In Chapter 2 of *Accounting Fundamentals with QuickBooks Online Essentials Edition*, you will learn how to use the software to set up your business. New Company Setup includes selecting preferences, a chart of accounts, entering opening balances for your business, and printing a beginning balance sheet.

**OBJECTIVES:**

2. Set company preferences.
3. Enter October as the first fiscal month for your business.
4. Revise the chart of accounts for your business.
5. Enter beginning balances from the October 1, 20XX balance sheet.
7. Copy a QuickBooks Online Essentials report into Microsoft Excel.
8. Use external media to back up report data.

**SIGN IN TO QUICKBOOKS ONLINE ESSENTIALS EDITION**

Follow these steps to sign in. You must have completed Chapter 1, Accessing QuickBooks Online Essentials Edition before starting Chapter 2, New Company Setup.

1. If necessary, start your Internet browser.
2. Type [http://qbo.intuit.com](http://qbo.intuit.com) in the “Address” box of your browser, then click on “Enter.”
3. Complete User ID and Password, then click [Sign In]. You *must* use the same user ID and password that you assigned in Chapter 1.
I can’t remember my password. What should I do?


2. Click on the link that says Can’t access your account? Select the type of help you need to sign in.

3. Provide the requested information and click .

4. Go to your email inbox and retrieve the email that QuickBooks sent to you. First copy the confirmation code, then follow the embedded link in the email to the Password Reset screen. Paste the confirmation code and enter your new password and then retype it. When satisfied, click “Finish.”

5. Click “Next.”

6. If necessary, go to http://qbo.intuit.com and sign in using your new password.

Text and screen variations may occur since web-based software products backup and upgrade automatically.
New Company Setup

4. If a Company Selection screen appears, select Your Name Service Company. (Substitute your actual name instead of Your First and Last Name.) Wait while your company information is loaded.

5. If a pop-up screen appears, cancel by clicking on .

6. The screen appears.

GETTING STARTED

1. Move your mouse over the Company toolbar. When the menu appears, click on “Preferences.”

2. When the “Preferences” screen appears, click on the following links:
• Company Contact Information: Verify that the Company name, address, email address, and phone number are correct. Ignore website.

• Company:
  i. Employee identification number (EIN). Leave this box blank.
  ii. First month of fiscal year: Use pull down arrow to select “October” as the first month of fiscal year.
  iii. First month of income tax year: Click on the radio button next to “January” as the first month of your income tax year. Compare your screen to the one shown below.
  iv. Tax form: Verify that the radio button next to “One or more shareholders. A corporation filing Tax Form 1120.” is selected.
  v. Closing the books: Leave this box blank.
  vi. Sign out after inactivity: Verify “1 hour” is selected.
  vii. Account numbers. This box should be unchecked.
  viii. Enable QuickFill Autosuggest: Leave this box blank.
  ix. Terminology for Customer: Verify that “Customers” is selected.
  x. Email alerts. Leave this box blank.
  xi. Enable AutoRecall: Check box.
  xii. Read Restart setup interviews. Take no action.

Text and screen variations may occur since web-based software products backup and upgrade automatically.
• Products and services: These boxes should be checked.

![Products and Services](image)

• Sales Form Entry

  i. Custom Fields. Take no action.
  ii. Custom transaction numbers. Take no action.
  iii. Delayed charges.
  iv. Deposits. This box should be unchecked.
  v. Discounts. This box should be unchecked.
  vi. Estimates. This box should be unchecked.
  vii. Message to customers. Take no action.
  viii. Sales Tax. This box should be unchecked.
  ix. Service Dates. This box should be unchecked.
  x. Shipping. This box should be unchecked.
  xi. Terms. Verify that the “Default Invoice Terms” field shows “Net 30.” If not, select it.
  xii. Uncheck Automatically apply credits.

![Preferences](image)
• Form Delivery

  i. Read Customize forms. Take no action.

  ii. Delivery method default. Make sure that “Print” is selected.

  iii. Read the Email message. **All boxes must be unchecked.**

  iv. Email sales forms as attachments. Read the information. **This box must be unchecked.**

  v. Statements. Show aging information should be checked.

  vi. Show summary or details. Select **show details**. Show details **must be selected.**

---

**Show aging information**

This preference adds a table that shows amounts owed by their days overdue. It appears at the print or email to a customer.

<table>
<thead>
<tr>
<th>CURRENT</th>
<th>1-30 DAYS PAST DUE</th>
<th>31-60 DAYS PAST DUE</th>
<th>61-90 DAYS PAST DUE</th>
<th>90+ DAYS PAST DUE</th>
<th>AMOUNT DUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>$150.00</td>
<td>$100.00</td>
<td>$50.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$250.00</td>
</tr>
</tbody>
</table>

**Show summary or details**

Choose the amount of information to provide to your customers about each transaction.

- **Show summary.**
  
  Just one line appears for each invoice, sales receipt, or credit memo included on the statement. Your customer sees the text you entered in the Memo field for the transaction.

  In the example below, “Monthly maintenance” is text from the Memo field of invoice #7:


- **Show details.**
  
  An additional line appears for each charge or other line item in the transaction.
• Invoice Automation:
  i. Read Automation information. Take no action.
  ii. For Automation Method select No Automation.

• Accept Credit Cards: Read information: Take no action.

• Link Merchant Service: Read information. Take no action.

• Accept Online Payments: Take no action.

• Vendors & Purchases
  i. Manage bills to pay later should be checked.
  
  ii. Multiple split lines. This box should be checked.
  
  iii. Duplicate check warning. This box should be checked.
  
  iv. Duplicate bill warning. This box should be checked.
  
  v. Terms. Read information. Select “Net 30.”

Default Bill Terms: Net 30
vi. Automatically apply bill payments should be unchecked.

- Payroll. Take no action.

- Reports:
  i. Default accounting method for summary reports. Verify that the radio button next to "Accrual" is selected.

  ii. Default display and print settings, confirm that text wrapping is on.

  iii. Numbers format. Verify that the radio button next to "Normally" is selected and that the box next to "Except zero amounts" is checked.

3. To complete the company preferences, click on the Save button at the bottom of your screen to save all of your preferences. Correct any errors, if any noted by QuickBooks. In a few moments, your home screen will appear.

4. Click on “Getting Started” in the menu bar. Pick one of several ways to get started right with QuickBooks Online. You can Read the getting started guide. Or, you can watch the videos to get an overview of QuickBooks Online.
5. Click on the **View Click Map** to learn how QuickBooks Online’s major features relate to each other.

6. When you are ready to proceed, click your back button ← to return to your company’s homepage.

7. As you know from your study of accounting, a **chart of accounts** is a list of all the accounts used by a company to conduct its business. The Chart of Accounts set up by QuickBooks Online Essentials Edition for your company lists the names, types, and balances (if any) of accounts. To view the chart of accounts, move your mouse over “Company” on the QuickBooks Online toolbar. Notice all accounts have “0.00” balances and no cash account is listed. Before deleting or editing the names of these accounts, you need to set up your cash account.

### SET UP THE CASH ACCOUNT

Follow these steps to set up your cash account.

1. To set up your Cash account, move your mouse over “Banking” on the QuickBooks Online Essentials toolbar and click on “Banking.”

2. In a few moments, a pop-up window appears. “You do not have a bank account. Would you like to create one?”
3. Pick **Yes** to create a bank account.

4. Page 1 of 2
   QuickBooks Online Essentials - Mini Interview–Web Page Dialog box appears and asks “What type of bank account?” Highlight “Checking” and then click “Next.”

**Comment**
When using this text, fill in all dates. If you do not fill in the date and year, QuickBooks will automatically assume your data is for today! *(This is a common error when students make mistakes.)*

5. Page 2 of 2
   QuickBooks Online Essentials - Mini Interview–Web Page Dialog box appears.
   
   a. Name: Type **Your Name Service Corporation** (your first and last name).
   b. Leave the subaccount box blank.
   c. Type **Primary Checking Account** in the “Description” field.
   d. Type **5000.00** in the “Balance” field. Type **10/01/20XX (use the current year, i.e., 2012 or 2013)** in the “as of” field.
   e. Compare your screen to the one shown on the next page.
6. Review your entries, correct any errors, and click Finish when you are done.

**Comment:**
The business first started operations in a previous year. You are going to start recording transactions using QuickBooks Online Essentials Edition as of October 1, 20XX (your current year).

7. Return to your chart of accounts by accessing the chart of accounts from the Company drop-down list. Move your mouse over “Company” on the QuickBooks Online Essentials Edition toolbar. When the drop-down menu appears, click on “Chart of Accounts.”

8. Now your chart of accounts contains a bank type of account called “Your Name Service Corporation” with a $5,000.00 balance. QuickBooks Online Essentials Edition “Bank” type of accounts are the cash accounts of the business. Notice the account requires a name more descriptive than just “cash.”
Chapter 2

REVISE THE CHART OF ACCOUNTS

Follow these steps to revise the chart of accounts.

1. If necessary, access your chart of accounts by moving your mouse over “Company” on the QuickBooks Online Essentials Edition toolbar and then click on “Chart of Accounts.”

2. When the QuickBooks Online Essentials Edition constructed chart of accounts (based on your start up and preference interview answers) appears, you may want to scroll down this screen to see the entire chart of accounts. Since you will not be using all these accounts, let’s revise some of these accounts.

Deleting an Account

These instructions show you how to delete an account from the chart of accounts.

1. To delete an account you will not use, move your mouse over the account, clicking on it to select.

2. For example, to delete the account “Refunds-Allowances” highlight the account.

3. Click on “Delete” button is at the bottom right of your screen.)

Text and screen variations may occur since web-based software products backup and upgrade automatically.
4. A “Please Confirm—Web Page Dialog” pops up asking, “Are you sure you want to delete?”

5. Click on Yes.

6. In a few moments a revised chart of accounts will appear without the deleted account.

7. Delete the following accounts:

<table>
<thead>
<tr>
<th>Credit Card Receivables</th>
<th>Commissions &amp; Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discounts given</td>
<td>Travel Meals</td>
</tr>
<tr>
<td>Shipping Income</td>
<td>Travel</td>
</tr>
<tr>
<td>Shipping, Delivery Income</td>
<td>Taxes &amp; Licenses</td>
</tr>
<tr>
<td>Promotional</td>
<td>Stationery &amp; Printing</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>Penalties &amp; Settlements</td>
</tr>
<tr>
<td>Meals and Entertainment</td>
<td>Interest Earned</td>
</tr>
<tr>
<td>Legal &amp; Professional Fees</td>
<td>Dues &amp; Subscriptions</td>
</tr>
<tr>
<td>Other Portfolio Income</td>
<td>Subcontractors</td>
</tr>
<tr>
<td>Discounts</td>
<td>Gross Receipts</td>
</tr>
<tr>
<td>Freight &amp; Delivery-COS</td>
<td>Other Costs-COS</td>
</tr>
<tr>
<td>Purchases-COS</td>
<td>Subcontractors-COS</td>
</tr>
<tr>
<td>Supplies and Materials-COGS</td>
<td>Bad Debts</td>
</tr>
<tr>
<td>Disposal Fees</td>
<td>Freight &amp; Delivery</td>
</tr>
<tr>
<td>Insurance-Disability</td>
<td>Insurance-Liability</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>Job Materials</td>
</tr>
<tr>
<td>Other General &amp; Administrative Expense</td>
<td>Shipping &amp; Delivery Expense</td>
</tr>
<tr>
<td>Tools</td>
<td></td>
</tr>
</tbody>
</table>

**Comment**

What if my Chart of Accounts list looks different?

Your chart of accounts may differ somewhat. Depending on which version of QuickBooks Online Essentials Edition you are using, some accounts may not be deleted. These differences are insignificant. Along with the accounts you add in the next section, you will also learn how to add accounts “on the fly” later in the book.
There may be one or two additional accounts that QuickBooks Essentials Edition will not allow you to delete. When you are finished with your chart of accounts, it will look similar to the one shown here.

### Adding an Account

Follow these steps to add an account to the chart of accounts.

1. The chart of accounts list should be displayed on your screen. Click on the New button at the bottom of your screen.

2. A “QuickBooks Online Essentials Edition-Mini Interview—Web Page Dialog” pops up asking what type of account would you like to set up. Since you will be setting up a fixed asset account, select the radio button next to “Choose from all account types.”

3. Click on Next at the bottom of your screen.

Text and screen variations may occur since web-based software products backup and upgrade automatically.
4. Another screen, “What type of account would you like to set up?” of the Mini Interview asks what type of account you would like to set up. Click on “Fixed assets” to select it and to see a description. Compare your screen to the one shown here.

5. Click on **Next >** at the bottom of your screen.

6. “What type of fixed asset?” of the Mini Interview appears asking what type of fixed asset? Select “Machinery & Equipment” by clicking on it.

7. Click on **Next >** at the bottom of the screen.

8. “What do you want to call this account?” of the Mini Interview pops up asking several questions.

   a. Type **Computer Equipment** in the “Name” field.

   b. To the question, “Do you want to track depreciation of this asset?” Select the “Yes” radio button.

   c. Review and revise your entries until you are satisfied.
d. Click on [Next >].

9. The Mini Interview concludes with “What’s the cost and amount depreciated?” Since the computer equipment was originally purchased for $6,000.00 on October 1, 2010, enter the following for the opening balances.

   a. Type **6000.00** for “Original cost.” Type **10/01/2010** for “as of.”
   b. Type **1200.00** for “Depreciation.” Type **10/01/20XX (your current year)** for “as of.”

   ![Image of QuickBooks interface showing original cost and depreciation entries]

   **Comment**
   Original cost year is **2010**.
   Depreciation Year should agree with **your current year**, i.e., 2012, 2013.

   c. Use the [Back] and [Next >] buttons at the bottom of your screen to review and revise all your responses to the Mini interview. When you are satisfied, click on [Finish] at the bottom of your screen.

10. Your chart of accounts will now contain the following accounts and balances for “Computer Equipment.”

<table>
<thead>
<tr>
<th>Account</th>
<th>Detail</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Equipment</td>
<td>Fixed Assets</td>
<td>6,000.00</td>
</tr>
<tr>
<td>Depreciation</td>
<td>Fixed Assets</td>
<td>-1,200.00</td>
</tr>
<tr>
<td>Original Cost</td>
<td>Fixed Assets</td>
<td>6,000.00</td>
</tr>
</tbody>
</table>

Text and screen variations may occur since web-based software products backup and upgrade automatically.
11. Add an Accounts Receivable account.
   a. From the chart of accounts screen, click on New.
   b. What type of account: Select “Choose from all account types.”
   c. Type of account: Select “Accounts Receivable.”
   d. Account name: Accounts Receivable (leave Description blank).
      When you are satisfied, click on Finish at the bottom of your screen.

12. Add Your Name Notes Payable account.
   a. From the chart of accounts screen, click on New.
   b. What type of account: Select “Choose from all account types.”
   c. Type of account: Select “Long term liability.”
   d. What type of long term liability? Select “Shareholder Notes Payable.”
   e. Account name: Your Name Notes Payable (use your first and last name), (leave Description and Unpaid balance blank). When you are satisfied, click on Finish at the bottom of your screen.

Changing an Account Name

Follow these steps to make changes to the name of an account.

1. The Chart of Accounts list should be displayed on your screen.

2. Move your mouse over the “Supplies” account and click to select it.

3. Click on the Edit button at the bottom of your screen.
4. When the “Account Information” screen appears, place your cursor in the “Name” field and type **Computer** in front of “Supplies” so the “Name” field is changed to “Computer Supplies.”

![Computer Supplies account screen]

5. Click on **Save**.

6. Your chart of accounts list will now show the account “Computer Supplies.”

7. Use steps 2-5 to edit each of the following account names and descriptions:

<table>
<thead>
<tr>
<th>Name of Account</th>
<th>Change to</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid expenses</td>
<td>Prepaid Insurance</td>
<td>Insurance paid in advance of use</td>
</tr>
<tr>
<td>Depreciation (Fixed Assets)</td>
<td>Accumulated Depreciation</td>
<td></td>
</tr>
<tr>
<td>Depreciation (Other Expense)</td>
<td>Depreciation Expense</td>
<td></td>
</tr>
<tr>
<td>Opening balance-equity</td>
<td>Paid in Capital</td>
<td>Opening balance</td>
</tr>
</tbody>
</table>

8. To check that your revisions were made, compare chart of accounts to the one shown on the next page. (You may also have one or two additional accounts that QuickBooks Online Essentials Edition will not allow you to delete.)
BEGINNING BALANCE SHEET

On pages 30-31 you recorded the opening balance for your business’ checking account; and on page 36 you recorded the opening balance for your equipment and depreciation accounts. Before you start recording transactions for your business, you need to record additional beginning balances from the October 1, 20XX balance sheet. As you know from your study of accounting, a balance sheet is a list of assets, liabilities, and stockholders’ equities of a business as of a specific date.

The information in the Balance Sheet shown on the next page will be the basis for recording opening account balances for your business.
Your First and Last Name Service Corporation  
Balance Sheet  
October 1, 20XX (Your current year)  

<table>
<thead>
<tr>
<th>ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Checking</td>
<td>$ 5,000.00</td>
<td></td>
</tr>
<tr>
<td>Prepaid Insurance</td>
<td>200.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$ 5,200.00</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer Equipment</td>
<td>$ 6,000.00</td>
<td></td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(1,200.00)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td>4,800.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>$ 10,000.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES &amp; STOCKHOLDERS’ EQUITY</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your Name Notes Payable</td>
<td>2,000.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$ 2,000.00</td>
<td></td>
</tr>
<tr>
<td><strong>Stockholders’ Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Stock</td>
<td>$ 1,000.00</td>
<td></td>
</tr>
<tr>
<td>Paid in Capital</td>
<td>7,000.00</td>
<td></td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>0.00</td>
<td>$ 8,000.00</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Equity</strong></td>
<td></td>
<td>$ 10,000.00</td>
</tr>
</tbody>
</table>

Follow these steps to enter an opening account balance

1. The chart of accounts list should be displayed on your screen. All the opening account balances on the balance sheet have been entered except for Prepaid Insurance, Your Name Notes Payable, and Common Stock. Let’s enter the opening account balance for “Prepaid Insurance” now.

2. Move your mouse over the “Prepaid Insurance” account and click the account.

3. Click the **Edit** button on the bottom of your screen.

4. The Prepaid Insurance “Account Information” screen appears. Type **200.00** for the “Opening Balance.” Type **10/01/20XX (your current year)** in the “as of” date field.

Text and screen variations may occur since web-based software products backup and upgrade automatically.
5. Compare your screen to the one shown here, when satisfied, click on.

6. Edit the Your Name Notes Payable account balance. Type **2000.00** for the “Opening Balance.” Type **10/01/20XX** (your current year) in the “as of” date field. Click on.

7. Add a Common Stock account.
   a. From the chart of accounts screen, click on.
   b. What type of account: Select “Choose from all account types.”
   c. Type of account: Select “Equity” then select “Common Stock.”
   d. Account name: **Common Stock** (leave Description blank).
   e. Now enter the opening balance by typing **1000.00** for the “Opening Balance” and type **10/01/20XX** (your current year) in the “as of” date field. Click “Finish.”
8. The chart of accounts now lists the “Prepaid Insurance” balance as $200.00, Your Name Notes Payable balance as $2,000.00 and the “Common Stock” balance as $1,000.00. Compare your chart of accounts with the one shown below. (This is a partial chart of accounts.)

<table>
<thead>
<tr>
<th>Name</th>
<th>Type</th>
<th>QuickBooks Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Name Service Corporation</td>
<td>Bank</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Accounts Receivable (AR)</td>
<td>Accounts receivable (AR)</td>
<td>0.00</td>
</tr>
<tr>
<td>Prepaid Insurance</td>
<td>Other Current Assets</td>
<td>200.00</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>Other Current Assets</td>
<td>0.00</td>
</tr>
<tr>
<td>Computer Equipment</td>
<td>Fixed Assets</td>
<td>4,800.00</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>Fixed Assets</td>
<td>-1,200.00</td>
</tr>
<tr>
<td>Original Cost</td>
<td>Fixed Assets</td>
<td>6,000.00</td>
</tr>
<tr>
<td>Your Name Notes Payable</td>
<td>Long Term Liabilities</td>
<td>2,900.00</td>
</tr>
<tr>
<td>Common Stock</td>
<td>Equity</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Paid in Capital</td>
<td>Equity</td>
<td>7,300.00</td>
</tr>
<tr>
<td>Received Earnings</td>
<td>Equity</td>
<td></td>
</tr>
</tbody>
</table>

The balances shown should agree with the October 1, 20XX (your current year) balance sheet shown on page 40.

HELP SCREENS

Notice that every screen has a Help link on the QuickBooks Online Essentials Edition toolbar. There are many help resources.

1. Click on Help to see how the help screens work.

2. In the Search box, type Help Overview.

3. Compare your screen to the one shown.

4. Notice that you can search for answers by keyword or help topic, see the most viewed answers, participate in the QuickBooks Online blog, or view recommended documents. These excellent built-in help features will help you whenever you have a question. DO NOT EMAIL/CONTACT A QUICKBOOKS SERVICE CONSULTANT.

Text and screen variations may occur since web-based software products backup and upgrade automatically.
5. When you are ready to proceed, close the window to return to your Chart of Accounts.

**DISPLAY THE BALANCE SHEET**

To check that your balance sheet is correct, follow these steps.

1. Move your mouse over “Reports” on the QuickBooks Online Essentials Edition toolbar. When the drop-down menu appears, click on “Balance Sheet.”

2. When the screen pops up which asks, “Which do you want as a default basis for accounting reports?” accept the default for “Accrual” by clicking on Finish.

3. When the “Balance Sheet” appears it will be as of today’s date. To change the date to October 1, 20XX (your current year), use the “Transaction Date” drop-down menu to select “Custom.” (Hint: You may need to scroll up.) Type 10/01/20XX (your current year) in the “From:” and “To:” fields since this is the date of your company’s opening balances.

5. The October 1, 20XX balance sheet for your business displays. Compare it to the one shown here.

6. Observe that at the bottom of your Balance Sheet screen, there are a number of links to Related Activities and Information; for example, “See detail behind the numbers?,” “Fix a mistake?.” You may want to explore some of these links to learn more about your report.

To see how to save your balance sheet to Excel, continue with the next section, "Copy Report Data to Excel."

The Excel software program must be loaded on your computer to save your balance sheet in Excel. An Excel spreadsheet viewer will not work.
COPY REPORT DATA TO EXCEL

Copying and saving a report provides you with flexibility for reviewing and analyzing your business’ data. You can easily copy QuickBooks Online Essentials Edition reports into a spreadsheet program like Excel and then save them to external media. You may want to use these features of QuickBooks Online Essentials Edition and Excel to back up your reports at periodic intervals.

To copy a report to Excel, follow these steps:

1. The balance sheet should be displayed on your screen.

2. In the upper left of your report screen, notice the Excel button. Click on the button to copy the report into Excel.

3. The “File Download” screen appears.

4. When the “Would you like to open the file or save it to your computer?” screen appears, click on Open.

5. In a few moments, an Excel screen appears with your balance sheet.

6. You may want to format your report and widen the columns in the report to fit the data. Compare yours to the one shown on the next page (your year may differ).
Now save your spreadsheet to external media. Complete the following steps.

1. Insert external media (USB drive, cd, dvd).

2. From the Excel “File” menu choose Save As.
3. The "Save As" screen appears. Click on the down-arrow in the "Save in" box. Select the drive where your external media is located. Or, if you prefer, save to your hard drive on your computer.

4. Type **Your Name opening balance sheet** in the "File name" box.

5. Click on the **Save** button. You can now open this file using Excel.

6. After saving this file, you are returned to the balance sheet screen in your spreadsheet program. To close the spreadsheet program, click on the “X” button in the top right side of your screen. You are returned to QuickBooks Online Essentials Edition’s balance sheet.

To open this file in Excel, follow these steps:

1. Start Excel.

2. From Excel’s menu bar, click on File, Open. (Or, you can click on the “Open folder” icon.)

3. The "Open" screen appears. In the "Look in" box, select the drive where you saved file.

4. If necessary, select "All Microsoft Excel files" in the "Files of type" box.

5. Click on the file named “Your Name opening balance sheet.”

6. Click on the **Open** button. Your October 1, 20XX (your current year) balance sheet displays as an Excel spreadsheet.

7. Exit Excel.

Remember to use the Excel button feature of QuickBooks Online Essentials Edition to back up (save) your reports at periodic intervals. For purposes of this exercise, the October 1, 20XX balance sheet was saved as “Your Name opening balance sheet.” You could use a different filename; for example, “October 1 20XX balance sheet.”
SIGN OUT OF QUICKBOOKS ONLINE ESSENTIALS EDITION

To sign out of QuickBooks Online Essentials Edition, proceed with the following steps.

1. To sign off, click on the button on the top right of your screen.

2. The “QuickBooks Online Sign in” screen appears. You can sign in again; or click on to close your browser.
CHECK YOUR PROGRESS

Flashcard Review: Based on what you learned in this chapter prepare step-by-step instructions on flashcards for the following tasks:

1. Setting preferences
2. Setting up cash account
3. Deleting an account
4. Adding an account
5. Changing an account name
6. Displaying balance sheet
7. Copying report data to excel

Resourceful QuickBooks: To learn more about QuickBooks Online Essentials Edition, follow these steps:

1. If necessary, start QuickBooks Online Essentials Edition, and then sign in to your account. Click on "My Account" in the upper left corner of the screen.

2. My Subscription screen appears. Observe the date in the “Status” field.

   Write the date of when your free trial ends:

3. Observe the Subscription Information links to “Cancel Your Trial.” When you have completed this project, you must use this link to cancel your subscription on or before the date shown in the “Status” field.
Multiple-Choice. In the space provided, write the letter that best answers each question.

_____ 1. To sign in to QuickBooks Online Essentials Edition:
   a. Type http://qbo.intuit.com in the “Address” box.
   b. Click on the down arrow in the Address field and select the QuickBooks Online Essentials Edition’s web address.
   c. Both a. and b.
   d. There is only one way to sign in.
   e. None of the above.

_____ 2. The first month for entering transactions is:
   a. September.
   b. October.
   c. November.
   d. December.
   e. None of the above.

_____ 3. The opening balance in the checking account is:
   a. $2,000.00.
   b. $3,000.00.
   c. $5,000.00.
   d. $8,000.00.
   e. None of the above.

_____ 4. The opening balance in the prepaid insurance account is:
   a. $200.00.
   b. $2,000.00.
   c. $6,000.00.
   d. $8,000.00.
   a. None of the above.
5. The default basis for accounting reports for your business is:
   a. Cash.
   b. Accrual.
   c. Hybrid.
   d. IRS.
   e. None of the above.

6. To change one of the accounts listed on the chart of accounts you need to select which one of the following links?
   a. Company Preferences.
   b. Edit.
   c. Number.
   d. Account.
   e. None of the above.

7. The October 1, 20XX balance sheet for your business shows the following balance for Computer Equipment:
   a. $6,000.00.
   b. $8,000.00.
   c. $4,800.00.
   d. $7,500.00.
   e. None of the above.

8. The October 1, 20XX balance sheet for your business shows the following balance in your Paid in Capital account:
   a. $7,000.00.
   b. $10,000.00.
   c. $6,000.00.
   d. $2,000.00.
   e. None of the above.
9. To change the date on a QuickBooks Online Essentials Edition report, you can select which of the following icons?

   a. Preferences tab.
   b. Calendar.
   c. Customize.
   d. Login.
   e. None of the above.

10. To obtain assistance about QuickBooks Online Essentials Edition, you should select which of the following links?

    a. Startup.
    b. Reporting.
    c. Other.
    d. Help.
    e. None of the above.
True/False. Write T for True and F for false in the space provided.


____12. The first month of the fiscal year for your business is December.

____13. You use the four links on the “Company” screen to set up a new company.

____14. There are five actions that can be taken from the chart of accounts screen: new, edit, delete, register, and report.

____15. A chart of accounts is a list of all the accounts used by a company.

____16. In QuickBooks Online Essentials Edition, the company menu includes the chart of accounts.

____17. The balance sheet is a list of income and expenses on a specific date.

____18. In QuickBooks Online Essentials Edition, the company menu includes the balance sheet.

____19. The balance sheet is reported as of today’s date unless it is customized.

____20. To go back to the company preferences, you go to the company drop-down menu.
Exercise 2-1. Follow these steps to print a chart of accounts.

2. When your home screen appears, select the “Reports” menu. Choose All Reports (Reports Overview).
3. In the “Report Lists” section, link to Company Lists, Account Listing.
4. Click on the Print... button, and then make the selections to print in landscape orientation.
5. DO NOT DO THIS! Optional (Check with your professor first!!!): From the “Account Listing” report screen, click on the Email... button. Email the report to your professor. Type Your Name and Exercise 2-1 as the Subject.

Exercise 2-2. Follow these steps to print a balance sheet

1. Click on the “Reports” menu.
2. Link to the “Balance Sheet” on the drop-down menu.
3. On the “Balance Sheet” screen, select “Custom” and change the dates from 10/01/20XX to 10/01/20XX (your current year).
4. Generate the customized report, then make the selections to print in portrait orientation.
5. DO NOT DO THIS! Optional (Check with your professor first!!!): Click on the Email... button to email the report to your professor. Type Your Name and Exercise 2-2 as the Subject.