

Giersch Group

The Accountant's
Guide to Moving
Clients Online

PART 2: How to convert QuickBooks® Desktop data to QuickBooks Online

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

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Other parts
in this series:

Part 1



Why choose online?

intuitaccountants.com/online

Part 3



Resources to help clients
optimize their move online

intuitaccountants.com/optimize

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-conversion

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

Skip to [page 4](#).



Conversion

Learn how to import data to QuickBooks Online in a few easy steps tailored for Windows and Mac.

Skip to [page 5](#).



Post-conversion

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

Skip to [page 10](#).

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 and Mac companies using QuickBooks U.S. (including companies with the multicurrency feature turned on) with up to 350,000 targets.
- ✓ QuickBooks Desktop companies using U.K. and Canadian versions, including companies that have multicurrency turned on.

Download the latest trial from the import page in QuickBooks Online or at intuitaccountants.com/desktoptrial.

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.

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 U.K. and Canadian.
- ✗ 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 appcenter.intuit.com/transactionproimporter.

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

Need to set up payroll?



You can switch to a QuickBooks Online Payroll service to manage your payroll. In some cases, your payroll data will automatically update your year-to-date totals. If that data doesn’t migrate, you will need to enter your totals through the Prior Payroll flow.

Don’t set up QuickBooks Online Payroll until after you convert your desktop data. You’ll need to fill out an interview to set up employee deductions, tax information and so on before you’ll be ready to create paychecks.

Learn more here: bit.ly/migrationpayroll.

How to manage data that doesn't import

Most of your desktop company data comes with you when you move to QuickBooks Online. Here are some exceptions, and what you can do about them.

✓ Reconciliation reports

Save your reconciliation reports in QuickBooks Desktop to access them later. In QuickBooks Online, just continue reconciling where you left off. See our Reconcile Your Accounts tutorial at intuitaccountants.com/reconcilereports.

✓ Recurring credit card charges

(all other recurring transactions will come over)

Cancel each existing automatic credit card recurring charge from your Merchant Center and recreate it in QuickBooks Online as a recurring sales receipt.

✓ Reports


Find a similar report in QuickBooks Online and customize it to your preference. See the Customize Reports and Email tutorial at intuitaccountants.com/customreports, or check out [Apps.com](https://apps.com) for a list of reporting apps that can help your business.

✓ Audit trail

Your desktop audit trail won't come over, but all new changes going forward will be captured in the much-improved audit log within QuickBooks Online.

Note: *We won't import any non-posting transactions or accounts (except for estimates and purchase orders).*

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-conversion:

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 will be given the option to import lists and balances only.

Conversion:

 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 explain each step along the way for Windows and Mac.



Importing data using WINDOWS

- 1 Open QuickBooks Desktop.
- 2 Click **Company > Export Company File to QuickBooks Online**.

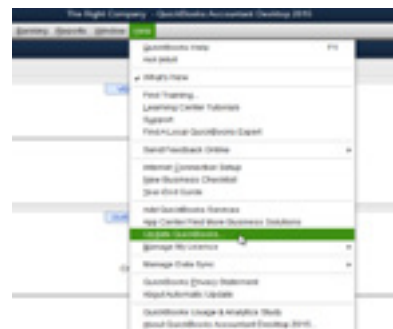
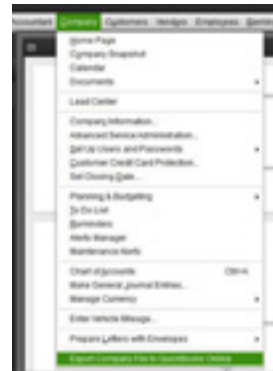
If you do not see this option, there are two things you can do:

i) Download the latest trial on the import desktop data page in QuickBooks Online at intuitaccountants.com/desktoptrial.

OR

ii) Use the following steps to update QuickBooks Desktop:

- a. Click **Help > Update QuickBooks**.
- b. Select all updates in the **Update Now** window.
- c. Click **Get Updates**.
 (If not all updates are downloaded, the export company link may not appear.)
- d. Click **Close**.
- e. Click **File > Exit**.
- f. 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.



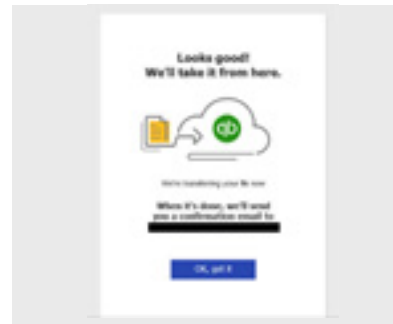
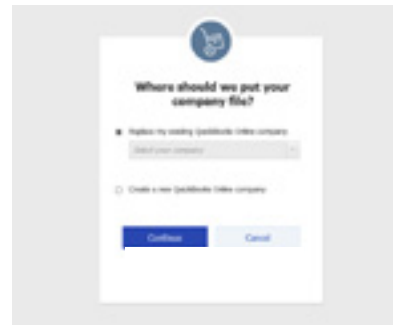
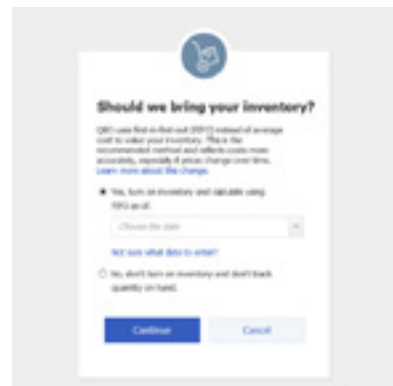
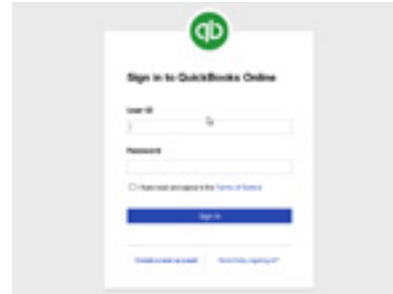
3 Click **Continue** to start importing the interview.

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 and you will need to file **Form 3115** with the IRS.

5 Pick the online company into which you'd like to import your data. This should be the company that you just created within QuickBooks Online Accountant.

6 Click **OK, got it.** We'll email you when we're done!





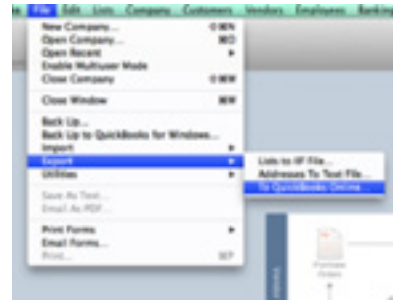
Importing data using MAC

1 If your screen has the export option shown at right, continue to the next step. If you don't see this option, and you're on QuickBooks Mac 2012 or later, you have two options:

i) Download the latest trial on the import desktop data page in QuickBooks Online at intuitaccountants.com/desktoptrial.

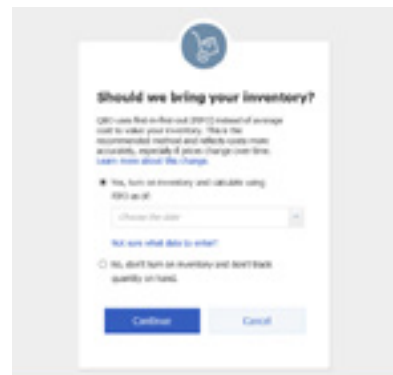
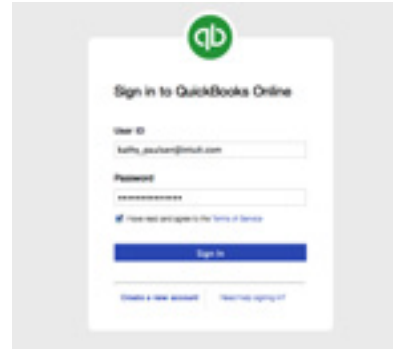
OR

ii) Update to the latest version by going to **QuickBooks > Check for QuickBooks Updates**. (This may require you to restart QuickBooks Desktop.)

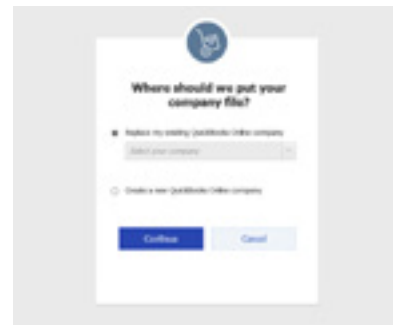


2 Sign in to QuickBooks Online using your user ID and password.

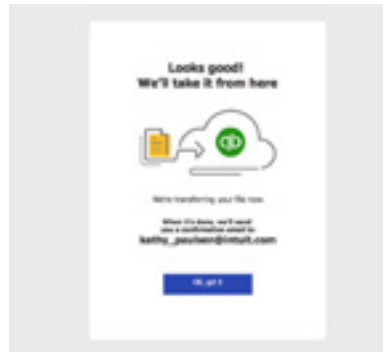
NOTE: Need to import inventory? You will first need to convert the file to a Windows copy. Then you will need to use Windows to open the file and do the import. See the "Convert your Macintosh file to Windows file" section at intuitaccountants.com/convertmac.



3 Pick the online company into which you'd like to import your data. This should be the company you just created in QuickBooks Online Accountant.



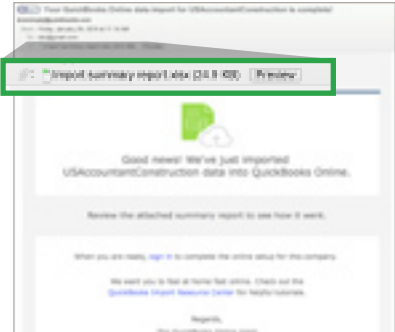
- 4 Click **OK, got it**. We'll send you an email when the import is done,▶ with a link to sign in!



Import Summary Report for Windows and Mac

1 Check your email for the Import Summary Report

After the conversion is complete, you'll receive an email with an Import Summary Report attached. It's an Excel file that includes diagnostic information to help you easily compare the QuickBooks Desktop file with the QuickBooks Online file. It also identifies issues that you may need to address post-conversion.



2 Use the Import Summary Report to get specific details

The first tab includes company details about both the desktop and the online file. You'll see a list of data components, along with links that will take you to a specific tab within the report for further details and explanations.

Click on specific tabs to get more details.

| | DESKTOP AMOUNT | ONLINE AMOUNT |
|----------------------------|----------------|---------------|
| Accounts | 138 | |
| Vendors | 54 | |
| Items | 80 | |
| Non-recurring transactions | 1213 | |
| Recurring transactions | 5 | |
| Term liabilities | 34 | |
| Employees | 5 | |
| Customers | 145 | |

| ACCOUNT | IMPORT STATUS |
|-------------------------------|---------------------------------------|
| Direct Deposit Liabilities | Skipping account as parent is not yet |
| Bond Expense | Skipping account as parent is not yet |
| Freight & Delivery | Skipping account as parent is not yet |
| Purchase Orders | The account was non-posting. |
| Estimates | The account was non-posting. |
| Sales Orders | The account was non-posting. |
| Mileage Income | Skipping account as parent is not yet |
| Reimbursed Freight & Delivery | Skipping account as parent is not yet |
| Reimburse Income | Skipping account as parent is not yet |
| Direct Deposit Liabilities | Skipping account as parent is not yet |
| Freight & Delivery | Skipping account as parent is not yet |
| Reimbursed Freight & Delivery | Skipping account as parent is not yet |
| Bond Expense | Skipping account as parent is not yet |
| Reimburse Income | Skipping account as parent is not yet |

Take a deeper dive

For more information about the Import Summary Report, watch the video at bit.ly/ImportSummary2.

Troubleshoot import errors

Find answers to common QuickBooks Online import errors at intuitaccountants.com/Qs.

Tips for receiving the Import Summary Report



Even though you will be doing the conversion from within QuickBooks Desktop, you will need to have already signed up for QuickBooks Online Accountant in order to receive the email that includes this report.

If your client does the in-product conversion and you are the accountant user for their QuickBooks Online account, you'll receive the report. Your client will not receive the report unless you send it to them.

Post-conversion:



Completing and testing the data conversion

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

You'll need the info below to complete payroll setup, so have it on hand before you start.



- W-4 information for all employees*
- Pay information for all employees*
- Federal and state tax filing information (IDs, rates, pay/file frequency)
- Year-to-date totals for each employee
- Year-to-date totals as of last pay date in prior quarter
- Payroll totals for current quarter by pay date
- Tax payments made this year
- Company bank account/routing number and principal officer information, if using direct deposit and/or electronic tax payment/form filing
- Employee bank information, if using direct deposit

Learn more here: bit.ly/migrationpayroll

*Include terminated employees paid this year

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.



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.

If you import inventory, you need to complete and file IRS Form 3115. Do this immediately after migrating or attach it to your tax return for the year the change takes place.

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

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.

✔ 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.

✔ 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.

✔ Memorized Reports

Customize the reports you want in QuickBooks Online and save the customizations in My Custom Reports. Find out how at intuitaccountants.com/customreports.

✔ 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.

☑ Merchant Accounts

QuickBooks Online has its own merchant service, which works similarly to the one in QuickBooks Desktop editions.

If you're using the QuickBooks Merchant Service, you can transfer it for use with QuickBooks Online instead and sign in. During conversion, the accounts you used for your merchant service and the transactions in them are converted (see **Accounts**).

To transfer your QuickBooks Merchant Service to QuickBooks Online, go to **Settings > Payments > Connect existing account**.

You will need to set up any recurring transactions that were processing a credit card automatically as a recurring sales receipt.

☑ 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.

☑ Downloaded Transactions / Online Banking

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.

☑ 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 and other list elements

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) |

✔ Share free QuickBooks Online training materials with your clients

As a QuickBooks Online Accountant user, you have free access to benefits of the QuickBooks ProAdvisor® Program—including free training for your clients.

Here's how to access these training materials:

- 1 Click on the ProAdvisor tab in the left navigation panel of QuickBooks Online Accountant.
- 2 Click on the Training tab.
- 3 Scroll down to “Training for Your Clients: QuickBooks Online.”
- 4 Download documents that you can share with your clients on topics such as Getting Started, Navigating QuickBooks Online, Recording Transactions and Reporting.

Make your clients' transition easier with the QuickBooks Online App

Available for both Windows and Mac, the free QuickBooks Online App enables your clients to get the benefits of QuickBooks Online with the speed and familiarity of desktop performance.



With the app, clients will be able to:

- Launch QuickBooks Online with one-click access so they can skip signing in.
- Easily open multiple windows and drag them to anywhere on their desktop or across multiple screens for optimal side-by-side viewing.
- Maximize productivity with keyboard shortcuts, a toolbar, and menu options they're familiar with from QuickBooks Desktop.
- Save time with automatic refresh. When clients edit an expense, an open report in another window automatically refreshes with the new data.

Invite your clients to download the app at intuitaccountants.com/movedesktop.