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ACCOUNTING

Discover Two Key New Features in QuickBooks Online

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Mar. 05, 2021



Thanks to the cloud, if there is one thing that is consistent about [QuickBooks Online](#), it's the ability to evolve the product. Based on the feedback of CPAs and accountants who want to work with their clients as efficiently as possible, Intuit is continually improving existing features and adding new ones that enhance workflow.

Here is an overview of two of our latest evolutions: The new Chart of Accounts experience and Custom Tags.

New Chart of Accounts

A new Chart of Accounts experience is rolling out in QuickBooks Online and is designed to help your clients not only correctly categorize transactions, but also provide guardrails to help eliminate clutter and errors from being created in their account.

“Accounting professionals and their clients will love this new feature because it reduces the guesswork faced when recording transactions in the Banking Center and Transactions screens in QuickBooks Online,” said Heather Satterley, CPA, MSI, founder of [Satterley Training & Consulting, LLC](#). “This feature has been thoughtfully designed and created to help relieve the anxiety clients experience when categorizing transactions, as well as help reduce the amount of reclassification work their accountant partners must do at the end of a period.”

According to Satterley, the user experience offers three key benefits:

- 1. A standardized Chart of Accounts** is applied to a new QuickBooks Online company based on the industry and tax entity type selected in the new company setup wizard. This eliminates the guesswork when setting up and structuring the Chart of Accounts.
- 2. Client users are only able to add a sub-account** to the existing pre-defined parent accounts and will not be able to create new parent accounts unless adding a new bank or credit card account. While accountants will still be able to add parent accounts, sub-accounts keep the Chart of Accounts orderly and provide the ability to track granular details that clients need to manage their business. The client-created sub accounts can also be collapsed into the parent accounts on reports.
- 3. Accounts are suggested when a client records a new transaction** in the Transactions tab.

“These user-facing features will drastically improve the reliability of the accounting data and reduce the amount of cleanup,” says Satterley. “The good news is that accounting professionals will have the same experience we have now that will provide the flexibility to structure the Chart of Accounts according to preference.”

For example, users can add parent accounts, turn on account numbers, and import a Chart of Accounts. Intuit is also adding entity types and industries over time and will include predefined account structures that align with their selected industry and entity type. Planned industries include real estate/property management, law firms, contractors, manufacturing/wholesale, and restaurants/food service, among others. Planned entity types include sole proprietorships, partnerships, C corporations, S corporations, and not-for-profits.

The new Chart of Accounts experience began rolling out to a limited number of new users in February 2021, and will not be retroactively applied to any existing QuickBooks accounts. For example, clients who set up QuickBooks Online accounts themselves, and identify their business as a sole proprietor and a service-based business may see the new experience. Whereas accountant users who create a new company for their clients via QuickBooks Online Accountant will not.

Custom Tags

Users can now start tracking the most important information about their business with help from Custom Tags in QuickBooks Online.

Why should accountants be aware of tags? Tags are customizable labels that let your clients track their money however they want in order to gain deeper insights into their business. This enhances the role accountants play as a trusted advisor because they can now help clients understand their business in much more detail.

For example, an accountant can add tags to money in and money out transactions, such as invoices, expenses, and bills, as well as where the business made and spent money. Tags don't impact the books; they are simply labels that allow users to track different types of data without having to touch the Chart of Accounts.

To get started using tags, go to “Banking” in the left navigation, then click on “Tags.” Check out this [video tutorial](#) or learn more [here](#).

These new features will help accountants to enhance and better manage their client relationships. Discover them today.

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