



Bookkeeping 101

Setting up your back office to give you the confidence to own your numbers.



Week 1 at a glance...

- Make sure your company info is correct in your QuickBooks
- Discuss cash vs accrual with your accountant



Week 2 at a glance...

Chart of Accounts

- Bank Accounts
- Credit Cards
- Other Current Liabilities (debts)
- Income
- Cost of Goods Sold
- Expenses (overhead expenses or expenses not directly related to a product sold)

Expenses sub accounts are of interest to the IRS.

Double check with your accountant that you are within averages.



Homework Review

How did it go reviewing or entering your chart of accounts?



Enter Client List into QuickBooks

- Profit and Loss by Client is something I look at all of the time in my business.
- This means at a top-level I can look at which clients I'm making money on and which clients I am not.
- In order for me to be able to pull this information up at a moment's notice, my clients must be entered into my QuickBooks and my bookkeeper must select the appropriate client name when entering every single transaction.
- Once clients are entered, selecting the client for any expense you make on behalf of that project is as easy as a quick dropdown.



Adding Client List

The screenshot displays the QuickBooks Online interface for a user named 'Design Business'. The left sidebar contains a navigation menu with the following items: Dashboard, Banking, Expenses, Sales, Cash Flow, Projects, Payroll, Time, Reports, Taxes, Mileage, Accounting, My Accountant, and Commerce. The 'Clients' item is highlighted, and a sub-menu is open, showing 'Overview', 'All Sales', 'Invoices', 'Payment Links', 'Clients', and 'Products and Services'. A black arrow points to the 'Clients' item in this sub-menu.

The main content area shows a 'SETUP GUIDE' section with the heading 'Connect with an accountant'. Below this heading are four checklist items: 'Start invoicing', 'See how much you're making', 'Pay your employees', and 'Start tracking time'. A black arrow points to the 'Connect with an accountant' heading. To the right of the checklist is a text box that says 'Get set up right with help from your accountant' and 'Invite them to your books so you can finish setting up together.' Below this text is a form field for 'Accountant's email' and an 'Invite' button. A 'Find a pro to help' link is also visible.

The right sidebar contains a 'BANK ACCOUNTS' section with a table showing bank balances for 'Bank account' and 'Bank account In QuickBooks'.

Bank account	Bank balance
Bank account	\$0
Bank account In QuickBooks	\$0
Bank account	\$0
Bank account In QuickBooks	\$0



Adding Client List

The image shows a screenshot of the QuickBooks Online interface. On the left is a dark sidebar with a 'New' button and a list of menu items: Dashboard, Banking, Expenses, Sales, Cash Flow, Projects, Payroll, Time, Reports, Taxes, Mileage, Accounting, My Accountant, and Commerce. The main area displays the 'Clients' page with the heading 'Keep track of who needs to pay you' and a list of bullet points: 'Find all your clients and their info in one place', 'See who your top clients are', and 'Track invoices to see who owes you money'. Below this are two buttons: 'Import clients' and 'Add client manually', with a large black arrow pointing to the latter. A 'Client information' modal form is overlaid on the right, containing fields for personal and company details, contact information, and billing/shipping addresses. The form has tabs for 'Address', 'Notes', 'Tax info', 'Payment and billing', 'Language', 'Attachments', and 'Additional Info'. At the bottom of the form are 'Cancel' and 'Save' buttons. The browser's address bar at the bottom shows 'Google Chrome'.



Nested Clients

If you have clients for whom you are doing multiple projects (such as builders, offices with multiple locations, people with second homes, etc) the nested client option is great. This option allows you to generate specific reports by project but keep tax or billing info together.



Projects

Projects are a new add with QuickBooks in the last year.

For clients that you do multiple projects with, projects is an easy way to track items that need to be invoiced separately and even allow you to run P and L by project.



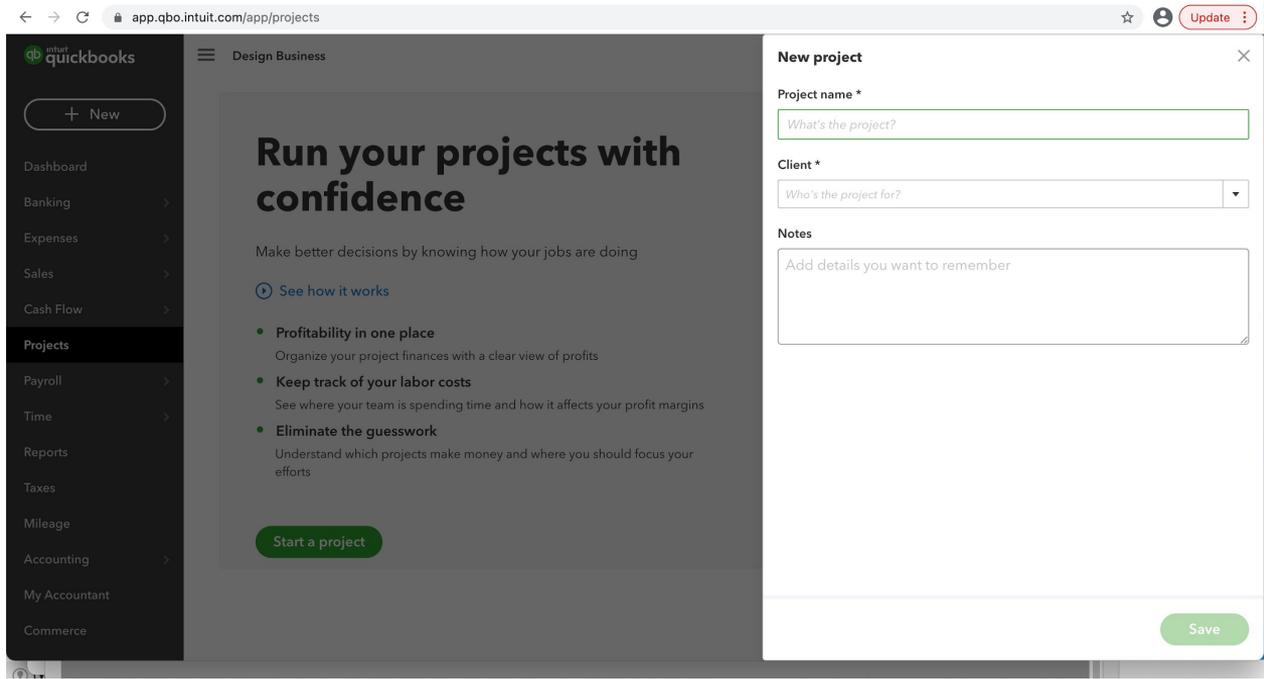
Projects

The screenshot shows the QuickBooks interface for a user named 'Design Business'. The left sidebar is open, showing navigation options: Dashboard, Banking, Expenses, Sales, Cash Flow, Projects (highlighted with a black arrow), Payroll, Time, Reports, Taxes, Mileage, Accounting, My Accountant, and Commerce. The main content area features a 'Start a project' button, highlighted with a black arrow. To the right, a summary card displays a 25.9% Profit Margin and a table of Income, Costs, and Profit.

INCOME		COSTS		PROFIT
Design income	Services	HOURLY TIME COSTS		
		Employees	Emily Platt	
			Kate Watson	
		EXPENSES		
		Advertising		
		Insurance		



Projects



The screenshot shows the QuickBooks interface for the 'Projects' section. The left sidebar contains a navigation menu with options: Dashboard, Banking, Expenses, Sales, Cash Flow, **Projects**, Payroll, Time, Reports, Taxes, Mileage, Accounting, My Accountant, and Commerce. The main content area features the heading 'Run your projects with confidence' and a sub-heading 'Make better decisions by knowing how your jobs are doing'. Below this is a link 'See how it works' and a list of three bullet points: 'Profitability in one place', 'Keep track of your labor costs', and 'Eliminate the guesswork'. A green 'Start a project' button is located at the bottom of this section. On the right, a 'New project' modal window is open, containing a 'Project name' text field, a 'Client' dropdown menu, and a 'Notes' text area. A green 'Save' button is positioned at the bottom right of the modal.



What are Tags and Groups?

- Tags are customizable labels that let you track your money however you want.
- When you put tags into groups, you get deeper insights into how your business is doing. You'll need groups to get reports for your tags.
- You can tag transactions such as invoices, expenses, and bills. At the moment,



Tagging

intuit quickbooks Design Business

+ New

LOGO Design Business

Get things done Business overview

SETUP GUIDE

- ✓ Connect with an accountant
- ✓ Start invoicing
- ✓ See how much you're making
- ✓ Pay your employees
- ✓ Start tracking time

Get set up right with help from your accountant [Hide](#)

Invite them to your books so you can finish setting up together.

Accountant's email **Invite**

Your accountant and members of their firm will have admin access to your company data.

No accountant? No worries. [Find a pro to help](#)

SHORTCUTS

- Add accountant
- Add customer
- Add invoice
- Receive payment

BANK ACCOUNTS

Bank account	
Bank balance	\$0
In QuickBooks	\$0
Bank account	
Bank balance	\$0
In QuickBooks	€0



Tagging

The screenshot shows the QuickBooks interface for a user named 'Design Business'. The left sidebar contains navigation options: '+ New', Sales, Cash Flow, Projects, Payroll, Time, Reports, Taxes, Mileage, Accounting, My Accountant, Commerce, Apps, Insurance, and Live Bookkeeping. The main content area is titled 'Design Business' and has a navigation bar with 'Banking', 'App Transactions', 'Rules', 'Receipts', and 'Tags' (which is highlighted). Below this, there are two panels: 'MONEY IN' and 'MONEY OUT'. The 'MONEY IN' panel shows a heading 'Get more details about what you earn', a video link 'See how it works (3:38)', and two entries: '\$0.00 Aerobics classes' and '\$0.00 Yoga classes'. The 'MONEY OUT' panel shows a heading 'See a breakdown of what you spend', a video link 'See how it works (3:38)', and two entries: '\$0.00 Fitness instructor payroll' and '\$0.00 Utilities'. Both panels have a 'Start tagging transactions' button. At the bottom right, there is a 'New' button with a dropdown arrow and the text 'You have created 0/300 tags'. Below this is a table header with columns 'TAGS AND TAG GROUPS', 'TRANSACTIONS', and 'ACTION'. At the very bottom, a message states 'No tags yet. Create a tag to track what you care about.'



Vendors

- For tax reasons it is super important to keep records of who you make payments to.
- It is also important to know how much you spend with your favorite vendors in order to negotiate better pricing etc.
- Knowing your total annual spend with an account is excellent leverage to use when making these asks.
- QuickBooks makes tracking 1099 information a snap



Who Needs to be Tracked for 1099 Purposes?

- Contractors with whom you spend more than \$600 annually
- AKA laborers that are not employees

****Check with your accountant about any specific vendors you have a question about****

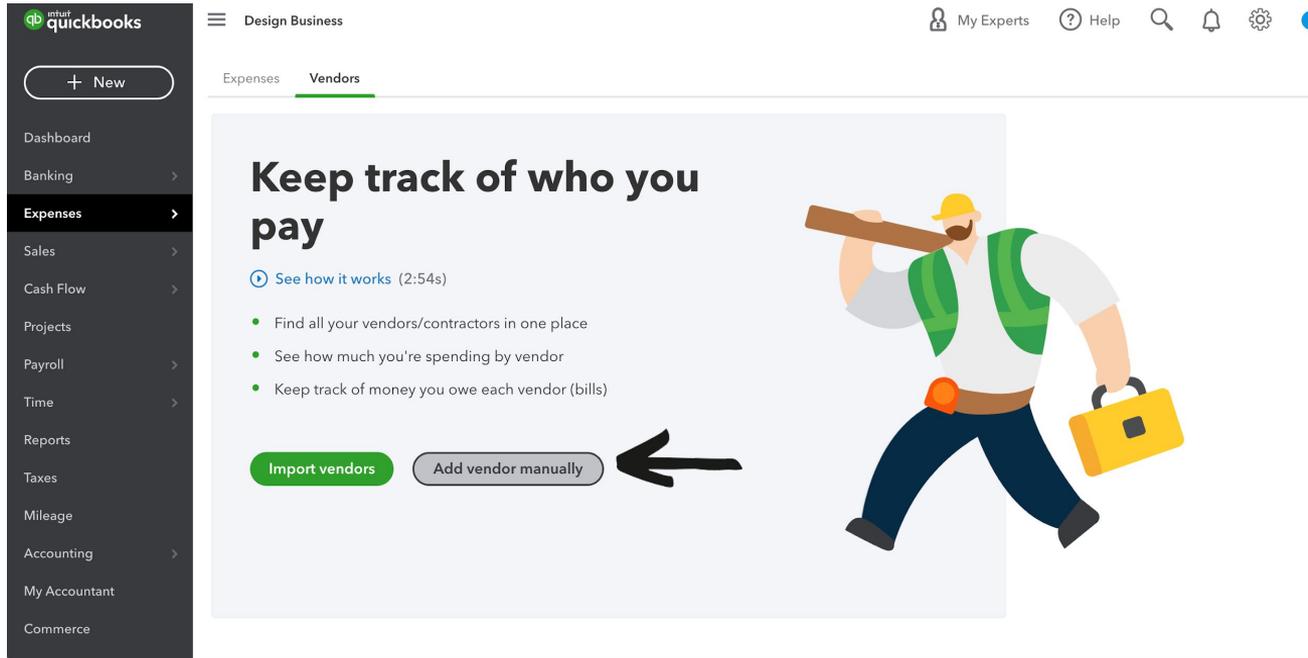


How to Add a Vendor

The screenshot shows the QuickBooks Online interface for a business named "Design Business". On the left, a dark sidebar menu contains various navigation options: "+ New", "Dashboard", "Banking", "Expenses", "Sales", "Cash Flow", "Projects", "Payroll", "Time", "Reports", "Taxes", "Mileage", "Accounting", "My Accountant", and "Commerce". The "Expenses" menu item is highlighted, and a sub-menu is open, showing "Expenses" and "Vendors". A black arrow points to the "Vendors" option. The main content area shows a "Get things done" section with a list of tasks: "Start invoicing", "See how much you're making", "Pay your employees", and "Start tracking time". To the right, there is a section titled "Get set up right with help from your accountant" with an "Invite" button and a text input field for "Accountant's email". Below this, there are "SHORTCUTS" and "BANK ACCOUNTS" sections. The URL at the bottom left is "https://app.qbo.intuit.com/app/expenses".



How to Add a Vendor



The screenshot shows the QuickBooks interface for a 'Design Business'. The left sidebar contains a navigation menu with 'Expenses' highlighted. The main content area is titled 'Keep track of who you pay' and includes a video link 'See how it works (2:54s)'. Below this, there are two buttons: 'Import vendors' (green) and 'Add vendor manually' (grey). A large black arrow points to the 'Add vendor manually' button. To the right of the text is an illustration of a construction worker carrying a log and holding a yellow toolbox.

qb intuit quickbooks

Design Business

My Experts Help

Expenses **Vendors**

Keep track of who you pay

[See how it works \(2:54s\)](#)

- Find all your vendors/contractors in one place
- See how much you're spending by vendor
- Keep track of money you owe each vendor (bills)

Import vendors Add vendor manually



How to Add a Vendor

The screenshot shows the QuickBooks interface with a sidebar on the left containing navigation options: Dashboard, Banking, Expenses, Sales, Cash Flow, Projects, Payroll, Time, Reports, Taxes, Mileage, Accounting, My Accountant, and Commerce. The main content area displays the 'Vendor Information' form for 'Design Business'. The form includes fields for personal and company details, contact information, and financial settings.

Vendor Information

Title First name Middle name Last name Suffix

Company

*Display name as

Print on check as Use display name

Address [map](#)
Street

City/Town State/Province

ZIP code Country

Notes

Attachments Maximum size: 20MB

Email

Phone Mobile Fax

Other Website

Billing rate (/hr)

Terms

Opening balance as of
 03/25/2021

Account no.

Business ID No. / Social Security No.

Track payments for 1099

Cancel Make inactive Save



Enter Product List

- Products are items you are selling to your clients
- Be as minimalistic as possible.
- You will be able to create individual descriptions you won't need a separate product for everything.
- Material Design Products list is:
 - Design time
 - Furniture
 - Window treatments
 - Shipping & accessories
- 84" long Wesley Hall Sofa would be sold as 'Furniture' with a description that would make sense to a first-grader.
- Each product is linked to an income account (so that any income associated with this product will appear under that income account on your profit and loss statement)
- Particular product description and pricing in the respective blanks for those items.



Add Products and Services

The screenshot displays the QuickBooks Online interface for a business named "Design Business". The left sidebar contains a "Dashboard" menu with various categories. The "Products and Services" option is highlighted, and a dropdown menu is visible, listing options such as Overview, All Sales, Invoices, Payment Links, Clients, and Products and Services. An arrow points to the "Products and Services" option in the dropdown menu. The main content area shows a "SETUP GUIDE" with steps like "Connect with an accountant" and "Start invoicing". There is also a "SHORTCUTS" section with icons for adding customers, estimates, and invoices. The top right of the interface includes navigation icons for "My Experts", "Help", search, notifications, settings, and a user profile icon. A "PRIVACY" toggle is also visible.



Add Products and Services

The screenshot shows the QuickBooks interface for a user named 'Design Business'. The left sidebar contains a navigation menu with options like 'New', 'Sales', 'Cash Flow', 'Projects', 'Payroll', 'Time', 'Reports', 'Taxes', 'Mileage', 'Accounting', 'My Accountant', 'Commerce', 'Apps', 'Insurance', and 'Live Bookkeeping'. The main content area is titled 'Products and Services' and features a central graphic with icons representing a person, a box, a laptop, a lightning bolt, and a document. Below the graphic, the text reads: 'Add your products and services to save time creating your next invoice or receipt'. A large black arrow points to a green button labeled 'Add a product or service'. At the bottom, a tip suggests: 'Tip: Got your products and services in an Excel or CSV file? [Import a file](#)'.



In order to run a business with accurate books you **MUST**, at minimum, enter every transaction that involves you receiving or spending money.

This is non-negotiable.

Unless you are in the very start-up phase of your business, hire someone to do it for you. This is most likely a part time or contractor position.

If I could rewind time, I would have hired this out FAR earlier than I did.



In real life, this looks like:

- Enter every receipt (for me, this is credit card receipts)
- Enter every bill (in QuickBooks language, a BILL is from your vendors to your business)
- Enter every check or wire transfer (you write out of your account)
- Enter every invoice (in QuickBooks language, an INVOICE is from your business to your clients)
- Reconcile every bank account every. single. month.
- Reconcile every credit card account every. single. month.



Enter a Receipt for a CC Expense

The screenshot shows the 'Expense' entry form in a software application. On the left is a receipt from Sherwin-Williams. An arrow points from the receipt's address to the 'Payee' field in the form. Another arrow points from the 'Cost of Goods Sold' entry in the table to the 'Description' field. A third arrow points from the 'TOTAL' amount on the receipt to the 'Amount' field at the bottom of the form.

Expense Take a tour Help X

Payee: Payment account: Balance: **\$0.00**

Payment date: 10/15/2020 Payment method: Ref no.:

Permit no.:

▼ Category details

#	CATEGORY	DESCRIPTION	AMOUNT	BILLABLE	TAX	CLIENT
1	Cost of Goods Sold	Whatever is helpful for you here.		NO	NO	Add client if applicable.
2						

Item details

Subtotal: \$12.12 Total: \$0.00

Buttons: Cancel, Make recurring, Save, Save and close