



Breakthrough Solutions, LLC
Providing solutions to help your business succeed!

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Chart of Accts

Chart of Accounts in QuickBooks®

The Chart of Accounts is a complete listing of all assets, liabilities, equity, income, cost of goods and expenses. You can select the chart of accounts from various places in QB: 1) From the home page in the 'Company' section, 2) An icon on the menu bar, 3) You can select the List menu and the Chart of Accounts is also located there.

Once the Chart of Account is open you can do a variety of tasks. You can right-click your mouse to bring up a menu of options for that account or you can click on the Account, Activities, or Reports button on the bottom of the screen.

It is important to understand how QuickBooks® uses accounts before setting up or changing your accounts.

- "Parent" or heading accounts (also called a total account because when you view the account it will have a total of all of the "Sub-accounts" associated with it)
- "Sub-accounts" or posting accounts along with regular accounts in the chart of accounts.
- "Regular" accounts are "Parent" accounts without "Sub-accounts"
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If you are using "Parent" accounts with "Sub-accounts" you need to remember that you should only post transactions to the "Sub-account"

- Using the "Parent" account will cause QuickBooks to set up an "Other" account which is something that may cause inaccurate numbers in viewing or printing reports.
- Anytime you see an account on a financial report showing – **Other** you should correct the transaction to the correct "Sub-account".

Chart of Accts

Shown below is a portion of a chart of accounts from a QuickBooks® company that shows regular accounts, parent accounts and sub-accounts. The following are regular accounts:

Printing and Reproduction, Promotional Expense, and Rent

Parent accounts are:

Professional Fees, and Repairs

Sub-accounts are:

Legal Fees, Accounting Fees, Payroll Service Fees, Computer Repairs, and Equipment Repairs

◆ Printing and Reproduction
◆ Professional Fees
◆ Legal Fees
◆ Accounting Fees
◆ Payroll Service Fees
◆ Promotional Expense
◆ Rent
◆ Repairs
◆ Computer Repairs
◆ Equipment Repairs

Using this list and posting a transaction to Professional Fees would show up in the ledger as Professional Fees – Other. To correct this use one of the sub-accounts instead of the parent account.