How to Track Your Income & Expenses

4 Ways QuickBooks™ Online Manages Transactions

Featuring

1. How to Create Recurring Transactions
2. How to Use Tags
3. How to Create Estimates
4. How to Manage Downloaded Transactions

Devoted Bookkeeping

Questions? We'd love to help!

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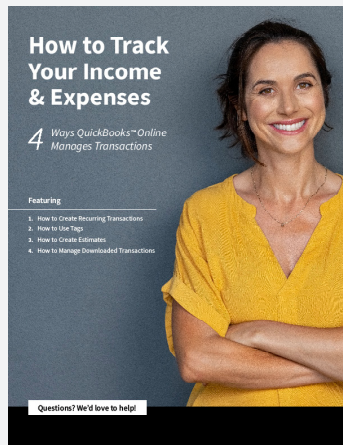
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ABOUT US: Devoted Bookkeeping, LLC

A professional accountant and bookkeeper, Sandy's career spans more than 40 years helping small businesses with their accounting and bookkeeping challenges, bringing solutions to problems that were distracting companies from focusing on their core competencies.

In June 2021 Sandy's son, Aaron Free, joined the business. He is learning the ropes to eventually be part owner of Devoted Bookkeeping.

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How to Create Recurring Transactions in **QuickBooks**™ Online

QuickBooks Online saves time and improves accounting accuracy in numerous ways. One example is its support for recurring transactions.
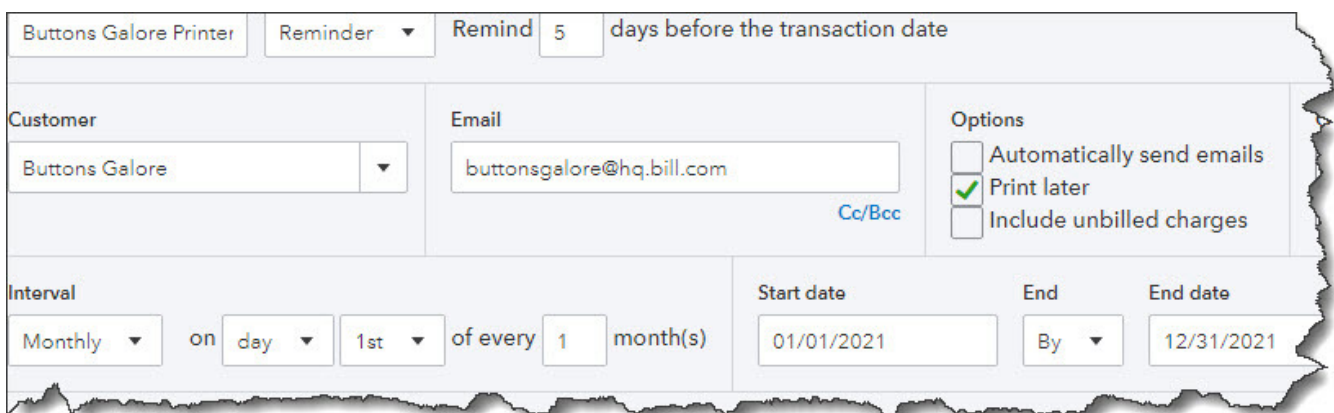
It's easy to get distracted when you're doing dull, repetitive accounting work. That distraction leads to errors sometimes. So, besides the time you're spending on work that could be automated, you have to tack on additional time to chase down your mistakes.

QuickBooks Online already reduces repetitive data entry by saving your lists of customers, vendors, products, etc., and making them accessible when you're creating transactions. But it does more to save time and minimize errors by allowing you to create recurring transactions. Enter a transaction like an invoice or bill once, and QuickBooks Online memorizes it for future use!

Here's how it works. Let's say you have a customer who wants to rent a printer from you for one year. You create an invoice for one month's rental. At the bottom of the screen, click **Make recurring.** A partial view of the screen that opens is pictured in *Figure 1*.

Figure 1: QuickBooks Online allows you to set up a transaction to repeat at scheduled intervals.

Much of this screen will have already been filled in. You'll need to enter a name for the template you're creating at the top of the screen, one that will remind you of its content. In the second field, the drop-down list displays three options for how the recurring transaction will be handled by QuickBooks Online. They are:

- **Scheduled.** Your invoice will go out automatically at the scheduled interval, with only a change to the date. As with any automated process, you should be very careful when selecting this option.

- **Reminder.** You will get a reminder ahead of each occurrence so you can make any necessary changes before sending.

- **Unscheduled.** No automation is involved here. The invoice is memorized, but you'll have to remember when it needs to go out.

If you chose **Reminder**, the next field will read **Create (x) days in advance**. Enter the number of days here. On the next line, you'll only have to check or uncheck the **Options**.

Under **Interval,** you'll tell QuickBooks Online when the invoice is scheduled

to go out. You can choose from **Daily, Weekly, Monthly,** and **Yearly.** The invoice in this example should be processed and sent on the first day of every month. The start date is January 1, 2021, and it will end on December 31, 2021. If your recurring transaction should continue to go on indefinitely, you'll have the option to select None from the drop-down list under **End.** You can also choose **After.**

Check the fields below this line to make sure they're correct. You can change the message if you'd like and add an attachment. If everything looks correct, click **Save Template** in the lower right corner.

Using Recurring Transactions

If you've set this transaction up to recur automatically, you don't have to do anything more with it unless you need to edit it at some point. If you need to do so, or if you're responding to a reminder (or chose not to be reminded), you can access the list of transactions you've memorized by clicking the gear icon in the upper right and selecting **Recurring Transactions** under **Lists**. A screen containing *Figure 2* below will open.

The table that appears will contain other columns describing the recurring transactions, like **Type** and **Interval**. The image above shows the end of each row that reads Edit until you open the drop-down menu. You can see what your options are. They include **Use**, which you would select when you want to edit and/or send a transaction. You can also create a **Duplicate, Pause** the recurrences temporarily, **Skip** next date, or **Delete** the template. Click the arrow next to Reminder List in the upper right and select **Run Report** to see the **Recurring Template List Report.**

As you can see, recurring transactions can not only save time, but they can also help reduce errors and minimize unnecessary work. They're not overly difficult to create, but you should use caution if you choose to automate them. We're available to answer your questions about this useful tool and about any other element of QuickBooks Online.

Figure 2: Once you've created recurring transactions, you have several options for managing them.

CUSTOMER/VENDOR	AMOUNT	ACTION
Caribou Coffee	125.00	Edit ▾
Buttons Galore	347.38	Use
Bridget O'Brien	161.94	Duplicate
Adam Saraceno	1,649.01	Pause
		Skip next date
		Delete

Up Next: How to Use Tags in QuickBooks Online

How to Use Tags in **QuickBooks**™ Online

Where is your money coming from? Where is it going? You can use tags in QuickBooks Online to find out.

QuickBooks Online offers numerous ways to help you track your sales, expenses, and profitability. If you're using QuickBooks Online Plus or Advanced, you can create and assign **Classes** to transactions to differentiate between, for example, store departments or product lines. Some of the site's reports are designed specifically for these tools, like **Sales by Class** and Profit and **Loss by Class**.

You can assign **Categories** to products and services to gain insight into your sales and inventory. There's a different set of **Categories** that you'll use when you record bills and expenses. These are important for reporting and tax purposes. You can also add a **Location** field to sales transactions so you can track sales by stores, sales regions, or counties, for example.

What Are Tags?

Then there are Tags, which are fairly new to QuickBooks Online. These are customizable labels that you can assign to transactions (invoices, expenses, and bills). They're more flexible than the tools we've already mentioned – they allow you to track your money any way you want. They don't affect your books, and they're not included in the customization criteria for reports. But there are two reports specifically designed for them: **Profit and Loss by Tag Group** and **Transaction List by Tag Group.**
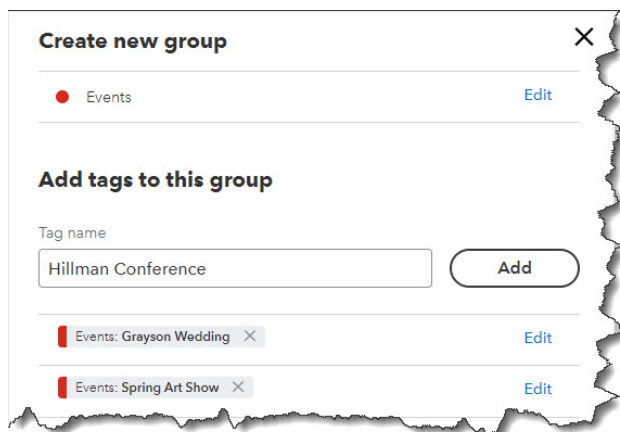
Creating Your Own Tags

Figure 1: Once you've given your group a name, you can start adding tags to it.

Before you create a tag, you need to create a **Group**. See Figure 1. Groups consist of related tags that share a common theme. For example, say you do some event planning. You might have a group titled Events. Individual events might read, for example, *Grayson Wedding, Spring Art Show,* and *Hillman Conference.*

To get started, click the gear icon in the upper right. Under **Lists**, click **Tags** to get to the tool's home page. (You can also click on the Transactions link in the toolbar, then click the Tags tab.) Click **New,** then **Tag group**. A vertical panel slides out from the right. Enter a name

in the **Group name** field. Click the down arrow to select a color, then click **Save.**

Enter your tags one by one in the fields labeled **Tag name**. Click **Add** after each one until your list is complete. Click the **Edit** button to make any changes. When you're finished, click **Done.** The main **Tags** page will open again, and you'll see your new group under **Tags and Tag Groups.** Repeat to add as many as you'd like, up to 300 tags.
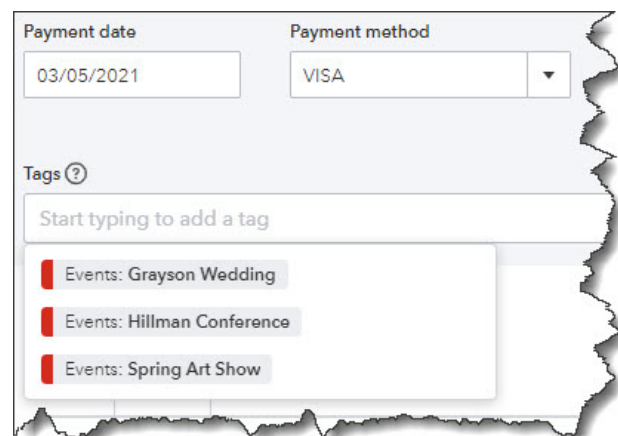
Using Tags

Figure 2: You can add tags to any transaction that contains a field for them.

Let's look at how you'd use tags in an expense. Click the **Expenses** link in the toolbar, then **New Transaction |**

Expense in the upper right. Click the down arrow in the **Payee** field in the upper left and select + Add new. Enter *Billy's Bridal* in the **Name** field. Leave the **Type** as **Vendor** and click **Save**. Back on the Expense screen, select the **Payment account, Payment date,** and **Payment method** for the expense (reference number is optional).

Directly below those fields, you'll see the **Tags** field. Click **Manage tags** if you need to add or edit one; the right vertical pane you saw before will slide out. Otherwise, click in the field below **Tags**. Your list of tags will drop down. Select *Grayson Wedding* to move it into the field. You can assign as many tags as you'd like to transactions, but you can only select one tag from each group. Finish the expense and save it.

Go back to the **Tags** home page, and you'll see that there's a link to one transaction in the **Events** row. At the end of each row is the Action column, where you can run a report, add a tag, and enter or delete a group. Your expense total appears in the **Money Out** (by tag) box above it.

Tags are a great addition to the tools QuickBooks Online provides to help you track incoming and outgoing funds. If you're not familiar with the others we mentioned at the beginning of this column and want to learn how to explore them, let us know. We'd be happy to walk you through their use and help you understand how they can make your finances more understandable.

Up Next:

How to Create Estimates in QuickBooks Online

How to Create Estimates in QuickBooks™ Online

Whether you sell products or services, you may need to create estimates in QuickBooks Online. Here's how it's done.
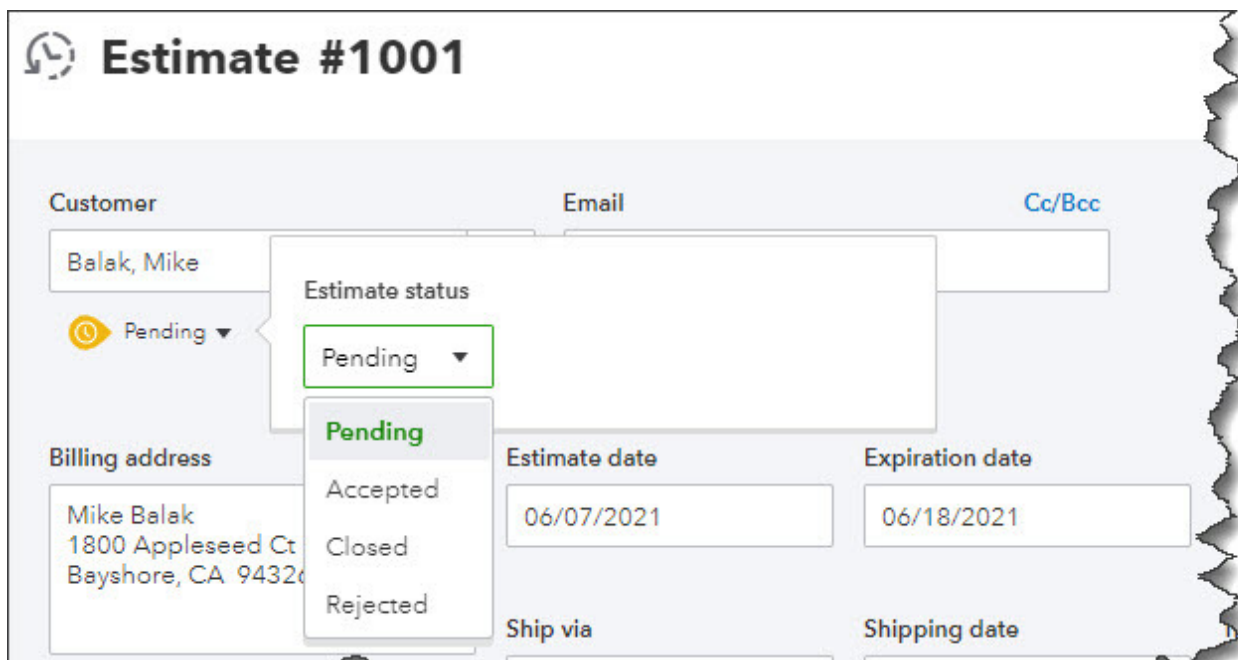
It would be nice if you could just instantly invoice every sale. But sometimes your customers need to know what a particular purchase will cost before they make the decision to buy. So you need to know how to create an estimate. If the sale goes through, you'll of course want to send an invoice. QuickBooks Online automates this entire process. It even helps you track the progress of your estimates by providing a special report. Here's how it works.

Just Like An Invoice—Almost

The process of creating an estimate in QuickBooks Online is almost identical to creating an invoice. You click the **New** button in the upper left and select **Estimate**.

When the form opens, you'll notice one difference right away. Directly below the **Customer** field, you'll see the word **Pending** next to a small down arrow. Click it to see what your options are here. You'll be able to update its status later. Select a **Customer** to get started. If this is a new customer, click **+ Add New** and enter at least the name. If you want to build a more complete profile at this point, click **Details** and complete the fields in the window that opens. To send a carbon copy or blind copy of the estimate to someone else, click the **Cc/Bcc** link.

Next to the **Estimate date,** there's a field for **Expiration date**. Enter that and continue on to add the products and/or services that will be included, just as you would on an invoice. If you're generating an estimate for a new product or service, click **+ Add new** in the drop-down list. A panel will slide out from the right that allows you to create one.

You'll see more options for your estimate at the bottom of the page. You can add a message in the message box (or leave the default message). You can also Customize it, **Make recurring**, or **Print** or **Preview** it *(Figure 2).* When you're satisfied, **Save** it, and send it to the customer.

Figure 2: You can preview your estimate to see what the customer will see before saving it.

ADDRESS	SHIP TO
Mike Balak 1800 Appleseed Ct Bayshore, CA 94326	Mike Balak 1800 Appleseed Ct Bayshore, CA 94326

ESTIMATE #	DATE	EXPIRATION DATE
1001	06/07/2021	06/18/2021

SALES REP
Rick

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
	Fountain	Rock Fountain	1	275.00	275.00T
	Fruit Trees	Fruit Tree -	4	55.00	220.00T
	Hedges & Shrubs	Hedges & Shrubs	8	30.00	240.00T
	Ornamental	Ornamental	10	36.25	362.50T

SUBTOTAL		1,097.50
TAX (0.0775)		85.06
TOTAL		**$1,182.56**

Updating the Status

Your estimate will not be considered a transaction until you accept it. To do this, click the **Sales** link in the toolbar, then **All Sales**. Find your estimate in the list by looking in the **Type** column. Click the down arow next to **Create invoice** to see your other options there. You'll see that you can **Print** or **Send** it or save a **Copy**.
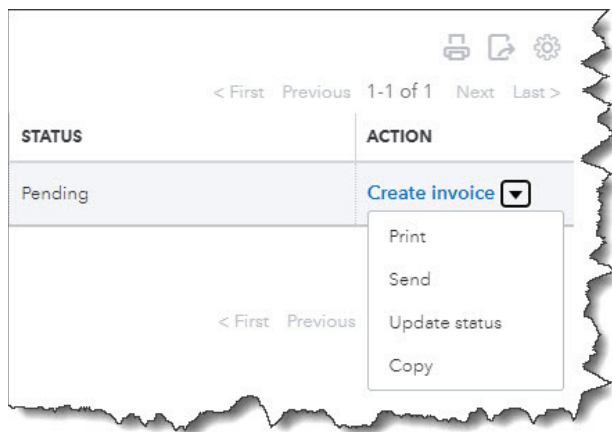

Figure 3: When you locate your estimate on the Sales Transactions page, you'll have several options for managing it.

Click **Update status**. In the window that opens, click the down arrow next to **Pending.** From the list that drops down, select **Accepted.** You can also mark it **Closed** or **Rejected.** If you choose any of the last three options, another window opens that allows you to enter the name

of the individual who authorized the action and the date it was done.

Click **Create invoice** if your estimate was accepted. You'll have three options here. You can invoice your customer for:

- The estimate total.
- A percentage of each line item.
- A custom amount for each line.

After you've made your selection, click **Create invoice** to open the form with the amounts filled in based on your preference. Complete anything that's unfinished but do not change any of the product or service line items. Save it, and your invoice is ready to go. You can always check the status of your estimates by running the **Estimates by Customer** report.

Creating and tracking estimates is as easy as working with invoices. You may run into difficulties, though, if you need to do anything beyond that point with estimates, such as modifying it and re-submitting them. We're here to answer any questions you might have about this. It's important that you get your estimates and their subsequent invoices exactly right, so you don't lose money or sales. Let us know if you want to go over these concepts.

Up Next: **How Do You Manage Downloaded Transactions in QuickBooks Online?**

How Do You Manage Downloaded Transactions in QuickBooks™ Online?

Downloading them is the easy part. QuickBooks Online lets you work with downloaded transactions in numerous ways.

QuickBooks Online was built to import transactions from your online financial institutions. You can enter them manually but downloading them saves an enormous amount of time and minimizes errors. It also makes reconciliation much easier, since you can see which transactions have cleared without calling the bank or waiting for a printed statement.

Once they're in QuickBooks Online, your transactions are stored in a list, waiting for you to further define and categorize each one. Let's look at how you can work with them to make sure your records are as thorough as possible.

Getting Connected

As long as you have online access to your bank and credit card accounts, you can set up QuickBooks Online to import cleared transactions. Click the **Transactions** tab in the toolbar, then click **Banking**. On the next screen, click **Connect Account**. You'll see links to popular financial institutions on the next page. If yours isn't listed, enter its name in the search box at the top of the screen. Follow the onscreen instructions to make your initial connection and start downloading transactions.

When you've completed the connection, you can click **Link Account** in the upper right to add more.

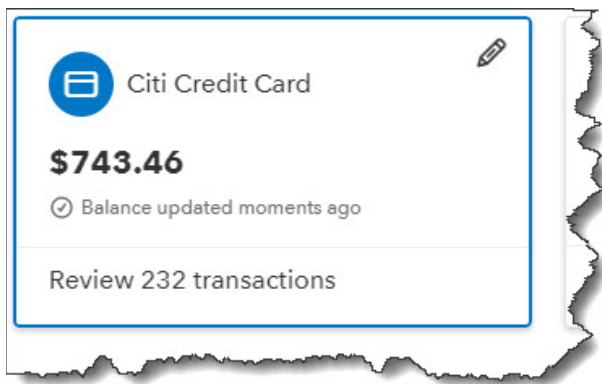## Dealing With Transactions

Figure 1: After you set up a connection to a bank or credit card account, its account information will appear in a box on the **Banking** page.

Once you've finished adding accounts, you'll still be on the **Banking** page. Each of your connected accounts will appear in a box that includes the balance and the number of transactions that need to be reviewed. There will probably be quite a few, dozens or hundreds, the first time you download, since most financial institutions send you 90 days' worth the first time. Every time your accounts are updated after

that, you'll only get new ones that have cleared since your last connection.

Tip: *QuickBooks Online generally updates once every day. If you want to see your new cleared transactions at any time, click* **Update** *in the upper right corner.*

Click on any of the account boxes, and its list of downloaded transactions will appear below. Make sure that **For Review** is highlighted. You'll notice that each row has one of two icons at the far right. **Review** means that QuickBooks Online has not assigned a category to the transaction. **Confirm** means it has, and it wants you to either approve it or change it. Check these carefully. Sometimes QuickBooks Online gets it right, but not always.

Click on a transaction in the register to open its action box. *Figure 2* below shows a partial view.

Figure 2: QuickBooks Online allows you to add a great deal of info about each individual transaction in the register.
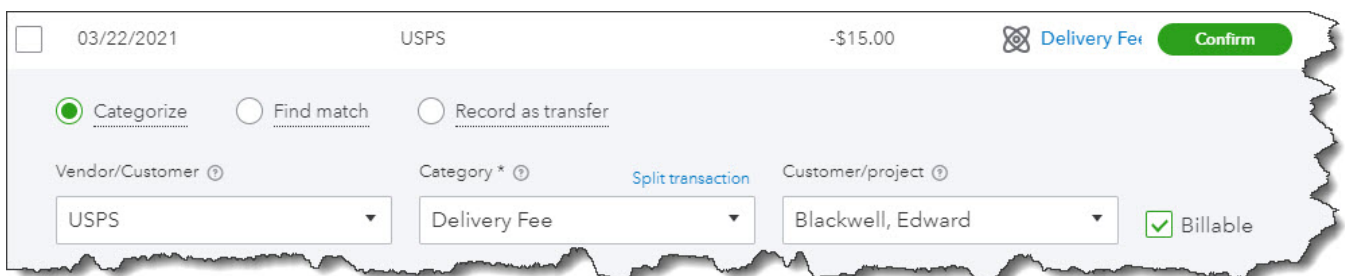
Categorize is checked by default, since this is the most common action you'll take in the list. Click **Find match** if, for example, you received a payment on an outstanding invoice, or **Record as transfer**. We can help you work with the latter two options.
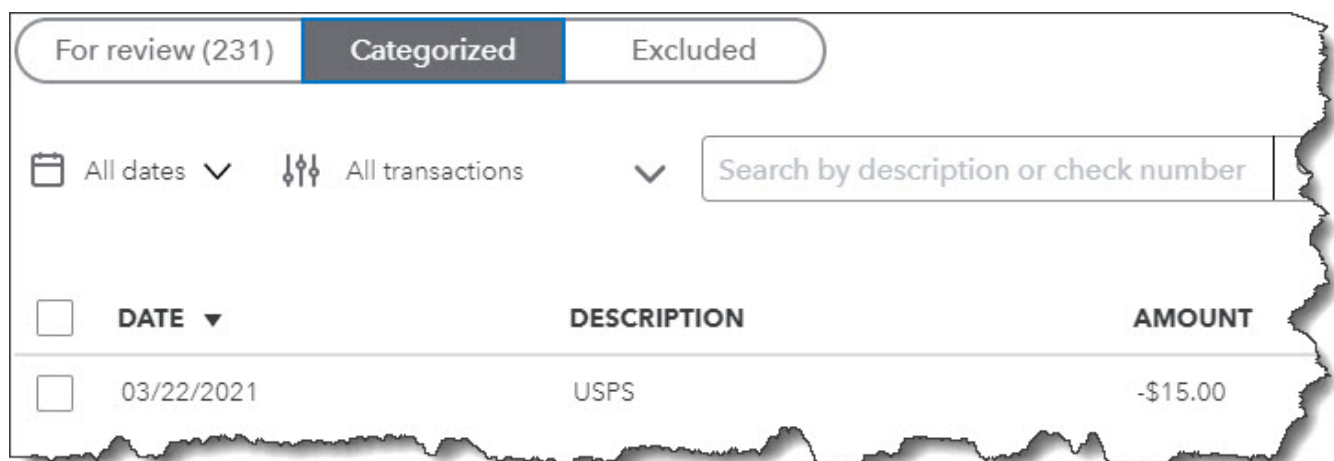
Select a **Vendor/Customer** and a **Category** (if QuickBooks Online hasn't assigned one or it's not the best one for that transaction). Click in the **Billable** box if you want to bill this transaction to a **Customer/project.** You can also Split transaction if you need to divide it between multiple categories and/or billing statuses.

There are several other options below the section in *Figure 2* that allow you to:

- Add **Tags.**

- **Attach** a file.

- Create a **Rule** for how similar transactions should be recorded.

- **Exclude** the transaction if you have, for example, a duplicate one or a personal expense.

Before you take either of the latter two actions, talk to us. We don't want you to do anything that might adversely affect your bookkeeping.

Figure 3: Once you've confirmed a transaction, it moves into the Categorized list.

When you've finished, click **Confirm**. The transaction will move from the **For review** list to the **Categorized** one, as seen in *Figure 3*. It will now appear in the register for that account.

As you might imagine, it's a good idea to keep up with your downloaded transactions so you have time to give each the attention it needs. We recommend you review them daily. Your transactions, of course, flow into your reports and taxes, so you want to be sure you're categorizing them correctly. Let us know if you'd like help with this.

We hope you have found our eBook helpful. If you have any additional questions, please don't hesitate to call us.

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