



## Part 2: How to convert QuickBooks Desktop data to QuickBooks Online

Confidently complete the migration process with these practical, step-by-step visual instructions.

## Table of Contents

---

Introduction .....	1
Identifying desktop data for conversion.....	2
Preparing desktop data for conversion.....	3
Converting desktop data to QuickBooks Online.....	4
Importing data using WINDOWS.....	5
Completing and testing the data conversion.....	7
Checking inventory data.....	7
Running reports .....	8
Setting up payroll.....	8
Setting up QuickBooks Online .....	9
Becoming familiar with QuickBooks Online .....	11

## We're with you at every step.

---

Every client's business is unique, but the steps involved in moving that business online are similar. This guide will help you master each one so you can get your clients up and running—and back to business—*fast*.

To help you find the exact information you need, this guide is divided into three sections:



### Pre-migration

Find out how to get your clients' desktop data ready for conversion.

Skip to [page 3](#).



### Migration

Learn how to import data to QuickBooks Online in a few easy steps.

Skip to [page 4](#).



### Post-migration

Discover the steps to follow after completing the data import process.

Skip to [page 7](#).

## Identifying desktop data for conversion

---

Get to know which data will and will not convert to QuickBooks Online.

---

### Which QuickBooks Desktop files **will** convert?

- ✓ All QuickBooks for Windows companies using QuickBooks Canada with up to 350,000 targets. *Targets indicate individual line items on invoices.*
- ✓ Any QuickBooks Pro, Premier, Accountant Edition file. Just download the latest trial from the import page in QuickBooks Online.
- ✓ QuickBooks Desktop companies using UK and Canadian versions.

### Which QuickBooks Desktop files **will not** convert?

- ✗ QuickBooks files with over 350,000 targets. You will get an option to import lists and balances only.
- ✗ Any QuickBooks Online companies that were created more than **60 days** ago, except for accountant company files that have a limit of 1,060 days.
- ✗ QuickBooks Online companies using international versions of QuickBooks Online other than US, UK, etc.
- ✗ Non-Intuit accounting software company files. You will need to work with our full-service team to import from Peachtree or other desktop-related products.
- ✗ Spreadsheet files. You can import these via a third-party app called Transaction Pro Importer, available at <https://appcenter.intuit.com/transactionproimporter>.


### Have companies that will not convert?



You can export all their lists to an Excel or Intuit Interchangeable Format file, then start a new QuickBooks Desktop file and import the lists there. Then do the “full” import as normal.

**NOTE:** *If a company has set up E-services in QuickBooks Online Payroll, you will not be able to overwrite that data.*

## Help clients get familiar with QuickBooks Online.



Your clients may wish to try QuickBooks Online while continuing to use QuickBooks Desktop for day-to-day transactions. If a client decides that QuickBooks Online is a good fit, you can help them convert their desktop data as many times as they want during a 60-day period.

Remember that you can only convert a QuickBooks Desktop company file into QuickBooks Online within 60 days of its creation.

The conversion is a complete overwrite of any information that was in the QuickBooks Online company beforehand. Previously entered or imported information will be wiped out and replaced by any subsequent conversions within the 60-day period. QuickBooks Desktop company files are untouched by the conversion and can be used after any data conversion.



Pre-migration:

## Preparing desktop data for conversion

---

Follow these steps for a smooth conversion.

---

1. Once you have a QuickBooks Online Accountant account, you can create the QuickBooks Online client from within that account and then proceed with importing/overwriting the data.
2. Sign out of QuickBooks Online.
3. Next, do some work in QuickBooks Desktop:
  - Run a verify from the Utilities menu. Rebuild data if necessary by following the onscreen instructions. (Updating the file to the latest QuickBooks Desktop version does this automatically.)
  - Hit Control+1 or F2 to see the Product Info window and review the number of targets in your data file.
  - If the data file exceeds 350,000 targets, condense the data (archiving original data first). If the condensed data still exceeds the 350,000 limit, you may not be given the option to import.



Migration:

## Converting desktop data to QuickBooks Online

---

Now that you've prepared the data, it's time to convert it to QuickBooks Online. The following pages will explain each step along the way.

---



### Run an experiment

You may wish to convert the data as an experiment. After all, the original desktop data is not affected by converting to QuickBooks Online. Keep in mind that converting data may be done as many times as you wish (overwriting the online data previously imported or entered) within the first 60 days of the creation of a QuickBooks Online company, after which importing cannot be done. However, if a company has set up QuickBooks Online Payroll, you will not be able to overwrite that data. The only option is to cancel the subscription and start over with a new QuickBooks Online company.



## Importing data using WINDOWS

**1** Open QuickBooks Desktop. The export option exists in product versions 2012 and later.

**2** Click **Company > Export Company File to QuickBooks Online**.

*If you do not see this option, there are some additional steps to take if the Export option is not available after updating desktop:*

- ensure you are logged in as Admin
- ensure you are logged in under single user mode
- company file is stored locally

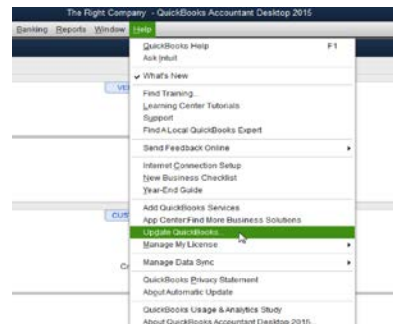
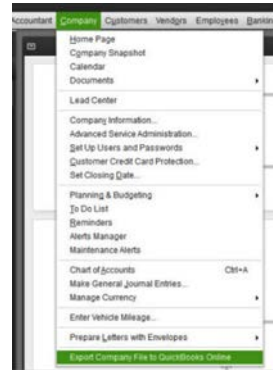
*After completing these steps, there are two other things you can do if you still do not see this option:*

i) Download the latest trial on the import desktop data page in QuickBooks Online at <https://qbo.intuit.com/app/importquickbooksdesktop>.

OR

ii) Use the following steps to update QuickBooks Desktop:

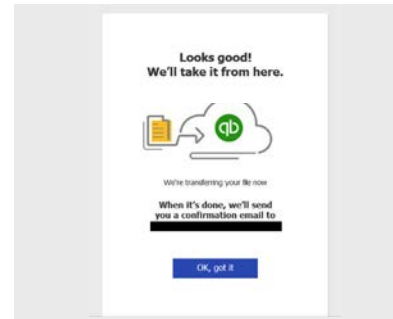
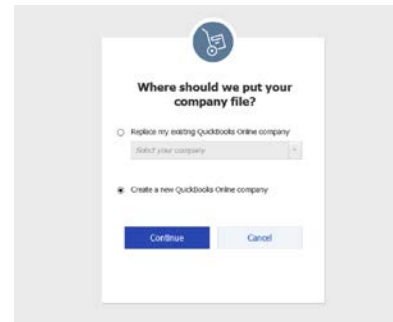
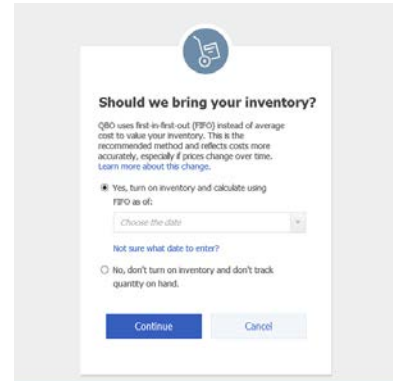
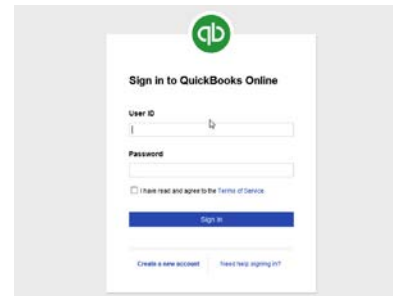
- Click **Help > Update QuickBooks**.
- Select all updates in the **Update Now** window.
- Click **Get Updates**.  
(If not all updates are downloaded, the export company link may not appear.)
- Click **Close**.
- Click **File > Exit**.
- Reopen QuickBooks Desktop and finish installing the updates when prompted. These updates may take 15+ minutes to install, depending on how long it's been since your last update.
- Ensure you are logged in as Admin
- Ensure you are logged in under single user mode
- Company file is stored locally



- 3 Click **Continue** to start importing the interview.
- 4 Enter your QuickBooks Online login info, agree to the Terms of Service, and click **Submit**.

**NOTE:** *If you are using the latest release update of QuickBooks Desktop, you will be asked if you would like to import inventory. If you choose to import inventory, your accounting method will change to FIFO - important if you were using LIFO or Average Cost methods. We can also accommodate Multi-Currency as well.*

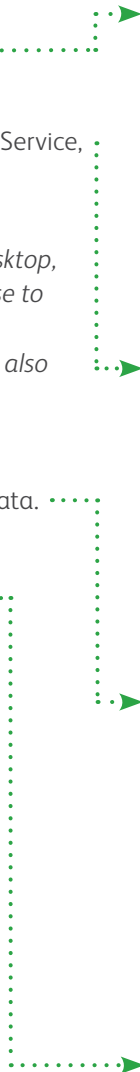
- 5 Pick the online company into which you'd like to import your data.
- 6 Click **OK, got it**. We'll email you when we're done!



### How to resolve potential import errors

Because every QuickBooks Desktop company file is different, as is the computer environment, errors may occur. The causes of and solutions for these errors vary as widely as the company files: perhaps the company is in a network folder with restricted access, or perhaps the Desktop company file needs rebuilding.

We can help you overcome and correct these errors so that the import to QuickBooks Online is successful. The most common errors seen during conversion from QuickBooks Desktop to QuickBooks Online and their solutions can be found on the QuickBooks Learn and Support page at [intuitaccountants.com/Qs](http://intuitaccountants.com/Qs).







## Post-migration: Completing and testing the data conversion

---

Follow these steps to ensure that QuickBooks Online is up and running, and that reports are accurate.

---

### Check inventory data.

#### **Read this if you choose “yes” to Import Inventory.**

If you choose to import inventory into QuickBooks Online and QuickBooks Online identifies any errors with inventory, the import will fail and the user will receive an email with instructions on how to fix the items causing the problem.

If you are importing inventory, due to recalculations to FIFO, your Accrual Basis reports and Cash Basis reports will not match. QuickBooks will flag any errors with inventory if they appear during import.

## Run reports to compare QuickBooks Desktop with QuickBooks Online.

Although your Accrual Basis reports will match in both products, your Cash Basis reports may not. This is because cash basis calculations are somewhat subjective, and there are several differences in how the two products calculate what is considered paid.

Consult the list of reports on the right. Run these reports on an **accrual basis for all dates** in both QuickBooks Desktop and QuickBooks Online for comparison purposes to ensure that the conversion is accurate. Even if you generally use cash basis for your accounting, it's necessary that you use accrual basis when comparing these reports.

**NOTE:** *The first three reports in the list below will not match if you are importing inventory due to recalculations to FIFO.*

- Profit & Loss (Profit & Loss Standard in QuickBooks Desktop) for all dates, accrual basis
- Balance sheet (Balance Sheet Standard in QuickBooks Desktop) for all dates, accrual basis
- Inventory valuation summary (if applicable) for all dates
- Last bank reconciliation report
- Open invoices
- Unpaid bills
- Transaction detail for payments into undeposited funds
- Sales tax liability
- Payroll tax liabilities

## Set up payroll.

### To set up payroll for Windows and Mac:

1. In the navigation bar, click **Employees**.
2. In the **Paid in [Year]** column, be sure each employee who received a paycheck this year is switched to **Yes**. (Employees who have not been paid in the current year will automatically be listed as **No**.)
3. Click **Complete payroll setup** to enter and/or verify your year-to-date payroll totals, and employee information.
4. Continue through the prompted flow to complete your setup, then use **Run Payroll** when you're ready to pay your employees.



## Get your clients up and running fast.

---

Ensure that your clients are getting the most from QuickBooks Online by setting up these key features.

---

### ✔ Users and permissions

Permissions in QuickBooks Online are similar to those in QuickBooks Desktop, but they don't allow you to control activity at the level of transactions. Accountant users can be invited from QuickBooks Online. You can manage your own firm's users through QuickBooks Online Accountant.

### ✔ Company Settings

Turn on account numbers, custom transaction numbers on sales transactions, etc.

### ✔ Inactive list elements

Those list elements that were inactive in QuickBooks Desktop can now be made inactive (deleted) in QuickBooks Online. Any deleted list names can be reactivated at a later time.

### ✔ Templates

Create new sales templates in QuickBooks Online.

### ✔ Non-posting transactions

Recreate purchase orders as required.

### ✔ Reconcile accounts

The reconciliation status of all transactions in such accounts as Banks and Credit Cards will come over into QuickBooks Online (signified by an "R" beside each reconciled transaction). However, the related

reconciliation reports will not come over. If it's important to you to have these reports in QuickBooks Online, you may re-reconcile any accounts as necessary.

If you want at least one reconciliation report to exist in QuickBooks Online from prior periods, and if you don't need or want to create separate reconciliation reports for each month from these periods (or if there are too many months to reconcile quickly), refer to the last Reconciliation Detail Report for each account from QuickBooks Desktop and create one huge reconciliation period up to that statement's end date. Leave the same items that are uncleared in QuickBooks Desktop uncleared in QuickBooks Online.

### ✔ Attachments

Attach any documents to transactions; documents cannot be attached to list names.

### ✔ Memorized Reports

Customize the reports you want in QuickBooks Online and save the customizations in My Custom Reports.

### ✔ QuickBooks Online Payments

Accept credit card payments from clients with QuickBooks Online Payments. Learn more about this [here](#).

Take a look at the powerful third-party apps that integrate with QuickBooks Online and help merchants, such as [Square](#).

## ☑ Closing Date Password

If a closing date and password were set in QuickBooks Desktop, the closing date will have imported to QuickBooks Online; however, you will need to recreate the password. Review and change the date and password as necessary. Accept credit card payments from clients with QuickBooks Online Payments. Learn more about this here (hyperlink to <http://quickbooks.intuit.ca/payments/>).

## ☑ Automatically Download Online Bank Transactions

If you wish to use Online Banking in QuickBooks Online, select the **Transactions** tab in the left navigation bar and then select **Banking**. There, you can select **Add account** and proceed with linking up various QuickBooks Online bank and credit card accounts with their real-life counterparts using Bank Feeds.

## ☑ Integrated Applications

Once the conversion to QuickBooks Online is complete, you may want to expand the power and usefulness of QuickBooks Online by taking advantage of one or more cloud-based apps that integrate with it seamlessly. These apps are available from the Apps tab on the left navigation bar in QuickBooks Online. Here, you can peruse the apps, see other users' ratings, get more details, and even try them out for free.

## ☑ Sales Tax

After the conversion, all payments will need to be made from the Sales tax screen in QuickBooks Online using "Record Tax Payment." If you record sales tax payments as a paid bill or check instead, they won't appear in the Recent Payments list.

## ☑ Merging Customers

Merging customers is helpful if you've been using two similar customers and want to see those customers represented by a single line in your reports. The process of merging deletes one customer and reassigns all of its data to another customer. If you want to merge (and delete) a customer, you must delete the customer's statements first.

**Important:** The merging process is not reversible. Merging is permanent and cannot be undone at a later point.

Here's how to merge customers:

1. Choose **Customers** on the left navigation bar.
2. Make sure that the customers you want to merge are at the same sublevel. If they're not, edit one of the customers to make it be at the same level.
3. Select the customer whose name you don't want to use. Note: If you have customer information entered, it will disappear from the name you don't want used. Make sure you either copy the information over to the customer's name you're keeping or keep the customer with the important information.
4. Click **Edit** next to the customer's name above the list of transactions.
5. Change the customer's display name so that it is the same as the customer you're merging with.
6. Click **Save**.
7. Click **Yes** to confirm that you want to merge the two customers.

## Deepen your understanding of QuickBooks Online:

Desktop to Online translation	
QuickBooks Desktop	QuickBooks Online
Payroll Summary Report	Payroll Details Report
File Manager	QBOA Dashboard (all invited staff can work)
Reports > Filter	Reports > Lists
Statement Writer	Management Reports (not as robust but able to build a report)
Items List	Products & Services List
Preferences	Company Settings
Memorized Transactions	Recurring Transactions
Memorized Reports	My Custom Reports
Audit Trail Report	Audit Log Report (also tracks when users log in and out)
Credit Card Charge	Credit Card Expense (use the Expense Form to create this entry)
Class Tracking	Class AND Location Tracking (QuickBooks Online Plus only)

Now you have the knowledge you need to skillfully convert clients' QuickBooks Desktop files to QuickBooks Online.