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Online

FOOD TO LIVE FOR

an accounting practice set

Student Manual

October 2015



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FOOD TO LIVE FOR—an accounting practice set

Introduction

The results of pursuing your passions can be unpredictable. This is true for Erin Ireland, a young person who loves all aspects of food—from its production on the farm to its presentation on the plate.

Taking advantage of her background in journalism, Erin began blogging about food and the interesting people she encountered in the industry. In virtually no time, Erin’s blog attracted thousands of followers.

The business opportunities suddenly facing Erin were irresistible: she planned to polish her website to attract advertisers, write reviews and articles for food magazines, and merge her food connections with her baking skills to sell her privately famous banana bread.

Erin’s keen awareness of what is trending applies to accounting software. Instead of installing software on her computer, Erin chose QuickBooks® Online—a cloud-based program that can be easily accessed through a web browser or mobile app. Now, she has but one pressing need—you to do the accounting.

Chart of Accounts

Erin named her business *Food To Live For*. The chart of accounts appears below.

	A	B	C	D
1	Account Number	Account Name	Type	Detail Type
2	1010	Bank	Bank	Chequing
3	1020	Accounts Receivable	Accounts receivable (A/R)	Accounts Receivable (A/R)
4	1200	Office Supplies	Current assets	Other current assets
5	1300	Furniture and Equipment	Property, plant and equipment	Other fixed assets
6	2010	Credit Card	Credit Card	Credit Card
7	2020	Bank Loan	Other Current Liabilities	Line of Credit
8	2030	Accounts Payable	Accounts payable (A/P)	Accounts Payable (A/P)
9	3010	Erin Ireland, Capital	Equity	Owner's Equity
10	3020	Erin Ireland, Drawings	Equity	Owner's Equity
11	4010	Baking Sales	Income	Sales of Product Income
12	4020	Advertising Revenue	Income	Service/Fee Income
13	4030	Writing Revenue	Income	Service/Fee Income
14	5010	Advertising Expense	Expenses	Advertising/Promotional
15	5020	Baking Supplies Expense	Expenses	Other Miscellaneous Service Cost
16	5030	Bank Charges and Interest	Expenses	Bank charges
17	5040	Internet and Website Expense	Expenses	Office/General Administrative Expenses
18	5050	Kitchen Rentals Expense	Expenses	Rent or Lease of Buildings
19	5060	Miscellaneous Expense	Expenses	Office/General Administrative Expenses
20	5070	Mobile Phone Expense	Expenses	Office/General Administrative Expenses
21	5080	Office Rental Expense	Expenses	Rent or Lease of Buildings
22	5090	Wages Expense	Expenses	Cost of Labour

Accounting Advice

- This chart of accounts is contained in a Microsoft® Excel spreadsheet file that has been formatted for export into QuickBooks® Online. Your instructor will advise you how to get access to this file.
- The Detail Type column contains titles required by QuickBooks® Online.
- Notice accounts 1020 and 2030. Instead of listing each receivable and payable account separately, these two accounts will be used to show the total of all accounts receivable and the total of all accounts payable.

Getting Started

Before you start working on this project, you need to apply for your free QuickBooks Online Plus account at www.intuit.ca/education/students.jsp. You can expect your application to be processed within two business days.

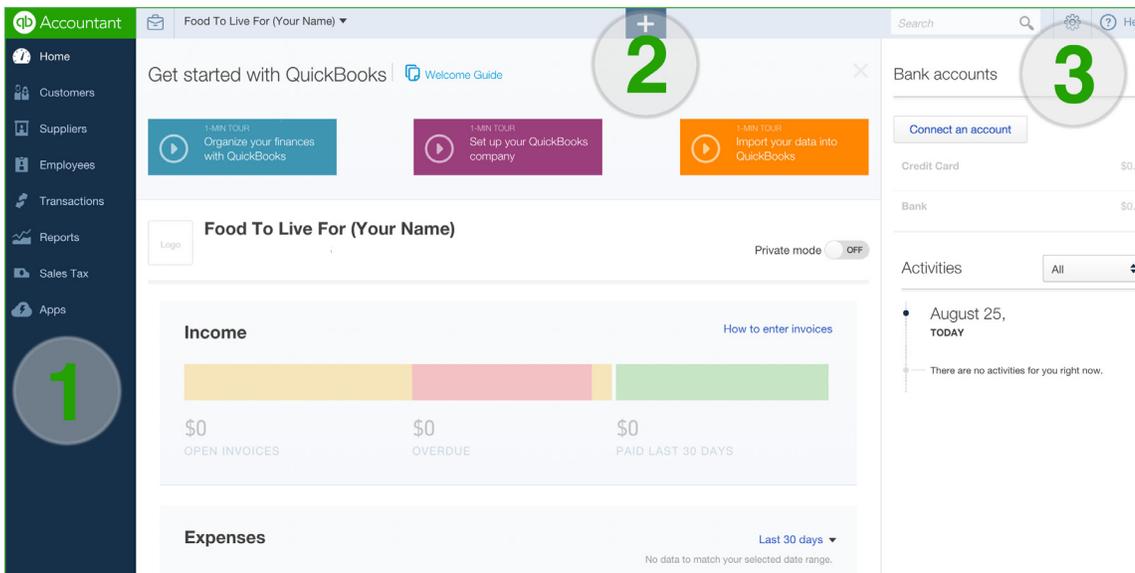
When you sign into your account, you will be prompted to enter basic company information. Keep your entries to the bare minimum. You can always edit the company settings later.

When asked for the company name, enter **Food To Live For (Your Name)**. *Note:* Replace “Your Name” in brackets with your real name in brackets. This will help your teacher identify your work. Then, select **Ontario** as your province. The remaining address details are unnecessary.

After pressing the Next button, enter data for the two required fields of Company Info: 1) The industry is **Special Food Services**, and 2) You sell **Products and Services**. Pressing the Next button twice will get you to the Home window, after QBO does some processing.

Orientation

Once QuickBooks Online creates your company, your browser window will look similar to the image below. Take special note of three core components of QBO, which are highlighted and explained.



Accounting Advice

- Don't be alarmed if your window looks slightly different than the adjacent image. The designers and programmers at Intuit® can adjust the look and feel of QBO at anytime. This dynamic nature highlights one of the advantages of using cloud-base software. That is, you get the advantage of new features without having to install updates on your computer.

1) The Navigation Bar

The selections presented on the Navigation Bar give you quick access to a wide variety of business information and reports. They also give you options for recording some types of transactions.

2) The Create Menu

The prominent "+" sign near the top-center of your window allows you to quickly create the forms needed for any transaction. The Create Menu is usually the quickest method of recording transactions.

3) The Gear

The Gear icon at the top-right of the browser window gives you the necessary tools for making adjustments to company settings and for performing infrequent but important accounting tasks.

Deleting Company Data

QuickBooks Online just finished making a large set of data for your company. Why would you want to delete most of it? Good question. First, this action will simplify the creation of a customized chart of accounts for *Food To Live For*. Second, knowing how to purge data may prove useful to you later on.

To see the current chart of accounts, click the icons shown in the Accounting Advice column (the Gear and the Chart of Accounts link).

After viewing the chart of accounts and returning to the Home window, notice the URL in your browser's address bar. It should look like the following:

<https://ca.qbo.intuit.com/app/homepage>

To purge company data, delete **homepage** and type **purgecompany** in its place, as shown below:

<https://ca.qbo.intuit.com/app/purgecompany>

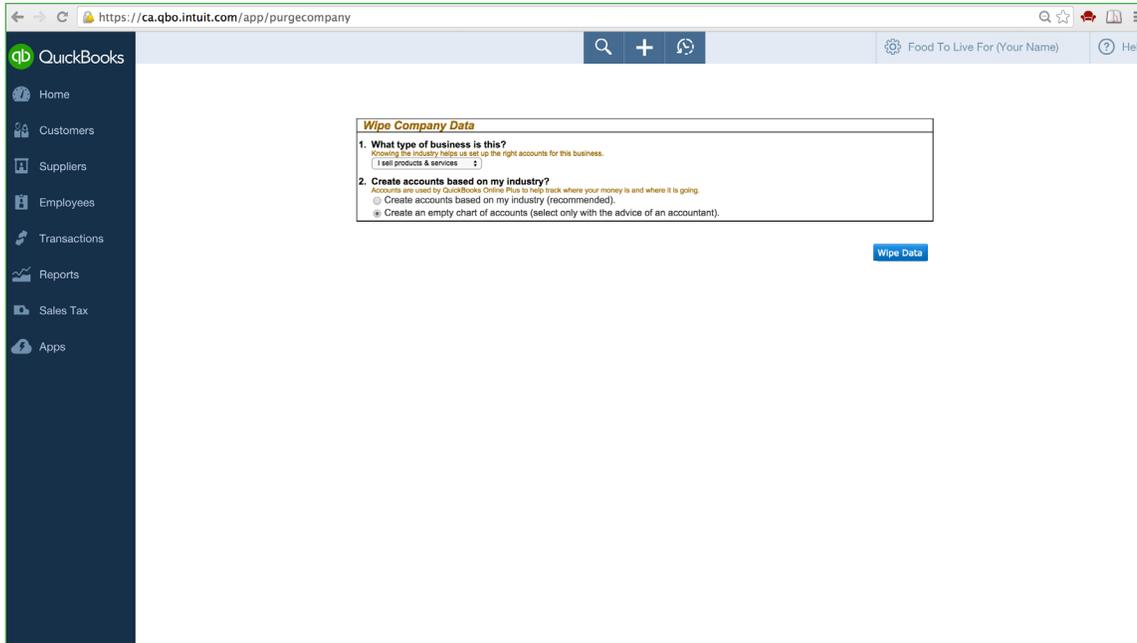
When you press the Enter key after typing **purgecompany**, you will be prompted to type "Yes" to confirm your intention. Then you will be presented with a screen similar to the one shown on the next page.

Accounting Advice



- After viewing the long list of accounts, return to the Home window by clicking "Home" in the Navigation Bar.

Deleting Company Data (continued)



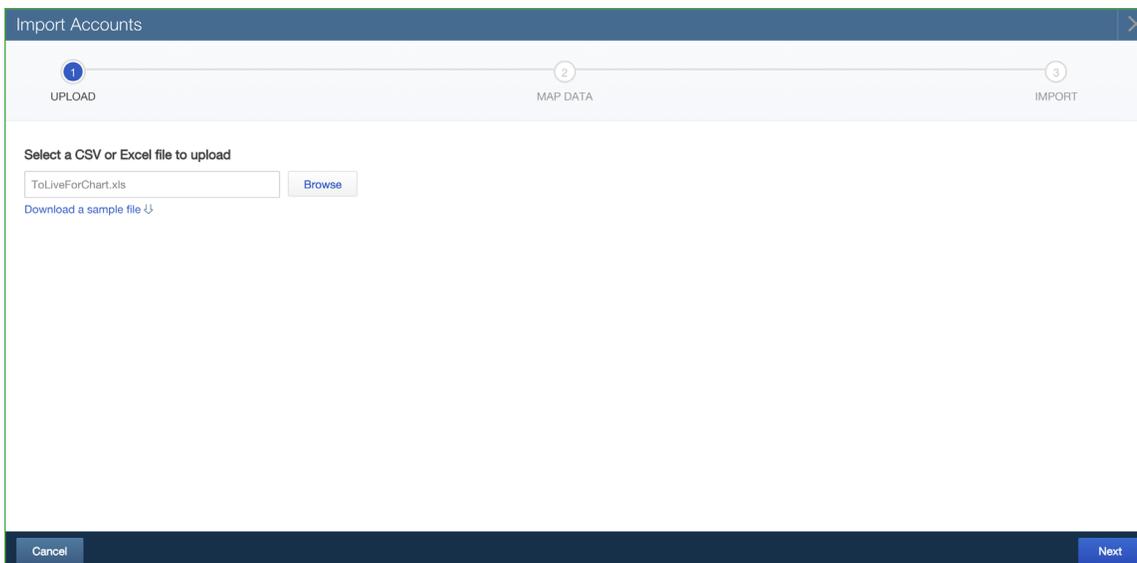
Before you click the Wipe Data button, answer the two questions exactly as shown above: the company sells products and services, and you want QBO to create an empty chart of accounts.

Once you have purged the data, check the chart of accounts again. (Click the **Gear** and **Chart of Accounts**). The list is not entirely empty; a few essential accounts remain, You are about to import the other accounts specific to *Food To Live For*.

Importing the Chart of Accounts

Before you import the chart of accounts, change a company setting first. Click the **Gear**, **Company Settings**, and **Advanced**. Then click **Chart of Accounts**. Select "Enable account numbers" and "Show account numbers." Save your changes.

To begin the process of importing, follow the icons and prompts in the adjacent "Accounting Advice" column to get to the screen below.



Accounting Advice

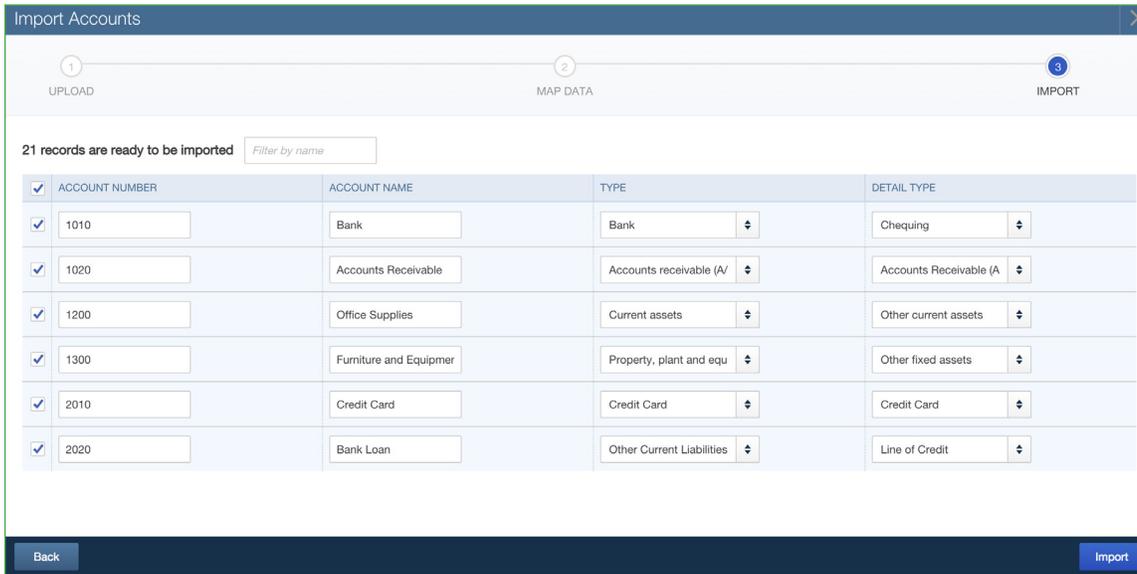
- As noted on the QBO window that appeared on your computer just prior to the adjacent screen, once you purge company data, there is no undo. Also, once you create a company, you have 90 days to purge its data.
- Purging may also prove useful if you make a number of mistakes with *Food To Live For*, or if you wish to start a new exercise once you are finished with this project.

Accounting Advice

- From the Import Data selections, choose **Chart of Accounts**.
- The name of the file to import is **ToLiveForChart.xls**. Your instructor will give you access to this file.

Importing the Chart of Accounts (continued)

Pressing the Next button twice will move you to the final stages of importing.



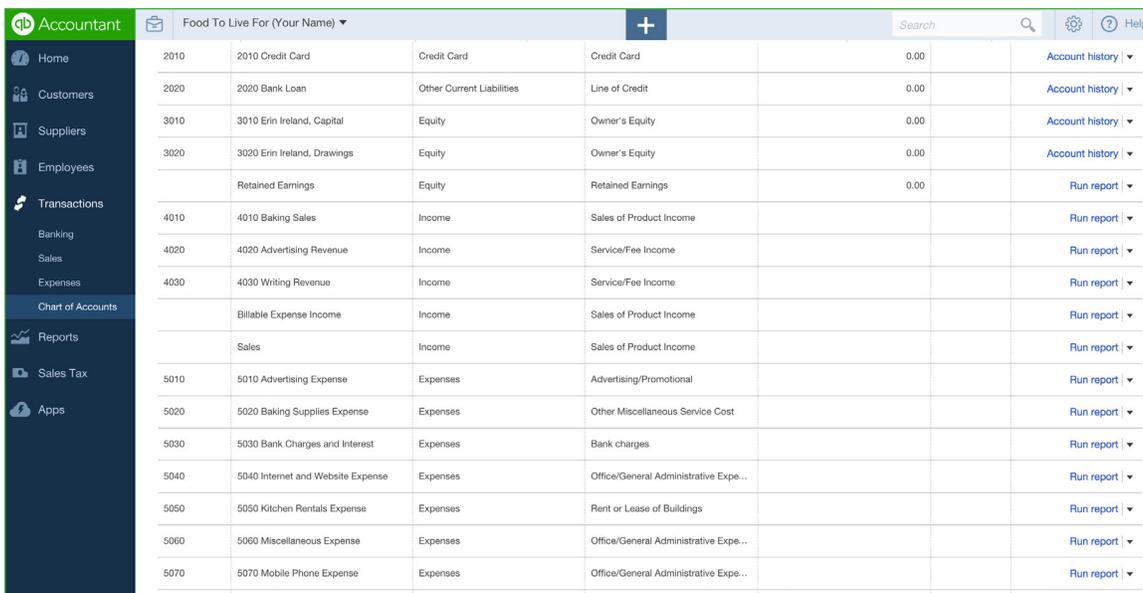
ACCOUNT NUMBER	ACCOUNT NAME	TYPE	DETAIL TYPE
1010	Bank	Bank	Chequing
1020	Accounts Receivable	Accounts receivable (A/	Accounts Receivable (A
1200	Office Supplies	Current assets	Other current assets
1300	Furniture and Equipmer	Property, plant and equ	Other fixed assets
2010	Credit Card	Credit Card	Credit Card
2020	Bank Loan	Other Current Liabilities	Line of Credit

Accounting Advice

- If your window looks like the adjacent image, press **Import**.

Viewing the Chart of Accounts

When the chart of accounts was prepared in Microsoft® Excel, each account was assigned a number. QuickBooks Online created some accounts of its own; and, by default, they do not have numbers. When you record transactions in this project, you will select the accounts with numbers.



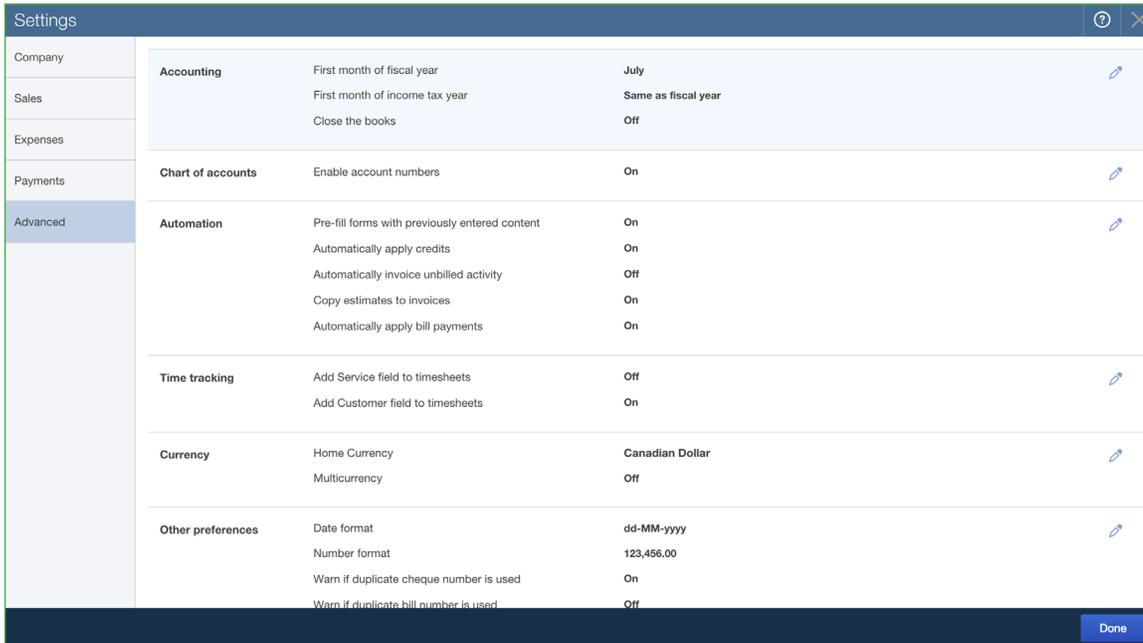
Account Number	Account Name	Type	Balance	Action
2010	2010 Credit Card	Credit Card	0.00	Account history
2020	2020 Bank Loan	Other Current Liabilities	0.00	Account history
3010	3010 Erin Ireland, Capital	Equity	0.00	Account history
3020	3020 Erin Ireland, Drawings	Equity	0.00	Account history
	Retained Earnings	Equity	0.00	Run report
4010	4010 Baking Sales	Income		Run report
4020	4020 Advertising Revenue	Income		Run report
4030	4030 Writing Revenue	Income		Run report
	Billable Expense Income	Income		Run report
	Sales	Income		Run report
5010	5010 Advertising Expense	Expenses		Run report
5020	5020 Baking Supplies Expense	Expenses		Run report
5030	5030 Bank Charges and Interest	Expenses		Run report
5040	5040 Internet and Website Expense	Expenses		Run report
5050	5050 Kitchen Rentals Expense	Expenses		Run report
5060	5060 Miscellaneous Expense	Expenses		Run report
5070	5070 Mobile Phone Expense	Expenses		Run report

Accounting Advice

- If you are unable to see all the columns in the chart of accounts, re-size the browser window or narrow the columns.

Company Settings

You can customize your company in QBO to suit your needs. Once you get to the **Settings** window shown below, select **Advanced** and establish the “First month of the fiscal year.” In this example, July has been chosen. You, however, should select the month in which you will complete this project.



Category	Setting	Value	Action
Accounting	First month of fiscal year	July	Edit
	First month of income tax year	Same as fiscal year	
	Close the books	Off	
Chart of accounts	Enable account numbers	On	Edit
Automation	Pre-fill forms with previously entered content	On	Edit
	Automatically apply credits	On	
	Automatically invoice unbilled activity	Off	
	Copy estimates to invoices	On	
	Automatically apply bill payments	On	
Time tracking	Add Service field to timesheets	Off	Edit
	Add Customer field to timesheets	On	
Currency	Home Currency	Canadian Dollar	Edit
	Multicurrency	Off	
Other preferences	Date format	dd-MM-yyyy	Edit
	Number format	123,456.00	
	Warn if duplicate cheque number is used	On	
	Warn if duplicate bill number is used	Off	

Accounting Advice

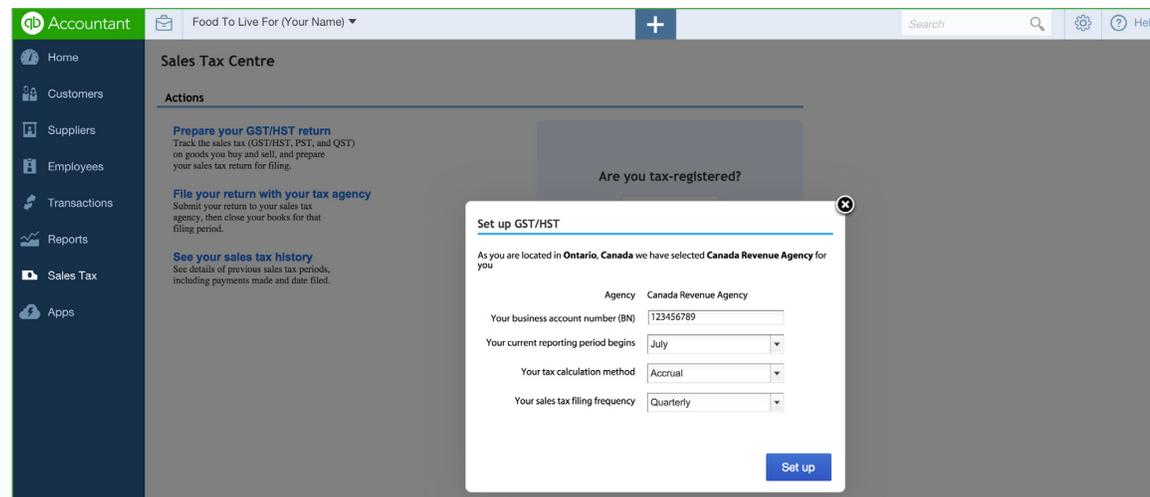
Company Settings

- Notice that account numbers are enabled.
- Select **Sales** from the selections on the left. Set the preferred payment terms for customers, which are Net 21 days. Also in the Sales Settings, make sure the selection for showing the “**Product/Service**” column on sales forms is turned on.
- **Important:** Before leaving the **Settings** window, choose **Company** and check to see that you entered Ontario as the location of the company. (The rest of the address details are unnecessary.)

Setting HST

Food To Live For is located in Ontario and therefore is subject to regulations under the Harmonized Sales Tax (HST). If you live in a province that does not have the HST, don't worry, you will catch on quickly.

After selecting Sales Tax from the Navigation Bar, follow the prompt to set up tax and enter the data below. Do not, however, necessarily enter July. Use the month that you identified as your first fiscal month in the Company Settings.



Set up GST/HST

As you are located in **Ontario, Canada** we have selected **Canada Revenue Agency** for you

Agency: Canada Revenue Agency

Your business account number (BN): 123456789

Your current reporting period begins: July

Your tax calculation method: Accrual

Your sales tax filing frequency: Quarterly

[Set up](#)

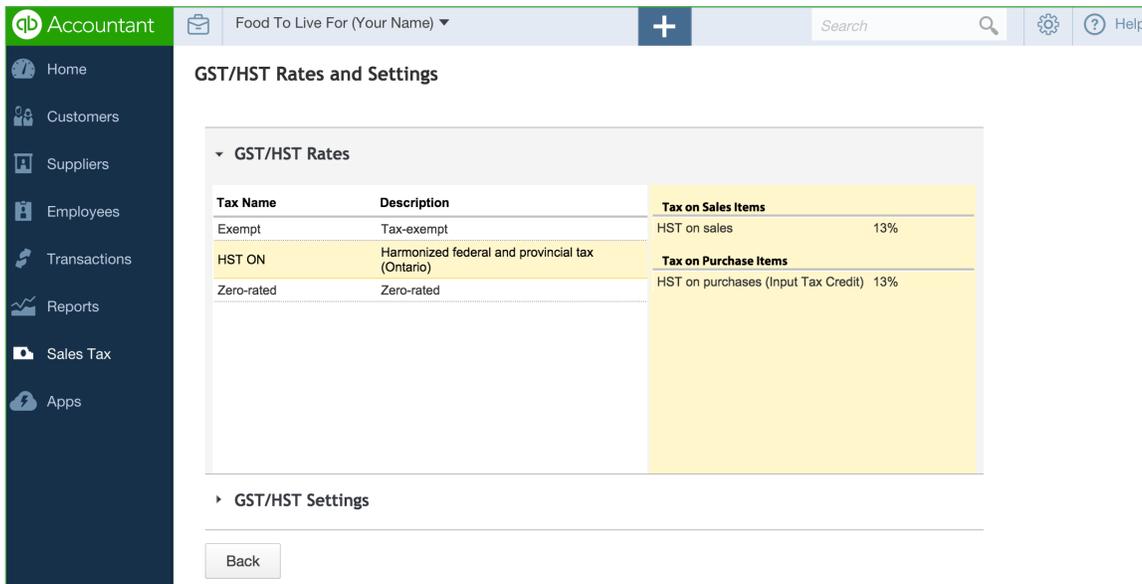
Accounting Advice

Sales Tax

- If you forgot to identify Ontario as the business's province, go back and do that now in the Company Settings.
- Click Set Up and you are done.

Checking HST

Staying in the Sales Tax section of the Navigation Bar, find the HST settings shown below. Notice that the HST is 13% on sales and that the HST “credit” on purchases is also 13%. Briefly, this means *Food To Live For* will charge and collect 13% of every sale it makes. Later, the business will send the amount of tax collected to the federal government, less 13% of the purchases it makes. (The 13% of eligible purchases are called Input Tax Credits.)



GST/HST Rates		
Tax Name	Description	Tax on Sales Items
Exempt	Tax-exempt	HST on sales 13%
HST ON	Harmonized federal and provincial tax (Ontario)	Tax on Purchase Items
Zero-rated	Zero-rated	HST on purchases (Input Tax Credit) 13%

Below the table, there is a section for 'GST/HST Settings' and a 'Back' button.

Accounting Advice

Sales Tax

- The HST system is similar to the GST system. So, if you are in a province that uses GST, you will quickly understand how HST works.
- Many accountants record HST charged on sales by crediting a liability account, such as HST Payable. HST on purchases are then recorded in a separate account (HST Recoverable, for example.)
The amounts in HST Payable are credits; the amounts in HST Recoverable are debits. The balance of HST Recoverable is ultimately subtracted from HST Payable to arrive at HST owed.
QuickBooks Online streamlines the HST system by using only one account—HST Payable. Amounts from sales are credited in this account; amounts from purchases are debited. When you need to know the HST owed (credits minus debits), QBO will quickly generate the required reports.

TRANSACTIONS

You are now ready to process the transactions for *Food To Live For*. As you do, keep in mind the following points:

- You will find more support in this document during the early stages of recording transactions. As you become comfortable with QBO, less and less help will be given.
- The transaction details will be given in a table like the one below. For the date, only the day is given. You can supply the current year and month.

DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
02	Online Transaction No. TNQ4593 Established line of credit of \$10,000; transferred \$2,000 to the business bank account.	2 000.00		2 000.00

- In the Accounting Advice column, you will notice icons like the following: . Clicking the links represented by these icons will get you to the QBO form recommended for recording the transaction. Be aware that other options and pathways may exist for making the same entry.

1

DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
02	Online Transaction No. TNQ4593 Established a line of credit of \$10,000; transferred \$2,000 to the business bank account.	2 000.00		2 000.00

Journal Entry #1

Journal date: 02-07-2015 Journal no.: 1 Is Adjusting Journal Entry?

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	SALES TAX
1	1010 Bank	2,000.00				
2	2020 Bank Loan		2,000.00	Deposited funds from the line of credit		
3						
4						
5						
6						
7						
8						
Total		2,000.00	2,000.00			

Memo:

Buttons: Cancel, Clear, Make recurring, Save, Save and new

Accounting Advice

[+ Journal Entry](#)

- In actual practice, QuickBooks Online provides impressive methods for recording online banking transactions. However, since *Food To Live For* has no real bank accounts, we will record Transaction 1 in the Journal.

Note: While it is possible to use the Journal for all transactions in this project, doing so would limit the many tracking and reporting features of QuickBooks Online. Therefore, we will use the Journal only as a last resort.

- When identifying accounts to debit or credit, you can click the triangles at the right of the Account field to make a drop-down menu appear. Or, as you begin typing the account number or the name of the desired account, you can select from the options that are presented.

- Click "Save and new."

2

DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
02	Online Transaction No. TNB49Z2 Transferred funds from Erin's personal bank account to the business account.	4 000.00		4 000.00

Journal Entry #2

Journal date: 02-07-2015 Journal no.: 2 Is Adjusting Journal Entry?

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	SALES TAX
1	1010 Bank	4,000.00				
2	3010 Erin Ireland, Capital		4,000.00	Personal investment of the owner		
3						
4						
5						
6						
7						
8						
Total		4,000.00	4,000.00			

Memo:

Buttons: Cancel, Clear, Make recurring, Save, Save and new

Accounting Advice

[+ Journal Entry](#)

- Again, since no actual bank accounts exist for this project, we will record Transaction 2 in the Journal.

- When you have saved your transaction, click the "X" in the blue bar to close the Journal window.

3

DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
02	<i>Credit Card Purchase/email receipt 59924</i> Completed the provincial registration of the business as a sole proprietorship. HST exempt.	80.00		80.00

Expense #59924

Province of Ontario | 2010 Credit Card | Balance \$0.00

AMOUNT: \$80.00

Payment date: 02-07-2015 | Payment method: Credit Card | Ref no.: 59924

Account details:

#	ACCOUNT	DESCRIPTION	AMOUNT
1	5060 Miscellaneous Expense	Registered the business as a sole proprietorship	80.00
2			
3			

Total: \$80.00

Buttons: Cancel, Clear, Print, Make recurring, Save, Save and new

Accounting Advice

- + Expense**
- In the Payee field, use the drop-down menu and add the Province of Ontario as a new payee. For this project, detailed descriptions of payees are unnecessary.
- Be aware of the payment method. In this case, the business's credit card is being used.
- Enter the other details as shown, including the Ref. No. field. When you enter the reference number, notice that it also appears at the top-left of the prominent blue bar.

4

DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
02	<i>Credit Card Purchase/email receipt 34306478</i> Used Webscapes Ltd. to register the domain name "tolivefor.ca" and to provide hosting services and template designs.	215.00	27.95	242.95

Expense #34306478

Webscapes Ltd. | 2010 Credit Card | Balance \$80.00

AMOUNT: \$242.95

Payment date: 02-07-2015 | Payment method: Credit Card | Ref no.: 34306478

Amounts are: Exclusive of Tax

Account details:

#	ACCOUNT	DESCRIPTION	AMOUNT	SALES TAX
1	5040 Internet and Website Expense	Domain registration, web hosting, and template choices	215.00	HST ON
2				
3				

Subtotal: \$215.00
HST (ON) @ 13% on 215.00: 27.95
Total: \$242.95

Buttons: Cancel, Clear, Print, Make recurring, Save, Save and new

Accounting Advice

- + Expense**
- This is the first time you will record sales tax. Simply ensure that HST ON appears in the Sales Tax field. (Use the drop-down menu or type the letter h and press the Tab key.)
QuickBooks Online will make the required tax calculations.
- HST ON stands for HST Ontario.
- Mistakes discovered later? They are easy to correct. First re-open the transaction window. (Try using the Clock icon shown in the adjacent image, the Briefcase icon in the Home menu, or digging through Transactions or Reports in the Navigation Bar.)
Once a transaction window is re-opened, make and save the desired changes.



5

DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
03	<i>Cheque Copy 001</i> To Darin' Designs Ltd. for website creation and maintenance.	1 750.00	227.50	1 977.50

Accounting Advice

+ Cheque

- Add Darin' Designs as a new payee (supplier).
- Be aware when the date changes.
- Enter the cheque number as shown.

Cheque #001

Darin' Designs 1010 Bank Balance \$6,000.00 \$1,977.50

Mailing address: Darin' Designs Payment date: 03-07-2015 Cheque no.: 001

Account details:

#	ACCOUNT	DESCRIPTION	AMOUNT	SALES TAX
1	5040 Internet and Website Expense	Website creation and maintenance	1,750.00	HST ON
2				

Subtotal: \$1,750.00 HST (ON) @ 13% on 1,750.00: 227.50 Total: \$1,977.50

Buttons: Cancel, Clear, Print or Preview, Make recurring, More, Save and new

6

DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
03	<i>Purchase Invoice 33992</i> Purchased desk, chair, and office fixtures from Mod Modular Furniture Ltd.; terms net 15 days.	1 589.99	206.70	1 796.69

Accounting Advice

+ Bill

- Choose "Bill" when you want to enter a purchase "on account" (i.e., "on credit").
- Add the credit terms of Net 15 days.

Bill #33992

Mod Modular Furniture Ltd. BALANCE DUE \$1,796.69

Mailing address: Mod Modular Furniture Ltd. Terms: Net 15 days Bill date: 03-07-2015 Due date: 18-07-2015 Bill no.: 33992

Account details:

#	ACCOUNT	DESCRIPTION	AMOUNT	SALES TAX
1	1300 Furniture and Equipment	Desk, chair, and office fixtures	1,589.99	HST ON
2				

Subtotal: \$1,589.99 HST (ON) @ 13% on 1,589.99: 206.70 Total: \$1,796.69

Buttons: Cancel, Clear, Make recurring, Save, Save and new

7	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	04	Sales Invoice 0001A Wrote restaurant reviews for Trending Talk Magazine; terms 21 days.	700.00	91.00	791.00

Accounting Advice

+ Invoice

- Choose "Invoice" when you want to enter a sale on account (i.e., on credit).
- Erin decides that setting credit terms at net 21 days—as opposed to net 30, for example—will lead to faster collections. If these terms do not appear automatically, change the Sales Settings as instructed on page 4 of this document.
- If you do not see the "Product/Service" column, change the Sales Settings as instructed on page 4 of this document.
- **Important:** In the Product/Service field of this Invoice form, add "Articles." You will then see a window that prompts you to add information about Articles. You need to enter only two items: 1) Identify Articles as a **Service**, and 2) Select **4030 Writing Revenue** as the associated Income Account.

Invoice #0001A

Trending Talk Magazine BALANCE DUE \$791.00

Send later

Billing address: Trending Talk Magazine
 Terms: Net 21 days
 Invoice date: 04-07-2015
 Due date: 25-07-2015
 Invoice no.: 0001A

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	SALES TAX
1	Articles		1	700	700.00	HST ON
2						
3						

Subtotal: \$700.00
 HST (ON) @ 13% on 700.00: 91.00
 Total: \$791.00
 Balance due: \$791.00

Message displayed on invoice:

Statement memo:

Buttons: Cancel, Clear, Print or Preview, Make recurring, Customize, Save, Save and send

8	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	04	Credit Card Purchase/email receipt 39038 Bought new laptop computer from Plantinga's Plug 'N' Play Ltd.	2 750.00	357.50	3 107.50

Accounting Advice

+ Journal Entry

- In actual business practice, a credit card purchase of an asset would be handled in the "Banking" section of QuickBooks Online. Again, since no real bank accounts or credit cards exist for *Food To Live For*, we will avoid the Banking section of QBO. Instead, use the Journal to record the purchase of this computer.
- Enter the name of the supplier.
- In the Sales Tax field, use the drop-down menu and choose the option that will identify this transaction as a purchase instead of a sale.

Journal Entry #3

Journal date: 04-07-2015
 Journal no.: 3
 Is Adjusting Journal Entry?

#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	SALES TAX
1	1300 Furniture and Equipment	2,750.00			Plantinga's Plug 'N' Play Ltd.	HST ON (Purchases)
2	2010 Credit Card		3,107.50	Bought laptop computer		
3						
4						
5						
6						
7						
8						

Subtotal: 2,750.00 / 3,107.50
 HST (ON) @ 13% (Purchases): 357.50
 Total: 3,107.50 / 3,107.50

Buttons: Cancel, Clear, Make recurring, Save, Save and new

9	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	05	<i>Sales Invoice 0002A</i> Article published in Urban Nights Magazine; terms net 21 days.	1 200.00	156.00	1 356.00

Accounting Advice

+ Invoice

- This revenue is similar to Transaction 7, so you should have no difficulties.
- As you have likely noticed, the source document total in the green section should match the total on the corresponding QBO form.
- After saving this transaction, check the Trial Balance from the Reports icon in the Navigation Bar. Check to see that the two sales invoices to date have been assigned to the Writing Revenue account.
If you need to edit any Product/Service data, use the Gear icon to do so.

Invoice #0002A

Urban Nights Magazine **BALANCE DUE \$1,356.00**

Send later

Billing address: Urban Nights Magazine
 Terms: Net 21 days
 Invoice date: 05-07-2015
 Due date: 26-07-2015
 Invoice no.: 0002A

Amounts are:

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	SALES TAX
1	Articles		1	1,200	1,200.00	HST ON
2						

Subtotal: \$1,200.00
 HST (ON) @ 13% on 1,200.00: 156.00
Total: \$1,356.00
Balance due: \$1,356.00

Message displayed on invoice:

Statement memo:

Buttons: Cancel, Clear, Print or Preview, Make recurring, Customize, Save, Save and send

10	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	06	<i>Store Receipt #39646</i> Used the business's debit card to buy a combo printer/scanner/copier from Cutting Edge Electronics Ltd.	425.00	55.25	480.25

Accounting Advice

+ Cheque

- The lack of actual bank accounts and credit cards for this project has forced you to use the Journal for a few transactions.
This time, however, since debit card purchases are similar to purchases with cheques, you can use QBO's Cheque option.
- To identify this purchase as a debit card transaction, change the information in the Cheque No. field, as shown.

Cheque #Debit Card 39646

Cutting Edge Electronics **Balance \$4,022.50** **AMOUNT \$480.25**

Mailing address: Cutting Edge Electronics
 Payment date: 06-07-2015
 Cheque no.:
 Print later

Amounts are:

Account details

#	ACCOUNT	DESCRIPTION	AMOUNT	SALES TAX
1	1300 Furniture and Equipment	Purchased a printer/scanner/copier combo	425.00	HST ON
2				

Subtotal: \$425.00
 HST (ON) @ 13% on 425.00: 55.25
Total: \$480.25

Memo:

Buttons: Cancel, Clear, Print or Preview, Make recurring, More, Save and new

Note

By now, you are probably quite comfortable with QBO, and you are getting familiar with the way *Food To Live For* operates. Therefore, expect less guidance as you complete the remaining transactions.

11	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	09	<i>Sales Invoice 0003A</i> Sold sidebar advertisement on the tolivefor.ca website to Pino's Espresso Bar; terms net 21 days .	797.00	103.61	900.61

Accounting Advice

- Add a new Product/Service named Advertising Revenue and associate it with account **4020 Advertising Revenue**.

12	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	09	<i>Sales Invoice 0004A</i> Published article in Fare Foods Magazine; terms net 21 days.	850.00	110.50	960.50

Accounting Advice

- Be sure to choose the correct Product/Service.

13	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	10	<i>Sales Invoice 0005A</i> Sold sidebar advertisement on the tolivefor.ca website to JoogyJuice Beverages; terms net 21 days.	997.00	129.61	1 126.61

Accounting Advice

- Be sure to choose the correct Product/Service.

14	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	14	<i>Purchase Invoice 11293</i> Bought a 1/8 page ad in Sustenance Plus Magazine; terms net 30.	1 200.00	156.00	1 356.00

Accounting Advice

- Add the credit terms of Net 30 days.

15	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	16	<i>Credit Card Purchase/email receipt 4742</i> Paid a registration fee to AdsOnline Ltd., a multi-level service for managing the website's advertising needs.	415.00	53.95	468.95

Accounting Advice

- Expense

16	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	16	<i>Debit Card Purchase/Store Receipt #489020</i> Purchased baking ingredients and supplies from All Organics Ltd. for making market-test samples of Erin's popular banana bread.	615.00	79.95	694.95

Accounting Advice

- You can use the Cheque option for recording this transaction. Typing the debit card information in the Cheque No. field will also make it appear in the top blue bar.
- Since the ingredients and supplies will be used up very quickly, debit an expense account instead of an asset.

Cheque #Debit Card 489020 AMOUNT

\$694.95

All Organics Ltd. 1010 Bank Balance \$3,542.25

Mailing address: All Organics Ltd. Payment date: 16-07-2015

Cheque no. Debit Card 4890 Print later

Amounts are Exclusive of Tax



DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
17	<i>Cheque Copy 002</i> Erin withdrew funds for personal expenses	1 300.00		1 300.00

Accounting Advice

+ Cheque

- Add Erin Ireland as the payee.

DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
18	<i>Credit Card Purchase/email receipt 5233</i> To AdsOnline for advertising "tolivefor.ca" on other websites	399.00	51.87	450.87

Accounting Advice

+ Expense

DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
19	<i>Sales Invoice 0006A</i> Wrote an article for Urban Nights Magazine	900.00	117.00	1 017.00

Accounting Advice

+ Invoice

DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
20	<i>Remittance Slip R001</i> Cheque received from Trending Talk Magazine for invoice 0001A.	791.00		791.00

Accounting Advice

+ Receive Payment

- After choosing "Receive Payment," select Trending Talk Magazine. After entering the date and reference number, clicking the check box beside Invoice #0001 will complete this form.

DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
21	<i>Debit Card Purchase/Store Receipt #33532</i> Purchased printer toner and other office supplies from Quill Pen Office Supplies Ltd.	269.99	35.10	305.09

Accounting Advice

+ Cheque

22	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	21	<i>Cheque Copy 003</i> To Kay's Commissary Kitchens for rental of shared commercial cooking facilities and equipment.	1 600.00	208.00	1 808.00

Accounting Advice

+ Cheque

23	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	21	<i>Online Transaction Confirmation TNL7845</i> Borrowed funds from the Line of Credit account. This online transaction transferred funds directly into the business's bank account.	7 000.00		7 000.00

Accounting Advice

+ Journal Entry

24	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	23	<i>Cheque Copy 004</i> Paid invoice 33992 to Mod Modular Furniture Ltd.	1 796.69		1 796.69

Accounting Advice

+ Suppliers **Mod Modular Furniture Ltd.**

- You have been using the **+** sign to access most of your QBO transaction forms. This time, try using the vertical Navigation Bar at the left side of your window.
- Choosing Suppliers and the "Make payment" hyper-link for Mod Modular Furniture Ltd. will get you a window similar to the adjacent image. Save your work when you are confident it is correct.

Bill Payment #004

Mod Modular Furniture Ltd. 1010 Bank **AMOUNT PAID \$1,796.69**

Send later

Mailing address: Mod Modular Furniture Ltd. Payment date: 23-07-2015 Ref no.: 004 Print later

Amount: 1,796.69

Outstanding Transactions

DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/> Bill # 33992 (03-07-2015)	18-07-2015	1,796.69	1,796.69	<input type="text" value="1,796.69"/>

Amount to Apply: \$1,796.69
Amount to Credit: \$0.00

Memo:

25	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	23	<i>Purchase Invoice 4842</i> Purchased ingredients and baking supplies from All Organics Ltd. for making banana bread; terms net 30 days.	857.24	111.44	968.68

Accounting Advice

+ Bill



DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
26 27	<i>Sales Invoice 0007A</i> Sold 24 loaves of banana bread to Betty's Bistro @ \$9.99 ea; terms net 7 days.	239.76	31.17	270.93

Accounting Advice

+ Invoice

• This is the first sale of banana bread. Customers will consume it quickly, so Erin decided to shorten the credit terms. Create and select the new credit terms of Net 7 days.

• Add a new Product/Service (**Baking Sales**). Identify Baking Sales as an **Item**, not a Service. Attach it to income account **4010 Baking Sales**.

Invoice #0007A

Betty's Bistro BALANCE DUE \$270.93

Send later

Billing address: Betty's Bistro
 Terms: Net 7 days
 Invoice date: 27-07-2015
 Due date: 03-08-2015
 Invoice no.: 0007A

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	SALES TAX
1	Baking Sales	Banana bread	24	9.99	239.76	HST ON
2						

Subtotal: \$239.76
 HST (ON) @ 13% on 239.76: 31.17
 Total: \$270.93
 Balance due: \$270.93

Message displayed on invoice:

Statement memo:

Buttons: Cancel, Revert, Print or Preview, Make recurring, Customize, More, Save, Save and send

DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
27 27	<i>Sales Invoice 0008A</i> Sold six dozen loaves of banana bread to Evan's Food Heaven @ \$9.99 ea; terms net 7 days.	719.28	93.51	812.79

Accounting Advice

+ Invoice

DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
28 28	<i>Online Transaction TNB8738</i> Paid the credit card balance for the statement dated July 15th.	3 430.45		3 430.45

Accounting Advice

+ Journal Entry

DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
29 28	<i>Sales Invoice 0009A</i> Sold 36 loaves of banana bread to Farm 'N' Sea Markets Ltd. @ \$9.99 ea; terms net 7 days	359.64	46.75	406.39

Accounting Advice

+ Invoice

DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
30 28	<i>Online Transaction Confirmation TNR3197</i> Paid the mobile phone bill to Solar Cellular Ltd.	95.00	12.35	107.35

Accounting Advice

+ Expense

• Add "Online Payment" as a new Payment Method.



31	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	30	<i>Online Transaction TNT1005</i> Online payment to CableBilities Ltd. for high speed internet service.	85.00	11.05	96.05

Accounting Advice

+ Expense

- If the month you chose for this project ends at either 28 or 30 days, simply use the last day of your month for the date.

32	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	30	<i>Cheque Copy 005</i> To Erin Ireland for rental of office space in her home.	360.00		360.00

Accounting Advice

+ Expense

33	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	30	<i>Remittance Slip R002</i> Cheque received from AdsOnline for the net advertising revenue earned by tolivefor.ca.	1 489.00	193.57	1 682.57

Accounting Advice

+ Sales Receipt

- AdsOnline coordinates and manages the advertising on *tolivefor.ca* and periodically sends a cheque to the business. This remittance represents the net amount of advertising revenue earned by the website. If you have trouble naming this customer (because the name is already taken under the Supplier section) alter the name slightly.

Sales Receipt #R002

Ads Online Ltd. AMOUNT \$1,682.57

Send later

Billing address: Ads Online Ltd. Sales Receipt date: 30-07-2015 Sales Receipt no.: R002

Payment method: Cheque Reference no.: R002 Deposit to: 1010 Bank

Amounts are: Exclusive of Tax

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	SALES TAX
1	Advertising Revenue	Net advertising revenue earned by tolivefor.ca	1	1,489	1,489.00	HST ON
2						

Subtotal: \$1,489.00
HST (ON) @ 13% on 1,489.00: 193.57
Total: \$1,682.57

Message displayed on sales receipt:

Buttons: Cancel, Clear, Print or Preview, Make recurring, Customize, Save, Save and send

34	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	31	<i>Cheque Copy 006</i> Paid wages to Effie Gonzales, the part-time baker. (Note: For simplicity, payroll deductions are not considered at this time.)	400.00		400.00

Accounting Advice

+ Cheque

35	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	31	<i>Online Transaction No. TNZ4331</i> Recorded the service and interest charges for July to the True North Bank.	20.63		20.63

Accounting Advice

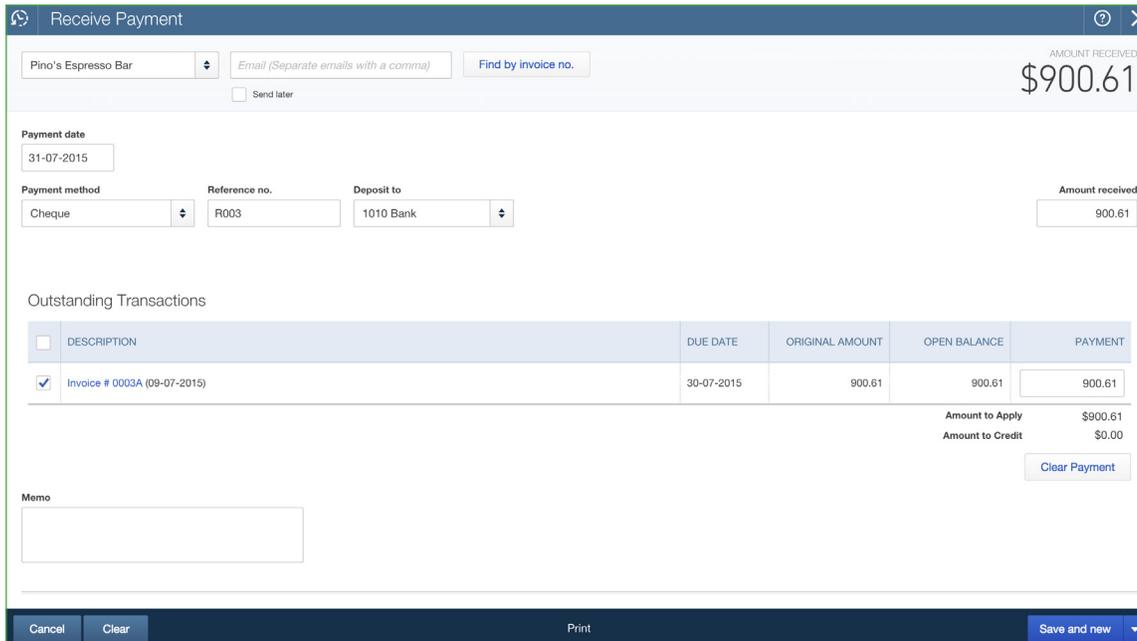
+ Expense

36	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	31	Remittance Slip R003 Received cheque from Pino's Espresso Bar in payment of sales invoice 0003A.	900.61		900.61

Accounting Advice

Customers: Pino's Espresso Bar

- You can use the Navigation Bar on the left of your window to record the receipt of this cheque.



37	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	31	Remittance Slip R004 Received cheque from JoogyJuice Beverages in payment of sales invoice 0005A.	1 126.61		1 126.61

Accounting Advice

Customers: JoogyJuice Beverages

38	DATE	TRANSACTION DETAILS	SOURCE Amount	DOCUMENT HST	DATA Total
	31	Online Transaction TNS3387 Reduced the line of credit by transferring funds from the bank account.	2 000.00		2 000.00

Accounting Advice

+ Journal Entry

REPORTS

QuickBooks Online has many impressive reporting options available in the Navigation Bar. While your instructor will tell you which reports he or she wants, expect to submit the following pdf files:

1. The Trial Balance (for the end of the month)
2. The Income Statement (for the current month)
3. The Balance sheet (for the end of the month)

ACCOUNTING EXTENSIONS

Requirements

Use the various reporting options of QuickBooks Online to answer the following questions. If you have the ability, use screen captures to illustrate your answers.

1. What is the amount of HST Owing? Explain how this situation came to be. Will it continue?
2. What was the net income for the month? Should this amount be a cause for concern? Explain.
3. Which expenses are the largest? Which of these will likely drop next month?
4. Which accounts receivable is most overdue? What should be done about it at this stage?



Erin Ireland cuddling a little banana bread

ENTREPRENEURIAL EXTENSIONS

Much of this QuickBooks Online project is fictional. The company, customers, suppliers, and financial numbers have been made up. The inspiration for the company, however, is a real entrepreneur. Erin Ireland owns and operates *To Die For Fine Foods* in Vancouver, BC. Erin's company is all about food—and, yes, it even sells banana bread.

How does a young person find herself in such an occupation? Good question. By exploring it, you may gain valuable insight into your own career aspirations.

Requirements

The address for Erin's website is itstodiefor.ca. One page on this site has specific links that will reveal the answers to the questions below. That page is <http://itstodiefor.ca/about-erin-ireland/>

1. Erin went to high school in North Vancouver, British Columbia. Where did she go to university? What sport did she play there? What was her degree program?
2. Identify two struggles that Erin experienced in her teen years and in her early twenties. Describe how those difficulties ultimately produced positive results. (Hint: explore the Raw Beauty link.)
3. What were Erin's early roles at CTV? (Hint: explore the Chatelaine link.)
4. How was her goal of being a news anchor connected to food? (Hint: Chatelaine.)
5. In a paragraph, explain what changed Erin's perspective about food and body image. How did this affect her career path? (Hint: Chatelaine.)
6. List the different aspects of Erin's current career activities. (Hint: Use the entire itstodiefore site.)
7. Identify and explain key ingredients of Erin's entrepreneurial success.

Bonus!

8. Where did Erin get Effie, her dog?