

**QuickBooks® Online Newsletter**

August 2017

## **FROM THE OFFICES**

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### **7 Best Practices for QuickBooks Online**

*Even if you've been using QuickBooks Online for a long time, it's good to step back and evaluate your actions.*

“Best practices” aren’t enforceable rules. They’re simply guidelines businesses commonly follow in one area or another. If you’re in retail, for example, one best practice might be to always ask customers checking out if they found everything they were looking for. This serves two purposes: It conveys a feeling of concern for the customer’s shopping experience, and it may also lead to increased sales.

QuickBooks Online has many best practices, some of which may serve multiple purposes, including these:

- They keep your company data safe and clean.
- They provide insight on your financial status.
- They save time.
- They can lead you to better relationships with customers and vendors.

Are any or all the following common practices for your business?

#### **Reconcile accounts regularly.**

One of QuickBooks Online’s most useful features is its ability to connect to your financial institution’s websites and download cleared transactions. QuickBooks Online also offers tools to help you keep your accounts reconciled online, like you used to do every month when your paper statement came. Reconciling accounts can help you uncover errors. It gives you a truer picture of your cash flow, and it improves the accuracy and timeliness of some reports.

## Start Reconciling

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Account

### 1. Enter the following from your statement

Statement Ending Date	Beginning Balance	Ending Balance
<input type="text" value="06/22/2017"/>	12,387.87	<input type="text" value="14,837.98"/>

### 2. Enter service charges and interest earned, if any

Service Charge	Date	Account
<input type="text" value="11.95"/>	<input type="text" value="06/22/2017"/>	<input type="text" value="Bank Charges"/>
Interest Earned	Date	Account
<input type="text" value="147.83"/>	<input type="text" value="06/22/2017"/>	<input type="text" value="Interest Earned"/>

*It's not a particularly pleasant process, but you should be reconciling your accounts regularly in QuickBooks Online. We can help.*

### **Clean up your lists.**

Some lists in QuickBooks Online aren't overly lengthy. You don't have to worry about, for example, Payment Methods, Terms, or Classes. Your lists of customers and vendors, products and services, on the other hand, can grow unwieldy over the years. This means it can take more time than it should to scroll through lists when you're using those entities in transactions. It also puts unnecessary stress on your company file. If you can't delete any, at least make them inactive.

### **Never leave QuickBooks Online open when you leave your work area.**

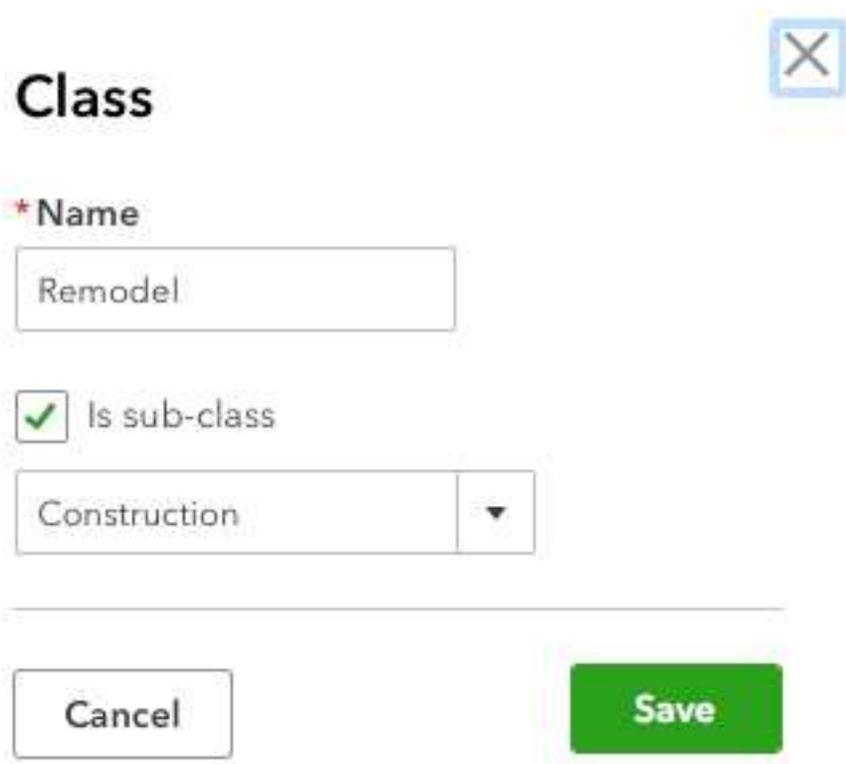
This goes for everyone, even people who work alone and don't access their company files away from their work areas. The obvious reason is to keep someone else from getting in and authorizing payments, for example, or otherwise compromising your financial information. It also protects the integrity of your data file in case your internet connection suffers some kind of outage.

### **Keep track of 1099 vendors.**

Whether your company uses 10 vendors or a hundred or more, you may have to supply at least some of them with an IRS Form 1099 at about the same time you're preparing W-2s for employees. Your 1099-related tasks will be much easier if those individuals and/or companies are earmarked. If you think vendors might need 1099s when you

create their records in QuickBooks Online, click in the box to the left of **Track payments for 1099** in the lower right corner. Not sure? Ask us.

**Classify everything with care.** Every time you have to create a record or transaction where categories are involved (i.e., **Classes, Customers and Vendors, Territories**), check and double-check that you've assigned them the correct classification. Errors here can result not only in problems with daily workflow, but your reports will not be accurate. A related best practice: **Create a meaningful group of Classes, and use them faithfully.** They'll help you make better business decisions.



**Class**

\* Name

Remodel

Is sub-class

Construction

Cancel Save

*To create your list of **Classes**, click the gear icon in the upper right and select **All Lists | Classes | New**.*

### **View reports on a regular basis.**

There are some advanced financial reports in QuickBooks Online that we should be creating for you on a regular basis, either monthly or quarterly. These include **Profit and Loss, Balance Sheet, and Statement of Cash Flows**. The mechanics of creating them aren't difficult, but analyzing them is. You should be running reports on your own at frequencies that you think would be helpful, like **A/R Aging Detail, Unpaid Bills, and Sales by Class Detail**.

If you've been using QuickBooks Online for a while, you could probably come up with your own list of best practices. If you're new to the site, consider scheduling some time

with us to go over more of them. Develop good habits from the start, and there won't be nearly as much need for troubleshooting down the road.