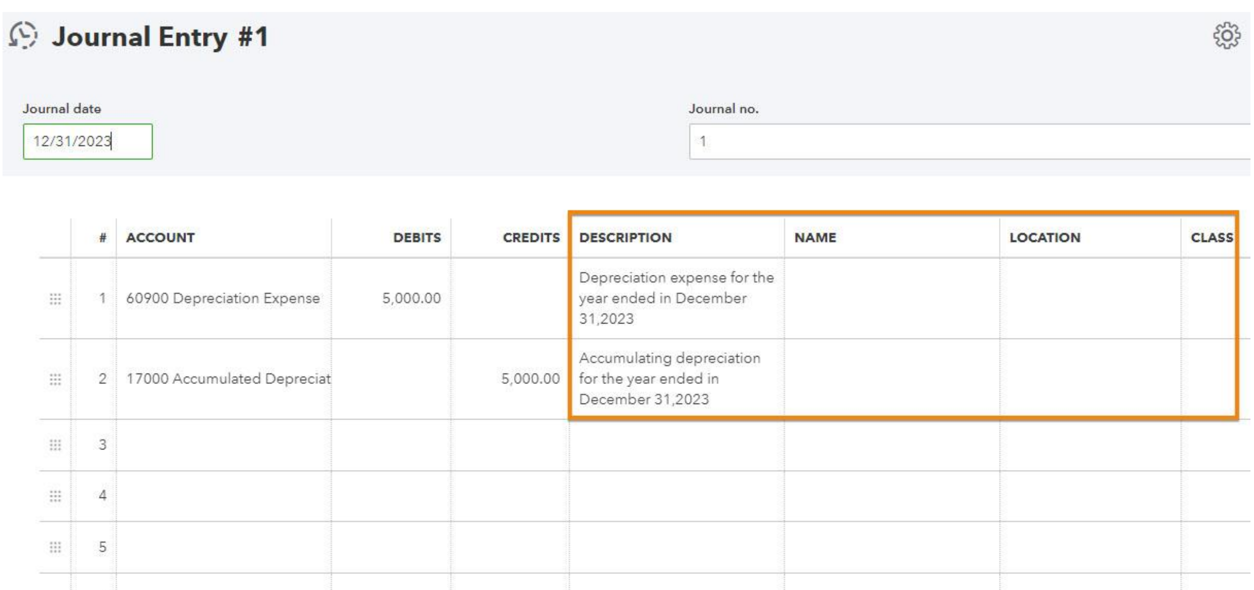
Step 3: Enter Debits and Credits

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

In the next line, select the respective account that you want to credit (we selected "accumulated depreciation"). Leave the Debits field blank and enter the same amount you debited in the first line.

Step 4: Provide Additional Information

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



Journal Entry #1

Journal date: 12/31/2023

Journal no.: 1

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

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

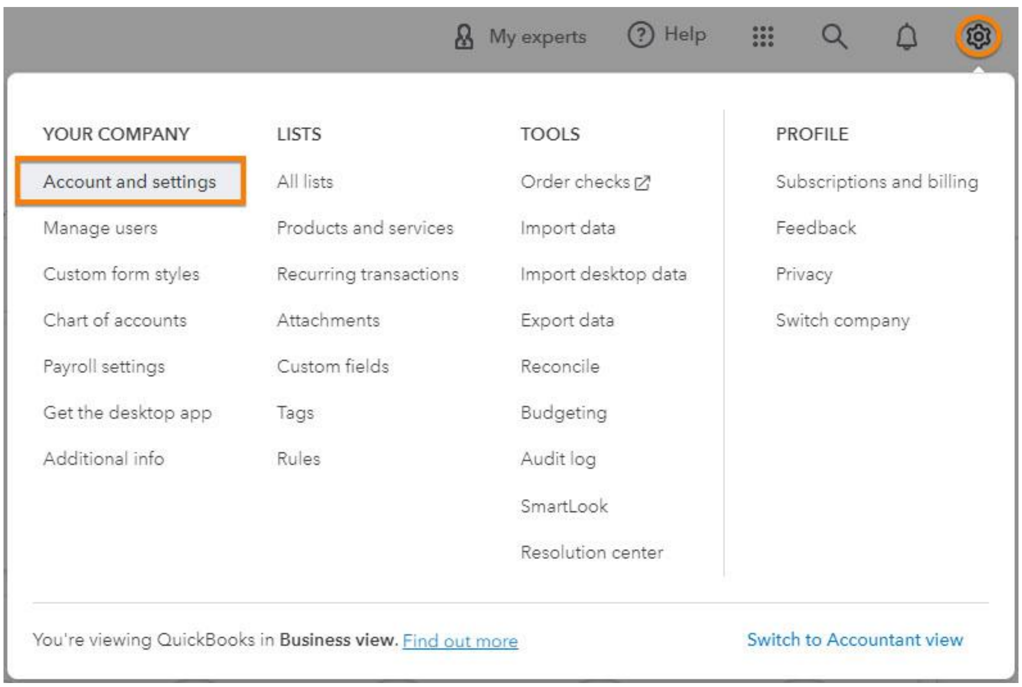
Once done, click **Save** or **Save and new** at the bottom of the journal entry form. If you wish to stay in the journal entry form, choose **Save.**

How To Create and Manage Projects

Once project tracking is turned on in QuickBooks Online, you can create a new project and track it until it's completed. You can then assign costs, such as expenses incurred and hourly costs worked by employees, and link invoices to the project. This allows you to monitor how much you spend and earn on that project. Finally, once the project is successfully delivered, you can mark it as complete.

Step 1: Turn on Project Tracking

Click on the cog wheel (⚙) icon in the upper-right corner of your QuickBooks dashboard and then select **Account and settings**, as shown below.



On the *Settings* page, select **Advanced**, and then choose the **Projects** category. Next, switch on the toggle button and click **Save** to turn on project tracking.

Step 2: Create a New Project

Once project tracking is turned on, you can proceed with creating a project in QuickBooks. To do this, select **Projects** in the left-side menu and then click the **New project** button on the *Projects* screen.

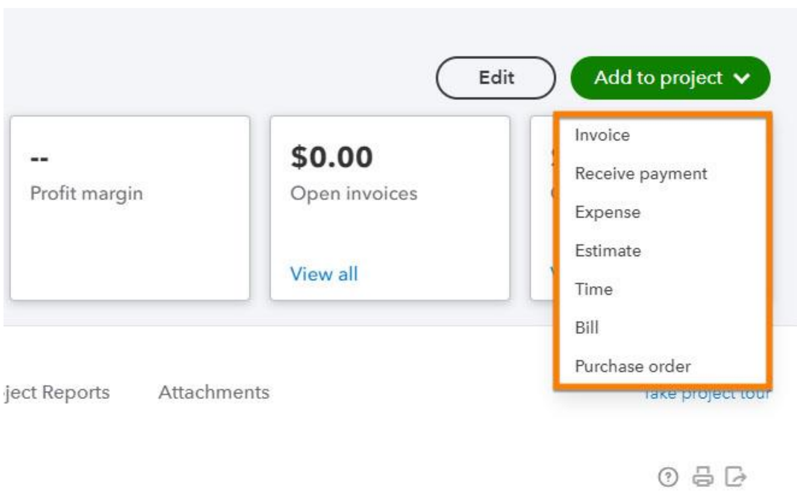
To create a new project, complete the information requested in the *New project* form, including the project name, the customer for whom the project is being undertaken, and the start and end dates.

By default, QuickBooks Online will set the project status to "In progress"—but you can change or update it as needed. Additionally, you can also include notes to add additional information about the project. Once done, click the green **Save** button.

The new project will now appear in the project dashboard. When a new project is created, the dashboard will show no information, especially if no transactions have been recorded for the project yet. However, that will change as you add transactions to the project, such as expenses, invoices, and time activities.

Step 3: Record Transactions Associated with the Project

You can add transactions directly to the project by clicking the small drop-down arrow next to **Add to project**. You can then select the type of transaction you want to add to the project, such as estimate, invoice, bill, expense, and time entries.



You can use a standard transaction form, such as the bill or invoice creation entry form, and record a transaction as you normally would. However, you must link that transaction to the project by selecting the project in the project/customer field.

Adding an Estimate to a Project

Select **Estimate** from the drop-down list under the **Add to project** button, and then proceed to create the estimate. The customer field will populate with the project automatically. Complete the estimate as you normally would, and once done, click **Save** or **Review and send**.

Step 4: Update the Status of the Project

As you work on the project, you can update the status accordingly by clicking on the status arrow next to the project and then selecting the appropriate status. For instance, if the project is successfully delivered, you can mark it as "Completed".

If you need to see or review the project again, you can find it in your list of completed projects. Use the "Completed" status filter to display the list of all your completed projects.

Step 5: Run Project Profitability Reports

If you wish to see a detailed report of the project you just created, click on the **Project reports** tab in the project dashboard and then select **Project profitability**.

QuickBooks will display a detailed report of your project including your total income and expenses and net income.

From the **Project reports** tab, you can also run:

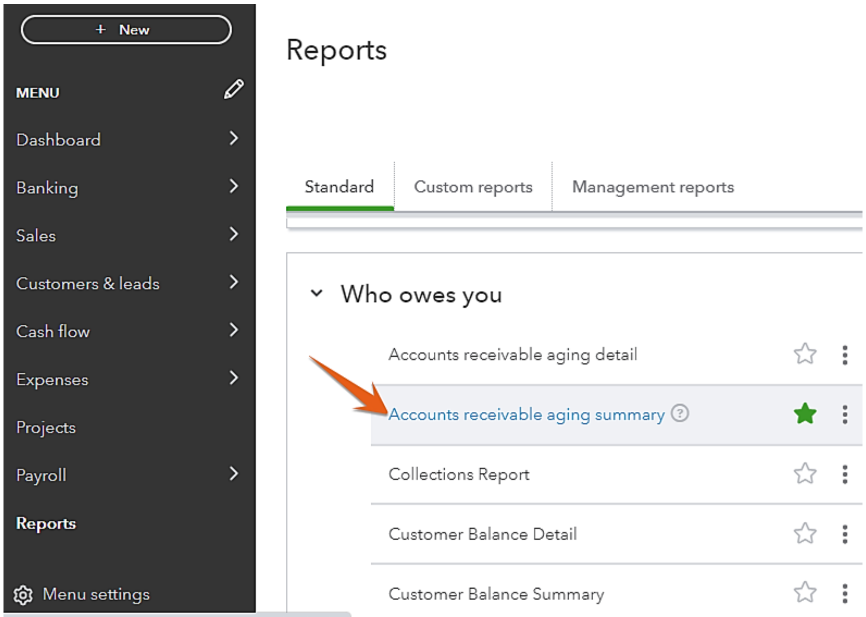
- **Time cost by employees or vendor:** This shows the breakdown of costs incurred due to the time spent by your employees or vendors on the project.
- **Unbilled time and expenses:** This includes the work hours and expenses that have been recorded but have not yet been invoiced to the client.

If you wish to generate a summary report showing a list of all projects undertaken in a selected period, click **Reports** in the left menu bar and then select **Project Profitability Summary** report. This report shows the total expenses incurred and income earned from different projects.

How To Run an Accounts Receivable Aging Report

Step 1: Locate 'Accounts Receivable Aging Summary'

Select **Reports** in the left menu bar and scroll down to the **Who owes you** section. Then, select **Accounts receivable aging summary** from the report options.



Step 2: Create a Basic A/R Aging Report

Locate the menu bar above the A/R aging summary report by scrolling up the screen. The menu bar provides some general options that can be adjusted.

Step 3: Apply Custom Settings to Your Report

You can select additional options for your A/R aging report by clicking the **Customize** button.

General

In the first section, you can customize general settings, such as the reporting period and number format.

Rows/Columns

Select which rows or columns will be displayed in your report and exclude nonzero and no-activity accounts if needed.

Aging

This Aging section is more useful than the Aging method offered in Step 2 as it allows you to select not only the aging method but also the days covered in each period and the number of periods to run.

Filter

This customization allows you to filter the aging report based on customer and location. The Customer filter lets you focus on analyzing the outstanding invoices, payment history, and aging of receivables for a specific customer. Meanwhile, the Location filter is particularly useful if your business operates in multiple locations or has different branches.

Header/Footer

Here, you can choose which information to display in the header and footer of the A/R aging report.

You can change the name of the company and the report that will appear in the header. If you uploaded a logo while creating your company, you can opt to display it at the top of your A/R aging report.

Once you're done customizing your report, click the green **Run report** button.

Step 4: Print, Email, or Export your Report

You can print, email, or export your A/R aging report via the icons in the top right corner of the screen.

You can click the:

- Envelope icon (item A) to email a copy of your A/R report without having to leave QuickBooks Online.
- Printer icon (item B) to print a copy of your report.
- Drop-down arrow next to the export icon (item C) to choose between exporting your aging report as a PDF or an Excel file. This option also includes an option to add the A/R aging report to management reports.

How To Process Bank Reconciliations

Step 1: Navigate To the Reconciliation Window

From the left menu bar, hover over **Accounting**, then click on **Reconcile**.

Step 2: Select the Bank Account to Reconcile

Choose the bank account you want to reconcile in QuickBooks, then enter the ending account balance and date from your bank statement. You can also add the service charge and interest earned—if they aren't already in QuickBooks.

A. **Account:** Choose the bank account you wish to reconcile from the drop-down menu.
B. **Beginning balance:** This is the beginning balance of your bank account, and it must agree with your bank statement. In subsequent months, it'll roll over automatically from the prior month's ending balance.
C. **Ending balance:** Enter the ending balance from your bank statement.

D. **Ending date:** Indicate the ending date of your statement period.

E. **Service charge fields:** You may need to input a service charge amount if your bank imposes service charges for maintaining your account or processing transactions. Enter the service charge's date, the amount, and the expense account to be charged if it isn't in the system. You may use an expense account like "Bank Service Charges."

F. **Interest earned fields:** Fill in these fields if your bank pays you interest on your account balance. If it hasn't been recorded in QuickBooks, specify the date, interest earned, and the account where you want to record the interest earned, such as interest income.

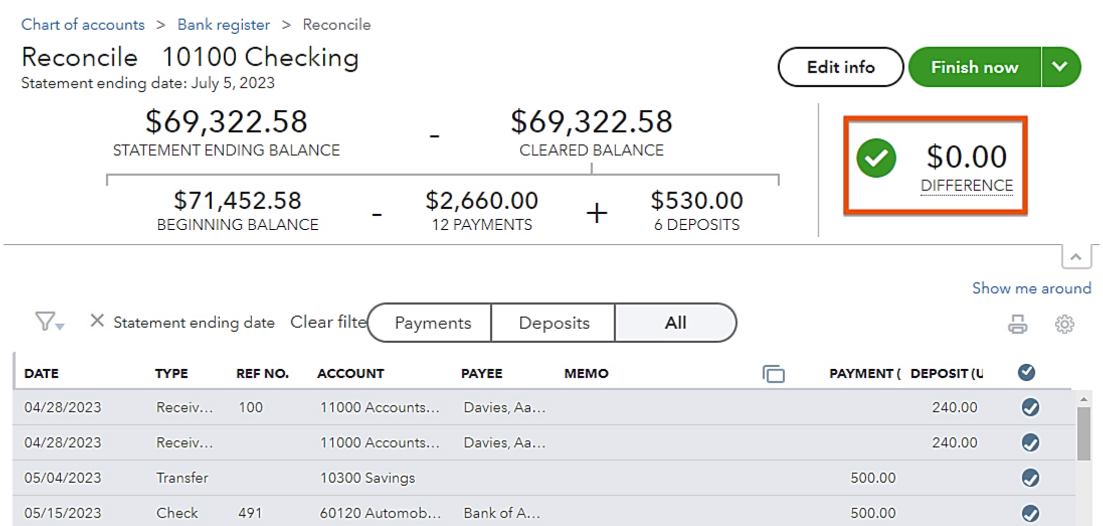
When you've entered all the information from your bank statement, click the green **Start reconciling** button to continue.

Step 3: Begin Matching Transactions

The QuickBooks reconciliation screen contains a summary of cleared transactions at the top and a detailed list of transactions at the bottom.

Step 4: Confirm the Bank Reconciliation Has a Difference of Zero

To complete the reconciliation process, you must verify that the difference is zero. If it is, then click the green **Finish now** button in the upper right-hand corner of the screen, as seen in the sample completed reconciliation below.



If the difference is not zero, you can try to locate transactions that aren't recorded in QuickBooks. If you still can't fix the discrepancy, we cover troubleshooting tips on finding the difference later on, after Step 5.

Step 5: Review and Save QuickBooks Bank Reconciliation Reports

After clicking **Finish now**, QuickBooks will display a confirmation with a link to view the reconciliation report.

How To Run a Profit and Loss Report or Income Statement

Step 1: Navigate to Profit and Loss

To create a new P&L report, click **Reports** in the left menu bar. Standard reports are separated into 10 groups, so open the **Business overview** group and click on **Profit and Loss**.

For quicker access, you can add Profit and Loss to your favorite reports by clicking on the star icon next to it. Then, you can find it instantly in the Favorites group, which will appear at the top when you click on **Reports**.

Step 2: Set Up Basic Options for the Profit and Loss Report

Scroll to the top of the Profit and Loss Report screen to view the top menu bar with basic options that can be changed for your report.

Step 3: Customize Your Profit and Loss Report Further

In addition to the basic options selected at the top of the page, you can customize the Profit and Loss report further by clicking the **Customize** button. The Customize report window includes the following sections:

General

The first group of options in the Customize report menu is general options.

In addition to setting the reporting period and accounting method, you can specify how numbers will be formatted. You can state numbers in thousands of dollars by ticking the box **Divide by 1000**, suppress cents, or exclude zero amounts. By clicking on the drop-down menu for **Negative numbers**, you can choose a format for displaying negative numbers.

Rows/Columns

In the Rows/Columns section, you can select columns to include and change the order of the columns in your Profit and Loss report.

Filter

Distribution Account: This allows you to include or exclude specific accounts from the report. You can choose to include multiple accounts to narrow the report down to specific income or expense categories that you want to analyze.

Customer: This enables you to filter the report data by specific customers or clients. This filter is particularly useful when you want to analyze the profitability or financial performance of individual customers. You can select one or multiple customers to view how their transactions contribute to the overall profit and loss of your business.

Vendor: This lets you filter the report based on specific vendors or suppliers. You can select one or multiple vendors to view their transactions.

Employee: This allows you to focus on specific employees or staff members in the report. It's beneficial when you want to track the impact of individual employees on revenue or expenses.

Class: This enables you to categorize transactions by specific classes you have set up in QuickBooks. Classes are a way to categorize transactions based on departments, locations, product lines, or any other relevant divisions within your business.

Product/Service: This filters your P&L report data based on particular products or services you offer—helping you evaluate the performance of individual products or services in terms of revenue and expenses.

If you track income and expenses by class or location, you'll probably want to print reports filtered by these items. If Location or Class doesn't appear in your Filter options, you need to turn on Class and Location tracking.

Profit and Loss by Class: In addition to filtering the Profit and Loss report by class, QuickBooks provides a Profit and Loss by Class report available under the Business overview tab on the Reports page.

Header/Footer

In the last set of customization options, you can choose what information to display in the header and footer of the report.

You can exclude a line from printing on the report by removing the checkmark next to its name. In addition, you can change the name of the company and the report that will appear in the header by indicating the text you want in the appropriate fields. If you uploaded a logo when you created your account, you can click the **Show logo** box so that it appears in the header of your P&L report.

When you are done customizing your P&L report, hit the green **Run Report** button at the bottom of the list of customization options.

Step 4: Print, Email, or Export Your Profit and Loss Report

If needed, you can print, email, or export your Profit and Loss report via the icons in the top right corner of the report.

A. Click the mail icon to email a PDF copy of your report.
B. Select the printer icon to print a copy of your report.
C. Click the drop-down arrow next to the export icon to export your report as either a PDF or an Excel file.

How to do Budgeting and Forecasting in the Cloud

QuickBooks Desktop has budgeting and forecasting tools to help you plan and make smart business decisions.

Step 1: Review last year's data

Before you can set up a budget or forecast, make sure your fiscal year is set correctly.

1. Go to the **Company** menu and select **My Company**.
2. Select the **pencil icon** and then **Report Information**.
3. Make sure the first month of your fiscal year is correct.

Then, review last fiscal year's financial reports.

1. Go to the **Reports** menu and hover over **Company & Financial**.
2. Select **Profit & Loss Detail** or **Balance Sheet Detail** depending on what you want to forecast or budget for.
3. From the **Dates** dropdown, select **Last Fiscal Year**.
4. Select **Refresh**.
5. (Optional) **You can memorize this report for later use**.

Step 2: Set up a budget or forecast

Now you have reports you can use to make a budget or a forecast.

Create a budget

You can create next year's budget from scratch, or use last year's Profit and Loss data to start one.

1. Go to the **Company** menu and hover over **Planning & Budgeting**. Then select **Set Up Budgets**.
2. Select **Create New Budget**.
3. Set the fiscal year for the budget, then choose either **Profit and Loss** and **Balance Sheet**. Then select **Next**. If you select Profit and Loss, you can add additional criteria, such as Jobs or Class tracking.
4. If you select Profit and Loss, select either **Create budget from scratch** or **Create budget from the previous year's actual data**.
5. Select **Finish**.

Create a forecast

If you use QuickBooks Desktop Premier, Accountant, or Enterprise, you can also create forecasts to predict future revenue and cash flow. You can create a financial forecast from scratch, or from last year's data.

1. Go to the **Company** menu and hover over **Planning & Budgeting**. Then select **Set Up Forecast**.
2. Select **Create New Forecast**.
3. Set the fiscal year for the forecast. You can also specify additional criteria, such as Jobs or Class tracking, but this is optional.

4. Select either **Create forecast from scratch** or **Create forecast from the previous year's actual data**.
5. Select **Finish**.

Module 5: Advanced Cloud Accounting Features

Integrating Third-Party Apps with Cloud Accounting Software

At its core, integration refers to the process of connecting different software systems to allow them to work together. In the realm of small business accounting and bookkeeping, this could mean linking your accounting software with other tools and platforms that your business uses, such as CRMs, e-commerce platforms, or inventory management systems.

Why Integrate?

1. ***Data Accuracy***: By automating data transfer between systems, you reduce the risk of human error and ensure more accurate financial reporting.
2. ***Time-Saving***: Integration can significantly cut down on the time spent on manual data entry and reconciliation.
3. ***Enhanced Insights***: Having all your data in one place allows for more comprehensive analytics and reporting, aiding in better-informed business decisions.

How to Decide: The Integration Checklist

Before taking the plunge, it's crucial to assess your business's specific needs, resources, and goals. Here's a list to guide you through that decision-making process:

- Assess Your Current Software: Is your current accounting software capable of integration? Does it have open APIs or built-in integration capabilities?
- Identify Critical Integrations: Determine which third-party platforms are crucial to your business operations and would provide the most value if integrated.
- Evaluate the Costs: Consider both the upfront costs of integration and any ongoing maintenance or subscription fees.
- Analyze the Benefits: Weigh the potential time savings, accuracy improvements, and enhanced insights against the costs.
- Consider Your Technical Resources: Do you have the in-house expertise to manage the integration, or would you need to outsource this?
- Plan for Future Scalability: Ensure that any integration decisions you make now won't hinder your business's ability to grow and evolve in the future.

Understanding QuickBooks Integration

QuickBooks Integration refers to the process of connecting QuickBooks Online to other third-party applications or systems. The goal of integrating additional apps into the platform is to streamline data exchange and reduce the need for manual data entry, ultimately improving accuracy and saving time.

A QuickBooks sync with other applications streamlines workflows and ensures data is up-to-date across systems. Integration enhances reporting by consolidating data across multiple systems and reduces the chance of inconsistencies.

QuickBooks Online integrates with a wide range of applications, including (but not limited to):

- Payment processing software
- E-commerce platforms
- Inventory management systems
- Customer relationship management (CRM)
- Project management tools

QuickBooks integration is achieved through APIs (Application Programming Interfaces), custom-built integrations, or middleware.

Options for QuickBooks Integration

When it comes to integrating QuickBooks with other applications, you have several options:

1. **API:** QuickBooks provides an API that allows third-party developers to integrate their software. This requires a developer to build a custom integration that connects the two systems.
2. **Middleware:** Middleware is software that sits between two systems and facilitates data exchange. Middleware can be used for QuickBooks Online app integrations like e-commerce platforms, CRMs, or inventory management systems. Zapier is one good example of middleware that provides pre-built integrations that do not require any coding or dev skills.
3. **Custom-Built:** If none of the pre-built integrations fit, you can also build a custom integration. However, this option requires development skills, is costly, and can be time-consuming.

Multi-User Access and Collaboration in Real-Time

What is real-time collaboration?

Two managers contributing to the same report from two different locations. Three executives using an online whiteboard and building a presentation from three corporate campuses. Four hundred employees participating in an online meeting from their homes spread across the four corners of the globe.

Real-time collaboration is just that—people working together at the same time even if they're in different places. And the online collaboration tools available are just as varied as the types of collaboration they enable. For example, desktop sharing. Using a feature that allows you to share your device screen with others allows them all to see exactly the same thing so everyone can collaborate at the same time with the same context. Document sharing is another collaboration tool that gives multiple people access to the same piece of writing, spreadsheet, or presentation so that they can collectively add, edit, or comment on a single live file.

How real-time collaboration works

A file is made commonly available to multiple people in multiple locations. This requires storing the file in the cloud and then providing a link or access to the file. It also requires the people who are collaborating to have uninterrupted internet access, the same collaboration software, or integrated apps that interact seamlessly.

The difference between traditional collaboration and real-time collaboration

The main and most obvious distinction between the two types of collaboration is the timing of their processes. Traditional online collaboration can only occur sequentially—one person at a time. For example, an employee creates a document, emails it to a colleague for review, the colleague emails it back, and so on. Real-time collaboration between multiple people happens simultaneously—an entire team of people can work together on the same project at the same time.

Why real-time collaboration is important now?

As remote work and working from home is increasingly encouraged and accepted by many industries, in-person collaboration such as conference room meetings and whiteboard sessions will become the rare exception versus the norm. For productive collaboration to continue, people need new ways to come together and contribute without sharing the same physical space.

Online collaboration tools are designed to do just that by replacing old analog methods with modern digital ones. With tools such as online whiteboards now being widely adopted and used, it's easier than ever to empower people working remotely to collaborate in real time.

Types of real-time collaboration

The types of real-time collaboration possible are as varied as the apps that enable them. Here's a list with some of the most common ways people collaborate in real-time:

- Document sharing and editing
- Videoconferencing
- Desktop sharing
- Online whiteboards
- Instant messaging (real-time text) and chat rooms (or threads)

Real-time collaboration features

Different real-time collaboration tools have different sets of features for enabling group interaction. Some have instant messaging, or other real-time meeting and communications tools, and file sharing so everyone involved has access to files at the same time.

A few important features to look for when considering collaboration tools:

- Seamless integration with other productivity apps such as document, spreadsheet, and presentation creation software.
- Easy access and visibility of files, calendars, meeting notes, and communication threads.
- Flexibility to collaborate anytime, anywhere, and from any device—desktops, laptops, tablets, and mobile devices.
- Confidentiality from built-in, advanced security and compliance capabilities
- Ease of implementation among groups, businesses, and organizations

Benefits of real-time collaboration

The benefits are becoming clear as more businesses and groups implement and adopt online collaboration tools such as online whiteboards. Here are just a few proven benefits of real-time collaboration:

- Improved participation and knowledge sharing from working together as a team just as you would if you were in the same room.
- Increased efficiency and productivity from a simplified and seamless process that eliminates back-and-forth communications and replaces the chaos of multiple versions with a single, shared document living in the cloud.
- Higher employee morale and job satisfaction and decreased feelings of isolation and loneliness associated with remote work.
- Streamlined workflow with meetings, conversations, and file sharing—all happening simultaneously.
- Greater cost-effectiveness over traditional methods of collaboration which require office space, equipment, and travel.
- Expansive reach and scope from the ability to connect anyone inside and outside your business including employees, clients, and vendors.

Module 6: Cloud Security and Data Protection

Cloud security has become a critical aspect of modern organizations, as businesses increasingly rely on cloud-based services and infrastructure. Ensuring the protection of sensitive data and maintaining compliance with industry regulations are top priorities. By understanding the fundamentals of cloud security, businesses can better protect their valuable assets and maintain a secure environment for their operations.

Understanding Cloud Security Basics

Cloud security refers to the set of policies, technologies, and controls deployed to protect data, applications, and infrastructure associated with cloud computing. The primary goal of cloud security is to safeguard an organization's data and privacy while ensuring regulatory compliance and maintaining overall system stability.

Key Components of Cloud Security

Effective cloud security consists of several interrelated components, including:

1. **Identity and Access Management (IAM)**: IAM refers to the processes and tools used to manage, authenticate, and authorize access to cloud resources. It ensures that only authorized users can access the appropriate data and applications within the cloud environment.
2. **Encryption**: Encryption is the process of converting data into a code to prevent unauthorized access. Both data at rest (stored data) and data in transit (data being transmitted) should be encrypted to ensure maximum security.
3. **Threat Intelligence, Monitoring, and Prevention**: This involves collecting, analyzing, and utilizing information about potential threats to the cloud environment. It helps organizations identify, mitigate, and prevent security incidents and attacks.
4. **Data loss prevention (DLP)**: Data loss prevention (DLP) services offer a set of tools and services designed to ensure the security of regulated cloud data. DLP solutions use a combination of remediation alerts, data encryption and other preventive measures to protect all stored data, whether at rest or in motion.
5. **Security information and event management (SIEM)**: Security information and event management (SIEM) provides a comprehensive security orchestration solution that automates threat monitoring, detection and response in cloud-based environments. SIEM technology uses artificial intelligence (AI)-driven technologies to correlate log data across multiple platforms and digital assets. This gives IT teams the ability to successfully apply their network security protocols, enabling them to quickly react to any potential threats.

Why is cloud security important?

In modern-day enterprises, there has been a growing transition to cloud-based environments and IaaS, Paas or SaaS computing models. The dynamic nature of infrastructure management, especially in scaling applications and services, can bring a number of challenges to enterprises when adequately resourcing their departments. These *as-a-service models* give organizations the ability to offload many of the time-consuming, IT-related tasks.

As companies continue to migrate to the cloud, understanding the security requirements for keeping data safe has become critical. While third-party cloud computing providers may take on the management of this infrastructure, the responsibility of data asset security and accountability doesn't necessarily shift along with it.

By default, most cloud providers follow best security practices and take active steps to protect the integrity of their servers. However, organizations need to make their own considerations when protecting data, applications and workloads running on the cloud.

Security threats have become more advanced as the digital landscape continues to evolve. These threats explicitly target cloud computing providers due to an organization's overall lack of visibility in data access and movement. Without taking active steps to improve their cloud security, organizations can face significant governance and compliance risks when managing client information, regardless of where it is stored.

Cloud security should be an important topic of discussion regardless of the size of your enterprise. Cloud infrastructure supports nearly all aspects of modern computing in all industries and across multiple verticals. However, successful cloud adoption depends on putting in place adequate countermeasures to defend against modern-day cyberattacks. Regardless of whether your organization operates in a public, private or hybrid cloud environment, cloud security solutions and best practices are a necessity for maintaining business continuity.

What are some cloud security challenges?

1. **Lack of visibility:** It's easy to lose track of how your data is accessed and by whom, since many cloud services are accessed outside of corporate networks and through third parties.
2. **Multitenancy:** Public cloud environments house multiple client infrastructures under the same umbrella. As a result, it's possible that your hosted services can get compromised by malicious attackers as collateral damage when targeting other businesses.
3. **Access management and shadow IT:** While enterprises may be able to successfully manage and restrict access points across on-premises systems, administering these same levels of restrictions can be challenging in cloud environments. This can be dangerous for organizations that don't deploy bring-your-own device (BYOD) policies and allow unfiltered access to cloud services from any device or geolocation.
4. **Compliance:** Regulatory compliance management is oftentimes a source of confusion for enterprises that use public or hybrid cloud deployments. Overall accountability for data privacy and security still rests with the enterprise, and heavy reliance on third-party solutions to manage this component can lead to costly compliance issues.
5. **Misconfigurations:** A substantial portion of breached records can be attributed to misconfigured assets, making the inadvertent insider a key issue for cloud computing

environments. Misconfigurations can include leaving default administrative passwords in place, or not creating appropriate privacy settings.

Best Practices for Data Protection and Privacy

An effective security policy is put into practice throughout the organization. The policy defines the standards to which the organization will adhere and strive to follow. Data privacy and security policies must denote clarity, inclusiveness and well-defined procedures, rules and methods for regulating access to corporate systems and applications. A good policy protects customer, employee and third-party data. These policies are also testimony to investors, business stakeholders and the public at large about the organization's commitment to data protection and privacy.

There are two operational approaches to data privacy and security. The first builds policies for various types of data and then determines access-level permissions. With this method, you would then look for any data that fits that criterion. Conversely, the other approach looks at all data, analyzes and identifies the different types, classifies and makes policy decisions on what to do with the data.

1. The Policy-First Approach

Addressing regulatory and compliance requirements is straightforward and often easily conquered with a robust policy. The policy will genuinely address the key areas and define the controls to put in place. These controls are built to target the areas defined by the requirements.

The limitation of building a policy-first data privacy approach is that it can impede the organization's ability to discover data that doesn't match predefined policy. Creating policies before you know what data exists is like a doctor prescribing medicine to a patient they've not diagnosed. To compensate, policies may be overly broad and less accurate. Ultimately, it could require more time and money to build additional guidance for data that you didn't know you had.

2. The Data-First Approach

A data-first privacy and security program will have detailed and documented knowledge of all the elements that comprise the organization's data ecosystem. It also features an acute understanding of the who, what, why, where and how of data collection and security measures and when it's appropriate to delete data.

Private consumer data and sensitive corporate secrets are captured and used by various stakeholders throughout an organization — from human resources, product development and engineering to sales and marketing. Unfortunately, because of the many data-flows, changing formats and ways data is applied and stored, most organizations have a far from a complete picture of the data they hold.

Data privacy, integrity, and accessibility

Cloud data security best practices follow the same guiding principles of information security and data governance:

- **Data confidentiality**: Data can only be accessed or modified by authorized people or processes. In other words, you need to ensure your organization's data is kept private.
- **Data integrity**: Data is trustworthy—in other words, it is accurate, authentic, and reliable. The key here is to implement policies or measures that prevent your data from being tampered with or deleted.
- **Data availability**: While you want to stop unauthorized access, data still needs to be available and accessible to authorized people and processes when it's needed. You'll need to ensure continuous uptime and keep systems, networks, and devices running smoothly.

Often referred to as the CIA triad, these three broad pillars represent the core concepts that form the basis of strong, effective security infrastructure—or any organization's security program. Any attack, vulnerability, or other security incident will likely violate one (or more) of these principles. This is why security professionals use this framework to evaluate potential risk to an organization's data assets.

Compliance with Financial Regulations in the Cloud

Being compliant in the context of the cloud requires that any services and systems protect data privacy according to legal standards and regulations for data protection, data sovereignty, or data localization laws. Certain industries, such as healthcare or financial services, will also have an additional set of laws that come with mandatory guidelines and security protocols that will need to be followed.

That's why it's important to consider cloud service providers and evaluate their cloud security carefully. Reputable cloud service providers will not only strive to ensure their own services and platforms are compliant but should also be willing to collaborate with you directly to understand and address your specific regulatory and risk management needs.

Industry & Location-Specific Regulations

At the top of an organization's compliance priority list ought to be the laws within their geographical jurisdiction and the industries they operate in. Non-compliance with these laws can have serious consequences, including reputation loss, hefty fines, and revocation of business licenses.

1. Credit Card Payments: PCI DSS:

The Payment Card Industry Data Security Standard (PCI DSS) is a set of security standards covering all merchants processing credit or debit card payments. This set of standards aim to protect card users against credit card fraud and identity theft.

Some of the things merchants need to do for be compliant with PCI DSS include:

- Use of antivirus software
- Installation of firewalls
- Regular vulnerability testing

2. Healthcare: HIPAA

The United States Congress passed the Health Insurance Portability and Accountability Act (HIPAA) to protect individuals' health-related information, among which are sections that directly pertain to information security.

Organizations regulated under HIPAA are required to conduct risk analyses and establish risk management policies to manage threats to the confidentiality, integrity, and availability of critical health data they manage. If your organization uses cloud-based services (SaaS, IaaS, PaaS) to manage and transmit this data, it is your duty to ensure that the service provider is HIPAA-compliant, and you have adopted best practices in managing your cloud configurations.

3. EU: GDPR

Known as one of the most stringent Data Privacy laws around the world, the main goal of the General Data Protection Regulation (GDPR) is to protect the personal data of all individuals and entities under the European Union (EU).

The GDPR governs all organizations that either operate in the EU, process data from EU citizens or residents, or offer goods and services to EU citizens or residents.

The GDPR stands on 8 fundamental rights that individuals possess over their personal data:

i. The right of access: To know what information is gathered and how it is processed

ii. The right to be informed: To ask the organization to be completely transparent about data processing

iii. The right of rectification: To correcting any incomplete or incorrect personal data

iv. The right to restrict processing: To block the processing of personal data

v. The right to be forgotten: To remove personal data at any time for any reason

vi. The right to data portability: To transfer data from one service to another

vii. The right to object: To object data being used for certain purposes, including marketing research

viii. The right to be notified: To be notified within 72 hours of any personal data breach

Non-compliance to the GDPR can have very steep consequences — fines can reach up to €20 million, or 4% of the organization's worldwide annual revenue, whichever amount is higher.

4. ISO 27001

The International Organization for Standardization (ISO) 27001 is the gold standard in information security and compliance. ISO developed the standard to help organizations protect their information according to best practices.

Being a CSP-neutral international standard, compliance to ISO27001 is internationally-recognized and can be a hard requirement for companies to become approved third-party vendors. In the cloud, ISO 27001 contains end-to-end governance of items from asset management and access control to cryptography and operations security.

5. NIST Cybersecurity Framework

The National Institute of Standards and Technology (NIST) is a U.S. government agency responsible for developing standards and metrics that promote competition in the U.S. science and technology industries.

NIST developed their Cybersecurity Framework for compliance with U.S. standards such as the Health Insurance Portability and Accountability Act (HIPAA) and the Federal Information Security Management Act (FISMA) in mind. They especially emphasize the classification of assets according to business value and securing them accordingly.

Relevant NIST standards for the cloud include NIST Special Publication 800-53 — Security and Privacy Controls for Federal Information Systems and Organizations and NIST 800-144 — Guidelines on Security and Privacy in Public Cloud Computing. These publications detail various security controls organizations can use to secure their systems.

Module 7: Case Studies and Real-World Applications

Success Stories of Businesses Transitioning to Cloud Accounting

Polay + Clark's Cloud Accounting Transition:

1. **Polay + Clark**, a full-service business management and accounting firm specializing in sports and entertainment, made the bold decision to shift from desktop accounting software to Xero and embrace the cloud. Cloud Technology Integrations: Initially, they implemented Xero, but they quickly realized that integrating it with third-party add-ons like Hubdoc, Expensify, and Bill.com significantly enhanced efficiency for both their firm and clients.

2. **Dynamo Electric, LLC**: This electrical contracting company based in California struggled with outdated accounting software and manual processes, leading to inefficiencies and errors in their financial management. Upon transitioning to cloud accounting with QuickBooks Online, Dynamo Electric experienced significant improvements. They could now easily track project expenses, manage payroll, and invoice clients from any location. Real-time access to financial data allowed them to make better business decisions, leading to increased profitability and growth.

3. **BlueWave Solar**: BlueWave Solar, a renewable energy company headquartered in Massachusetts, underwent rapid expansion but struggled to keep up with their financial management needs using traditional accounting methods. By transitioning to cloud accounting with FreshBooks, they were able to centralize their financial data and streamline processes across multiple locations. The automation features, such as recurring billing and expense categorization, saved them time and reduced errors. With real-time access to financial insights, BlueWave Solar could better monitor project costs and profitability, leading to improved financial performance and scalability.

Module 8: Course Wrap-up and Next Steps

Certification Exam

1. Which report should you run to list all customers who currently owe balances and how old the balances are:
   a. A/P Aging Summary
   b. A/R Aging Summary
   c. A Balance Sheet report
   d. A Trial Balance
2. What steps would take you to a client's QuickBooks Online company from QuickBooks Online Accountant?
   a. Typing their name in the Find a client search box
   b. Selecting the green QB icon next to their name on the client list.
   c. Selecting their name on the Client list
   d. Selecting Edit client on the right of the Client list
3. What information can you NOT see displayed on the Dashboard of QuickBooks Online?
   a. Income and Sales Data
   b. Profit & Loss figures
   c. Expenses
   d. Credit Card balances
   e. Manage Users
4. Which of the following is NOT a feature of a client QuickBooks Online company?
   a. A QuickBooks company is made up of lists and transactions
   b. There is a single-entry point for finding different lists and transactions
   c. Settings and tools can be accessed from the Gear icon
   d. As an accountant user, you have an additional drop-down menu in your client's company.
5. The _______ lists each customer with an open balance. It lists the open invoices in different columns based on whether they are current or how long it's been overdue.
   a. A/R Payable Summary report
   b. A/R Aging Summary report

6. Once the Prep for taxes screen has been reviewed and the date is ready to hand off to tax preparer, which 3 tax options are available?
    a. Create new return
    b. Add note
    c. Make adjustment
    d. Add attachment
7. What option on a QuickBooks Online Profit & Loss report will quickly show a client how much income and expenses were incurred over the past two years?
    a. Report period
    b. Collapse/Expand
    c. Sort
    d. Group By
8. Which Vendor/Supplier workflows will enable a user to create reports that will tell the vendor that provides the best prices on the products sold?
    a. Create Expense with account/category detail
    b. Create Invoice with product/service items
    c. Create Bill with product/service items > Pay Bill
    d. Create Bill with account/category detail > Pay Bill
9. As you match and add transactions in QuickBooks Online from the downloaded transactions form the Bank, they are marked _____.
    a. Reconciled
    b. Cleared
    c. Excluded
    d. Finished
10. One of the following is the way to add receipts to QuickBooks Online Receipt Capture.
    a. Use the Receipt Capture widget in Google Chrome
    b. Download the Receipt Capture app for windows
    c. Upload a picture via a browser
    d. Download the Widget Capture app for windows
11. One of the following is an important reason to reconcile bank and credit card accounts at set dates.

a. To verify that an account balance is within its credit limit
b. To verify transactions, have the correct customer assigned to them
c. To verify that the bank has not lost its connection to QuickBooks Online.
d. To verify that previously reconciled transactions have not been changed since the last reconciliation.

12. Which option explains how to enable email receipt forwarding in QuickBooks Online?
    a. Select Gear > Account and Settings > Expenses > Receipts > Register your email
    b. Select Banking > Receipts > Register your email to get started
    c. Select Gear > Account and Settings > Advances > Automation > Turn on receipt forwarding
    d. Select Banking > Receipts > Select Gear
13. In QuickBooks Online Accountant, what area of data does the search box look in?
    a. Your practice
    b. All connected clients' QuickBooks Online
    c. Your Books
    d. The checked client's QuickBooks Online
14. Brian has previously recorded all credit card activity manually using the Expense transaction screen and reconciled the account using the Reconciliation Tool. After connecting his credit card in the Banking Center, he doesn't see any matches for the transactions he previously entered and reconciled. What should he do?
    a. Assign a Payee and Category to each transaction > Select Add
    b. Select the reconciled transactions > Batch Actions > Modify Selected
    c. Select the reconciled transactions > Batch Actions > Delete Selected
    d. Select the reconciled transactions > Batch Actions > Exclude Selected
15. How can you filter the For Review tab to see all the transactions QuickBooks Online thinks it has found a good match for?
    a. Click on Filter > Find Match
    b. Click on the Gear icon > Show only matches
    c. Click on the Recognized tab
16. What is one of the primary ways to get information into QuickBooks Online?
    a. Convert data from existing QuickBooks Online file

b. Use the Import Data tool
c. Use the Export Data tool
d. Use the Attachments tool

17. When would you recommend merging accounts to a client?
    a. If there are too many accounts active in the chart of accounts
    b. When a client has added more than one of the same exact accounts unnecessarily
    c. When the client asks if they can put everything in one account
    d. If two accounts are being used differently.

18. Where do you enable account numbers for the QuickBooks Online Chart of Accounts?
    a. Gear > Account and Settings > Company > Chart of Accounts > Select Enable Account numbers
    b. Gear > Account and Settings > Advanced > Chart of Accounts > Select Enable Account numbers
    c. Left Navigation Bar > Accounting > Chart of Accounts > Gear > Select Enable Account Numbers
    d. Left Navigation Bar > Accounting > Chart of Accounts > Gear > Select Enable Account Numbers

19. Which statement is true regarding the Preferred Vendor field in Product and Services items?
    a. You can add more than one preferred vendor to each product/service item
    b. Preferred vendors must be assigned to utilize Price rue=les
    c. You can create a new vendor from the product/service information screen.

20. What is one of the 2 ways to add a customer to QuickBooks Online?
    a. Sales > Customers > Add New
    b. Customers > Add New
    c. +New > Sales > Add Customer
    d. Sales > Add New

21. One of the following is a Product/Service type that can appear on your client's purchase and sales transactions?
    a. Sales Tax
    b. Bundle
    c. Payroll

d. Discount

22. Where would you go to add a new vendor or find the link to import a vendor list into QuickBooks Online? Choose the most viable method from the options below.

    a. The New Vendor button in the Vendors tab of the Sales screen

    b. <u>The New Vendor button in the Vendors tab of the Expenses screen</u>

    c. The New Vendor button in the Expenses tab of the Expenses screen

    d. The Enter Vendor Details button in the Expenses tab of the Sales screen.

23. Where can you find the QuickStart template in QuickBooks Online Accountant to begin the client onboarding process?

    a. Your Practice

    b. Your Books

    c. Dashboard

    d. <u>Work</u>

24. The search box in the Client apps screen allows you to search for apps by which criterion?

    a. Apps you connected

    b. <u>Name of the App</u>

    c. Apps others connected

    d. Name of the Books

25. Where can a Master Admin Accountant User view the apps connected to a client's QuickBooks Online account from within QuickBooks Online Accountant?

    a. Left Navigation bar > Apps > Client Apps

    b. Select the client from the Client List to open the Client Detail Page > Bookkeeping > View Connected Apps

    c. Gear icon > Apps > Client Apps

    d. <u>In the Connected Apps column on the Client List dashboard</u>

26. Your client wants to transfer $1,000 from their checking account into a savings account to cover tax liabilities for sales made last month. Where should they start the process?

    a. Navigate to the Gear icon, then find the Transfer link

    b. Navigate to the Sales screen, then find the Transfer link

    c. <u>Navigate to the Create (+) icon, then find the Transfer link</u>

    d. Navigate to the Banking screen, then find the Transfer link

27. What is the primary advantage of cloud accounting?
    a. Limited access to financial data
    b. Costly hardware requirements
    c. <u>Real-time access from anywhere</u>
    d. Lengthy installation process
28. Which of the following is a feature of cloud accounting software?
    a. Offline-only access
    b. Limited scalability
    c. Manual data backups
    d. <u>Automatic data synchronization</u>
29. How does cloud accounting benefit collaboration between accountants and clients?
    a. Requires physical presence for financial consultations
    b. Restricts access to financial data
    c. <u>Facilitates real-time collaboration</u>
    d. Increases paperwork for communication
30. What role does the cloud play in data security for cloud accounting?
    a. Decreases data encryption
    b. Increases vulnerability to cyberattacks
    c. <u>Provides enhanced data encryption and security protocols</u>
    d. Requires manual data protection measures
31. Which factor makes cloud accounting suitable for small businesses?
    a. High upfront costs
    b. Limited storage capacity
    c. <u>Scalable pricing options</u>
    d. Slow data processing speeds
32. What feature of cloud accounting allows users to access financial data from multiple devices?
    a. Offline-only access
    b. Limited device compatibility
    c. <u>Cross-platform accessibility</u>

d. Restricted user permissions

33. How does cloud accounting software typically handle software updates?
    a. Manual update process required
    b. Automatic updates with no user intervention
    c. Updates only available during business hours
    d. Requires additional purchase for updates
34. Which aspect of cloud accounting contributes to increased efficiency in financial reporting?
    a. Delayed data synchronization
    b. Limited integration with other software
    c. Real-time data updates
    d. Incompatibility with mobile devices
35. What is a common benefit of cloud accounting for international businesses?
    a. Language barriers in accessing financial data
    b. Restricted access to financial data across borders
    c. Currency conversion capabilities
    d. Compliance with local regulations only
36. How does cloud accounting impact environmental sustainability compared to traditional accounting methods?
    a. Increases paper usage for financial records
    b. Reduces energy consumption for on-premises servers
    c. Generates more electronic waste
    d. Requires frequent hardware upgrades
37. What is Cloud Computing?
    a. Cloud Computing means providing services like storage, servers, database, networking, etc.
    b. Cloud Computing means storing data in a database
    c. Cloud Computing is a tool used to create an application
    d. None of the mentioned
38. Who is the father of cloud computing?

a. Sharon B. Codd
b. Edgar Frank Codd
c. J.C.R. Licklider
d. Charles Bachman

39. Which of the following is not a type of cloud server?
    a. Public Cloud Servers
    b. Private Cloud Servers
    c. Dedicated Cloud Servers
    d. Merged Cloud Servers

40. Which of the following are the features of cloud computing?
    a. Security
    b. Availability
    c. Large Network Access
    d. All of the options

41. Which of the following is a type of cloud computing service?
    a. Service-as-a-Software (SaaS)
    b. Software-and-a-Server (SaaS)
    c. Software-as-a-Service (SaaS)
    d. Software-as-a-Server (SaaS)

42. Which of the following is the application of cloud computing?
    a. Adobe
    b. Paypal
    c. Google G Suite
    d. All of the options

43. Which of the following is the correct statement about cloud computing?
    a. Cloud computing abstracts systems by pooling and sharing resources
    b. Cloud computing is nothing more than the Internet
    c. The use of the word "cloud" makes reference to the two essential concepts
    d. All of the options

44. Point out the wrong statement.

a. Azure enables .NET Framework applications to run over the Internet
b. Cloud Computing has two distinct sets of models
c. <u>Amazon has built a worldwide network of datacenters to service its search engine</u>
d. None of the mentioned

45. Which of the following model attempts to categorize a cloud network based on four dimensional factors?
    a. <u>Cloud Cube</u>
    b. Cloud Square
    c. Cloud Service
    d. All of the options
46. Which of the following is the correct statement about cloud types?
    a. Cloud Square Model is meant to show is that the traditional notion of a network boundary being the network's firewall no longer applies in cloud computing
    b. <u>A deployment model defines the purpose of the cloud and the nature of how the cloud is located</u>
    c. Service model defines the purpose of the cloud and the nature of how the cloud is located
    d. All of the options
47. Which architectural layer is used as a backend in cloud computing?
    a. <u>Cloud</u>
    b. Soft
    c. Client
    d. All of the options
48. All cloud computing applications suffer from the inherent _______ that is intrinsic in their WAN connectivity.
    a. Noise
    b. Propagation
    c. <u>Latency</u>
    d. All of the options
49. Which of the following architectural standards is working with cloud computing industry?
    a. Web-application frameworks

b. Service-oriented architecture

c. Standardized Web services

d. All of the options

50. Which of the following is the correct statement?

a. Cloud computing presents new opportunities to users and developers

b. Service Level Agreements (SLAs) is small aspect of cloud computing

c. Cloud computing does not have impact on software licensing

d. All of the options

References

1. Brynjolfsson, E., & McAfee, A. (2014). *The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies*. W. W. Norton & Company.
2. Cloud Security Alliance. (2017). *Cloud security guidance and best practices*. Retrieved from https://cloudsecurityalliance.org
3. Google Cloud. (2022). *Guide to cloud accounting solutions*. Retrieved from https://cloud.google.com/solutions/accounting
4. Intuit QuickBooks. (2021). *QuickBooks Online: User guide for businesses*. Retrieved from https://quickbooks.intuit.com
5. Microsoft Azure. (2022). *Getting started with cloud accounting*. Retrieved from https://azure.microsoft.com/en-us/resources
6. Sage. (2021). *Cloud Accounting Fundamentals: Transforming financial management*. Retrieved from https://www.sage.com/en-us/
7. Xero. (2021). *Introduction to cloud accounting: A guide for small businesses*. Retrieved from https://www.xero.com
8. Zhao, J. L., Fan, S., & Hu, D. (2014). *Business Challenges and Solutions with Cloud Technology*. Information Systems Journal, 24(3), 261–276. https://doi.org/10.1111/isj.12019
9. Al-Htaybat, K., Hutaibat, K., & von Alberti-Alhtaybat, L. (2018). *Global practices of cloud accounting: Benefits and challenges*. International Journal of Accounting Information Systems, 28, 21–38. https://doi.org/10.1016/j.accinf.2017.12.003
10. International Federation of Accountants (IFAC). (2022). *Guide to accounting in the digital age*. Retrieved from https://www.ifac.org

Suggested Materials for Further Reading

1. **Books:**
   - Iansiti, M., & Lakhani, K. R. (2020). *Competing in the Age of AI: Strategy and Leadership When Algorithms and Networks Run the World*. Harvard Business Review Press.
   - Marr, B. (2021). *Big Data in Practice: How 45 Successful Companies Used Big Data Analytics to Deliver Extraordinary Results*. Wiley.
2. **Articles:**
   - Deloitte Insights. (2022). *The Future of Accounting: The Impact of Cloud Technology*. Retrieved from https://www2.deloitte.com
   - PwC. (2021). *How cloud technology is transforming finance and accounting operations*. Retrieved from https://www.pwc.com
3. **Websites & Platforms:**
   - **Cloud Accounting Today**: https://www.cloudaccountingtoday.com
   - **ACCA Global** (Association of Chartered Certified Accountants): Resources on cloud accounting and emerging technologies in accounting. https://www.accaglobal.com
   - **Accounting Today**: A leading resource for current trends and insights in accounting. https://www.accountingtoday.com
4. **Courses & Certifications:**

- "Cloud Accounting Certification" by Intuit QuickBooks (available on Coursera or directly from Intuit).
- "Cloud Security Certification" by Cloud Security Alliance.

5. **Reports:**
    - Gartner. (2022). *Cloud Accounting Trends: The Future of Financial Management*.
    - McKinsey & Company. (2022). *Technology's Role in the Future of Finance*.

FOR ENQUIRIES:

USA:
+1 225 439 5539
+1 225 333 8178
+1 551 280 4687
+1 773 793 1984

CANADA:
+1 403 325 4027

AUSTRALIA:
+61 406 962 382

AFRICA
+234 803 680 2529
+234 908 016 4823
+234 817 687 2210
+234 908 016 4822
+234 809 521 5733
+234 803 421 4464
+234 908 016 4861

ASIA:
+971 54 715 1368
+971 58 914 2601

EUROPE:
+44 782 624 4496

ASSOCIATION OF CHARTERED CERTIFIED SYSTEM ACCOUNTANTS

...Experts in IT-based Training & Practice of Accounting and Forensics