



The QuickBooks® Online Newsletter

FROM THE OFFICE OF



ACCOUNTING ADVANTAGE

6276 Jackson Road, Suite B
Ann Arbor, Michigan 48103

888 503-6265 • www.AcctgAdvant.com

June 2016

Charging for Time in QuickBooks Online Plus, Part 1

You could be losing revenue if you're not tracking billable time carefully. QuickBooks Online Plus can help.

You can't see time. Nor can you look at hours and minutes to see how many you have in inventory. But if you're a service-based business, your income is derived from this invisible asset. Billable time needs to be entered and invoiced with absolute precision.

QuickBooks Online Plus has this covered. By using its time-tracking tools, you can:

- Create records for single activities or for entire timesheets.
- Give employees "Time-Tracking Only" access so they can complete their own timesheets.
- Set up contractors as vendors.
- Mark time as billable.
- Invoice customers for time spent on work for them.

Here's how to get started.

A screenshot of the 'Time tracking' settings panel in QuickBooks Online Plus. The panel has a light blue background and a torn-paper edge effect on the right side. It contains three checked checkboxes: 'Add Service field to timesheets', 'Add Customer field to timesheets', and 'Show billing rate to users entering time'. Each checkbox has a question mark icon to its right. Below these is a dropdown menu for 'First day of work week' set to 'Monday'. At the bottom are 'Cancel' and 'Save' buttons.

Time tracking

Add Service field to timesheets ? On

Add Customer field to timesheets ? On

Show billing rate to users entering time ?

First day of work week

Monday

Cancel Save

*The **Time Tracking** section under the **Advanced** tab in QuickBooks Online's **Accounting and Settings***

Before you can start using QuickBooks Online's time-tracking tools, you'll need to make sure that this feature is turned on. Click on the gear icon in the upper right of the home page and select **Account and Settings**. Click on the **Advanced** tab. Both of the settings in the **Time Tracking** section should read **On**. If they don't, click on the pencil icon to the right and click in the boxes to the left of both lines to make checkmarks.

You'll have two additional options under **Add Customer field to timesheets**. You can choose whether employees will see the billing rate for their services. You can also change the first day of the work week by clicking on the up/down arrow.

Entering Time

By now, you should have created records for your employees and for your service items. If you haven't, let's get together and get you started on that. In order to start tracking time, you'll need to have these thoroughly completed and ready to go.

You have two options here. One involves creating a record for just one work session. To do this, click on the plus sign (+) at the top of the home page. Under **Employees**, select **Single Time Activity**.

*Tip: When you move the cursor over that line, you'll see a small arrow in a box to the right. Click on the arrow instead of the phrase **Single Time Activity**, and the **Time Activity** window pops out separately. You can do this anywhere in QuickBooks Online where that same arrow appears.*

You'll see a blank version of this screen:

The screenshot shows the 'Time Activity' form in QuickBooks Online. The form is titled 'Time Activity' and has a blue header. Below the header, there are several fields for recording a single activity. The fields are: Name (Susan James), Date (05/09/2016), Territory (Midwest), Class (Business), Customer (Bridget O'Brien), and Service (Social Media Consulting). There are also time fields: Time (9:00 AM), Start time (9:00 AM), End time (5:00 PM), and Break (1:00). A Description field contains 'Social media consulting, SEO training'. A Summary line shows '7 hours at \$65.00 per hour = \$455.00'. There are checkboxes for 'Bill at \$ 65.00 per hour', 'Taxable', and 'Enter Start and End Times'.

You'll use this QuickBooks Online screen when you want to record a single activity.

Complete the fields here by clicking on the up/down arrows to open lists of options or by entering data when no list is available. You'll enter the **Name** of the employee that

provided the service and the **Date** when it was performed. If you have created **Territory** and **Class** lists, select the correct ones here. Choose the **Customer** who will be charged for your employee's time and the **Service** received.

Be sure that there's a checkmark in box in front of **Bill at...** line. The hourly rate should have filled in automatically when you selected the **Service**. If you put a checkmark in the box in front of **Enter Start and End Times**, you can do so in the boxes provided. Otherwise, you'll just supply the number of hours and minutes. Finally, an expanded **Description** is optional but recommended. Save the screen when you've finished.

Limited Access

You may want to control the data entry for billable time that gets entered in QuickBooks Online. Perhaps you're asking employees and contractors to submit paper timecards so that you can make sure that every billable increment of time gets billed back to the correct customer.

But you can also allow your staff members to enter their own timesheet data in QuickBooks Online. If that's the case, you'll need to set them up as **Time Tracking only** users. Click on the gear icon next to your company name in the upper right and select **Manage Users** under **Your Company**. Click **New** and follow the steps in the **Mini Interview** window that opens.

Note: If you haven't gone through the process of assigning access rights to everyone who will be using QuickBooks Online, we can help you set this up so that individual staff members can work only in specific areas.

Choose user type Page 1 of 5

Choose a type of user. [Which users count?](#)

- Regular or custom user**
You specify which areas of QuickBooks Online Plus this user can access.
- Company administrator**
Company administrators have all access rights within QuickBooks Online Plus. They also have all access rights for every other service your company subscribes to.
- Reports only**
This type of user signs in to a special version of QuickBooks Online Plus that shows reports only. A Reports only user can access virtually all reports, except payroll reports and those listing contact information of customers, vendors, or employees. This user does not count toward your current user limit.
- Time Tracking only**
This type of user signs in to a special version of QuickBooks Online Plus that only has time sheets. A Time Tracking only user can fill out and change his or her own time sheets (but not other users' time sheets). This user does not count toward your current user limit.

*Using QuickBooks Online's **Mini Interview** as you set up users' access permissions, you can limit employees to **Time Tracking Only** so they can fill in their own timesheets.*

Next month, we'll talk about completing timesheets. We'll also explain how billable time records make their way to customer invoices, and we'll look at the time tracking reports available.