

GETTING STARTED

Print Reports

- Balance Sheet from the day before the cleanup period begins through the end of the year that the cleanup period covers, displaying columns by month (for example, if the cleanup period is all of 2023, run the Balance Sheet from 12/31/2022 - 12/31/2023)
- Profit & Loss for the cleanup period, displaying columns by month (for example, if the cleanup period is all of 2023, run the Profit & Loss from 1/1/2023 - 12/31/2023)
- A/R Aging Summary Report with today's date
- A/P Aging Summary Report with today's date
- Account Register data that will be affected during the cleanup

SETUP

Account & Settings: Advanced Tab

Accounting

- Fiscal Year should be January for Cleanup. Remember to change it back!
- Open the books, if necessary

Automations - Turn off

- Pre-fill forms with previously entered content
- Automatically apply credits
- Automatically invoice unbilled activity
- Automatically apply bill payments

Complete the Section

- In the Company Settings section, use the dropdown to select **Done**.

NOTE: If you are still waiting for direction from the client, mark the status as "Waiting."

Match the Schedule L

- Run a Balance Sheet report for the last date of the year of the tax period of the Schedule L.
- Use the [Schedule L Worksheet](#) to record the balance difference for each account.
- Create an adjusting journal entry to bring the balances into alignment.

Opening Balance Adjustments

- Using source documents, record opening balances.

Complete the Section

- Across from “Opening Balance Adjustments,” use the dropdown to select **Done**.

NOTE: If you are still waiting for direction from the client, mark the status as “Waiting.”

Potential Issues - Bank Accounts

- Connect or reconnect any disconnected bank feeds (the client will likely have to do this)
- Import bank feeds, if necessary

Complete the Section

- Across from “Disconnected bank feeds,” use the dropdown to select **Done**.

NOTE: If you are still waiting for direction from the client, mark the status as “Waiting.”

Add Tasks to Final Review

- Review accounts without activity on setup tab
- Review chart of accounts in setup tab — check for industry-specific, entity-specific, duplicates, and redundant accounts
- Review customers list
- Review vendors list
- Review products and services (optional)

TRANSACTION REVIEW

Bank Feed Settings

- Turn on Show bank details
- Adjust Page size to 300

Exclude Transactions

- Exclude transactions older than cleanup period

Matches - Money In

- The date of the bank feed and the date of the QBO transaction should be within a few days of each other.
- Confirm matches paired to another transactions
- If matching to open balances, confirm with client whether they use Receive Payment (add transaction before matching) or match from bank feed
- Attempt to find matches for anything Uncategorized
- Confirm Suggested categories
- Confirm refunds are categorized to the original account
- Categorize remaining transactions as “Uncategorized Income” to review with client

Matches - Money Out

- Where possible, use check images to confirm Check data
- For check, use Find match to confirm there is no match before adding
- Use bank detail to categorize Uncategorized Expenses
- For transactions that have Payees, check Categorization History
- Categorize remaining transactions as “Uncategorized Expense” to review with client

Bank Rules

- Check for no Payees
- Check for “Suggested”
- Confirm they are not too vague or specific
- Check rule order

Complete the Section

- In the “Before Your Start” section, across from “Bank transactions,” use the dropdown to select **Done**.

NOTE: If you are still waiting for direction from the client, mark the status as “Waiting.”

TRANSACTION REVIEW

Reclassify

- Look for any holding accounts, such as “Ask My Accountant” or other client-created accounts, and reclassify those transactions as “Uncategorized Income” or “Uncategorized Expense.”
- Sorting Uncategorized Expense by Customer/Vendor may show where the purchase was made, which can help determine what the purchase was for.
- If there are parent categories, reclassify to sub-categories.
- Select the Balance Sheet accounts to look for Uncategorized Assets or to make sure you know what each account is for and how it is used.

Client Requests

- Send individual transaction requests to client
- If amount is overwhelming, download and send a spreadsheet

Complete the Section

- In the “Open Issues” section, across from “Uncategorized transactions,” use the dropdown to select **Waiting**.

NOTE: If you were able to resolve all of the issues, you can mark the section complete.

Transactions without Payees

- Click **Show more** to see all of the transactions listed on one page.
- Sort the list by Memo to group together transactions with similar descriptions or bank text for help with vendor.
- If there are transactions that cannot be matched to a vendor, send a transaction-level client request from here.
- Do not use the Void or Delete options from this screen.

Complete the Section

- In the “Open Issues” section, across from “Transactions without payees,” use the dropdown to select **Waiting**.

NOTE: If you were able to resolve all of the issues, you can mark the section complete.

TRANSACTION REVIEW

Undeposited Funds

- For transactions prior to the cleanup period, negative deposit to Reconciliation Discrepancies
- Attempt to match to correct deposit
- If cannot be matched, negative deposit to income account (check transactions for this)

Complete the Section

- In the “Open Issues” section, across from “Undeposited funds,” use the dropdown to select **Done**.

NOTE: If you are still waiting for direction from the client, mark the status as “Waiting.”

Personal Transactions

- Use the Reclassify tool to run through any accounts that may stand out as possible personal expenses: meals, entertainment, travel, “Personal expenses” or similar.
- Reclassify any actual personal expenses as Owner’s Equity.

Complete the Section

- In the “Additional Items” section, across from “Check for personal transactions,” use the dropdown to select **Done**.

NOTE: If you are still waiting for direction from the client, mark the status as “Waiting.”

Loan Payments

- Use source documents to confirm loans have been set up correctly
- Confirm principal and interest are recorded correctly

Complete the Section

- In the “Additional Items” section, across from “Review loan payments,” use the dropdown to select **Done**.

NOTE: If you are still waiting for direction from the client, mark the status as “Waiting.”

TRANSACTION REVIEW

Record Cash Transactions

- If the client is using a Petty Cash account, the receipts serve as source documents. Enter them as needed.
- If the client is using personal funds to make a business purchase, use a zero-dollar expense to record the transaction to both the expense account and owner's equity.

Complete the Section

- In the "Additional Items" section, across from "Record cash payments," use the dropdown to select **Done**.

NOTE: If you are still waiting for direction from the client, mark the status as "Waiting."

Accounts Payable

- Use A/P Aging Summary report to check for issues (negative or zero dollar balances)
- Delete incorrectly added transactions
- Connect payments to bills
- Create AJE and connect to bill, if necessary

Complete the Section

- In the “Unusual or Unexpected Balances” section, across from “Accounts Payable (90+ days),” use the dropdown to select **Done**.

NOTE: If you are still waiting for direction from the client, mark the status as “Waiting.”

Accounts Receivable

- Use A/R Aging Summary report to check for issues (negative or zero dollar balances)
- Delete incorrectly added transactions
- Connect payments to invoices
- Create AJE and connect to invoice, if necessary
- For balances that will never be paid:
 - If accrual: Write Off to Bad Debt
 - If cash: Apply Credit Memo to original invoice

Complete the Section

- In the “Unusual or Unexpected Balances” section, across from “Accounts Receivable (90+ days),” use the dropdown to select **Done**.

NOTE: If you are still waiting for direction from the client, mark the status as “Waiting.”

FINAL REVIEW

Profit and Loss

Run for the year.

- Which accounts are not being used?
- Are there duplicates that should be merged?
- Which accounts can be combined into parent and sub-accounts?

Balance Sheet

Run for the year.

- Which accounts are not being used?
- Are there industry-specific accounts included where necessary?
- Are the entity-specific accounts set up?
- Are there duplicates that should be merged?
- Which accounts can be combined into parent and sub-accounts?

Complete the Section

On the Setup tab:

- In the “Potential Account Issues” section, across from “Accounts without activity (90+ days),” use the dropdown to select **Done**.
- In the “Additional Items” section:
 - Across from “Make sure chart of accounts has industry-specific accounts,” use the dropdown to select **Done**.
 - Across from “Make sure chart of accounts has entity-specific accounts,” use the dropdown to select **Done**.
 - Across from “Check for duplicate accounts,” use the dropdown to select **Done**.

On the Final Review tab:

- In the “Reports” section:
 - Across from “Review accounts without activity on setup tab,” use the dropdown to select **Done**.
 - Across from “Review chart of accounts in setup tab,” use the dropdown to select **Done**.

NOTE: If you are still waiting for direction from the client, mark the status as “Waiting.”

FINAL REVIEW

Sales by Customer Summary Report

- Check for duplicate customers that can be merged
- Check for customers set up as vendors that need to be made inactive
- Customers that the client hasn't done work for in a long time that can be made inactive in batch (clear the balance first)

Complete the Section

- In the "Reports" section, across from "Review customers list," use the dropdown to select **Done**.

NOTE: If you are still waiting for direction from the client, mark the status as "Waiting."

Expenses by Vendor Summary report

- Check for duplicate vendors that can be merged
- Check for vendors set up as customers that need to be made inactive
- Vendors that the client hasn't done work for in a long time that can be made inactive in batch (clear the balance first)
- Check for W-9/1099 setup, if necessary

Complete the Section

- In the "Reports" section, across from "Review vendors list," use the dropdown to select **Done**.

NOTE: If you are still waiting for direction from the client, mark the status as "Waiting."

Record Assets

- Add any missing assets to the chart of accounts.
- Add accumulated depreciation as a sub-account so they stay together.
- Add depreciation expense if necessary.
- Adjust any corresponding loans if necessary.
- Edit and correct any uncategorized assets.

Complete the Section

- In the "Reports" section, across from "Record missing assets," use the dropdown to select **Done**.

NOTE: If you are still waiting for direction from the client, mark the status as "Waiting."

ACCOUNT RECONCILIATION

Select Accounts

- Uncheck any Equity accounts except for OBE

Opening Balance Equity

- Clear out balances where possible

Reconcile Loans

- Not often connected to the bank feed, so enter manually.
- Add the finance charge/interest paid when beginning the reconciliation, if necessary

Reconcile Credit Cards

- Use the Opening Balance Adjustment tool in Books Review to move any previous balance to the “Reconciliation Adjustments” account.

Asset Accounts

- Make inactive accounts with zero transactions.
- Delete duplicate transactions (delete the one that has been added from the bank feed; i.e., “Online banking match” in the upper lefthand corner_.
- Go back to the Bank transactions and match it to the correct QBO transactions.
- Clear any zero-dollar transactions.

Complete the Section

- In the “Current Status” section, use the dropdown to select **Done**.
- In the “Additional Items” section:
 - Across from “Reconcile loan accounts,” use the dropdown to select **Done**.
 - Across from “Review reconciliation report” use the dropdown to select **Done**.

NOTE: If you are still waiting for direction from the client, mark the status as “Waiting.”

Products & Services

- Not too simple or too complicated
- Check the income and expense accounts that the items are feeding into.
- Check inventory levels and adjust if necessary
- Make inactive any that aren't being used
- Grouped in new or different categories, as necessary

Sales Tax Liabilities

- Find out the specific requirements for the business, either from the state's department of revenue or from the client's tax professional.
- Ensure that the agencies and filing frequencies are correct.
- Check the list to make sure that each product/service is set up correctly.
- Make sure that any tax-exempt customers are setup correctly and that you have the IRS determination letter on file.
- Confirm that payments recorded were actually made and/or recorded correctly.

Payroll Liabilities

- Check the Payroll liability accounts to make sure they are not just continuing to accrue (money is added but not removed) or have a negative balance (money is removed but not added).
- Get reports from third parties as necessary and reconcile the accounts to find any discrepancies.
- Reach out to QBO Payroll team or third party if adjustments are necessary.

Recurring Transactions

- Do they have recurring transactions set up?
- What function do they serve?
- Are they doing what was intended?

Custom Fields

- Do they have custom fields set up?
- What function do they serve?
- Are they doing what was intended?
- For QBO Advanced, is the correct field type selected?

Tags

- Do they have recurring transactions set up?
- What function do they serve?
- Are they doing what was intended?
- Are there untagged transactions that should be tagged? Or vice versa?

Users

- Are the users still active?
- Who has access to what? Is this correct?

Profit & Loss

- The only irregular negative balances should be explainable.
- No more vague categories (Reconciliation discrepancies, Ask my accountant, Uncategorized income, Uncategorized expense)
- No more personal expense accounts, such as meals and entertainment.
- All asset, liability, and equity accounts are on the balance sheet.
- No duplicate or similar categories.
- If parent accounts are present, all transactions are categorized to the subaccounts.
- E-commerce activity accounts, such as eBay/PayPal sales, etc., are set up correctly.

Complete the Section

- In the “Reports” section, across from “Review profit and loss,” use the dropdown to select **Done**.

Balance Sheet

None of the following:

- Uncategorized assets
- Unusual or unexpected balances
- Negative balances that are unexplainable
- Zero balances that are unexplainable
- Similar or duplicate account names
- Accounts that appear to belong on the Profit and Loss
- Assets without depreciation counts, unless not yet required
- Liabilities without correct principal and interest notations

Complete the Section

- In the “Reports” section, across from “Review balance sheet,” use the dropdown to select **Done**.

Prepare Reports

- Select “Basic Company Financials”
- Remove Table of Contents, Preliminary Notes and End Notes
- Remove Statement of Cash Flows
- Add any additional reports that may be applicable to the client.
- Select the correct period for the cleanup. Compare the previous year.
- Click Advanced to check personal information.

Complete the Section

- In the “Summary Tasks” section, across from “Prepare reports,” use the dropdown to select **Done**.

Send Report Package

- Click **Send** to open the report scheduler or attach to a Client Request

Complete the Section

- In the “Summary Tasks” section, across from “Send report package,” use the dropdown to select **Done**.

Close the Books

- Turn on **Close the Books**
- Choose whether to set a password

Complete the Section

- In the “Summary Tasks” section, across from “Close the books,” use the dropdown to select **Done**.