

QuickBooks® Online 2021 Update (5e)

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Certification Handout – Supporting information

This handout accompanies the certification mapping and provides additional insight on a few of the certification objectives.

1.6.3 - Identify the risks and benefits of extending functionality through apps.

Apps are third-party solutions customized for QuickBooks Online. Apps are an easy way to boost your firm's productivity and reduce busy work. While apps provide many benefits, they also have some risk. The table below summarizes the key risks and benefits of connecting to apps through QBO.

Risks	Benefits
Data security risk because you are allowing another entity or party to connect to your data	Saves time by reducing data entry and sharing information.
Some apps cost money and charge you on a subscription basis. You need to manage your app usage just like you manage apps on your phone.	Large number of apps to meet many needs
Apps are created by third parties and some of the app creators may go out of business or not update their app. You need to be sure that the app you are using is going to be around for a long time.	Can help you work with clients more effectively and gain great insight into your data

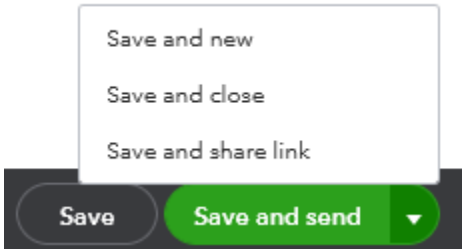
2.3.4 - Describe QuickBooks Payments Features and how it differs from traditional payments.

QuickBooks Payments is a way to accept credit card payments and debit cards online or let customers pay digitally, instead of by mail. Through the **QuickBooks Payment** option money is automatically deposited into your account and the invoices are marked paid.

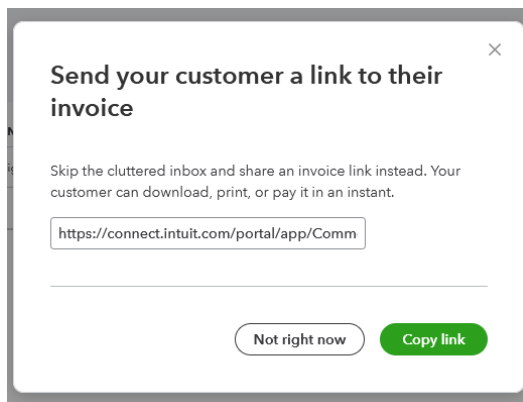
This differs from traditional payment processing in the fact that you do not need to enter payment information using the **Receive Payment** transaction. Payment information is captured when the customer pays online. Additionally, the invoice and the payment are linked together automatically. Finally, there is no need to create a deposit since the funds are automatically deposited into your bank account.

2.4.2 - Record and manage invoices and sales receipts.

The textbook provides all the details you need on how to create and manage **Invoices** and **Sales Receipts** as well as the when to use each type of transaction. The additional information needed for the certification exam is to review the delivery method of **invoices**. Once an invoice is created you have four (4) options to deliver the invoice.

	Delivery Option	Explanation
	Save and close	Saves the invoice document you have created. Closes the form and returns you to the location you were before.
	Save and new	Saves the invoice document you have created. Closes the form and opens a new blank invoice form for you to complete.
	Save and send	Saves the invoice document and emails the invoice to the email address in the customer record.
	Save and share link	Saves the invoice document and provides you a link you can share with your customer via an email outside of QBO so they can be directly linked to their invoice.

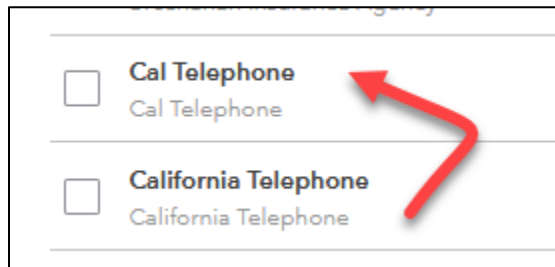
The **Save and share link** option is shown below:



3.1.2 - Describe when and how to merge vendor accounts

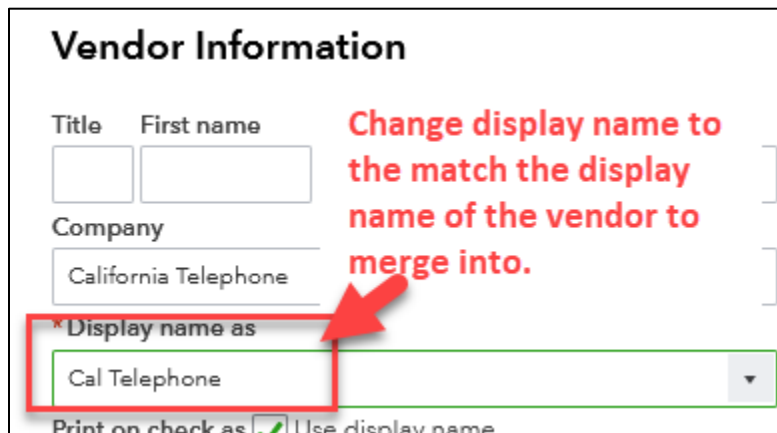
Merging vendor accounts is similar to merging accounts in the chart of accounts. This would be done when you realize that you have the same vendor setup with similar names like the example below.

In this example I have two telephone vendors setup that need to be merged together.



<input type="checkbox"/>	Cal Telephone Cal Telephone
<input type="checkbox"/>	California Telephone California Telephone

To merge vendors, open the vendor record for the vendor you want to go away. Edit the **Display name as** field to match that of the vendor you want to merge into.



Vendor Information

Title First name

Company
California Telephone

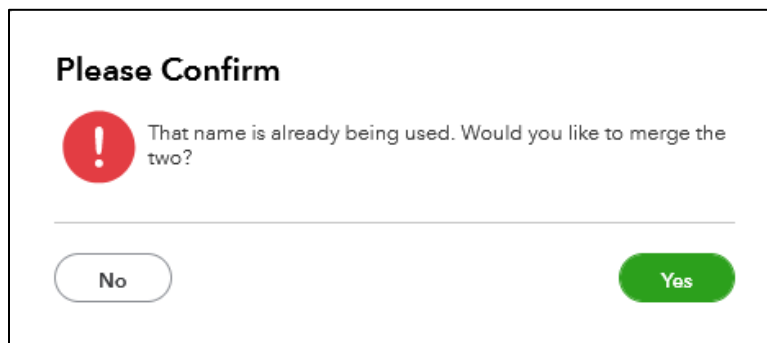
*Display name as
Cal Telephone

Print on check as ☒ Use display name


Change display name to the match the display name of the vendor to merge into.

Select **Save**.

You will receive a message confirming the merge. Say **Yes** to the message.



Please Confirm

 That name is already being used. Would you like to merge the two?

No Yes

All transactions in the original vendor will be changed and moved to the new vendor. This cannot be undone once it is completed.

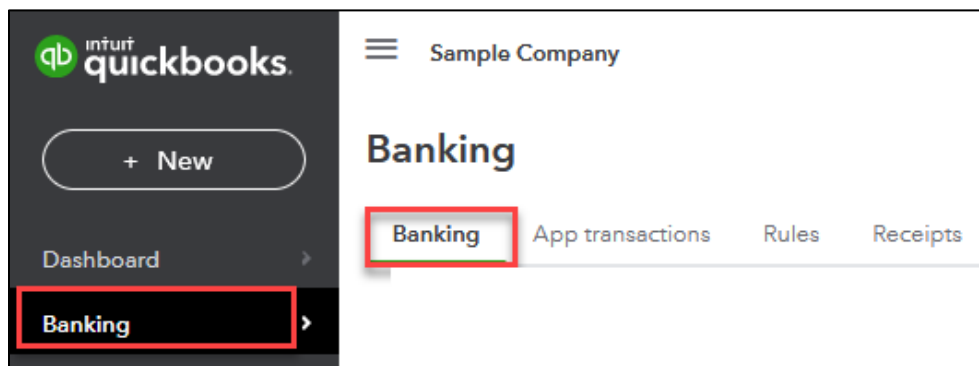
3.3.5 - Differentiate between expense transactions and bank feed transactions

In QBO an **Expense** transaction is generally used to record a purchase made on a credit card. The **Expense** transaction form can also be used to capture other money-out activity such as a check or a payment made online via a company's bank. Keeping track of all of that manually is sometimes more effort than a company wants to do so they rely on a bank feed downloaded from the bank or credit card company to enter and identify activity that needs to be recorded.

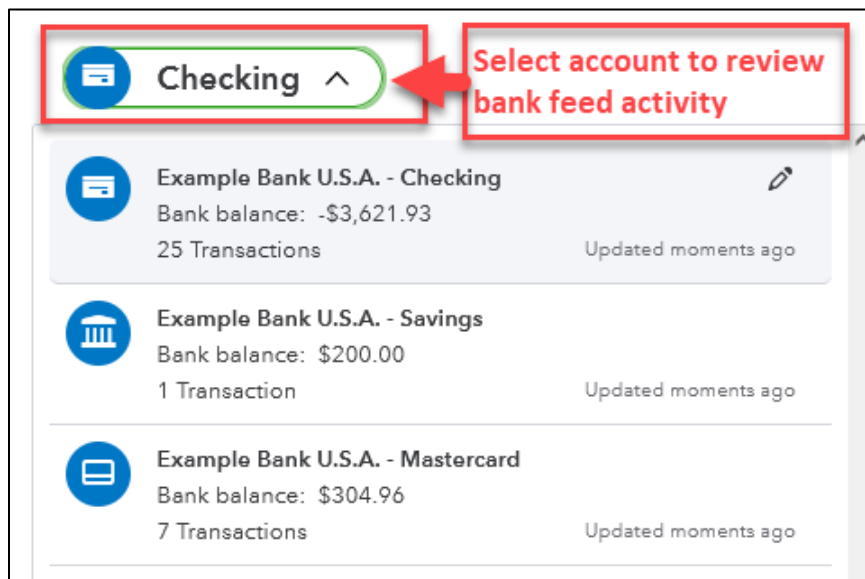
Bank feed downloads are a process where QBO is connected to a company's bank or credit card vendor and periodically the transactions are brought into the QBO Company file. In most cases these transactions must be reviewed prior to them being recorded in the books and records of QBO.

Assuming that bank feeds are connected, you can view the transactions in the **Banking** section of QBO.

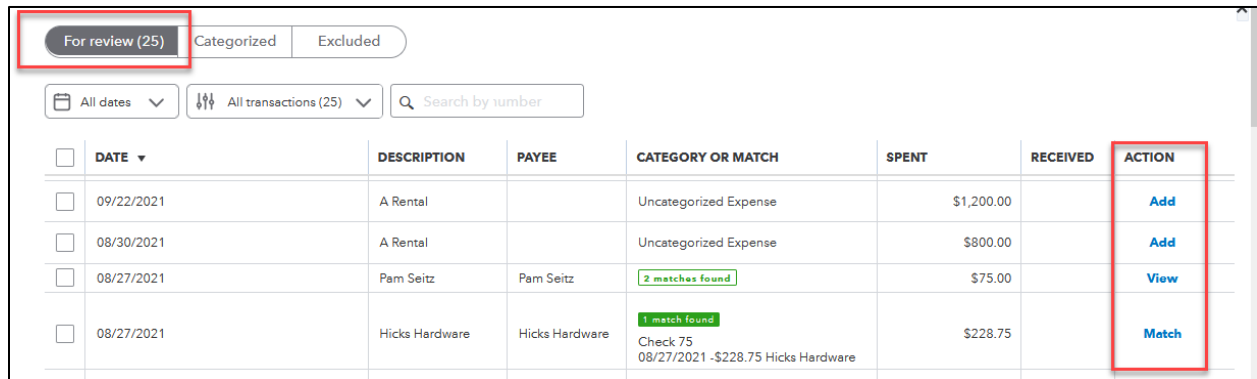
Select the **Banking** navigation from the left-hand navigation bar and select the **Banking** tab.



Select the account that you want to review the bank feed activity.



Once in an account, you can see any of the expenses that have been captured that need action.



The screenshot shows the 'For review (25)' tab selected in the QuickBooks interface. Below the tabs are filters for 'All dates', 'All transactions (25)', and a search bar. The table below lists transactions with columns for DATE, DESCRIPTION, PAYEE, CATEGORY OR MATCH, SPENT, RECEIVED, and ACTION. The ACTION column contains 'Add', 'View', and 'Match' buttons. The 'For review (25)' tab and the ACTION column are highlighted with red boxes.

	DATE ▼	DESCRIPTION	PAYEE	CATEGORY OR MATCH	SPENT	RECEIVED	ACTION
<input type="checkbox"/>	09/22/2021	A Rental		Uncategorized Expense	\$1,200.00		Add
<input type="checkbox"/>	08/30/2021	A Rental		Uncategorized Expense	\$800.00		Add
<input type="checkbox"/>	08/27/2021	Pam Seitz	Pam Seitz	2 matches found	\$75.00		View
<input type="checkbox"/>	08/27/2021	Hicks Hardware	Hicks Hardware	1 match found Check 75 08/27/2021 -\$228.75 Hicks Hardware	\$228.75		Match

The **ACTION** choices include:

- **Add** – This allows you to record an expense that has not been recorded in the QBO company file.
- **View** – This identifies multiple expenses that may match the transaction downloaded on the bank feed to determine if it is a match or not.
- **Match** – QBO has identified a similar transaction between the bank feed and the QBO company file. If the user agrees they are the same QBO will match them and it will link the transaction that was downloaded on the bank feed to the transaction that is in QBO.

3.3.6 Describe how to record check, credit card, and debit card expense transactions

Your textbook describes how to create checks and credit card purchases.

A debit card is like a credit card, but it is linked to a checking account at a bank. When you make a purchase using a debit card, you can use the **Check** transaction form and in place of a check number you would enter “**Debit Card**” in the **Check no.** field.

The screenshot shows the 'Check' transaction form in QuickBooks Online. The title 'Check #DEBIT CARD' is at the top. The 'Payee' dropdown is set to 'Computers by Jenni'. The 'Bank Account' dropdown is set to 'Checking', and the balance is shown as '\$1,201.00'. The 'Mailing address' field contains the address for Jenni Winslow. The 'Payment date' is set to '09/22/2021'. The 'Check no.' field is highlighted with a red box and contains the text 'DEBIT CARD'. A 'Print later' checkbox is at the bottom right.

Check #DEBIT CARD	
Payee Computers by Jenni	Bank Account Checking Balance \$1,201.00
Mailing address Jenni Winslow Computers by Jenni 1515 Main St. Middlefield, CA 94482	Payment date 09/22/2021
Check no. DEBIT CARD	
<input type="checkbox"/> Print later	

4.1.2 Describe the benefits of connecting QuickBooks Online to accounts

Your book describes the process of connecting to bank feeds. The benefits of doing this includes:

- Reducing data entry errors that occur with manual entry.
- Saving processing and data entry time.
- Ensures up to date information.
- Allows you to implement bank rules to automate the coding and posting of transactions that recur on a regular basis.
- Minimizes the risk of duplicate transactions.