

# TOP 5 QBO TIPS

SO YOU DON'T HATE YOUR LIFE AT TAX TIME

1

RECONCILE YOUR  
BOOKS

4

CALL VENDORS  
WHAT THEY ARE

2

SET UP EASY  
REPORTS

5

CLOSING TIME

3

USE QBO TO MAKE  
SURE YOU GET  
PAID

# Update System & Reconcile

Each month set aside ample time to work on your books. Make this part of your monthly work flow. Set a date and mark that time off on your calendar. I recommend setting the date about 2-3 days after your bank statement cut off.

**1** If your bank account cycle is the 1st-31st, set your date around the 3rd of the month. That way when you update your account you will have the statement to reference. First enter all transactions. Using recurring templates can make this step faster. If you invoice the same customers each month? Or pay the same bills each month? Then this is a no brainer: Set up recurring templates that will automatically generate these transactions.

Next, formally reconcile all bank and credit card accounts. This process helps identify missing transactions, duplicate entries, and other errors.

If there are transactions left after reconciling, determine why. If you follow these steps monthly, when tax time comes your system will be ready.

**Saving countless hours!**

# 2

## Review Reports

Follow #1 up with viewing reports. Perform a health check of your business routinely. To save time, customize and save reports. The Balance sheet, Profit & Loss, Accounts Receivable and Sales reports are the most frequently used. Customize the reports most relevant to your business and save with a name identifiable to you. These reports will appear in the 'Customized Report' tab making this process quicker.

One customization tip I recommend is with the P&L. Viewing the P&L by month is a great way to see trends and inconsistencies. When customizing this report, change the 'display columns by' dropdown box from the default 'Total only' to 'Months'. Save this customization and the report is ready to view on the fly.

## Review Accounts Receivable (AR)

**3** Review open balances multiple times a month. This should be part of your customized reports, but it's important enough to mention again. AR directly affects cash flow; so staying on top of this is imperative. Set a process for the aging dates to send reminders. Such as, when the invoice is 1 day late, 15 days late and 30 days late. To make this process faster, QBO allows you to send reminder emails with custom notes to encourage payment.

## Use Vendor Names

**4**

When entering expense transactions, be sure to use a vendor/payee name. Even though this field is listed as optional, it is really important to include this information. A top benefit of this is the ability to search vendor records by vendor/payee name.

# 4

## Use Vendor Names (Continued)

It's also beneficial to use generic vendor names, where appropriate. Doing this will reduce the length of the vendor list and save time when entering transactions.

Examples of this are gas stations and restaurants. For instance, instead of entering the name of all gas stations you visit, create a vendor named 'Gas/Fuel' and use this for all of these type of expense transactions.

One last tip with vendors; be careful not to create vendors using the Employee type. Employee Type should only be used in conjunction with the Payroll module. Transactions using the Employee Type are not searchable in the Vendor area.

# 5

## Set A Close Date

Have you already filed last year's taxes? If so, don't mistakenly make entries to prior year. Set a close date, such as 12/31/20XX.